



INFORMATIONAL REPORT

DATE ISSUED: January 27, 2006
REPORT NO.: HCR06-05
SUBJECT: Second Quarter FY06 Budget Status Report

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

The purpose of the Quarterly Budget Status Report is to show expenditure and revenue trends and possible deviations from the FY06 Budget plan. If funds were expended and revenues received equally throughout the year, it would be expected that, at the end of the second quarter, approximately 50% of the expenditures/commitments and revenues would be achieved.

There are three attachments to this report that show the current status of expenditures and revenues for the first quarter of FY06. A summary of the Agency's Expenditures and Commitments by activity as of December 31, 2005 is provided in Attachment 1. This attachment includes a chart that identifies the FY06 Original Approved Budget, Revisions, the FY06 Current Budget, prior year commitments for each Activity and reflects the second quarter expenditure and commitment levels and the remaining balance of uncommitted budget authority. An overview of this attachment shows the balance remaining for Operations and Housing Services are on pace with budget expectation. Housing Finance & Development's balance is greater than expectation as pipeline projects are expected to receive approvals in the next two quarters. The Agency's expenditures and commitments for all activities are \$94.6 million, or 37% of the \$253.6 million Total Budget plus Continuing Appropriations. Of this amount, expenditures are \$75.6 million and commitments are \$19.0 million.

Attachment 2 is a summary of the Agency's Expenditures and Commitments by Major Account as of December 31, 2005. This attachment includes a chart that identifies the FY06 Original Approved Budget, Revisions, the FY06 Current Budget, prior year commitments for each Major Account and reflects the second quarter expenditure and



commitment levels and the remaining balance of uncommitted budget authority. An overview of this attachment shows that the balance remaining in Salaries & Benefits, Supplies & Services and Rent to Owners are on pace with budget expectation. The balance of Loans & Grants is greater than budget expectation as pipeline projects are expected to receive approvals in the next two quarters. Other Housing programs are greater than expectation due to the inclusion of recent sale proceeds for development, new awards and multi-year programs.

Attachment 3 is a summary of the Agency's revenues as of December 31, 2005 by major revenue classification. This attachment includes a chart that identifies the FY06 Original Approved Budget, Revisions, the FY06 Current Budget, prior year commitments for each major revenue source and reflects the second quarter revenues received. An overview of this attachment shows Restricted Revenues are on pace with budget expectations as Other HUD funds and Restricted Local funds include the carryover of significant reserves on the Conventional Public Housing Program, City School site sale funds and Redevelopment funds. Section 8 funds are close to budget expectation. The contract for CDBG funds is pending approval at the City of San Diego and substantial funds will be received upon contract execution. Also, 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 projects. Unrestricted Revenues are higher than budget expectation except for HOME funds that are only received as loans are funded. This will change as commitments for HOME projects are funded over the next two quarters. There was significant carryover of Rental Rehabilitation, Local and Affordable Housing funds and these additional funds have been incorporated in the fall budget revision. The Agency's revenues were \$136.0 million or 54% of the \$253.6 million Total Budget plus Continuing Appropriations.

Since the First Quarter Budget Status Report, the FY06 Budget has been revised from \$221,801,819 to \$237,254,543. The increase in the FY06 Budget of \$15,453,024 is due primarily to the fall revision coupled with a slight reduction in CDBG funds for projects. Attachment 4 reflects the five revisions that increased/decreased the FY06 Budget and six revisions that transferred funds among activities and/or major line items.

In summary, the total amount available for expenditure in FY06 is \$253.6 million and this amount includes the current year budget of \$237.3 million plus the \$19.0 million of continuing appropriations from the previous years' balance of vendor/contractor commitments. The FY06 data indicates that the Housing Commission's overall expenditures and commitments are on pace with budget expectation primarily due to the inclusion of continuing appropriations, all of which are committed. Overall revenues are greater than budget expectation primarily due to the carryover of Affordable Housing

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Fund, Local funds, City School site sales; and the significant reserves of the various Property Management projects from FY05.

Respectfully submitted,

Approved by,

**Signature on File
With Original Document**

Edward Mauk
Director, Financial Services

Elizabeth C. Morris
President and Chief Executive Officer

STURTEVANT/MONTAGUE/SILSBEE (578-7731)
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Attachments:

1. FY06 Summary of Expenditures and Remaining Commitments by Activity as of December 31, 2005
2. FY06 Summary of Expenditures and Remaining Commitments by Account as of December 31, 2005
3. FY06 Summary of Revenues Received as of December 31, 2005
4. FY06 Second Quarter Budget Amendments

SECOND QUARTER BUDGET STATUS REPORT

FY06 EXPENDITURES AND CONTINUING APPROPRIATIONS BY ACTIVITY AS OF 12/31/05

ACTIVITY GROUPS	FY06 ORIGINAL BUDGET (A)	FY06 REVISIONS (B)	FY06 CURRENT BUDGET (C) (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (E) (C+D=E)	FY06 EXPENSES AS OF 12/31/05 (F)	FY06 COMMITMENTS AS OF 12/31/05 (G)	FY06 BALANCE AS OF 12/31/05 (H) (E-F-G=H)	% REMAINING BALANCE (I) (H/E=I)
HOUSING SERVICES	144,332,539	5,518,847	149,851,386	3,147,324	152,998,710	64,132,147	2,682,837	86,183,726	56%
Rental Assistance	120,727,262	6,277,367	127,004,629	81,878	127,086,507	58,016,815	65,443	69,004,249	54%
Property Management	21,716,820	(982,882)	20,733,938	2,947,677	23,681,615	5,336,720	2,486,656	15,858,239	67%
Resident Services	1,888,457	224,362	2,112,819	117,769	2,230,588	778,612	130,738	1,321,238	59%
HOUSING FINANCE & DEVELOPMENT	50,968,970	6,061,383	57,030,353	12,765,021	69,795,374	8,370,748	15,069,167	46,355,459	66%
Rental Housing Production	29,933,473	4,460,302	34,393,775	4,765,917	39,159,692	3,719,049	5,598,281	29,842,362	76%
Homeownership	6,791,225	192,566	6,983,791	2,988,785	9,972,576	752,366	3,400,624	5,819,586	58%
Rehabilitation	6,175,146	776,649	6,951,795	688,885	7,640,680	1,844,496	1,223,290	4,572,894	60%
Portfolio Servicing & Occupancy Monitoring	2,632,852	(93,853)	2,538,999	0	2,538,999	338,883	0	2,200,116	87%
Special Purpose Housing	5,436,274	725,719	6,161,993	4,321,434	10,483,427	1,715,954	4,846,972	3,920,501	37%
OPERATIONS	8,220,464	292,220	8,512,684	395,507	8,908,191	3,070,783	1,230,149	4,607,259	52%
Board & Executive Functions	1,103,366	16,791	1,120,157	61,801	1,181,958	509,923	68,289	603,746	51%
Support Services	6,689,273	267,684	6,956,957	329,926	7,286,883	2,363,547	1,158,080	3,765,256	52%
Communication & Strategy	427,825	7,745	435,570	3,780	439,350	197,313	3,780	238,257	54%
PROGRAM & CONTINGENCY RESERVES	17,825,158	4,034,962	21,860,120	0	21,860,120	0	0	21,860,120	100%
TOTAL	221,347,131	15,907,412	237,254,543	16,307,852	253,562,395	75,573,678	18,982,153	159,006,564	63%

SECOND QUARTER BUDGET STATUS REPORT

FY06 EXPENDITURES & CONTINUING APPROPRIATIONS BY ACCOUNT AS OF 12/31/05

EXPENSE CATEGORY	FY06 ORIGINAL BUDGET (A)	FY06 REVISIONS (B)	FY06 CURRENT BUDGET (C) (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (E) (C+D=E)	FY06 EXPENSES AS OF 12/31/05 (F)	FY06 COMMITMENTS AS OF 12/31/05 (G)	FY06 BALANCE AS OF 12/31/05 (H) (E-F-G=H)	% REMAINING BALANCE (I) (H/E=K)
SALARIES & BENEFITS	16,515,683	162,936	16,678,619	0	16,678,619	7,722,997	0	8,955,622	54%
SERVICES & SUPPLIES	7,190,199	309,957	7,500,156	457,271	7,957,427	2,535,907	1,305,724	4,115,796	52%
HOUSING PROGRAMS									
RENT TO OWNERS	116,953,977	6,097,715	123,051,692	1,862,509	124,914,201	55,471,827	2,110,774	67,331,600	54%
LOANS & GRANTS	32,299,258	3,976,669	36,275,927	10,881,483	47,157,410	6,216,872	12,846,807	28,093,731	60%
OTHER HOUSING PROGRAMS	30,562,856	1,230,173	31,793,029	3,106,589	34,899,618	3,626,075	2,718,848	28,554,695	82%
HOUSING PROGRAM TOTAL	179,816,091	11,304,557	191,120,648	15,850,581	206,971,229	65,314,774	17,676,429	123,980,026	60%
PROGRAM CONTINGENCY & RESERVES	17,825,158	4,129,962	21,955,120	0	21,955,120	0	0	21,955,120	100%
TOTAL	221,347,131	15,907,412	237,254,543	16,307,852	253,562,395	75,573,678	18,982,153	159,006,564	63%

SECOND QUARTER BUDGET STATUS REPORT

FY06 SUMMARY OF REVENUES RECEIVED AS OF 12/31/05

	FY06 ORIGINAL BUDGET (A)	FY06 REVISIONS (B)	FY06 CURRENT BUDGET (C) (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (E) (C+D=E)	ACTUAL REVENUE RECEIVED (F)	% RECEIVED (G) (F/E=G)
REVENUES							
Restricted Revenues							
Section 8	124,574,182	7,135,283	131,709,465	99,652	131,809,117	69,145,070	52%
Other HUD	27,217,459	359,651	27,577,110	4,704,659	32,281,769	20,472,058	63%
State	5,568,323	(404,140)	5,164,183	2,264,533	7,428,716	979,116	13%
CDBG	3,236,603	34,898	3,271,501	64,386	3,335,887	1,028,397	31%
Restricted Local	14,669,604	946,201	15,615,805	1,842,012	17,457,817	11,642,020	67%
Restricted Revenues Sub-total	175,266,171	8,071,893	183,338,064	8,975,242	192,313,306	103,266,661	54%
Unrestricted Revenues							
Rental Rehabilitation	286,968	297,864	584,832	0	584,832	423,101	72%
Local	15,030,788	1,293,026	16,323,814	815,817	17,139,631	14,695,316	86%
Affordable Housing Fund	11,596,832	1,890,683	13,487,515	2,744,239	16,231,754	11,156,422	69%
HOME	19,166,372	4,353,946	23,520,318	3,772,554	27,292,872	6,488,870	24%
Unrestricted Revenues Sub-total	46,080,960	7,835,519	53,916,479	7,332,610	61,249,089	32,763,709	53%
TOTAL REVENUES	\$221,347,131	\$15,907,412	\$237,254,543	\$16,307,852	\$253,562,395	\$136,030,370	54%

Second Quarter FY06 Budget Amendments

I. Budget Revisions

	<u>Amount</u>	<u>Source</u>	<u>Activity</u>	<u>Expense</u>	<u>Approved by</u>
1	15,482,970	Various	Various	Various	Housing Authority
2	77,609	Ross programs	Resident Services	Resident Contracts etc	President & C.E.O.
3	(44,000)	CDBG	Rehabilitation - Owner Occupied	Loans & Grants	President & C.E.O.
4	(88,654)	CDBG	Rental Housing Production	Loans & Grants	President & C.E.O.
5	9,565	ROSS Service Coordinator	Resident Services	Salaries, Benefits, Supplies & Serv	President & C.E.O.
6	15,534	ROSS & Capital Fund 501-04	Resident Services	Resident Contracts	President & C.E.O.
	15,453,024	Total Budget Revisions			

II. Budget Transfers

	<u>Amount</u>	<u>Source</u>	<u>Activity</u>	<u>Expense</u>	<u>Approved by</u>
7	(16,732)	Conventional	Reserves	Reserves	President & C.E.O.
	16,732	Conventional	Routine Maintenance	Dwelling Equipment	President & C.E.O.
8	(16,000)	City & County CDBG	Portfolio Servicing - RTF	Direct Hire & Sundry	President & C.E.O.
	16,000	City & County CDBG	Portfolio Servicing - RTF	Contract/Consultants	President & C.E.O.
9	(3,000)	HOME	Reserves	Reserves	President & C.E.O.
	3,000	HOME	Rehabilitation - Owner Occupied	Salaries, Benefits, Supplies & Serv	President & C.E.O.
10	(9,565)	Conventional	Resident Services	Salaries, Benefits, Supplies & Serv	President & C.E.O.
	9,565	Conventional	Reserves	Reserves	President & C.E.O.
11	(14,148)	Capital Fund 501-04	Routine Maintenance	Office Equipment	President & C.E.O.
	14,148	Capital Fund 501-04	Asset Management	Dwelling Equipment	President & C.E.O.
12	(95,000)	Various	Reserves	Reserves	President & C.E.O.
	95,000	Various	Routine Maintenance	Dwelling Equipment	President & C.E.O.
	0	Total Budget Transfers			

15,453,024

Grand Total Budget Revisions & Transfers