



## INFORMATIONAL REPORT

**DATE ISSUED:** May 19, 2008  
**REPORT NO:** HCR 08-064  
**SUBJECT:** Third Quarter FY08 Budget Status Report

### **NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION**

#### **SUMMARY**

The total amount available for expenditure in FY08 is \$301.6 million and this amount includes the current year budget of \$273.2 million plus the \$28.4 million of continuing appropriations from the previous year's balance of vendor/contractor commitments. The FY08 data indicates that the Housing Commission's overall expenditure balances are greater than budget expectation primarily due to less administrative expenditures and less program expenditures related to the disposition of public housing as well as HF&D prior year commitments and projects in the pipeline. Overall revenues received were higher than budget expectation because of the significant carryover of Section 8, Redevelopment, Local, Affordable Housing funds and Property Management reserves.

#### **BACKGROUND**

The purpose of the Quarterly Budget Status Report is to show expenditure and revenue trends and possible deviations from the FY08 Budget plan. If funds were expended and revenues received equally throughout the year, it would be expected that, at the end of the third quarter, approximately 75% of the expenditures/commitments and revenues would be achieved.

#### **DISCUSSION**

There are three attachments to this report that show the current status of expenditures and revenues for the third quarter of FY08. A summary of the Agency's Expenditures and Commitments by activity as of March 31, 2008 is provided in Attachment 1. This attachment identifies by activity, the FY08 Original Budget, Revisions, Current Budget, Prior Year Commitments, Expenditures, Commitments and the Remaining Balance of the budget and commitments. An overview of this attachment shows that the Housing Services remaining balance is greater than expectation due to the significant carryover of prior year funds in Rental Assistance. In Housing Services & Resident Services, the disposition of public housing mid-year resulted in less expenditure of public housing related revenues. In Housing Finance & Development, the remaining balance is greater than expectation due to prior year commitments and projects in the pipeline while Operations is under spent due to lower administrative expenses. The Agency's expenditures and commitments for all activities are \$165.8 million, or 55% of the \$301.6 million total budget plus continuing appropriations. Of this amount, expenditures are \$142 million and commitments are \$23.8 million.

Attachment 2 is a summary of the Agency's Expenditures and Commitments by Major Account as of March 31, 2008. This attachment identifies by major account, the FY08 Original Budget, Revisions, Current Budget, Prior Year Commitments, Expenditure and Commitments and the Remaining Balance of the budget and commitments. An overview of this attachment shows that the balance remaining in Salaries & Benefits is slightly greater than budget expectation due to position vacancies. The Supplies & Services balance is also greater than expectation due to the planned purchase of computer equipment, the annual audit and

booking of central office cost center management fees expected in the fourth quarter. The balance for Rent to Owners is greater than expectation due to prior year carryover; and the balance of Loans & Grants is greater than budget expectation due to the prior year commitments and projects in the pipeline. Other Housing programs are greater than expectation because of the disposition of public housing that has resulted in less expenditure of public housing revenues for resident services expenses, relocation and extraordinary maintenance.

Attachment 3 is a summary of the Agency's revenues as of March 31, 2008 by major revenue classification. This attachment identifies by major revenue source, the FY08 Original Budget, Revisions, Current Budget, Prior Year Commitments, Revenues Received and the % Received. An overview of this attachment shows Restricted Revenues are higher than budget expectations as Section 8, Other HUD funds and Restricted Local funds include the carryover of significant reserves on the Voucher and Property Management programs and also include the carryover of City School acquisition sale funds, Coastal Housing, Condo Conversion and Redevelopment funds. CDBG funds are below budget expectation due to pending contract approval at the City of San Diego while the state funds are less than expected due to the delay in state approval of annuity funds for the two housing management projects and pending approval of other projects. Most Unrestricted Revenues are higher than budget expectation due to significant carryover of funds from FY07 except for HOME funds that are only received as loans are funded. This will change as commitments for HOME projects are funded in the next quarter. The Agency's revenues were \$224.1 million or 74% of the \$301.6 million total budget plus continuing appropriations.

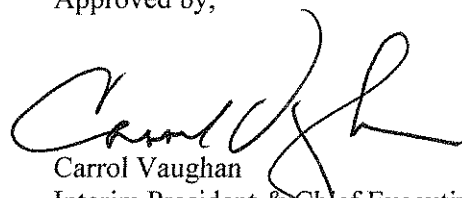
Since the Second Quarter Budget Status Report, the FY08 Budget has been revised from \$231,663,338 to \$273,175,319. The increase in the FY08 Budget of \$41,511,981 is due to the approval of the \$41,194,106 Fall Revision, the \$6,795 adjustment of Resident Services grants to actual carryover and additional funds of \$311,080 from Redevelopment Crossroads HELP, CalFHA HELP, Shelter Plus Care and CDBG. Attachment 4 reflects the six revisions that increased the FY08 Budget and seven revisions that transferred funds among activities and/or major line items.

Respectfully submitted,

Approved by,



John Pfeiffer  
Chief Financial Officer



Carrol Vaughan  
Interim President & Chief Executive Officer

MONTAGUE (578-7732)

Attachments:

1. FY08 Summary of Expenditures and Remaining Commitments by Activity as of March 31, 2008.
2. FY08 Summary of Expenditures and Remaining Commitments by Account as of March 31, 2008.
3. FY08 Summary of Revenues Received as of March 31, 2008.
4. FY08 Third Quarter Budget Amendments

**THIRD QUARTER BUDGET STATUS REPORT**

**FY08 EXPENDITURES AND CONTINUING APPROPRIATIONS BY ACTIVITY AS OF 03/31/08**

ACTIVITY GROUPS	FY08 ORIGINAL BUDGET (A)	FY08 REVISIONS (B)	FY08 CURRENT BUDGET (C) (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS AS OF 03/31/08 (E) (C+D=E)	FY08 EXPENSES AS OF 03/31/08 (F)	FY08 COMMITMENTS AS OF 03/31/08 (G)	FY08 BALANCE AS OF 03/31/08 (H) (E-F-G=H)	% REMAINING BALANCE (I) (H/E=I)
<b>HOUSING SERVICES</b>	<b>154,630,950</b>	<b>18,566,960</b>	<b>173,197,910</b>	<b>2,522,720</b>	<b>175,720,630</b>	<b>110,136,103</b>	<b>824,197</b>	<b>64,760,330</b>	<b>37%</b>
Rental Assistance	134,463,479	17,473,600	151,937,079	78,528	152,015,607	96,540,135	59,254	55,416,218	36%
Property Management	17,767,073	768,896	18,535,969	2,411,968	20,947,937	12,294,346	613,814	8,039,777	38%
Resident Services	2,400,398	324,464	2,724,862	32,224	2,757,086	1,301,622	151,129	1,304,335	47%
<b>HOUSING FINANCE &amp; DEVELOPMENT</b>	<b>45,489,969</b>	<b>15,306,745</b>	<b>60,796,714</b>	<b>25,201,451</b>	<b>85,998,165</b>	<b>24,974,356</b>	<b>22,185,695</b>	<b>38,838,114</b>	<b>45%</b>
Rental Housing Production	26,004,672	12,250,554	38,255,226	15,425,413	53,680,639	12,836,263	14,294,444	26,549,932	49%
Homeownership	5,753,737	646,502	6,400,239	3,537,330	9,937,569	3,145,966	3,315,473	3,476,130	35%
Rehabilitation	7,835,614	919,519	8,755,133	276,024	9,031,157	4,351,459	601,220	4,078,478	45%
Portfolio Servicing & Occupancy Monitoring	2,799,101	192,617	2,991,718	22,968	3,014,686	891,701	7,768	2,115,217	70%
Special Purpose Housing	3,096,845	1,297,553	4,394,398	5,939,716	10,334,114	3,748,967	3,966,790	2,618,357	25%
<b>OPERATIONS</b>	<b>11,190,279</b>	<b>23,730</b>	<b>11,214,009</b>	<b>742,874</b>	<b>11,956,883</b>	<b>6,924,085</b>	<b>810,363</b>	<b>4,222,435</b>	<b>35%</b>
Board & Executive Functions	851,878	0	851,878	0	851,878	628,057	0	223,821	26%
Support Services	9,506,866	23,730	9,530,596	722,430	10,253,026	5,654,110	763,048	3,835,868	37%
Policy & Governmental Affairs	831,535	0	831,535	20,444	851,979	641,918	47,315	162,746	19%
<b>PROGRAM &amp; CONTINGENCY RESERVES</b>	<b>19,977,140</b>	<b>7,989,546</b>	<b>27,966,686</b>	<b>0</b>	<b>27,966,686</b>	<b>0</b>	<b>0</b>	<b>27,966,686</b>	<b>100%</b>
<b>TOTAL</b>	<b>231,288,338</b>	<b>41,886,981</b>	<b>273,175,319</b>	<b>28,467,045</b>	<b>301,642,364</b>	<b>142,034,544</b>	<b>23,820,255</b>	<b>135,787,565</b>	<b>45%</b>

**THIRD QUARTER BUDGET STATUS REPORT**

**FY08 EXPENDITURES & CONTINUING APPROPRIATIONS BY ACCOUNT AS OF 03/31/08**

EXPENSE CATEGORY	FY08 ORIGINAL BUDGET (A)	FY08 REVISIONS (B)	FY08 CURRENT BUDGET (A+B=C) (C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (E)	FY08 EXPENSES AS OF 03/31/08 (F)	FY08 COMMITMENTS AS OF 03/31/08 (G)	FY08 BALANCE AS OF 03/31/08 (H)	FY08 BALANCE REMAINING (I)	%
			(A+B=C)	(D)	(C+D=E)	(F)	(G)	(E-F=G=H)	(H/I=E=K)	
SALARIES & BENEFITS	17,838,859	0	17,838,859	0	17,838,859	11,638,427	0	6,200,432	35%	
SERVICES & SUPPLIES	8,594,369	938,097	9,532,466	829,279	10,361,745	5,163,697	1,062,177	4,135,871	40%	
HOUSING PROGRAMS										
RENT TO OWNERS	128,476,578	17,035,658	145,512,236	2,493,605	148,005,841	92,488,833	2,595,610	52,921,398	36%	
LOANS & GRANTS	30,419,718	15,664,106	46,083,824	20,439,859	66,523,683	20,850,650	17,281,283	28,391,750	43%	
OTHER HOUSING PROGRAMS	25,981,674	259,574	26,241,248	4,704,302	30,945,550	11,892,937	2,881,185	16,171,428	52%	
HOUSING PROGRAM TOTAL	184,877,970	32,959,338	217,837,308	27,637,766	245,475,074	125,232,420	22,758,078	97,484,576	40%	
PROGRAM CONTINGENCY & RESERVES	19,977,140	7,989,546	27,966,686	0	27,966,686	0	0	27,966,686	100%	
TOTAL	231,288,338	41,886,981	273,175,319	28,467,045	301,642,364	142,034,544	23,820,255	135,787,565	45%	

**THIRD QUARTER BUDGET STATUS REPORT**

**FY08 SUMMARY OF REVENUES RECEIVED AS OF 03/31/08**

	FY08 ORIGINAL BUDGET (A)	FY08 REVISIONS (B)	FY08 CURRENT BUDGET (A+B=C) (C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (E) (C+D=E)	ACTUAL REVENUE RECEIVED (F)	% RECEIVED (F/E=G)
<b>REVENUES</b>							
Restricted Revenues							
Section 8	137,157,916	19,504,554	156,662,470	122,596	156,785,066	121,979,047	78%
Other HUD	25,651,539	(3,796,712)	21,854,827	5,456,458	27,311,285	19,286,850	71%
State	1,050,663	38,153	1,088,816	1,394,477	2,483,293	1,340,081	54%
CDBG	3,351,474	136,645	3,488,119	151,883	3,640,002	1,145,704	31%
Restricted Local	13,591,838	8,299,401	21,891,239	1,231,487	23,122,726	16,850,379	73%
Restricted Revenues Sub-total	180,803,430	24,182,041	204,985,471	8,356,901	213,342,372	160,602,061	75%
Unrestricted Revenues							
Rental Rehabilitation	34,848	0	34,848	0	34,848	30,152	87%
Local	21,980,911	3,709,955	25,690,866	1,034,600	26,725,466	24,687,825	92%
Affordable Housing Fund	11,768,015	5,017,503	16,785,518	9,354,980	26,140,498	25,758,429	99%
HOME	16,701,134	8,977,482	25,678,616	9,720,564	35,399,180	13,039,041	37%
Unrestricted Revenues Sub-total	50,484,908	17,704,940	68,189,848	20,110,144	88,299,992	63,515,447	72%
<b>TOTAL REVENUES</b>	<b>\$231,288,338</b>	<b>\$41,886,981</b>	<b>\$273,175,319</b>	<b>\$28,467,045</b>	<b>\$301,642,364</b>	<b>\$224,117,508</b>	<b>74%</b>

**Third Quarter FY08 Budget Amendments**

**I. Budget Revisions**

	<u>Amount</u>	<u>Source</u>	<u>Activity</u>	<u>Expense</u>	<u>Approved by</u>
1	41,194,106	Various	Various	Various	Housing Authority
2	6,795	Various	Various	Various	President & C.E.O.
3	1,000	CDBG Housing Finance	Reserves	Reserves	President & C.E.O.
4	50,000	Redevelopment Crossroads	HF&D Rehab Owner Occupied/Reserves	Loans & Grants/Reserves	President & C.E.O.
5	130,000	Discretionary	HF&D Rental Housing Production	Loans & Grants	Housing Commission
6	130,080	Shelter Plus Care	HF&D Special Purpose Housing/Reserves	Rent to Owners/Loans & Grants/Reserves	Housing Authority
	<b>41,511,981</b>	<b>Total Budget Revisions</b>			

**II. Budget Transfers**

	<u>Amount</u>	<u>Source</u>	<u>From Activity/Line Item</u>	<u>To Activity/Line Item</u>	<u>Transfer Amount</u>	<u>Approved by</u>
7	0	HOME Program	Reserves/Reserves	HF&D Occupancy Monitoring/ Office Equipment	60	President & C.E.O.
8	0	HOME Program	Reserves/Reserves	HF&D Homeownership/Salaries, Benefits, Services & Supplies	1,625	President & C.E.O.
9	0	Local Funds	Facilities Mgmt/Development	Facilities Mgmt/Office Equipment	4,773	President & C.E.O.
10	0	HOME Program/HTF Linkage	HF&D Special Purpose/Loans & Grants	HF&D Rental Housing Production/Loans & Grants	90,000	President & C.E.O.
11	0	Section 8 Voucher	Reserves/Reserves	Rental Assistance/Contract & Consultants	50,000	President & C.E.O.
12	0	HUD Lead Demo Grant	HF&D Rehab Rental Housing/Loans & Grants	HF&D Rehab Owner Occupied/Loans & Grants	60,000	President & C.E.O.
13	0	HUD Lead Control Grant	HF&D Rehab Rental Housing/Loans & Grants	HF&D Rehab Owner Occupied/Loans & Grants	95,000	President & C.E.O.
	<b>0</b>	<b>Total Budget Transfers</b>				

**Grand Total Budget Revisions & Transfers**

**41,511,981**