



INFORMATIONAL REPORT

DATE ISSUED: November 21, 2008
REPORT NO: HCR 08-121
SUBJECT: First Quarter Budget Status Report

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

The total amount available for expenditure in FY09 is \$294.8 million; this amount includes the FY09 budget of \$265.4 million plus the \$29.4 million of continuing appropriations from the previous year's balance of vendor/contractor commitments. The FY09 data indicates that the Housing Commission's overall expenditures and commitments are slightly ahead of pace with budget expectation due to prior year commitments. Overall revenues are more than budget expectation due to Property Management reserves and more carryover of Restricted Local, Local and Affordable Housing Funds than anticipated in the original budget.

BACKGROUND

The purpose of the Quarterly Budget Status Report is to show expenditure and revenue trends and possible deviations from the FY09 Budget plan. If funds were expended and revenues received equally throughout the year, it would be expected that, at the end of the first quarter, approximately 25% 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 first quarter of FY09. A summary of the Agency's Expenditures and Commitments by Activity as of September 30, 2008 is provided in Attachment 1. This attachment identifies by activity, the FY09 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 the balance for Housing Services is on pace with exception due to Rental Assistance and Property Management's commitments for renovations and the purchase and installation of dwelling equipment. In Housing Development, the balance remaining is higher than expectation; projects are in the early planning stages resulting in lower expenditures and commitments. In Housing Finance, the balance remaining is lower than expectation due to commitments of \$37.8 million for rental housing finance, special purpose and homeownership projects. Operation's balance remaining is on pace with expectation due to commitments for leasing the office facility, tenant improvements and software support. The Agency's expenditures and commitments for all activities are \$85.7 million, or 29% of the \$294.8 million total budget plus continuing appropriations. Of this amount, expenditures are \$44.2 million and commitments are \$41.5 million.

Attachment 2 is a summary of the Agency's Expenditures and Commitments by Major Account as of September 30, 2008. This attachment identifies by major account, the FY09 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 less than expectation due to \$1.4 million of commitments for services including office facility leasing; rental assistance inspections and referral services; financial feasibility and architectural services; and information technology support. The balance of rent to owners is on pace with expectation while the balance of loans and grants is lower than expectation due to the significant carryover of prior year commitments. The other housing programs balance is slightly lower than expectation due to commitments for a housing rental finance acquisition loan and the purchase and installation of dwelling equipment.

Attachment 3 is a summary of the Agency's revenues as of September 30, 2008 by major revenue classification. This attachment identifies by major revenue source, the FY09 Original Budget, Revisions, Current Budget, Prior Year Commitments, Revenues Received and the Percent Received. An overview of this attachment shows Restricted Revenues received are higher than budget expectation. Section 8 and Other HUD funds include carryover of significant reserves. Restricted Local funds have additional unanticipated carryover of financing and rehabilitation funds such as Coastal, Condo, NCFUA, Housing Rehab Trust Fund and Redevelopment Agency funds as well the carryover of operating reserves from the Maya Apartments and SDHC Local Units. CDBG has carryover of foreclosure funds but revenues are less than expectation. The contract for the FY09 Citywide award of CDBG to the Housing Commission is pending approval and no expenses will be incurred in this fund until the approval process is completed. State carryover funds are higher than expectation due to the receipt of a new award late in FY08. Unrestricted Revenues received are higher than expectation due to more carryover of Local and Affordable Housing Funds while HOME current year revenues received are higher than expected due to a shared equity loan payoff of \$5 million. The Agency's revenues received were \$145.5 million or 49% of the \$294.8 million total budget plus continuing appropriations.

Since the original Housing Commission budget was approved on April 25, 2008, the FY09 Budget has been revised from \$265,032,348 to \$265,430,249. The increase in the FY09 Budget of \$397,901 is mainly due to the addition of \$300,000 of Assets for Independence funds, this program assists low-income families gain economic independence through comprehensive financial education and asset acquisition. In addition, \$61,600 of ROSS Neighborhood Networks carryover funds were added to the Workforce & Economic Development budget and \$36,301 was added to the Special Purpose Housing budget for the Winter Shelter. There were also five revisions that transferred funds among activities and/or major line items.

Respectfully submitted,


John Pfeiffer
Chief Financial Officer

Approved by,


Carrol Vaughan
Executive Vice President & Chief Operating Officer

Montague (578-7732)

Attachments:

1. FY09 Summary of Expenditures and Remaining Commitments by Activity as of September 30, 2008.
2. FY09 Summary of Expenditures and Remaining Commitments by Account as of September 30, 2008.
3. FY09 Summary of Revenues Received as of September 30, 2008.
4. FY09 First Quarter Budget Amendments

FIRST QUARTER BUDGET STATUS REPORT

FY09 EXPENDITURES AND CONTINUING APPROPRIATIONS BY ACTIVITY AS OF 09/30/08

ACTIVITY GROUPS	FY09 ORIGINAL BUDGET (A)	FY09 REVISIONS (B)	FY09 CURRENT BUDGET (A+B=C) (C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (E) (C+D=E)	FY09 EXPENSES AS OF 09/30/08 (F)	FY09 COMMITMENTS AS OF 09/30/08 (G)	FY09 BALANCE AS OF 09/30/08 (H) (E-F-G=H)	% REMAINING BALANCE (I) (H/E=I)
HOUSING SERVICES	171,601,370	858,857	172,460,227	1,293,700	173,753,927	37,452,923	2,712,459	133,588,545	77%
Rental Assistance	157,017,065	0	157,017,065	36,507	157,053,572	35,280,009	186,215	121,587,348	77%
Property Management	11,975,790	564,857	12,540,647	1,148,483	13,689,130	1,798,465	2,147,791	9,742,874	71%
Workforce & Economic Dev	2,608,515	294,000	2,902,515	108,710	3,011,225	374,449	378,453	2,258,323	75%
HOUSING DEVELOPMENT	3,477,507	0	3,477,507	198,800	3,676,307	65,899	150,535	3,459,873	94%
Rental Housing Development	3,477,507	0	3,477,507	198,800	3,676,307	65,899	150,535	3,459,873	94%
HOUSING FINANCE	42,755,034	44,301	42,799,335	27,066,015	69,865,350	4,553,401	37,775,599	27,536,350	39%
Rental Housing Finance	22,454,805	0	22,454,805	19,093,463	41,548,268	850,828	27,241,393	13,456,047	32%
Homeownership	5,497,280	0	5,497,280	4,849,413	10,346,693	1,613,400	4,527,616	4,205,677	41%
Rehabilitation	6,657,761	0	6,657,761	420,922	7,078,683	850,328	1,102,630	5,125,725	72%
Portfolio Servicing & Occupancy Monitoring	2,564,635	8,000	2,572,635	0	2,572,635	265,895	0	2,306,740	90%
Special Purpose Housing	5,580,553	36,301	5,616,854	2,702,217	8,319,071	972,950	4,903,960	2,442,161	29%
OPERATIONS	12,210,031	20,000	12,230,031	858,059	13,088,090	2,162,129	904,357	10,021,604	77%
Board & Executive Functions	901,094	0	901,094	0	901,094	168,606	0	732,488	81%
Support Services	10,033,100	20,000	10,053,100	732,444	10,785,544	1,720,324	751,264	8,313,956	77%
Policy & Public Affairs	1,275,837	0	1,275,837	125,615	1,401,452	273,199	153,093	975,160	70%
PROGRAM & CONTINGENCY RESERVES	34,988,406	(525,257)	34,463,149	0	34,463,149	0	0	34,463,149	100%
TOTAL	265,032,348	397,901	265,430,249	29,416,574	294,846,823	44,234,352	41,542,950	209,069,521	71%

FOURTH QUARTER BUDGET STATUS REPORT
FY09 SUMMARY OF REVENUES RECEIVED AS OF 09/30/08

	FY09 ORIGINAL BUDGET (A)	FY09 REVISIONS (B)	FY09 CURRENT BUDGET (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (C+D=E)	ACTUAL REVENUE RECEIVED (F)	% RECEIVED (G) (F/E=G)
REVENUES							
Restricted Revenues							
Section 8	162,871,642	0	162,871,642	151,571	163,023,213	61,519,522	38%
Other HUD	10,658,799	111,600	10,770,399	2,150,239	12,920,638	8,176,891	63%
State	1,926,817	0	1,926,817	205,106	2,131,923	948,526	44%
CDBG	3,129,615	0	3,129,615	347,851	3,477,466	1,011,693	29%
Restricted Local	34,866,598	250,000	35,116,598	1,994,726	37,111,324	17,145,327	46%
Restricted Revenues Sub-total	213,453,471	361,600	213,815,071	4,849,493	218,664,564	88,801,959	41%
Unrestricted Revenues							
Rental Rehabilitation	37,788	0	37,788	2,659	40,447	3,031	7%
Local	20,713,400	36,301	20,749,701	1,182,739	21,932,440	19,764,543	90%
Affordable Housing Fund	12,984,862	0	12,984,862	9,596,790	22,581,652	24,763,119	110%
HOME	17,842,827	0	17,842,827	13,784,893	31,627,720	12,160,743	38%
Unrestricted Revenues Sub-total	51,578,877	36,301	51,615,178	24,567,081	76,182,259	56,691,436	74%
TOTAL REVENUES	\$265,032,348	\$397,901	\$265,430,249	\$29,416,574	\$294,846,823	\$145,493,395	49%

First Quarter FY09 Budget Amendments

I. Budget Revisions

	<u>Amount</u>	<u>Source</u>	<u>Activity</u>	<u>Expense</u>	<u>Approved by</u>
1	36,301	Local Funds	HF Special Purpose Housing	Loans & Grants	President & CEO
2	61,600	ROSS Neighborhood Networks	Workforce & Economic Dev / Reserves	Various	President & CEO
3	300,000	Other HUD / Restricted Local	Workforce & Economic Development	Various	Housing Commission
	397,901	Total Budget Revisions			

II. Budget Transfers

	<u>Amount</u>	<u>From Activity/Line Item</u>	<u>To Activity/Line Item</u>	<u>Transfer Amount</u>	<u>Approved by</u>
4	0	Local Funds	Reserves / Reserves	8,000	President & CEO
5	0	Local Funds	Reserves / Reserves	20,000	President & CEO
6	0	Other HUD / Restricted Local	Workforce & Economic Dev / Various	100,000	President & CEO
7	0	Restricted Local	Workforce & Economic Dev / Various	5,000	President & CEO
8	0	Various	Reserves / Reserves	564,857	Housing Authority
	0	Total Budget Transfers			

Grand Total Budget Revisions & Transfers

397,901