



## INFORMATIONAL REPORT

**DATE ISSUED:** October 31, 2008  
**REPORT NO:** HCR 08-076  
**SUBJECT:** Fourth 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 was \$302.5 million; this amount includes the FY08 budget of \$274.4 million plus the \$28.1 million of continuing appropriations from the previous year's balance of vendor/contractor commitments. The FY08 data indicates that the Housing Commission's overall expenditures and commitments are below pace with budget expectation due to less administrative expenditures, the timing of various housing projects and the multi-year nature of several programs. Overall revenues are below budget expectation due to programs whose reimbursements are limited to actual expenditures and the multi-year nature of some funds.

#### **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 fourth quarter, approximately 100% of the expenditures/commitments and revenues would be achieved.

#### **DISCUSSION**

There are three attachments to this report that show the status of expenditures and revenues for the fourth quarter of FY08. A summary of the Agency's Expenditures and Commitments by Activity as of June 30, 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 expected 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, the remaining balance is greater than expected 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 \$226.6 million, or 75% of the \$302.5 million total budget plus continuing appropriations. Of this amount, expenditures are \$191 million and commitments are \$35.6 million.

Attachment 2 is a summary of the Agency's Expenditures and Commitments by Major Account as of June 30, 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 expected due to lower expenditures in travel, training, contracts/consultants, sundry and central office cost center management fees. The balance for Rent to Owners is greater than expected due to

prior year carryovers; 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 balance remaining is greater than expectation because of the disposition of public housing that resulted in less expenditure for resident services and extraordinary maintenance. Also, in Other Housing Programs, housing development projects are in the planning stages resulting in less expenditures.

Attachment 3 is a summary of the Agency's revenues as of June 30, 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 Percent Received. An overview of this attachment shows Restricted Revenues are higher than budget expectation. Section 8 had significant carryover of prior year funds while Other HUD Funds are on pace as public housing related expenses were reimbursed with the completion of the disposition. State Funds included a new award of Cal Home funds and the Restricted Local Funds had higher rental income and a one-time insurance settlement. The only Restricted Fund that was lower than expected was CDBG, the contract for FY08 with the City of San Diego is pending approval and funds will be requisitioned upon contract approval. Unrestricted Revenues overall are lower than expectation in the fourth quarter. Rental Rehabilitation received lower principal and interest payments than expected while HOME funds are only received as loans are funded. Unrestricted Local Funds and Affordable Housing Funds are higher than expectation due to higher fees and loan payments than anticipated in the budget. The Agency's revenues were \$288.6 million or 95% of the \$302.5 million total budget plus continuing appropriations.

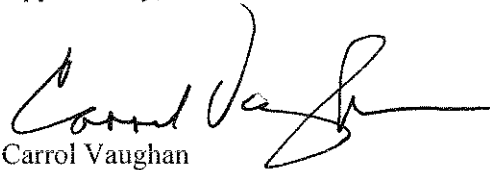
Since the Third Quarter Budget Status Report, the FY08 Budget has been revised from \$273,175,319 to \$274,397,423. The increase in the FY08 Budget of \$1,222,104 is mainly due to the approval of two new awards, \$1,200,000 of CCDC Low & Moderate Income Homeownership funds and \$148,500 of HUD Economic Development Initiative funds. Also, the FY08 Budget was reduced by \$15,000 to reflect the County of San Diego's actual award to the Reinvestment Task Force. There were also thirteen revisions that transferred funds among activities and/or major line items. The 4th Quarter FY08 Budget Amendments Schedule also shows a reduction of \$111,396 to the Shelter Plus Care program. This is a correction to the 3<sup>rd</sup> Quarter schedule.

Respectfully submitted,



John Pfeiffer  
Chief Financial Officer

Approved by,



Carrol Vaughan  
Executive Vice President & Chief Operating Officer

Montague (578-7732)

Attachments:

1. FY08 Summary of Expenditures and Remaining Commitments by Activity as of June 30, 2008.
2. FY08 Summary of Expenditures and Remaining Commitments by Account as of June 30, 2008.
3. FY08 Summary of Revenues Received as of June 30, 2008.
4. FY08 Fourth Quarter Budget Amendments

**FOURTH QUARTER BUDGET STATUS REPORT**

**FY08 EXPENDITURES AND CONTINUING APPROPRIATIONS BY ACTIVITY AS OF 06/30/08**

ACTIVITY GROUPS	FY08 ORIGINAL BUDGET (A)	FY08 REVISIONS (B)	FY08 CURRENT BUDGET (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS AS OF 06/30/08 (C+D=E)	FY08 EXPENSES AS OF 06/30/08 (F)	FY08 COMMITMENTS AS OF 06/30/08 (G)	FY08 BALANCE AS OF 06/30/08 (E-F-G=H)	% REMAINING BALANCE (H/E=I)
<b>HOUSING SERVICES</b>	<b>154,630,950</b>	<b>19,694,338</b>	<b>174,325,288</b>	<b>2,333,925</b>	<b>176,659,213</b>	<b>149,541,388</b>	<b>1,299,664</b>	<b>25,818,161</b>	<b>15%</b>
Rental Assistance	134,463,479	17,473,600	151,937,079	73,973	152,011,052	132,164,288	36,507	19,810,257	13%
Property Management	17,767,073	1,774,241	19,541,314	2,238,041	21,779,355	15,512,071	1,151,547	5,115,737	23%
Resident Services	2,400,398	446,497	2,846,895	21,911	2,868,806	1,865,029	111,610	892,167	31%
<b>HOUSING FINANCE &amp; DEVELOPMENT</b>	<b>45,489,969</b>	<b>16,535,824</b>	<b>62,025,793</b>	<b>25,157,309</b>	<b>87,183,102</b>	<b>31,511,811</b>	<b>33,492,014</b>	<b>22,179,277</b>	<b>25%</b>
Rental Housing Production	26,004,672	12,250,554	38,255,226	15,423,196	53,678,422	14,348,785	24,783,821	14,545,816	27%
Homeownership	5,753,737	1,853,477	7,607,214	3,520,948	11,128,162	4,922,238	5,049,413	1,156,511	10%
Rehabilitation	7,835,614	919,519	8,755,133	274,674	9,029,807	5,970,098	420,923	2,638,786	29%
Portfolio Servicing & Occupancy Monitoring	2,799,101	177,617	2,976,718	22,968	2,999,686	1,280,103	7,768	1,711,815	57%
Special Purpose Housing	3,096,845	1,334,657	4,431,502	5,915,523	10,347,025	4,990,587	3,230,089	2,126,349	21%
<b>OPERATIONS</b>	<b>11,190,279</b>	<b>302,730</b>	<b>11,493,009</b>	<b>638,708</b>	<b>12,131,717</b>	<b>9,948,829</b>	<b>850,291</b>	<b>1,332,597</b>	<b>11%</b>
Board & Executive Functions	851,878	0	851,878	0	851,878	778,402	0	73,476	9%
Support Services	9,506,866	262,730	9,769,596	625,622	10,395,218	8,291,319	732,444	1,371,455	13%
Policy & Governmental Affairs	831,535	40,000	871,535	13,086	884,621	879,108	117,847	(112,334)	-13%
<b>PROGRAM &amp; CONTINGENCY RESERVES</b>	<b>19,977,140</b>	<b>6,576,193</b>	<b>26,553,333</b>	<b>0</b>	<b>26,553,333</b>	<b>0</b>	<b>0</b>	<b>26,553,333</b>	<b>100%</b>
<b>TOTAL</b>	<b>231,288,338</b>	<b>43,109,085</b>	<b>274,397,423</b>	<b>28,129,942</b>	<b>302,527,365</b>	<b>191,002,028</b>	<b>35,641,969</b>	<b>75,883,368</b>	<b>25%</b>

**FOURTH QUARTER BUDGET STATUS REPORT**

**FY08 EXPENDITURES & CONTINUING APPROPRIATIONS BY ACCOUNT AS OF 06/30/08**

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 AS OF 06/30/08 (E)	FY08 EXPENSES AS OF 06/30/08 (F)	FY08 COMMITMENTS AS OF 06/30/08 (G)	FY08 BALANCE AS OF 06/30/08 (H)	FY08 REMAINING BALANCE (I)	%
			(A+B=C)	(D)	(C+D=E)	(F)	(G)	(E-F-G=H)	(H/I=K)	
SALARIES & BENEFITS	17,838,859	0	17,838,859	0	17,838,859	16,145,952	0	1,692,907	9%	
SERVICES & SUPPLIES	8,594,369	1,225,897	9,820,266	704,175	10,524,441	8,118,263	1,251,225	1,154,953	11%	
HOUSING PROGRAMS	128,476,578	17,361,933	145,838,511	2,470,343	148,308,854	126,638,270	1,900,042	19,770,542	13%	
RENT TO OWNERS	30,419,718	16,581,910	47,001,628	20,435,361	67,436,989	25,098,469	29,179,274	13,159,246	20%	
LOANS & GRANTS	25,981,674	1,363,152	27,344,826	4,520,063	31,864,889	15,001,074	3,311,428	13,552,387	43%	
OTHER HOUSING PROGRAMS	184,877,970	35,306,995	220,184,965	27,425,767	247,610,732	166,737,813	34,390,744	46,482,175	19%	
PROGRAM CONTINGENCY & RESERVES	19,977,140	6,576,193	26,553,333	0	26,553,333	0	0	26,553,333	100%	
<b>TOTAL</b>	<b>231,288,338</b>	<b>43,109,085</b>	<b>274,397,423</b>	<b>28,129,942</b>	<b>302,527,365</b>	<b>191,002,028</b>	<b>35,641,969</b>	<b>75,883,368</b>	<b>25%</b>	

**FOURTH QUARTER BUDGET STATUS REPORT**  
**FY08 SUMMARY OF REVENUES RECEIVED AS OF 06/30/08**

	FY08 ORIGINAL BUDGET (A)	FY08 REVISIONS (B)	FY08 CURRENT BUDGET (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (E)	ACTUAL REVENUE RECEIVED (F)	% RECEIVED (G)
REVENUES					(C+D=E)		(F/E=G)
Restricted Revenues							
Section 8	137,157,916	19,504,554	156,662,470	108,620	156,771,090	159,154,613	102%
Other HUD	25,651,539	(3,687,199)	21,964,340	5,249,026	27,213,366	27,221,723	100%
State	1,050,663	38,153	1,088,816	1,394,477	2,483,293	2,633,059	106%
CDBG	3,351,474	136,645	3,488,119	150,983	3,639,102	1,154,156	32%
Restricted Local	13,591,838	9,411,624	23,003,462	1,229,656	24,233,118	25,417,547	105%
Restricted Revenues Sub-total	180,803,430	25,403,777	206,207,207	8,132,762	214,339,969	215,581,098	101%
Unrestricted Revenues							
Rental Rehabilitation	34,848	0	34,848	0	34,848	30,932	89%
Local	21,980,911	3,710,323	25,691,234	939,854	26,631,088	27,343,256	103%
Affordable Housing Fund	11,768,015	5,017,503	16,785,518	9,346,224	26,131,742	29,639,138	113%
HOME	16,701,134	8,977,482	25,678,616	9,711,102	35,389,718	16,051,704	45%
Unrestricted Revenues Sub-total	50,484,908	17,705,308	68,190,216	19,997,180	88,187,396	73,065,030	83%
<b>TOTAL REVENUES</b>	<b>\$231,288,338</b>	<b>\$43,109,085</b>	<b>\$274,397,423</b>	<b>\$28,129,942</b>	<b>\$302,527,365</b>	<b>\$288,646,128</b>	<b>95%</b>

**Fourth Quarter FY08 Budget Amendments**

**I. Budget Revisions**

	<u>Amount</u>	<u>Source</u>	<u>Activity</u>	<u>Expense</u>	<u>Approved by</u>
1	1,200,000	CCDC Low & Mod Inc Home	Homeownership / Reserves	Loans & Grants / Reserves	Housing Authority
2	148,500	HUD Economic Dev Initiative	HF&D Special Purpose Housing	Loans & Grants	Housing Authority
3	(15,000)	County CDBG RTF / NC RTF	HF&D Portfolio Servicing	Contract Consultants / Salaries & Benefits	President & CEO
4	(111,396)	Shelter Plus Care	HF&D Special Purpose Housing	Correction to Third Quarter FY08 Budget Amendment Schedule	n/a
	<b>1,222,104</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>
5	0	SDHC Local Units	Reserves / Reserves	Construction Services / Relocation	20,805	President & CEO
6	0	SDHC Local Units	Reserves / Reserves	Construction Services / Extraordinary Maintenance	26,380	President & CEO
7	0	Local Funds	Reserves / Reserves	Policy & Public Affairs / Contract Consultants	40,000	President & CEO
8	0	Local Funds	AM - Rental Housing Production / Legal	AM - Rental Housing Production / Contract Consultants	78,800	President & CEO
9	0	SDHC Local Units	Reserves / Reserves	Construction Services / Contract Consultants	66,762	President & CEO
10	0	Local Funds	Reserves / Reserves	FM - Office Facility / Maintenance / Protective Services	70,000	President & CEO
11	0	Local Funds	Reserves / Reserves	FM - Office Facility / Legal / Contract Consultants	99,000	President & CEO
12	0	SDHC Local Units / Maya Apts	Reserves / Reserves	Property Management / Contract Consultants / Sundry	92,000	President & CEO
13	0	SDH Local Units	Reserves / Reserves	Resident Services / Resident Services Expenses	55,000	President & CEO
14	0	SDH Local Units	Reserves / Reserves	Resident Services / Resident Services Expenses	67,033	President & CEO
15	0	Various	Reserves / Reserves	Construction Services / Dwelling Equipment	799,398	Housing Authority
16	0	SDH Local Units	Reserves / Reserves	Human Resources / Contract Consultants	10,000	President & CEO
17	0	Local Funds	Reserves / Reserves	Financial Services / Contract Consultants	60,000	President & CEO
	<b>0</b>	<b>Total Budget Transfers</b>				

**1,222,104 Grand Total Budget Revisions & Transfers**