

San Diego Housing Commission

Fiscal Year 2006 Budget

HOUSING COMMISSION

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Good Neighbors

San Diego
Housing Commission

REPORT

DATE ISSUED: April 29, 2005 **ITEM 109**

REPORT NO. HCR05-42
For the Agenda of May 6, 2005

SUBJECT: Proposed Fiscal Year 2006 Budget

SUMMARY

Issue No. 1: Should the Housing Commission recommend Housing Authority adoption of the Fiscal Year 2006 (FY06) Budget as proposed?

Recommendation No. 1: Housing Commission and Housing Authority adoption of the \$221.3 million FY06 Proposed Activity Based Budget (Attachment 1).

Note: The budget schedule allows for consideration of the budget at today's meeting and approval at the May 20, 2005 Housing Commission meeting to ensure sufficient opportunities for Commissioners to review.

Fiscal Impact No. 1: The FY06 Proposed Budget anticipates revenues of \$221,347,131 from almost 70 sources (a net increase of \$8.5 million from FY05). Approval of the Proposed Budget will appropriate funds for the Agency to pursue the strategies and goals outlined in the FY06-FY07 Business Plan.

Issue No. 2: Should the Housing Commission request authority from the Housing Authority to enable the Housing Commission to amend the approved FY06 Budget during the fiscal year?

Recommendation No. 2: Recommend that the Housing Authority continue to delegate limited authority to the Housing Commission to amend the FY06 Budget as described on Page 3 of this report, consistent with the policies, programs and activities approved by the Housing Authority, as it has in past years.

Issue No. 3: Should the President & Chief Executive Officer (President & CEO) be authorized to amend the FY06 Budget when additional funding resources are available?

Recommendation No. 3: Continue to delegate limited authority to the President & CEO to amend the FY06 Budget as discussed on Page 3 of this report, consistent with policies, programs and activities approved by the Housing Authority.

Affordable Housing Impact: The FY06 Proposed Budget allocates resources so that the Housing Commission will continue to serve more than 75,000 San Diegans, approximately 70% of whom are very low income. In essence, the \$221.3 million FY06 Proposed Budget would enable the San Diego Housing Commission to:

- Assist 12,440 households to rent private housing.
- Subsidize approximately 100 first-time homebuyers.
- Produce 350 additional affordable rental units.
- Oversee physical improvements to 1,840 homes and apartments.
- Manage 1,740 units of publicly owned housing.
- Provide special purpose housing opportunities for 410 persons.
- Aid 590 families toward self-sufficiency.

Environmental Review: This activity and the proposed action is “not a project” within the meaning of CEQA. Further, for this activity and the proposed budgetary action is categorically excluded and exempt under the applicable provisions of NEPA.

Previous Related Actions: The Housing Commission and Housing Authority approved similar resolutions for the Fiscal Year 2005 Budget on May 14, 2004 and June 15, 2004, respectively.

Future Related Actions: Following Housing Commission approval of the proposed FY06 Budget, this item will be presented for review to the City Council Committee on Land Use & Housing, and then to the Housing Authority for consideration. The City's Financial Management staff requested that information on the Housing Commission's FY06 Budget be submitted on April 22, 2005, in order to include it in the related agencies volume of the City Budget. Also, appropriate sections of the FY06 Budget will be submitted to the funding sources (State, HUD and City Council) for review and action as required.

BACKGROUND

The Housing Commission's FY06 Proposed Budget is prepared as an activity based budget. It contains prior year and proposed year data for comparison by activity. Also, the objectives for each activity shown in Section III of the budget document clearly delineate the expected performance measures. Available funds have been allocated to support multiple housing activities that address the increasingly critical affordable housing needs in San Diego.

DISCUSSION

The proposed FY06 Budget totals \$221,347,131, an increase of \$8.5 million from the current FY05 Budget of \$212,877,294. There are no City General Funds in this budget.

The proposed FY06 Budget shows an \$8.0 million (5%) increase for housing programs, while administrative costs decline and reserves reflect a modest 2.6% increase (and are less than 2% of the agency budget). Most of the additional expenditure is for rent increases to owners in the Section 8 Voucher Program and Shelter Plus Care anticipated during the year, with offsetting revenue from the U.S. Department of Housing and Urban Development (HUD). In addition, the budget projects that \$5 million of HUD funds will provide for repositioning of the University Canyon apartment complex to dedicate 35 apartments for Conventional public housing, paying off the mortgage and renovating all 120 units. FY06 funding levels for Resident Services, funded with prior year grants that are largely depleted, decline in the initial budget until new grants are obtained. Loans and grants for Homeownership are up slightly from FY05 while expenditures for rental developments and lead paint abatement grants are reflected in somewhat lower budgets for Rental Housing Production and Rehabilitation in FY06.

This is the second year of the three year labor agreement that, combined with Worker's Compensation rate increases, yield a net 2% increase in salaries and benefits. There is an increase in Workers' Compensation and flex plan benefits and the addition of one-half of one position in FY06 resulting in a slight increase in salaries and benefits. There is a decrease in services and supplies due primarily to the net reduction in contract/consultants resulting from the completion of one-time consulting on a variety of projects in FY05. In addition, there is a decrease in office rent as the negotiated rate on the leaseback of the Newton office facility is less than estimated. Also, the decrease includes the reduction in insurance based on estimates from our providers.

Reserves previously set aside for "extraordinary maintenance" will be drawn down and used with new HUD Capital Fund grants to provide for rehabilitation at numerous publicly owned apartment complexes. Funds held for future expenditure under multiyear grants decline; and litigation, insurance and office facility reserves are unchanged. There is a new provision for a sinking fund to provide for the purchase of State funded apartments in the future when the loans on these sites become due in 2013 and 2015. Agency reserves are budgeted at less than two percent of the total budget amount.

It is expected that additional funding will become available during the coming year through grant application cycles not yet completed. Any new funding awards would result in proposed amendments to the FY06 Budget.

Delegation of Budget Authority

As in prior years, the Housing Commission is seeking Housing Authority approval to amend the budget within certain limitations. Specifically, it is recommended that the Housing Authority authorize the Commissioners to amend the budget as follows, provided that the amendments are consistent with the policies, programs and activities approved by the Housing Authority:

- a. Addition of any unanticipated funds not to exceed \$250,000 that is made available during the course of the year;
- b. Transfer of funds of less than \$500,000 among approved activities within the FY06 Budget that do not impact the overall size of the Agency's annual budget;

- c. Addition of funding resulting from applications submitted with the approval of the Housing Authority.

The Housing Commission has previously delegated authority to amend the budget to the President & CEO in order to add or transfer funds among activities. Since FY00, the Housing Commission has annually delegated budget authority up to \$100,000 for the President & CEO, paralleling the President & CEO's authority to expend funds. All budget revisions, including those authorized by the President & CEO, are included in the quarterly budget status report.

This report proposes that the President & CEO's authority to amend the budget be maintained at \$100,000 as follows:

- a. Addition of funds resulting from applications submitted with the approval of the Housing Commission;
- b. Addition of up to \$100,000 available from other sources;
- c. Transfer of funds up to \$100,000 among line items within the FY06 Budget that do not impact the overall size of the Agency's annual budget.

Approval of the staff recommendations will allow this item to be forwarded to the Land Use & Housing Committee and Housing Authority for consideration and, if approved by the Housing Authority, will provide budget authority sufficient to continue implementation of the City's multifaceted strategy for the provision of affordable housing during FY06.

Respectfully submitted,

Approved by,

Carrol M. Vaughan
Executive Vice President & Chief Operating Officer

Elizabeth C. Morris
President & Chief Executive Officer

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San Diego Housing Commission

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Good Neighbors

San Diego Housing Commission

Mission:

We are committed to providing quality housing opportunities to improve the lives of those in need.

Vision:

An affordable home for every San Diegan

Goals:

- **Provide Housing and Career Growth Opportunities:**

Focus our highest priority on assisting San Diegans of very low income with safe and quality housing.

Advocate for and aggressively pursue increased funding for affordable housing programs.

Further resident initiatives including opportunities for self-sufficiency and self-improvement.

- **Advocate, Educate and Build Alliances:**

Inform, educate and guide the public about housing needs, fair housing, and affordable housing opportunities.

Forge partnerships with others in the community to expand housing opportunities and integrated services.

Build communication and alliances among neighborhoods, clients and others to further our mission throughout the City.

- **Foster Respect and Service:**

Create a supportive and innovative work environment which promotes staff's mandate to provide highest quality customer service, both internally and externally.

Conduct business in a manner which effectively uses resources and which respects diversity and promotes dignity, self-reliance and equal opportunity.

I EXECUTIVE SUMMARY

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San Diego Housing Commission

Agency Overview

	Original FY05	Current FY05	Proposed FY06	Change
I. ACTIVITY GROUPS				
Housing Services	134,666,941	135,386,648	144,332,539	8,945,891
Housing Finance & Development Operations	41,074,788	52,082,757	50,968,970	(1,113,787)
Program, Contingency & Agency Reserves	7,890,974	8,031,389	8,220,464	189,075
	13,550,715	17,376,500	17,825,158	448,658
Total Activity Groups	197,183,418	212,877,294	221,347,131	8,469,837

II. REVENUES

Restricted Revenues

Section 8	120,866,098	121,507,964	124,574,182	3,066,218
Other HUD	25,901,815	27,574,385	27,217,459	(356,926)
State	7,102,095	7,501,825	5,568,323	(1,933,502)
CDBG	3,602,558	3,362,356	3,236,603	(125,753)
Restricted Local	6,742,017	8,962,549	14,669,604	5,707,055
Subtotal	164,214,583	168,909,079	175,266,171	6,357,092

Unrestricted Revenues

Rental Rehabilitation	224,595	310,948	286,968	(23,980)
Local	10,030,207	14,129,129	15,030,788	901,659
Affordable Housing Fund	3,654,749	5,819,225	11,596,832	5,777,607
HOME	19,059,284	23,708,913	19,166,372	(4,542,541)
Subtotal	32,968,835	43,968,215	46,080,960	2,112,745

Total Revenues

	197,183,418	212,877,294	221,347,131	8,469,837
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III. EXPENDITURES

Salaries & Benefits	16,194,604	16,261,540	16,515,683	254,143
Services & Supplies	7,377,978	7,471,556	7,190,199	(281,357)
Housing Programs	160,060,121	171,767,698	179,816,091	8,048,393
Program, Contingency & Agency Reserves	13,550,715	17,376,500	17,825,158	448,658
Total Expenditures	197,183,418	212,877,294	221,347,131	8,469,837

Continuing Appropriations

	9,400,534	7,465,463	10,717,434	3,251,971
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FY06 BUDGET

San Diego Housing Commission

Summary of FY06 Budget

Summary of Major Budget Assumptions

This \$221.3 million budget is based on certain assumptions. First, at the time of budget preparation there is significant uncertainty about the federal guidelines and funding levels for the Housing Commission's largest program, the Section 8 Voucher. This budget assumes that current Section 8 Voucher Program rules will continue to govern the program into FY06 with level funding. If major legislative changes occur, amendments to the Rental Assistance budget would likely be needed.

New funding awards already received are included in the proposed budget; awards received after the publication date would be amended into the document when they become certain. Further, the FY06 Housing Finance and Development budget contains significantly less carryover of loan funds from the expected obligation and/or completion in the current fiscal year of several housing projects or programs. This is based on estimates of activity through the end of FY05. If funding milestones are not reached by year end, budget amendment would be prepared to incorporate any additional funds not committed by June 30, 2005. Housing Commission funds are conditionally committed during the year to development projects that are also seeking outside funding and this agency's funds continue to be reflected as available in the budget until the conditions are removed and funds firmly committed.

For the past several years, the Housing Commission has experienced increased program activity but projected insufficient growth of revenues eligible to support related administrative activities. Through pursuit of the Business Plan Strategies and ongoing management actions, this budget proposes a balance of administrative revenues with expenditures. This has been accomplished by maximizing opportunities for new revenues and constraining expenditures. In fact, Housing Program expenses increase by \$8.0 million from FY05, yet administrative costs actually decrease.

It is commonly assumed that it is prudent to budget a reserve for unanticipated events with reserves of up to five percent considered optimal. The Housing Commission anticipates having slightly less than two percent of the total budget available in FY06 in unallocated Agency Reserves.

Lastly, this proposed budget implements the City Council-approved multifaceted strategy (included in the Housing Element of the General Plan and the Consolidated Plan) for providing affordable housing for those in need. This strategy recognizes the varied affordable housing needs of San Diegans living in the City's diverse neighborhoods. The multifaceted approach - build new housing, rehabilitate older housing and help renters and homebuyers to afford housing - also recognizes that available resources are not sufficient to fully satisfy all of these diverse needs.

Levels of Production

The proposed FY06 Activity Based Budget allocates resources so that the Housing Commission will continue to serve more than 75,000 San Diegans. Costs, especially those related to property acquisition

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San Diego Housing Commission

Summary of FY06 Budget

and construction, continue to rise. In essence, the \$221.3 million proposed FY06 Budget would enable the San Diego Housing Commission to:

- * Assist 12,440 households to rent private housing.
- * Subsidize approximately 100 first-time homebuyers.
- * Produce 350 additional affordable rental units.
- * Oversee physical improvements to 1,840 homes and apartments.
- * Manage 1,740 units of publicly owned housing.
- * Provide special purpose housing opportunities for 410 persons.
- * Aid 590 families toward self-sufficiency.

In addition to summary level production goals (Section II), the budget contains specific objectives for each subactivity (i.e., Owner-Occupied Rehabilitation) (Section III). As has been the case in the past, staff will report quarterly on progress towards meeting major production goals. Also, the Housing Commission will continue to refine its activity based management, streamline its processes, ensure program compliance, and seek greater public understanding of housing issues. The Housing Commission is committed to maximizing the value of the resources allocated for each activity, controlling administrative costs, and providing the most affordable housing feasible.

Activities

The Activity Based Budget aggregates expenditures in three Activity Groups (and Reserves) that are displayed in greater detail in the FY06 Activity Based Budget Section (Section II). The Activity Groups are:

Housing Services covers direct services including Rental Assistance, Property Management (including Management, Routine Maintenance and Asset Management) and Resident Services;

Housing Finance & Development covers all of the loan and grant programs including Rental Housing Production, Homeownership, Rehabilitation, Portfolio Servicing and Occupancy Monitoring, and Special Purpose Housing; and

Operations covers administration including Board and Executive Functions, Support Services (including Human Resources, Information Technology, Financial Services, Facilities Management and Organizational Development & Training), and Communication & Strategy.

The following chart shows the change from the current FY05 Budget to the proposed FY06 Budget in dollars and percentage for each of the three Activity Groups and Reserves.

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San Diego Housing Commission

Summary of FY06 Budget

Activity Group	FY05 Current Budget	% of Total Budget	FY06 Proposed Budget	% of Total Budget
Housing Services	\$ 135,386,648	64%	\$ 144,332,539	65%
Housing Finance & Development	52,082,757	24%	50,968,970	23%
Operations	8,031,389	4%	8,220,464	4%
Reserves	17,376,500	8%	17,825,158	8%
Total Budget	\$ 212,877,294	100%	\$ 221,347,131	100%
Continuing Appropriations	\$ 7,465,463		\$ 10,717,434	

Continuing Appropriations represent projects, contracts or activities approved in FY05 or earlier but not completed to date. As such, these funds are not available for allocation. Estimated Continuing Appropriations of \$10.7 million are not included in the proposed FY06 Budget total but are shown on the budget summary charts to give a complete picture of resources and activity levels.

In addition, the following chart shows the proposed FY06 Budget for each of the Activity Groups and Reserves. It details staff positions, administrative costs and housing program dollars.

	Number of Staff	Salaries & Benefits	Services & Supplies	Housing Programs	FY06 Proposed Budget	Continuing Appropriations
Housing Services	155.53	\$ 9,678,356	\$ 2,165,766	\$ 132,488,417	\$ 144,332,539	\$ 2,637,516
Hsg Fin & Devel.	35.40	2,894,885	1,209,984	46,864,101	50,968,970	7,956,112
Operations	49.07	3,942,442	3,814,449	463,573	8,220,464	123,806
Reserves	0.00	0	0	0	17,825,158	0
Total	240.00	\$16,515,683	\$7,190,199	\$ 179,816,091	\$221,347,131	\$ 10,717,434

With the FY06 Activity Based Budget, comparisons between years are available in Section II. Major changes from FY05 to FY06 can be noted in general terms.

In FY06, *Housing Services* reflects an overall increase of 6.6% primarily to provide for leasing the authorized Section 8 Voucher units and rent increases for landlords for units leased through FY06. As a result, FY06 Rental Assistance increases by \$3.1 million (2.7%) over FY05. There is a \$6.0 million (38%) increase in Property Management expenditures due to the planned payoff of the University Canyon \$2.8 million mortgage and reflects stepped up extraordinary maintenance to address the aging housing stock and increases in related construction costs. Plans include replaced or improved baths and kitchens, flooring, landscaping, painting exteriors and interiors, site retaining walls and stairways at the Conventional Public Housing units, Maya Apartments, two State projects and University Canyon. These will be funded from the sale of 35 University Canyon units to the Conventional Public Housing Program, public housing grants and property specific reserve funds created for such extraordinary maintenance. Resident Services decreases by \$147,000 (7.2%) for recreation and contract expenses

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San Diego Housing Commission

Summary of FY06 Budget

because significant portions of HUD grants were expended or obligated in FY05. It is expected that additional new awards, when received, will increase the Resident Services budget during FY06. Grant applications will be considered at future Housing Commission/Housing Authority meetings as HUD and other agencies issue notices of the availability of resources.

Housing Finance & Development reflects an overall net decrease of 2.1% primarily from the expected obligation and/or completion in the current fiscal year of several housing projects or programs. It should be noted that the cost of each development and homebuyer loan is expected to be higher in FY06 because market prices and construction costs continue to rise. Primary budget decreases include a decline of \$7.2 million in HOME, Lead Hazard Control and State funds. These decreases are nearly offset by an increase of \$5.8 million in expected Inclusionary Housing Funds. As a result of less revenue available, Rental Housing Production and Rehabilitation reflect decreases of 2.0% and 21% respectively. Homeownership increases by 2.5% net from new awards of Cal Home and HOME American Dream specifically designated for homebuyer programs, less a transfer of \$1 million of HOME program income to Rental Housing Production. Special Purpose Housing has an increase of 21% primarily due to the renewal of HUD contracts and new awards of Shelter Plus Care funds for rent to owners and for grants. Portfolio Servicing and Occupancy Monitoring shows less than a 1% decline primarily due to nonrecurring FY05 funding for the Reinvestment Task Force's consulting for venture capital research.

Operations reflects an overall increase of 2.4% primarily due to increases for various costs related to document imaging, back file conversion services, agency database design, and web development. In addition, there is an increase for computer hardware and software including replacement monitors, web portals for Section 8 owners and applicants on the waiting list and for the Human Resources/Payroll system. Again this year, Operations expenses can be readily distinguished from direct services and are less than 4% of the FY06 Budget (down from 5% in the FY04 Budget and 6% in the FY02 Budget). If all expenses associated with supervisory functions in Housing Services and Housing Finance & Development were included with the Operations budget, overhead costs would be approximately 6% of the total budget.

Reserves total \$17.8 million, a slight increase from \$17.4 million in FY05. Most (\$11.3 million) funds are set aside for specific programs. These Program Reserves include the proposed addition of \$500,000 as a sinking fund for the future purchase of State units when the State loan becomes due and payable. \$2.1 million is reserved, as it was in FY05, for litigation, uninsured losses and the office facility purchase contingencies. Less than two percent of the budget (\$4.4 million) is set aside for unanticipated events and future administrative expenses.

Revenues

Housing Commission activities are driven largely by available revenues. The proposed FY06 Budget includes \$221.3 million in estimated revenue sources, representing a net increase of \$8.5 million from the current FY05 revenues. Of this amount, approximately \$175.3 million or 79% are restricted revenues that can only be used for the purpose for which they were granted by the funding sources. Conversely, \$46.1 million (21%) of revenues are subject to significant local discretion. Almost half of Unrestricted Revenues are allocated to Rental Housing Production, with significant amounts allocated to

FY06 BUDGET

San Diego Housing Commission

Summary of FY06 Budget

Homeownership, Rehabilitation and Special Purpose Housing. Addendum 11 further describes Unrestricted Revenues and their distribution.

The net increase in revenues reflects a large growth of \$5.8 million in Inclusionary Housing funds received in late FY05 and anticipated in FY06. In addition, it is expected there will be \$5.0 million of proceeds resulting from the sale of 35 University Canyon units to the Conventional Public Housing Program in FY06. Also, there is an additional \$3.6 million from new awards by HUD and the State of California (Shelter Plus Care, Capital Fund and Cal Home Program) and an anticipated increase of \$3.1 million in the Section 8 Programs to provide for rent increases through FY06. These increases are partially offset by a decline in HOME, Cal State Housing Trust and CalHFA HELP funds due to the expected obligation and/or completion in the current fiscal year of a number of housing projects or programs. This will cause \$8.2 million less in carryover funds from FY05 than occurred from FY04 into FY05. All of the other funds' increases and decreases account for the remaining \$800,000 decrease in the FY06 Budget. Finally, staff will continue to refine revenue estimates and advise the Commission through budget status reports and revisions.

Revenues

	FY05 Current Budget	FY06 Proposed Budget	Change
San Diego Revenues	\$ 28,910,903	\$ 41,297,224	\$ 12,386,321
State Revenues	7,501,825	5,568,323	(1,933,502)
Federal Revenues	<u>176,464,566</u>	<u>174,481,584</u>	<u>(1,982,982)</u>
	\$ 212,877,294	\$ 221,347,131	\$ 8,469,837

Additional federal and state grants not yet reflected in this budget are likely to increase available revenues during FY06. It is unlikely that new Section 8 funds will be available, even if actual costs for the authorized number of vouchers grow, and no additional vouchers will become available, except for residents of projects opting out of their federal housing agreements. However, it is expected that additional new awards from HUD and other agencies for Resident Services programs will become available in FY06. Furthermore, it is probable that the State will make available additional funds for homeownership and rehabilitation activities in FY06 from the statewide housing bond approved in November 2002 (\$2 million received from Prop 46 in 2005 to match the Housing Trust Fund will not recur in future years). Proceeds from Housing Authority bonds for rental development flow directly to projects and not through the Housing Commission's Budget.

It should be noted that the lease-up rate for the Section 8 Voucher Program has been closely monitored and is hovering just below 100%. This is significant because HUD will not fund units above our baseline number yet only units actually leased generate administrative revenues. Surplus administrative funds that formerly became Local funds and paid for activities ineligible for many other funding sources such as homeless shelters, social services, task forces, planning and administrative activities, are no longer eligible for this purpose placing an added burden on remaining Local funds.

FY06 BUDGET

San Diego Housing Commission

Summary of FY06 Budget

Expenditures

The proposed FY06 Budget shows a 4% increase in proposed expenditures. However, administrative funds are limited, so significant attention has been given to constraining and reducing administrative expenses. Expenditures are discussed in greater detail in Section III, Addendum 3.

Expenditures

	FY05 Current Budget	FY06 Proposed Budget	Change
Salaries & Benefits	\$ 16,261,540	\$ 16,515,683	\$ 254,143
Services & Supplies	7,471,556	7,190,199	(281,357)
Housing Programs	171,767,698	179,816,091	8,048,393
Reserves	<u>17,376,500</u>	<u>17,825,158</u>	<u>448,658</u>
	\$ 212,877,294	\$ 221,347,131	\$ 8,469,837

Staffing expenditures increase by 2% as described below. The ratio of salaries and benefits to housing program funds is below that of FY05.

Supplies and Services were critically reviewed and decrease by 4%. There is a net reduction in contract/consultants resulting from the completion of one-time consulting on a variety of projects in FY05. In addition, there is a decrease in office rent from negotiations that reduced the expected cost on the leaseback of the Newton office facility. Also, the decrease includes the reduction in insurance based on estimates from our providers. These decreases were partially offset by an increase in data processing primarily for document imaging and web access for clients as well as specific increases for software support and replacement monitors.

Housing Programs expenses increase by 5% primarily due to additional rent to owners for the Section 8 Voucher and Shelter Plus Care programs. In addition, mortgage payments experience a one-time increase due to the planned payoff of the University Canyon mortgage upon the sale of 35 University Canyon units to the Conventional Public Housing Program. These same sale proceeds will fund the majority of the substantial increase in extraordinary maintenance for a variety of significant work items at the University Canyon project while a drawdown of program reserves and new Capital Funds from HUD provide most of the remaining increase for extraordinary maintenance in FY06. These increases are partially offset by a reduction in loans and grants, reflecting less available revenue. Anticipated expenditures in the current year will result in less unspent revenue carrying over from FY05 into FY06 than was carried over into the FY05 Budget. Some program income earned by the agency from prior activities is programmed for site acquisition by the Housing Commission.

Administrative Issues

Based on a 1996 recommendation of the Select Committee on Government Efficiency and Fiscal Reform, the Housing Commission's independent auditor was commissioned to segregate administrative expenses

FY06 BUDGET

San Diego Housing Commission

Summary of FY06 Budget

from those associated with service delivery to ensure that overhead constitutes less than 10% of the budget. At that time, this study demonstrated that less than 8% of the Housing Commission's budget was devoted to administration. This ratio of administration to programs is projected to be less than 6% in the FY06 Budget.

In FY06, overhead will be tightly controlled and initial budget requests for personnel, supplies and services are pared down. Staffing levels are closely scrutinized throughout the year, with resources controlled and redeployed to meet service needs. Completion of one-time consulting contracts in FY05 was not replaced with new consultants contributing to a decrease in Services and Supplies. All other administrative expenditures were reviewed in FY05 and this review led to a net reduction of legal and insurance for FY06. In addition, the trend of flattening the organization by reducing management positions from twenty-one (21) to eight (8) by FY05 has stabilized in FY06.

The agency has been pursuing efforts to support the strategies included in the Business Plan approved by the Housing Commission and Housing Authority in late FY03. An example is the reimbursement for technical services provided by agency staff to Housing Development Partners, the Redevelopment Agency and the San Diego Model School Development Agency. A new Business Plan is in development to update these strategies.

Salaries and Benefits

The FY06 Budget proposal includes a net increase of one-half of one position. Because of the salary levels of the positions, adding 2.5 positions and eliminating 2 existing positions actually saves money. Specifically the budget would convert two long-term temporary positions to permanent Office Assistants to support Rental Assistance staff and add one-half of one Senior Office Assistant to help respond to the volume of phone calls for information on the rehabilitation programs. Proposed for elimination are two higher level positions: an Assistant Director in Rental Assistance and a Principal Human Resources Analyst. A summary of staffing changes is included in Section III, Addendum 4.

Summary of FY06 Budgeted Positions

	FY05 Current	FY06 Proposed	Change
Staffing Positions	239.50	240.00	0.50

FY06 budgeted salaries reflect the implementation of the salary adjustments (2% range adjustment partially offset by two unpaid days of furlough) that were approved by the Board last year as part of a three-year labor agreement, as well as a provision for employee progression on the seven-step merit pay range. Flex plan benefits also increase according to the agreement. In addition, workers compensation rates increased. Overall, these increases are partially absorbed by a salary contingency in the FY05 Budget that is reduced in FY06, for a net FY06 Budget increase of 2% in salaries and benefits. Addendum 7 describes salaries and benefits changes in detail (Section III, Addendum 7).

FY06 BUDGET

San Diego Housing Commission

Summary of FY06 Budget

Beneficiaries

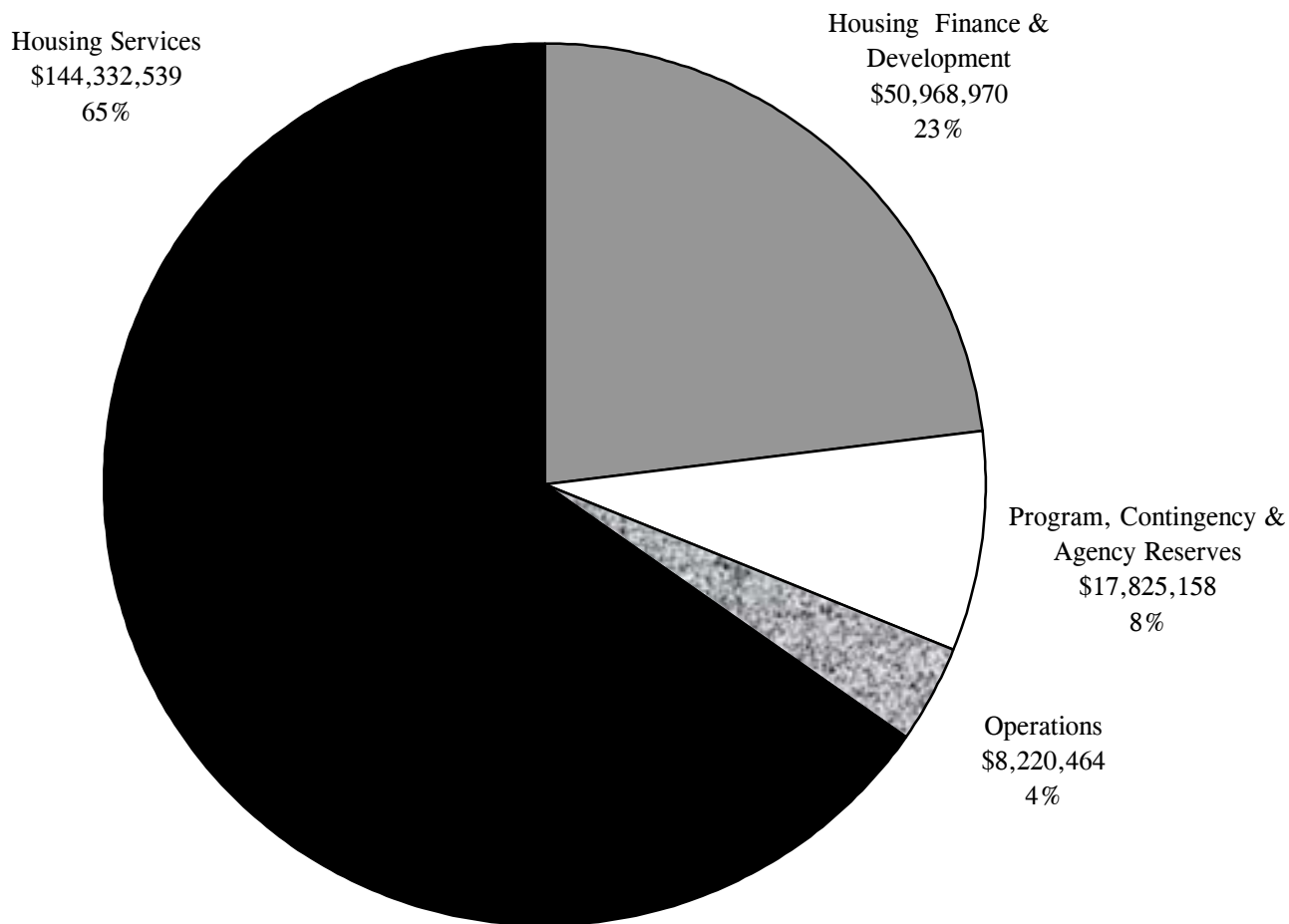
Proposed budget activities are targeted to serve lower income households with the vast majority of the budget targeting the very low-income earning well below 50% of area median income (AMI). Almost all of the Housing Services programs, which comprise just under two thirds of the budget, serve households with very low-incomes. The average annual income of households served by these programs is \$16,264.

In addition, within the Housing Finance & Development Activity Group, Special Purpose Housing targets those with extremely low-incomes. This activity represents an additional 2.5% of the budget for a total of approximately 70% of the budget targeted to serve very low income groups.

Rental Housing Production, Rehabilitation and Homeownership activities generally serve those at somewhat higher incomes. Rental Housing Production activities typically target households with incomes between 45% and 60% of AMI, while Homeownership activities generally serve those averaging 70% of AMI. Rehabilitation activities may serve households up to 80% of AMI, but the typical beneficiary earns less than 30% AMI (extremely low-income).

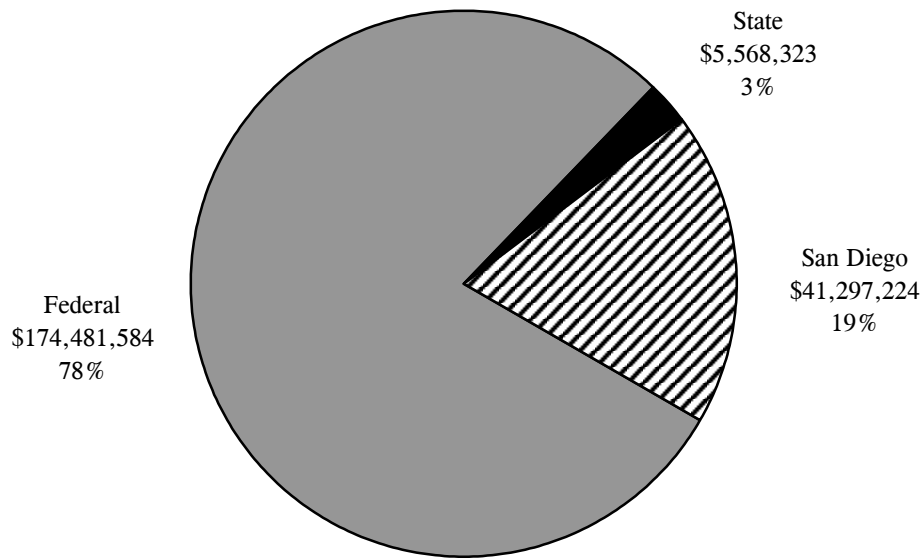
FY06 Budget by Activity Group

Total \$221,347,131*

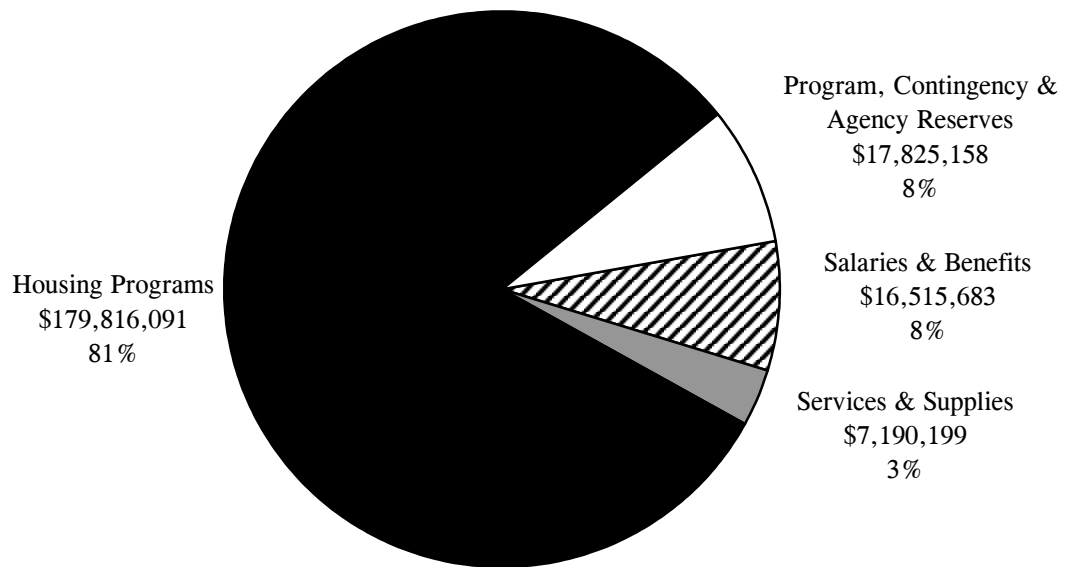


***Note: Does not include Continuing Appropriations of \$10,717,434**

FY06 Revenue by Major Category
Total \$221,347,131*

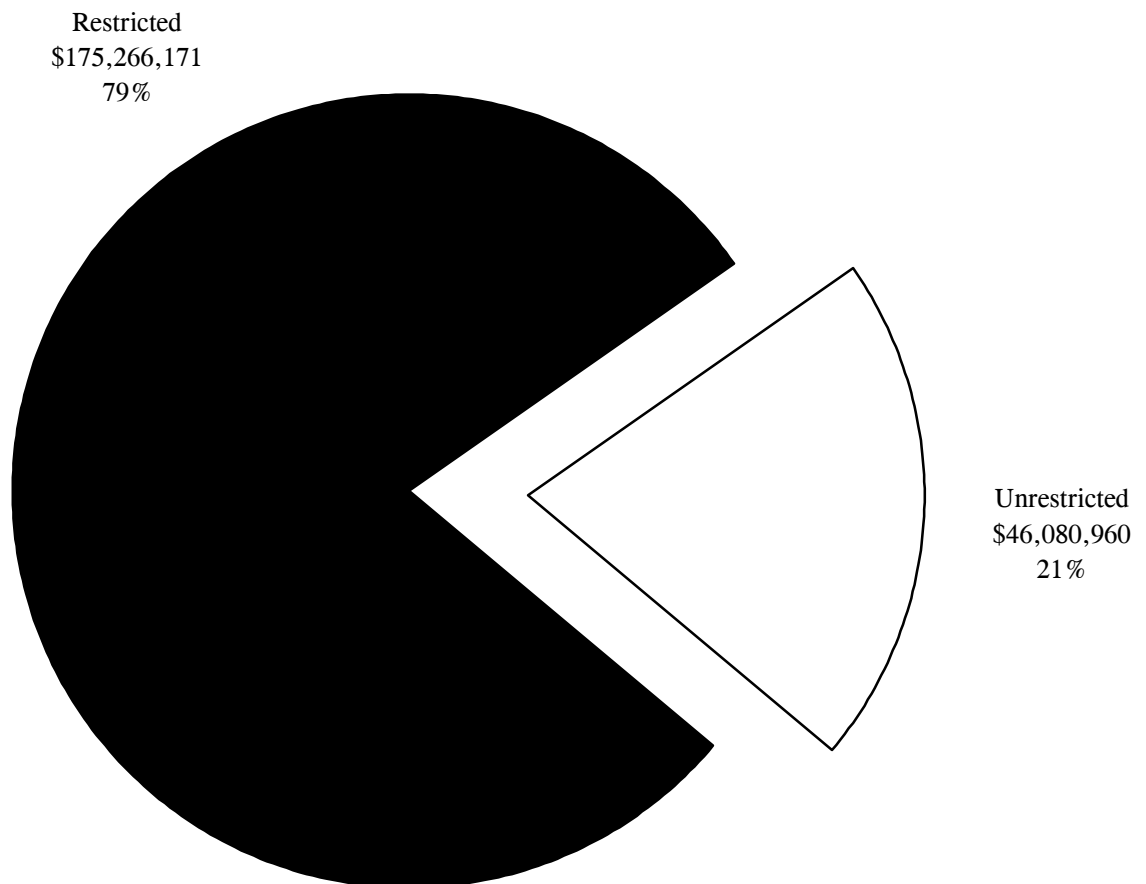


FY06 Expense by Major Category
Total \$221,347,131*



***Note: Does not include Continuing Appropriations of \$10,717,434**

**FY06 Revenues
Restricted and Unrestricted
Total \$221,347,131***



*** Note: Does not include Continuing Appropriations of \$10,717,434**

II FY06 ACTIVITY BASED BUDGET

FY06 BUDGET
San Diego Housing Commission

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II FY06 ACTIVITY BASED BUDGET

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FY06 BUDGET
San Diego Housing Commission

Schedule I

Activity Based Budget Summary

Activities	# of Staff	Salaries & Benefits	Services & Supplies	Housing Programs	Program & Contingency Reserves	Total Proposed Budget	Continuing Appropriations	FY05 Current Budget	FY05 Original Budget
Housing Services	155.53	9,678,356	2,165,766	132,488,417	0	144,332,539	2,637,516	135,386,648	134,666,941
Rental Assistance	88.25	5,273,590	872,366	114,581,306	0	120,727,262	73,689	117,609,643	117,013,607
Property Management	53.28	3,442,949	960,345	17,313,526	0	21,716,820	2,457,849	15,741,960	15,528,494
Management	25.10	1,442,811	493,766	3,970,093	0	5,906,670	850	3,122,525	3,072,911
Routine Maintenance	21.08	1,410,792	262,468	3,707,463	0	5,380,723	0	5,371,108	5,374,620
Asset Management	7.10	589,346	204,111	9,635,970	0	10,429,427	2,456,999	7,248,327	7,080,963
Resident Services	14.00	961,817	333,055	593,585	0	1,888,457	105,978	2,035,045	2,124,840
Housing Finance & Development	35.40	2,894,885	1,209,984	46,864,101	0	50,968,970	7,956,112	52,082,757	41,074,788
Rental Housing Production	12.80	1,134,417	509,391	28,289,665	0	29,933,473	2,501,026	30,549,993	25,112,392
Homeownership	2.75	201,737	85,403	6,504,085	0	6,791,225	1,872,407	6,623,826	4,256,585
Rehabilitation	9.80	796,031	172,451	5,206,664	0	6,175,146	399,687	7,769,701	5,661,822
Rental Housing	1.10	93,830	50,366	568,906	0	713,102	0	1,441,466	1,217,707
Owner Occupied	8.70	702,201	122,085	4,637,758	0	5,462,044	399,687	6,328,235	4,444,115
Portfolio Servicing & Occupancy Monitoring	7.85	580,765	305,176	1,746,911	0	2,632,852	0	2,638,929	2,476,230
Special Purpose Housing	2.20	181,935	137,563	5,116,776	0	5,436,274	3,182,992	4,500,308	3,567,759
Operations	49.07	3,942,442	3,814,449	463,573	0	8,220,464	123,806	8,031,389	7,890,974
Board & Executive Functions	6.90	800,709	302,657	0	0	1,103,366	0	1,242,607	1,137,607
Support Services	38.32	2,785,094	3,440,606	463,573	0	6,689,273	120,006	6,371,751	6,336,336
Human Resources	3.35	295,692	227,824	0	0	523,516	0	577,970	577,970
Information Technology	7.35	588,316	1,431,500	0	0	2,019,816	105,006	1,522,201	1,542,201
Financial Services	24.00	1,595,102	467,232	0	0	2,062,334	0	2,023,669	2,023,669
Organizational Development & Training	2.40	187,576	128,346	0	0	315,922	0	308,166	308,166
Facilities Management	1.22	118,408	1,185,704	463,573	0	1,767,685	15,000	1,939,745	1,884,330
Communication & Strategy	3.85	356,639	71,186	0	0	427,825	3,800	417,031	417,031
Program, Contingency & Agency Reserves	0.00	0	0	0	17,825,158	17,825,158	0	17,376,500	13,550,715
FY06 Proposed Activity Based Budget	240.00	16,515,683	7,190,199	179,816,091	17,825,158	221,347,131	10,717,434	212,877,294	197,183,418
FY05 Current Budget	239.50	16,261,540	7,471,556	171,767,698	17,376,500	212,877,294	7,465,463		

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Activities and Revenues

Activities	Restricted Revenue Sources						Unrestricted Revenue Sources			
	FY06 Proposed Budget	Section 8	Other HUD	State	CDBG	Restricted Local	Rental Rehabilitation	Local	Affordable Housing Fund	HOME
	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Housing Services	144,332,539	121,213,297	12,935,878	2,019,983	0	7,110,851	0	1,052,530	0	0
Rental Assistance	120,727,262	120,727,262	0	0	0	0	0	0	0	0
Property Management	21,716,820	0	11,605,792	2,019,983	0	7,038,515	0	1,052,530	0	0
Management	5,906,670	0	1,801,384	162,078	0	3,933,996	0	9,212	0	0
Routine Maintenance	5,380,723	0	4,272,795	352,905	0	709,801	0	45,222	0	0
Asset Management	10,429,427	0	5,531,613	1,505,000	0	2,394,718	0	998,096	0	0
Resident Services	1,888,457	486,035	1,330,086	0	0	72,336	0	0	0	0
Housing Finance & Development	50,968,970	189,543	8,206,507	3,142,518	2,950,867	4,629,142	286,968	3,104,906	10,937,803	17,520,716
Rental Housing Production	29,933,473	0	5,443,207	835,366	587,494	1,251,455	0	1,877,900	7,508,902	12,429,149
Homeownership	6,791,225	0	0	2,069,042	97,820	157,271	0	0	1,083,842	3,383,250
Rehabilitation	6,175,146	0	414,416	238,110	875,595	3,039,416	0	0	41,643	1,565,966
Rental Housing	713,102	0	310,757	200,000	0	0	0	0	0	202,345
Owner Occupied	5,462,044	0	103,659	38,110	875,595	3,039,416	0	0	41,643	1,363,621
Portfolio Servicing & Occupancy Monitoring	2,632,852	174,543	0	0	1,389,958	181,000	0	700,000	45,000	142,351
Special Purpose Housing	5,436,274	15,000	2,348,884	0	0	0	286,968	527,006	2,258,416	0
Operations	8,220,464	2,611,901	1,959,085	123,291	285,736	290,189	0	2,388,774	197,183	364,305
Board & Executive Functions	1,103,366	466,184	241,658	19,057	85,264	45,900	0	77,756	58,840	108,707
Support Services	6,689,273	1,931,805	1,717,427	104,234	200,472	244,289	0	2,097,105	138,343	255,598
Human Resources	523,516	268,979	122,718	9,235	20,493	21,844	0	39,977	14,143	26,127
Information Technology	2,019,816	788,774	776,632	32,433	69,444	73,443	0	142,629	47,922	88,539
Financial Services	2,062,334	736,896	736,048	56,241	95,765	134,251	0	114,950	66,085	122,098
Organizational Development & Training	315,922	137,156	82,029	6,325	14,770	14,751	0	31,864	10,193	18,834
Facilities Management	1,767,685	0	0	0	0	0	0	1,767,685	0	0
Communication & Strategy	427,825	213,912	0	0	0	0	0	213,913	0	0
Program, Contingency & Agency Reserves	17,825,158	559,441	4,115,989	282,531	0	2,639,422	0	8,484,578	461,846	1,281,351
FY06 Proposed Budget	221,347,131	124,574,182	27,217,459	5,568,323	3,236,603	14,669,604	286,968	15,030,788	11,596,832	19,166,372
FY05 Current Budget	212,877,294	121,507,964	27,574,385	7,501,825	3,362,356	8,962,549	310,948	14,129,129	5,819,225	23,708,913

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FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP I: HOUSING SERVICES			
<p>Housing Services encompasses those activities that provide direct housing assistance and supportive services to the agency's primary clients, approximately 15,000 low-, very low-, and extremely low-income households. These program activities provide eligible families with Rental Assistance; oversee Property Management and Maintenance of agency-owned and managed complexes and coordinate the provision of Resident Services to assist clients to become independent of assistance.</p>			
POLICY ISSUES:			
<ol style="list-style-type: none"> 1. Pursue alternate sources of funding in Resident Services. 2. Analyze methods to maintain average housing assistance payments to ensure continuing assistance for the maximum number of rental assistance clients within HUD allocation of funds. 3. Plan and implement significant program changes in Section 8 and public housing based on Congressional action. 			
RESOURCE ALLOCATION:		FY05	FY06
		Current	Proposed
	Budget	\$ 135,386,648	\$ 144,332,539
	Continuing Appropriations	\$ 54,055	\$ 2,637,516
	Positions	154.53	155.53

The Housing Services Activity Group includes the following Activities:

ACTIVITY IA: RENTAL ASSISTANCE			
<p>PURPOSE AND DESCRIPTION: The Rental Assistance Program (RAP) provides rental subsidies to 12,440 qualified low-income households (35,000 individuals) living in privately owned rental units. The primary program is the federally funded Section 8 Voucher Program; also includes Section 8 Moderate Rehabilitation and New Construction programs. This activity includes waiting list and eligibility, unit inspections and rent determination, and ongoing program operations.</p>			
RESOURCE ALLOCATION:		FY05	FY06
		Current	Proposed
	Budget	\$ 117,609,643	\$ 120,727,262
	Continuing Appropriations	\$ 16,115	\$ 73,689
	Positions	87.25	88.25

FY06 BUDGET
San Diego Housing Commission

ACTIVITY IB: PROPERTY MANAGEMENT			
PURPOSE AND DESCRIPTION: Property Management is responsible for the operation of all 1,740 Housing Commission-owned and/or managed units. Eligibility maintains the waiting list and selects qualified applicants for program participation. Occupancy provides lease-up services and ensures resident compliance with programmatic and lease requirements. Routine Maintenance provides for the daily routine and preventive maintenance functions of all Housing Commission-owned properties. Asset Management ensures the long-term viability of the Housing Commission's housing stock through the completion of capital improvement projects on 760 units.			
RESOURCE ALLOCATION:		FY05 Current	FY06 Proposed
Budget	\$	15,741,960	\$ 21,716,820
Continuing Appropriations	\$	17,948	\$ 2,457,849
Positions		53.28	53.28

ACTIVITY IC: RESIDENT SERVICES			
PURPOSE AND DESCRIPTION: The primary goal of Resident Services is to promote the self-sufficiency of residents of assisted housing, to enrich their quality of life and to increase their participation in the community. This goal is achieved as follows: 1) Self-sufficiency is fostered through collaborations with community organizations to provide employment-related training, educational opportunities and supportive services to 590 families; 2) Youth and adult programs at on-site learning centers include academic tutoring, computer skills training, ABE/ESL classes, and youth leadership programs for crime prevention and intervention; 3) Elderly residents and residents with disabilities have access to information and referral services and activities to increase socialization. Additional funding is pursued through grant writing efforts to maintain and enrich the current level of services.			
RESOURCE ALLOCATION:		FY05 Current	FY06 Proposed
Budget	\$	2,035,045	\$ 1,888,457
Continuing Appropriations	\$	19,992	\$ 105,978
Positions		14.00	14.00

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP II: HOUSING FINANCE & DEVELOPMENT			
<p>Housing Finance and Development activities facilitate the creation of additional affordable housing opportunities by providing financing for development of housing by nonprofits, for-profits and for direct development; support for low-income homebuyers; preservation of existing affordable housing; provision of technical assistance, underwriting and loan servicing.</p>			
POLICY ISSUES:			
<ol style="list-style-type: none"> 1. Continuing increases in cost of development and home purchase. 2. Pursuit of more aggressive development and revenue generation opportunities pursuant to FY06-07 Business Plan including the use of program income to fund SDHC projects. 3. Seek out additional revenues for lending programs. 			
RESOURCE ALLOCATION:		FY05	FY06
		Current	Proposed
	Budget	\$ 52,082,757	\$ 50,968,970
	Continuing Appropriations	\$ 7,124,233	\$ 7,956,112
	Positions	34.90	35.40

The Housing Finance & Development Activity Group includes the following Activities:

ACTIVITY IIA: RENTAL HOUSING PRODUCTION			
<p>PURPOSE AND DESCRIPTION: This activity involves the development and preservation of affordable rental housing units using a variety of financing for acquisition, acquisition with rehabilitation, and new construction. This activity also provides project management support for units in development. Included in this activity is the provision of technical assistance and/or financing to nonprofit and for-profit developers; development of rental housing by the Housing Commission, and development and implementation of policies and programs that promote private sector development of affordable rental housing.</p>			
RESOURCE ALLOCATION:		FY05	FY06
		Current	Proposed
	Budget	\$ 30,549,993	\$ 29,933,473
	Continuing Appropriations	\$ 2,556,521	\$ 2,501,026
	Positions	12.80	12.80

FY06 BUDGET
San Diego Housing Commission

ACTIVITY IIB: HOMEOWNERSHIP			
PURPOSE AND DESCRIPTION: This activity provides for a range of financial products and technical assistance designed to help low- and moderate-income families purchase homes, and improve affordability for existing homeowners with reissued Mortgage Credit Certificates.			
RESOURCE ALLOCATION:		FY05 Current	FY06 Proposed
	Budget	\$ 6,623,826	\$ 6,791,225
	Continuing Appropriations	\$ 1,899,012	\$ 1,872,407
	Positions	2.75	2.75

ACTIVITY IIC: REHABILITATION			
PURPOSE AND DESCRIPTION: The Rehabilitation activity provides financial and technical assistance for the renovation of homes or mobile homes occupied by low-income households, and investor-owned housing occupied by low-income renters.			
RESOURCE ALLOCATION:		FY05 Current	FY06 Proposed
	Budget	\$ 7,769,701	\$ 6,175,146
	Continuing Appropriations	\$ 196,554	\$ 399,687
	Positions	9.30	9.80

ACTIVITY IID: PORTFOLIO SERVICING & OCCUPANCY MONITORING			
PURPOSE AND DESCRIPTION: This activity includes servicing and administration of the Housing Commission's loan portfolio and bond portfolio. Monitoring projects for compliance with occupancy and affordability restrictions and managing the Housing Commission's relocation/tenant assistance program are included. Administration of the Reinvestment Task Force is also included in this activity.			
RESOURCE ALLOCATION:		FY05 Current	FY06 Proposed
	Budget	\$ 2,638,929	\$ 2,632,852
	Continuing Appropriations	\$ 0	\$ 0
	Positions	7.85	7.85

FY06 BUDGET
San Diego Housing Commission

ACTIVITY IIE: SPECIAL PURPOSE HOUSING			
PURPOSE AND DESCRIPTION: Provide funding to support affordable housing or services for persons with special needs. Includes transitional housing and permanent supportive housing or services as well as homeless services.			
RESOURCE ALLOCATION:		FY05 Current	FY06 Proposed
	Budget	\$ 4,500,308	\$ 5,436,274
	Continuing Appropriations	\$ 2,472,146	\$ 3,182,992
	Positions	2.20	2.20

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP III: OPERATIONS			
<p>Operations activities provide support services to carry out housing program mission and goals. Board and Executive Function provides strategic planning, policy direction, leadership, and management to implement housing programs. Support Services include internal operations needed to deliver housing program services and projects. Communication & Strategy serves to inform and educate clients and the community about affordable housing issues and programs, provides ombudsman services and provides customer feedback to the Housing Commission.</p>			
RESOURCE ALLOCATION:		FY05 Current	FY06 Proposed
	Budget	\$ 8,031,389	\$ 8,220,464
	Continuing Appropriations	\$ 287,175	\$ 123,806
	Positions	50.07	49.07

The Operations Activity Group includes the following Activities:

ACTIVITY IIIA: BOARD & EXECUTIVE FUNCTIONS			
<p>PURPOSE AND DESCRIPTION: This activity includes strategic planning, policy analysis and development, management, and direction for the agency. The President & Chief Executive Officer and Executive Vice President & Chief Operating Officer and their immediate support staff, as well as support to the Boards of the Housing Commission, Housing Authority, and Model School Development Agency are included. The policy function, including tasks coordinated with the City's Planning and Development Departments, is part of this activity.</p>			
RESOURCE ALLOCATION:		FY05 Current	FY06 Proposed
	Budget	\$ 1,242,607	\$ 1,103,366
	Continuing Appropriations	\$ 4,178	\$ 0
	Positions	6.90	6.90

FY06 BUDGET
San Diego Housing Commission

ACTIVITY IIIB: SUPPORT SERVICES			
PURPOSE AND DESCRIPTION: Operations activities of the agency provide direct staff, equipment and contracting services to support housing program functions. These internal operations of the Housing Commission include Human Resources, Information Technology, Financial Services, Facilities Management, and Organizational Development & Training.			
RESOURCE ALLOCATION:		FY05	FY06
		Current	Proposed
	Budget	\$ 6,371,751	\$ 6,689,273
	Continuing Appropriations	\$ 275,762	\$ 120,006
	Positions	39.32	38.32

ACTIVITY IIIC: COMMUNICATION & STRATEGY			
PURPOSE AND DESCRIPTION: To open channels of communication between the Housing Commission and its public – including clients, Commissioners, government officials, the media, the community at large, and agency staff – to educate them about affordable housing issues. Activities include marketing, media relations, outreach and public information requests. Includes ombudsman who assists in resolving customer and neighborhood concerns.			
RESOURCE ALLOCATION:		FY05	FY06
		Current	Proposed
	Budget	\$ 417,031	\$ 427,825
	Continuing Appropriations	\$ 7,235	\$ 3,800
	Positions	3.85	3.85

III ADDENDA

FY06 BUDGET
San Diego Housing Commission

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Activity Based Budget Detail

HOUSING SERVICES

ACTIVITY GROUP

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING SERVICES													
ACTIVITY: RENTAL ASSISTANCE													
SUBACTIVITY: Rental Assistance													
Purpose and Description of the Activity:	Provide rental subsidies to approximately 12,440 qualified low-income households (35,000 individuals) living in privately owned rental units. All programs are federally funded. Anticipate HUD's FFY2006 funding and the program operational changes. Funding will be provided on a block grant basis and significant rule changes are expected.												
Objectives:	<ol style="list-style-type: none"> 1. Maximize utilization of housing assistance by leasing up total allocation and utilization of total dollars awarded. Maintain average lease-up rate of 99%. 2. Review and assess program operation to prepare for the implementation of the new program regulations. 3. Establish a new training curriculum for staff, and provide technical support to supervisors in response to the new program regulations. 4. Establish a centralized call center to provide prompt, efficient, and technically sound program information to clients. 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY05 Current</th> <th style="width: 20%; text-align: center;">FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 117,609,643</td> <td style="text-align: right;">\$ 120,727,262</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 116,115</td> <td style="text-align: right;">\$ 73,689</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">87.25</td> <td style="text-align: right;">88.25</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 117,609,643	\$ 120,727,262	Continuing Appropriations	\$ 116,115	\$ 73,689	Positions	87.25	88.25
	FY05 Current	FY06 Proposed											
Budget	\$ 117,609,643	\$ 120,727,262											
Continuing Appropriations	\$ 116,115	\$ 73,689											
Positions	87.25	88.25											

FY06 BUDGET

San Diego Housing Commission

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

HOUSING SERVICES

RENTAL ASSISTANCE

Rental Assistance

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	5,197,190	5,273,590	1%
Services & Supplies	1,029,473	872,366	-15%
Housing Programs			
Rent to Owners	111,382,980	114,581,306	3%
Housing Programs Total	111,382,980	114,581,306	3%
TOTAL EXPENDITURES	117,609,643	120,727,262	3%
REVENUES			
Restricted			
Section 8	117,609,643	120,727,262	3%
Restricted Total	117,609,643	120,727,262	3%
TOTAL REVENUES	117,609,643	120,727,262	3%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	HOUSING SERVICES
ACTIVITY:	RENTAL ASSISTANCE
SUBACTIVITY:	Rental Assistance

Summary of Major Changes:

Salaries & Benefits: The increase of \$139,384 is primarily due to the addition of 2.00 Office Assistant II positions previously budgeted as temporary employees. In addition, there are provisions for salary, benefits and employee pay plan increases in FY06. Also there is a reclassification of an Office Supervisor to a Senior Administrative Assistant. These increases are partially offset by the deletion of an Assistant Director of Housing Programs position.

Services & Supplies: The decrease of \$157,107 is due to the decrease of \$181,724 in contract consultants. This reduction includes a reduction of \$71,000 in Sex Offender Clearance since the information is free online, a decrease of \$63,964 for two temporary employees that were transferred to salary and benefits, a reduction of \$24,000 in criminal history records based on actual cost experience and a decrease of \$22,760 in temporary employees due to completion of old file purging in FY05. In addition, both legal and postage are reduced by \$10,000 and \$9,000 respectively based on cost experience and office equipment declines by \$275. These decreases were partially offset by increases of \$12,475 for office supplies, records storage, mileage, car allowance, rent processing fees to landlords and paper shredding services. In addition, there were increases of \$11,000 for additional mediation services; \$10,000 in travel for staff to attend national conferences for training on new regulations; \$5,500 to contract waiting list response information and temporary employees to back-up the reception area; \$1,899 in insurance to provide for non-reimbursable claims; \$1,602 for reallocation of office space; and \$1,416 in fees charged for data processing services.

Housing Programs: HUD has provided funds for calendar year 2005 and based on the uncertainty of Congressional action on this program, no increase in rent to owners is assumed in calendar year 2006. However, the increase of \$3,198,326 should provide for leasing the authorized units and rent increases for units leased through FY06 based on cost history.

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING SERVICES													
ACTIVITY: PROPERTY MANAGEMENT													
SUBACTIVITY: Management													
Purpose and Description of the Activity:	Ensure full utilization of existing housing resources through the achievement and maintenance of a 99% occupancy rate.												
Objectives:	<ol style="list-style-type: none"> 1. Implement new Housing Services software and continue to modify business practices in order to increase efficiency and improve customer service. 2. Implement approved occupancy plan for the University Canyon development. 3. Create and implement re-use plan for state funded sites. 4. Demonstration of project based management. 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY05 Current</th> <th style="width: 20%; text-align: center;">FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 3,122,525</td> <td style="text-align: right;">\$ 5,906,670</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 1,266</td> <td style="text-align: right;">\$ 850</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">25.10</td> <td style="text-align: right;">25.10</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 3,122,525	\$ 5,906,670	Continuing Appropriations	\$ 1,266	\$ 850	Positions	25.10	25.10
	FY05 Current	FY06 Proposed											
Budget	\$ 3,122,525	\$ 5,906,670											
Continuing Appropriations	\$ 1,266	\$ 850											
Positions	25.10	25.10											

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP:
ACTIVITY:
SUBACTIVITY:

HOUSING SERVICES
PROPERTY MANAGEMENT
Management

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,415,748	1,442,811	2%
Services & Supplies	561,208	493,766	-12%
Housing Programs			
Rent to Owners	165,870	165,870	0%
Other Housing Programs	979,699	3,804,223	288%
Housing Programs Total	1,145,569	3,970,093	247%
TOTAL EXPENDITURES	3,122,525	5,906,670	89%
REVENUES			
Restricted			
Other HUD	1,787,883	1,801,384	1%
State	157,836	162,078	3%
Restricted Local	1,168,483	3,933,996	237%
Restricted Total	3,114,202	5,897,458	89%
Unrestricted			
Local	8,323	9,212	11%
Unrestricted Total	8,323	9,212	11%
TOTAL REVENUES	3,122,525	5,906,670	89%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	HOUSING SERVICES
ACTIVITY:	PROPERTY MANAGEMENT
SUBACTIVITY:	Management

Summary of Major Changes:

Salaries & Benefits: The increase of \$27,063 is due primarily to provisions for salary, benefits and employee pay plan increases in FY06. In addition, there is a reclassification of 1.30 Housing Supervisors to Assistant Directors of Housing Programs.

Services & Supplies: The decrease of \$67,442 is primarily due to the decrease of \$42,936 in general liability and property insurance based on an estimate from the provider. In addition, there is a decrease of \$27,868 in contract/consultant for credit checks, unlawful detainers, sex offender clearances and temporary employees. These decreases are partially offset by an increase of \$3,050 for a photocopy machine at the Maya complex, mileage, and paper shredding services. In addition there were small increases of \$234 for reallocation of office space and \$78 in fees charged for data processing services.

Housing Programs: The increase of \$2,824,524 is due to the planned payoff of the University Canyon mortgage upon the sale of 35 University Canyon units to the Conventional Public Housing Program.

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING SERVICES													
ACTIVITY: PROPERTY MANAGEMENT													
SUBACTIVITY: Routine Maintenance													
Purpose and Description of the Activity:	Provide for the cost effective daily routine and preventive maintenance of all San Diego Housing Commission-owned and/or managed properties.												
Objectives:	<ol style="list-style-type: none"> 1. Maintain all San Diego Housing Commission-owned and managed properties to high standard to promote neighborhood support and asset viability. 2. Implement University Canyon improvements. 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY05 Current</th> <th style="width: 20%; text-align: center;">FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 5,371,108</td> <td style="text-align: right;">\$ 5,380,723</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 16,441</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">21.08</td> <td style="text-align: right;">21.08</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 5,371,108	\$ 5,380,723	Continuing Appropriations	\$ 16,441	\$ 0	Positions	21.08	21.08
	FY05 Current	FY06 Proposed											
Budget	\$ 5,371,108	\$ 5,380,723											
Continuing Appropriations	\$ 16,441	\$ 0											
Positions	21.08	21.08											

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP:
ACTIVITY:
SUBACTIVITY:

HOUSING SERVICES
PROPERTY MANAGEMENT
Routine Maintenance

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,372,788	1,410,792	3%
Services & Supplies	301,587	262,468	-13%
Housing Programs			
Other Housing Programs	3,696,733	3,707,463	0%
Housing Programs Total	<u>3,696,733</u>	<u>3,707,463</u>	0%
TOTAL EXPENDITURES	5,371,108	5,380,723	0%
REVENUES			
Restricted			
Other HUD	4,219,286	4,272,795	1%
State	348,977	352,905	1%
Restricted Local	757,232	709,801	-6%
Restricted Total	<u>5,325,495</u>	<u>5,335,501</u>	0%
Unrestricted			
Local	45,613	45,222	-1%
Unrestricted Total	<u>45,613</u>	<u>45,222</u>	-1%
TOTAL REVENUES	5,371,108	5,380,723	0%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	HOUSING SERVICES
ACTIVITY:	PROPERTY MANAGEMENT
SUBACTIVITY:	Routine Maintenance

Summary of Major Changes:

Salaries & Benefits: The increase of \$38,004 is due primarily to provisions for salary, benefits and employee pay plan increases in FY06. In addition, there is a reclassification of 0.70 Housing Supervisors to Assistant Directors of Housing Programs.

Services & Supplies: The decrease of \$39,119 is primarily due to the decrease of \$27,895 in vehicle insurance based on an estimate from the provider. In addition, there is a decrease of \$22,974 in the expected purchase of new vehicles to replace aging stock. These decreases were partially offset by an increase of \$11,750 in postage, gasoline for vehicles and paper shredding services.

Housing Programs: The increase of \$10,730 is due to the expected increase in water, sewer, gas and electric utilities in FY06 based on cost history.

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING SERVICES													
ACTIVITY: PROPERTY MANAGEMENT													
SUBACTIVITY: Asset Management													
Purpose and Description of the Activity:	Complete capital improvement projects at Housing Commission-owned and managed developments.												
Objectives:	1. Ensure the long-term viability of San Diego Housing Commission-owned developments through the completion of capital improvement projects.												
Resource Allocation:	<table border="1"> <thead> <tr> <th></th> <th>FY05 Current</th> <th>FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td>\$ 7,248,327</td> <td>\$ 10,429,427</td> </tr> <tr> <td>Continuing Appropriations</td> <td>\$ 241</td> <td>\$ 2,456,999</td> </tr> <tr> <td>Positions</td> <td>7.10</td> <td>7.10</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 7,248,327	\$ 10,429,427	Continuing Appropriations	\$ 241	\$ 2,456,999	Positions	7.10	7.10
	FY05 Current	FY06 Proposed											
Budget	\$ 7,248,327	\$ 10,429,427											
Continuing Appropriations	\$ 241	\$ 2,456,999											
Positions	7.10	7.10											

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP:
ACTIVITY:
SUBACTIVITY:

HOUSING SERVICES
PROPERTY MANAGEMENT
Asset Management

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	579,852	589,346	2%
Services & Supplies	277,754	204,111	-27%
Housing Programs			
Other Housing Programs	6,390,721	9,635,970	51%
Housing Programs Total	<u>6,390,721</u>	<u>9,635,970</u>	51%
TOTAL EXPENDITURES	7,248,327	10,429,427	44%
REVENUES			
Restricted			
Other HUD	4,249,790	5,531,613	30%
State	886,250	1,505,000	70%
Restricted Local	342,242	2,394,718	600%
Restricted Total	<u>5,478,282</u>	<u>9,431,331</u>	72%
Unrestricted			
Local	<u>1,770,045</u>	<u>998,096</u>	-44%
Unrestricted Total	<u>1,770,045</u>	<u>998,096</u>	-44%
TOTAL REVENUES	7,248,327	10,429,427	44%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	HOUSING SERVICES
ACTIVITY:	PROPERTY MANAGEMENT
SUBACTIVITY:	Asset Management

Summary of Major Changes:

Salaries & Benefits: The increase of \$9,494 is due to provisions for salary, benefits and employee pay plan increases in FY06.

Services & Supplies: The decrease of \$73,643 is primarily due to the \$80,000 decrease in one-time contract/consultants for energy audit and needs assessment completed in FY05. This decrease was partially offset by an increase of \$3,495 for records storage, mileage, office supplies and printing. In addition, there is an increase of \$2,862 for reallocation of office space.

Housing Programs: The increase of \$3,245,249 is primarily due to the significant increase of \$3,722,513 in extraordinary maintenance, resulting from plans to provide for baths, cabinets, counters, flooring, kitchens, courtyards, landscaping and irrigation, paint exteriors and interiors, playgrounds, seal parking lots, site retaining walls and stairways at the Conventional Public Housing units, Maya Apartments, two State projects and University Canyon. In addition, there is an increase of \$43,876 in temporary relocation of residents in occupancy during the completion of specific Capital Fund work improvements at the Conventional Public Housing units. These increases are partially offset by a decrease of \$521,140 in construction defects extraordinary maintenance as contracts are expected to be entered into in FY05 resulting in less carryover from FY05 than occurred in FY04.

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING SERVICES													
ACTIVITY: RESIDENT SERVICES													
SUBACTIVITY: Resident Services													
Purpose and Description of the Activity:	Coordination of programs, services and strategic partnerships that assist San Diego Housing Commission participants to achieve economic self-sufficiency and personal independence through education, training, and employment opportunities. Activities include youth and adult education; literacy and ESL; career development; computer training; gang and drug prevention; leadership development; information and referral; and supportive services for families, seniors and persons with disabilities.												
Objectives:	<ol style="list-style-type: none"> 1. Coordinate programs, partnerships and supportive services that assist San Diego Housing Commission participants to achieve economic self-sufficiency, educational advancement and personal independence through the administration of Learning Opportunity Centers, the Family Self-Sufficiency Program, and other programs and partnerships. 2. Aggressively seek new and continued funding sources to maintain existing programs and partnerships and to improve the availability, accessibility and quality of supportive services for participants. 												
Resource Allocation:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">FY05 Current</th> <th style="text-align: center;">FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 2,035,045</td> <td style="text-align: right;">\$ 1,888,457</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 19,992</td> <td style="text-align: right;">\$ 105,978</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">14.00</td> <td style="text-align: right;">14.00</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 2,035,045	\$ 1,888,457	Continuing Appropriations	\$ 19,992	\$ 105,978	Positions	14.00	14.00
	FY05 Current	FY06 Proposed											
Budget	\$ 2,035,045	\$ 1,888,457											
Continuing Appropriations	\$ 19,992	\$ 105,978											
Positions	14.00	14.00											

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP:
ACTIVITY:
SUBACTIVITY:

HOUSING SERVICES
RESIDENT SERVICES
Resident Services

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	954,629	961,817	1%
Services & Supplies	294,068	333,055	13%
Housing Programs			
Other Housing Programs	786,348	593,585	-25%
Housing Programs Total	786,348	593,585	-25%
TOTAL EXPENDITURES	2,035,045	1,888,457	-7%
REVENUES			
Restricted			
Section 8	488,900	486,035	-1%
Other HUD	1,460,984	1,330,086	-9%
Restricted Local	85,161	72,336	-15%
Restricted Total	2,035,045	1,888,457	-7%
TOTAL REVENUES	2,035,045	1,888,457	-7%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	HOUSING SERVICES
ACTIVITY:	RESIDENT SERVICES
SUBACTIVITY:	Resident Services

Summary of Major Changes:

Salaries & Benefits: The increase of \$7,188 is due to provisions for salary, benefits and employee pay plan increases in FY06.

Services & Supplies: The increase of \$38,987 is primarily due to the increase of \$57,770 for a contract Resident Initiatives Coordinator for the family self sufficiency grants. In addition, there is an increase of \$3,510 in travel and training and \$600 in gasoline and parking fees. These increases are partially offset by decreases of \$15,112 in office supplies, postage, printing and mileage based on actual cost experience. Also there is a decrease of \$3,163 in temporary employees due to completion of the Welfare to Work program; \$3,150 in office equipment due to purchases in FY05; and a \$1,468 decline in vehicle insurance based on an estimate from the provider.

Housing Programs: The decrease of \$192,763 is primarily due to the decrease of \$199,463 in resident services program expenses resulting from the obligation and/or expenditure of significant amounts of funding in FY05 for the ROSS and Capital Fund programs. In addition, the San Diego Community College's ICAN Welfare to Work and ICAN Implementation programs will be completed in FY05. It is expected that additional new awards to replenish these decreases will occur during FY06. Specific applications for funds will be provided at future Housing Commission meetings for approval as HUD and other agencies notify staff concerning the availability of resources. The decrease was partially offset by an increase of \$3,700 for additional protective services at Learning Opportunity Centers and \$3,000 for maintenance.

FY06 BUDGET

San Diego Housing Commission

Addendum 1

Activity Based Budget Detail

HOUSING FINANCE & DEVELOPMENT

ACTIVITY GROUP

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT													
ACTIVITY: RENTAL HOUSING PRODUCTION													
SUBACTIVITY: Rental Housing Production													
Purpose and Description of the Activity:	Provide financing to nonprofit and for-profit entities for production or preservation of affordable rental housing, including special purpose housing, through issuance of bonds, loans, grants, tax credits, inclusionary and density bonus units, contribution of land, land-use regulations and technical assistance. Identify and pursue development opportunities with Housing Commission participation.												
Objectives:	<ol style="list-style-type: none"> 1. Create or preserve 350 rental units through financing (new construction, acquisition, acquisition with rehabilitation), affordable at/below 60% area median income. 2. Provide technical assistance to nonprofits in the form of project development assistance and provide workshops for developers regarding rental housing development issues. 3. Provide project management support for 560 units in development. 4. Actively pursue development of mixed income housing, owned and operated by the San Diego Housing Commission. 5. In collaboration with the City, School District and Redevelopment Agency, continue the planning, financing, and construction of a development that would combine a new elementary school with multifamily housing to replace housing units that will be removed due to the construction of a school. 												
Resource Allocation:	<table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">FY05 Current</th> <th style="text-align: center;">FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 30,549,993</td> <td style="text-align: right;">\$ 29,933,473</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 2,556,521</td> <td style="text-align: right;">\$ 2,501,026</td> </tr> <tr> <td>Positions</td> <td style="text-align: center;">12.80</td> <td style="text-align: center;">12.80</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 30,549,993	\$ 29,933,473	Continuing Appropriations	\$ 2,556,521	\$ 2,501,026	Positions	12.80	12.80
	FY05 Current	FY06 Proposed											
Budget	\$ 30,549,993	\$ 29,933,473											
Continuing Appropriations	\$ 2,556,521	\$ 2,501,026											
Positions	12.80	12.80											

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT
ACTIVITY: RENTAL HOUSING PRODUCTION
SUBACTIVITY: Rental Housing Production

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,119,056	1,134,417	1%
Services & Supplies	506,925	509,391	0%
Housing Programs			
Loans & Grants	18,511,222	17,722,315	-4%
Site Acquisition	10,373,600	10,473,410	1%
Other Housing Programs	39,190	93,940	140%
Housing Programs Total	28,924,012	28,289,665	-2%
TOTAL EXPENDITURES	30,549,993	29,933,473	-2%
REVENUES			
Restricted			
Other HUD	5,778,623	5,443,207	-6%
State	3,760,366	835,366	-78%
CDBG	667,885	587,494	-12%
Restricted Local	1,082,331	1,251,455	16%
Restricted Total	11,289,205	8,117,522	-28%
Unrestricted			
Local	2,210,675	1,877,900	-15%
Affordable Housing Fund	1,653,382	7,508,902	354%
HOME	15,396,731	12,429,149	-19%
Unrestricted Total	19,260,788	21,815,951	13%
TOTAL REVENUES	30,549,993	29,933,473	-2%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	HOUSING FINANCE & DEVELOPMENT
ACTIVITY:	RENTAL HOUSING PRODUCTION
SUBACTIVITY:	Rental Housing Production

Summary of Major Changes:

Salaries & Benefits: The increase of \$15,361 is due to the provision for salary, benefits and employee pay plan increases in FY06. In addition, there was a reclassification of 0.80 of an Administrative Assistant to a Senior Administrative Assistant.

Services & Supplies: The increase of \$2,466 is due primarily to a \$1,602 increase to provide for additional records storage, printing and postage. In addition, there is an increase of \$864 for reallocation of office space.

Housing Programs: The decrease of \$634,347 is primarily due to a decrease in loans and grants of \$788,907. This decrease results from the expected obligation and/or completion in the current fiscal year of several Cal State Housing Trust Fund, HOME, and NCFUA housing projects or programs. Carryover and new Inclusionary Housing fees offset most of this decline in loan funds. There is an increase of \$99,810 in site acquisition as a result of targeting HOME shared equity loan payoffs for this purpose. In addition, mortgage payments increase by \$54,750 from the purchase of the 52nd Street site utilizing a loan from the CalHFA Help program

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT													
ACTIVITY: HOMEOWNERSHIP													
SUBACTIVITY: Homeownership													
Purpose and Description of the Activity:	Provide financial and technical assistance to 100 first-time homebuyers and to private entities operating homeownership programs. Also provide housing programs and/or incentives to developers of affordable homeownership opportunities.												
Objectives:	<ol style="list-style-type: none"> 1. Administer first-time homebuyer programs including down payment/closing cost assistance grants, shared equity loans, Cal Home Mortgage Assistance loans and CCDC Downtown Homebuyer loans with particular emphasis on those within 80% of area median income. 2. Underwrite, process, and fund all First-Time Homebuyer program loans and grants in accordance with San Diego Housing Commission policies, guidelines, and regulations. 												
Resource Allocation:	<table> <thead> <tr> <th></th> <th>FY05 Current</th> <th>FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td>\$ 6,623,826</td> <td>\$ 6,791,225</td> </tr> <tr> <td>Continuing Appropriations</td> <td>\$ 1,899,012</td> <td>\$ 1,872,407</td> </tr> <tr> <td>Positions</td> <td>2.75</td> <td>2.75</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 6,623,826	\$ 6,791,225	Continuing Appropriations	\$ 1,899,012	\$ 1,872,407	Positions	2.75	2.75
	FY05 Current	FY06 Proposed											
Budget	\$ 6,623,826	\$ 6,791,225											
Continuing Appropriations	\$ 1,899,012	\$ 1,872,407											
Positions	2.75	2.75											

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT
ACTIVITY: HOMEOWNERSHIP
SUBACTIVITY: Homeownership

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	201,371	201,737	0%
Services & Supplies	84,938	85,403	1%
Housing Programs			
Loans & Grants	6,337,517	6,504,085	3%
Housing Programs Total	<u>6,337,517</u>	<u>6,504,085</u>	3%
TOTAL EXPENDITURES	6,623,826	6,791,225	3%
REVENUES			
Restricted			
State	1,022,681	2,069,042	102%
CDBG	102,820	97,820	-5%
Restricted Local	189,827	157,271	-17%
Restricted Total	<u>1,315,328</u>	<u>2,324,133</u>	77%
Unrestricted			
Affordable Housing Fund	1,045,116	1,083,842	4%
HOME	4,263,382	3,383,250	-21%
Unrestricted Total	<u>5,308,498</u>	<u>4,467,092</u>	-16%
TOTAL REVENUES	6,623,826	6,791,225	3%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	HOUSING FINANCE & DEVELOPMENT
ACTIVITY:	HOMEOWNERSHIP
SUBACTIVITY:	Homeownership

Summary of Major Changes:

Salaries & Benefits: The increase of \$366 is primarily due to provisions for salary, benefits and employee pay plan increases in FY06. In addition, there was a reclassification of 0.10 of an Administrative Assistant to a Senior Administrative Assistant.

Services & Supplies: The increase of \$465 is to provide an additional \$285 for records storage and \$180 for reallocation of office space.

Housing Programs: The increase of \$166,568 is primarily due to the expected increase of \$1,340,128 in Cal Home and HOME American Dream funds from new awards from the State and HUD. Most of this increase is offset by the transfer of \$1.0 million of Home program income to Rental Housing Production. In addition, there is a combined decrease of \$173,560 in CDBG, HOME, HTF Linkage and San Diego Association of Realtors due to the expected obligation and/or completion in the current fiscal year of various projects.

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT													
ACTIVITY: REHABILITATION													
SUBACTIVITY: Rental Housing													
Purpose and Description of the Activity:	The provision of technical and financial assistance for the rehabilitation of privately owned housing occupied by low-income renters.												
Objectives:	<ol style="list-style-type: none"> 1. Provide lead-based paint reduction grants for 60 rental housing units. 2. Provide 50 Accessibility Modification grants to tenants with disabilities. 3. Provide technical assistance (work write-ups, cost estimates and construction monitoring) to support rehabilitation of renter occupied units. 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY05 Current</th> <th style="width: 20%; text-align: center;">FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 1,441,466</td> <td style="text-align: right;">\$ 713,102</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">1.10</td> <td style="text-align: right;">1.10</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 1,441,466	\$ 713,102	Continuing Appropriations	\$ 0	\$ 0	Positions	1.10	1.10
	FY05 Current	FY06 Proposed											
Budget	\$ 1,441,466	\$ 713,102											
Continuing Appropriations	\$ 0	\$ 0											
Positions	1.10	1.10											

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT
ACTIVITY: REHABILITATION
SUBACTIVITY: Rental Housing

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	94,186	93,830	0%
Services & Supplies	51,374	50,366	-2%
Housing Programs			
Loans & Grants	1,236,125	529,125	-57%
Other Housing Programs	59,781	39,781	-33%
Housing Programs Total	1,295,906	568,906	-56%
TOTAL EXPENDITURES	1,441,466	713,102	-51%
REVENUES			
Restricted			
Other HUD	797,590	310,757	-61%
State	439,860	200,000	-55%
Restricted Total	1,237,450	510,757	-59%
Unrestricted			
HOME	204,016	202,345	-1%
Unrestricted Total	204,016	202,345	-1%
TOTAL REVENUES	1,441,466	713,102	-51%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	HOUSING FINANCE & DEVELOPMENT
ACTIVITY:	REHABILITATION
SUBACTIVITY:	Rental Housing

Summary of Major Changes:

Salaries & Benefits: The decrease of \$356 is due to the provisions for salary, benefits and employee pay plan changes in FY06.

Services & Supplies: The decrease of \$1,008 is due to the reallocation of office space.

Housing Programs: The decrease of \$727,000 is due to an expected decrease in loans, grants and relocation, primarily resulting from the obligation and/or expenditure of Lead Hazard Control and HOME funds on various projects, resulting in less carryover from FY05 than occurred in FY04. No new funds are provided this activity in FY06.

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT													
ACTIVITY: REHABILITATION													
SUBACTIVITY: Owner Occupied													
Purpose and Description of the Activity:	The provision of financial and technical assistance to low-income owners wishing to rehabilitate their owner-occupied housing and to nonprofit entities that assist such owners.												
Objectives:	<ol style="list-style-type: none"> 1. Provide financial assistance in the rehabilitation of 320 owner-occupied residences consisting of: <ul style="list-style-type: none"> • Loans for 140 low-income single family homeowners; • Deferred loans and grants to 125 very-low income single-family homeowners; • Grants for 40 very-low-income mobile home owners; • Lead-based paint reduction grants for 15 single-family owner-occupied homes. 2. Monitor CDBG-financed nonprofit rehabilitation for 650 residential units. 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY05 Current</th> <th style="width: 20%; text-align: center;">FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 6,328,235</td> <td style="text-align: right;">\$ 5,462,044</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 196,554</td> <td style="text-align: right;">\$ 399,687</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">8.20</td> <td style="text-align: right;">8.70</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 6,328,235	\$ 5,462,044	Continuing Appropriations	\$ 196,554	\$ 399,687	Positions	8.20	8.70
	FY05 Current	FY06 Proposed											
Budget	\$ 6,328,235	\$ 5,462,044											
Continuing Appropriations	\$ 196,554	\$ 399,687											
Positions	8.20	8.70											

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT
ACTIVITY: REHABILITATION
SUBACTIVITY: Owner Occupied

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	674,468	702,201	4%
Services & Supplies	202,178	122,085	-40%
Housing Programs			
Loans & Grants	5,446,449	4,633,758	-15%
Other Housing Programs	5,140	4,000	-22%
Housing Programs Total	<u>5,451,589</u>	<u>4,637,758</u>	-15%
TOTAL EXPENDITURES	6,328,235	5,462,044	-14%
REVENUES			
Restricted			
Other HUD	273,362	103,659	-62%
State	0	38,110	0%
CDBG	955,495	875,595	-8%
Restricted Local	2,806,864	3,039,416	8%
Restricted Total	<u>4,035,721</u>	<u>4,056,780</u>	1%
Unrestricted			
Local	24,162	0	-100%
Affordable Housing Fund	393,947	41,643	-89%
HOME	1,874,405	1,363,621	-27%
Unrestricted Total	<u>2,292,514</u>	<u>1,405,264</u>	-39%
TOTAL REVENUES	6,328,235	5,462,044	-14%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	HOUSING FINANCE & DEVELOPMENT
ACTIVITY:	REHABILITATION
SUBACTIVITY:	Owner Occupied

Summary of Major Changes:

Salaries & Benefits: The increase of \$27,733 is primarily due to the addition of one-half of a Senior Office Assistant position. This position will handle the increased workload resulting from higher phone volume on the various programs. Also, there is a provision for salary, benefits and employee pay plan increases in FY06.

Services & Supplies: The decrease of \$80,093 is primarily due to a decrease of \$65,122 of contract/consultants to provide for lead inspections on the HUD Lead Hazard Control program. In addition, there are decreases of \$7,488 for the reallocation of office space, \$4,360 in general liability insurance based on the estimate from the provider, and \$3,123 in training, travel, mileage, postage, office supplies and telephone as completion of the Lead Hazard Control program occurs in FY06.

Housing Programs: The decrease of \$813,831 is primarily due to the transfer of expected HOME carryover funds of \$750,000 to Rental Housing Production. In addition, there is a decrease of \$376,398 resulting from the obligation and/or expenditure of CDBG, Housing Trust and Lead Hazard Control funds on various projects that will lead to less carryover from FY05 than occurred in FY04. In addition, there is a decrease of \$1,140 in relocation due to the anticipated use of Lead Hazard Control funds in FY05. These decreases are partially offset by an increase of \$313,707 in carryover and new Redevelopment funds for the City Heights, Linda Vista and Southcrest areas. A grant application to HUD for additional Lead Hazard Control funds is pending.

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT			
ACTIVITY: PORTFOLIO SERVICING & OCCUPANCY MONITORING			
SUBACTIVITY: Portfolio Servicing & Occupancy Monitoring			
Purpose and Description of the Activity:	Servicing of the San Diego Housing Commission's \$120 million loan portfolio and \$600 million bond portfolio, and contract monitoring for compliance with loan terms and conditions. The \$301,674 budget for the City & County Reinvestment Task Force is included in this subactivity.		
Objectives:	<ol style="list-style-type: none"> 1. Provide servicing for the loans in the San Diego Housing Commission's portfolio to ensure that all loans are in compliance with the loan terms and conditions. 2. Develop and enhance electronic database to provide better external and internal customer service. 		
Resource Allocation:		FY05 Current	FY06 Proposed
	Budget	\$ 2,638,929	\$ 2,632,852
	Continuing Appropriations	\$ 0	\$ 0
	Positions	7.85	7.85

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT
ACTIVITY: PORTFOLIO SERVICING & OCCUPANCY MONITORING
SUBACTIVITY: Portfolio Servicing & Occupancy Monitoring

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	574,990	580,765	1%
Services & Supplies	347,972	305,176	-12%
Housing Programs			
Site Acquisition	1,715,967	1,746,911	2%
Housing Programs Total	1,715,967	1,746,911	2%
TOTAL EXPENDITURES	2,638,929	2,632,852	0%
REVENUES			
Restricted			
Section 8	175,734	174,543	-1%
CDBG	1,376,242	1,389,958	1%
Restricted Local	206,000	181,000	-12%
Restricted Total	1,757,976	1,745,501	-1%
Unrestricted			
Local	720,640	700,000	-3%
Affordable Housing Fund	45,000	45,000	0%
HOME	115,313	142,351	23%
Unrestricted Total	880,953	887,351	1%
TOTAL REVENUES	2,638,929	2,632,852	0%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	HOUSING FINANCE & DEVELOPMENT
ACTIVITY:	PORTFOLIO SERVICING & OCCUPANCY MONITORING
SUBACTIVITY:	Portfolio Servicing & Occupancy Monitoring

Summary of Major Changes:

Salaries & Benefits: The increase of \$5,775 is due to the provisions for salary, benefits and employee pay plan increases in FY06.

Services & Supplies: The decrease of \$42,796 is primarily due to the decrease of \$65,685 in consulting for venture capital research for small business by the Reinvestment Task Force. In addition, there is a decrease of \$1,000 in legal for the Reinvestment Task Force based on actual cost experience. This decrease is partially offset by an increase of \$22,797 for the Reinvestment Task Force's training, travel, sundry and office equipment.

In addition, Portfolio Servicing and Occupancy Monitoring increased by \$3,672 due to the reallocation of office space. Also, there is an increase of \$420 to provide additional mileage and online real estate information services. These increases are partially offset by a decrease of \$3,000 in legal based on actual cost experience.

Housing Programs: The increase of \$30,944 is primarily due to a strong loan portfolio with loans current which results in \$30,944 of interest earnings in FY05 and FY06 that enhance the size of the foreclosure fund.

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT													
ACTIVITY: SPECIAL PURPOSE HOUSING													
SUBACTIVITY: Special Purpose Housing													
Purpose and Description of the Activity:	Provide transitional and permanent supportive housing for individuals and families in the City of San Diego with special needs, identified as specific disabilities, e.g., mental illness, homeless, HIV AIDS, chronic substance abuse and victims of domestic violence.												
Objectives:	<ol style="list-style-type: none"> 1. Fund the development of at least one 20-bed special purpose housing facility. 2. Provide a portion of the funding for at least 200 beds in transitional housing programs throughout the City. 3. Provide a minimum of 175 units of permanent supportive housing for 190 homeless, disabled individuals and families. 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY05 Current</th> <th style="width: 20%; text-align: center;">FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 4,500,308</td> <td style="text-align: right;">\$ 5,436,274</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 2,472,146</td> <td style="text-align: right;">\$ 3,182,992</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">2.20</td> <td style="text-align: right;">2.20</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 4,500,308	\$ 5,436,274	Continuing Appropriations	\$ 2,472,146	\$ 3,182,992	Positions	2.20	2.20
	FY05 Current	FY06 Proposed											
Budget	\$ 4,500,308	\$ 5,436,274											
Continuing Appropriations	\$ 2,472,146	\$ 3,182,992											
Positions	2.20	2.20											

FY06 BUDGET

San Diego Housing Commission

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

HOUSING FINANCE & DEVELOPMENT**SPECIAL PURPOSE HOUSING****Special Purpose Housing**

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	182,059	181,935	0%
Services & Supplies	137,491	137,563	0%
Housing Programs			
Rent to Owners	639,149	2,206,801	245%
Loans & Grants	3,541,609	2,909,975	-18%
Housing Programs Total	4,180,758	5,116,776	22%
TOTAL EXPENDITURES	4,500,308	5,436,274	21%
REVENUES			
Restricted			
Section 8	15,000	15,000	0%
Other HUD	720,288	2,348,884	226%
State	500,000	0	-100%
Restricted Local	57,740	0	-100%
Restricted Total	1,293,028	2,363,884	83%
Unrestricted			
Rental Rehabilitation	310,948	286,968	-8%
Local	504,291	527,006	5%
Affordable Housing Fund	2,392,041	2,258,416	-6%
Unrestricted Total	3,207,280	3,072,390	-4%
TOTAL REVENUES	4,500,308	5,436,274	21%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	HOUSING FINANCE & DEVELOPMENT
ACTIVITY:	SPECIAL PURPOSE HOUSING
SUBACTIVITY:	Special Purpose Housing

Summary of Major Changes:

Salaries & Benefits: The decrease of \$124 is due to the provisions for salary, benefits and employee pay plan changes in FY06. This decrease was partially offset by the increase for the reclassification of 0.10 of an Administrative Assistant to a Senior Administrative Assistant.

Services & Supplies: The increase of \$72 is due to a reallocation of office space.

Housing Programs: The increase of \$936,018 is primarily due to the renewal of HUD contracts and new awards of \$1,567,652 of Shelter Plus Care funds for rent to owners and \$60,481 for grants. These increases have been partially offset by decreases of \$692,115 of Cal State Housing Trust, CCDC and Housing Trust funds resulting from the obligation and/or expenditure on various projects, resulting in less carryover from FY05 than occurred in FY04.

Activity Based Budget Detail

OPERATIONS

ACTIVITY GROUP

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: OPERATIONS													
ACTIVITY: BOARD & EXECUTIVE FUNCTIONS													
SUBACTIVITY: Board & Executive Functions													
Purpose and Description of the Activity:	Responsible for providing effective policy direction to the agency, developing efficient programs and practices, assuring implementation in a manner that carries out the mission, vision and goals of the agency, and performing periodic evaluation of program effectiveness and efficiency. Provides direct support to the Board of Commissioners, President & Chief Executive Officer, Executive Vice President & Chief Operating Officer, immediate support staff, docket support and policy development staff are included.												
Objectives:	<ol style="list-style-type: none"> 1. Continue to provide strong agency leadership to deliver quality housing programs and implement the Business Plan. 2. Continue to build community support for affordable housing by taking a leadership role in these efforts with the business, civic and public sectors of San Diego. 3. Continue to provide analysis, options and recommendations for local housing policies, including new revenues and development incentives. 4. Continue to play a leadership role in federal and state housing policy development. 5. Continue to provide support to the San Diego Model School Development Agency, an innovative and collaborative approach to urban school and community development. 6. Coordinate with other City agencies and departments regarding programs, legislation, etc., to further affordable housing goals. 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY05 Current</th> <th style="width: 20%; text-align: center;">FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 1,242,607</td> <td style="text-align: right;">\$ 1,103,366</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 4,178</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">6.90</td> <td style="text-align: right;">6.90</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 1,242,607	\$ 1,103,366	Continuing Appropriations	\$ 4,178	\$ 0	Positions	6.90	6.90
	FY05 Current	FY06 Proposed											
Budget	\$ 1,242,607	\$ 1,103,366											
Continuing Appropriations	\$ 4,178	\$ 0											
Positions	6.90	6.90											

FY06 BUDGET

San Diego Housing Commission

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

OPERATIONS

BOARD & EXECUTIVE FUNCTIONS

Board & Executive Functions

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	751,003	800,709	7%
Services & Supplies	491,604	302,657	-38%
TOTAL EXPENDITURES	1,242,607	1,103,366	-11%
REVENUES			
Restricted			
Section 8	446,646	466,184	4%
Other HUD	398,912	241,658	-39%
State	17,432	19,057	9%
CDBG	82,990	85,264	3%
Restricted Local	52,706	45,900	-13%
Restricted Total	998,686	858,063	-14%
Unrestricted			
Local	138,670	77,756	-44%
Affordable Housing Fund	27,650	58,840	113%
HOME	77,601	108,707	40%
Unrestricted Total	243,921	245,303	1%
TOTAL REVENUES	1,242,607	1,103,366	-11%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	OPERATIONS
ACTIVITY:	BOARD & EXECUTIVE FUNCTIONS
SUBACTIVITY:	Board & Executive Functions

Summary of Major Changes:

Salaries & Benefits: The increase of \$49,706 is primarily due to provisions for salary, bonus, benefits and employee pay plan increases in FY06.

Services & Supplies: The decrease of \$188,947 is due primarily to the reduction of \$165,000 in consultants for retirement benefits, revenue study and planning. In addition, legal is reduced by \$20,000 based on past cost experience; errors and omissions insurance is projected by our broker to decrease by \$4,777; and training is decreased by \$1,738. These decreases were partially offset by increases of \$1,200 in car allowance, \$900 in business expenses based on cost history and \$468 for the reallocation of office space.

Housing Programs: N/A

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: OPERATIONS													
ACTIVITY: SUPPORT SERVICES													
SUBACTIVITY: Human Resources													
Purpose and Description of the Activity:	Implement a human resources system for the appropriate selection, staffing, classification, and compensation of personnel to support San Diego Housing Commission's resource needs in the area of human capital management and employee and labor relations in accordance with employment regulations and practices.												
Objectives:	<ol style="list-style-type: none"> 1. Fully implement results of HR Outsourcing Project to maximize the efficiency and effectiveness of HR service delivery. 2. Maximize technology driven systems to complement human capital management services and employee supervisory and management tools. 3. Conduct specific classification and job compensation studies to enhance operational and staffing resources. 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY05 Current</th> <th style="width: 20%; text-align: center;">FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 577,970</td> <td style="text-align: right;">\$ 523,516</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 54,725</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">4.30</td> <td style="text-align: right;">3.35</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 577,970	\$ 523,516	Continuing Appropriations	\$ 54,725	\$ 0	Positions	4.30	3.35
	FY05 Current	FY06 Proposed											
Budget	\$ 577,970	\$ 523,516											
Continuing Appropriations	\$ 54,725	\$ 0											
Positions	4.30	3.35											

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP:
ACTIVITY:
SUBACTIVITY:

OPERATIONS
SUPPORT SERVICES
Human Resources

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	365,315	295,692	-19%
Services & Supplies	212,655	227,824	7%
TOTAL EXPENDITURES	577,970	523,516	-9%
REVENUES			
Restricted			
Section 8	232,770	268,979	16%
Other HUD	250,503	122,718	-51%
State	8,809	9,235	5%
CDBG	22,714	20,493	-10%
Restricted Local	23,663	21,844	-8%
Restricted Total	538,459	443,269	-18%
Unrestricted			
Local	10,708	39,977	273%
Affordable Housing Fund	7,567	14,143	87%
HOME	21,236	26,127	23%
Unrestricted Total	39,511	80,247	103%
TOTAL REVENUES	577,970	523,516	-9%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	OPERATIONS
ACTIVITY:	SUPPORT SERVICES
SUBACTIVITY:	Human Resources

Summary of Major Changes:

Salaries & Benefits: The decrease of \$69,623 is primarily due to the deletion of 1.0 Principal Human Resource Analyst position. This decrease was partially offset by provisions for salary, benefits and employee pay plan increases in FY06. In addition, there is a transfer of 0.05 of a Director of Business Services from Organizational Development and Training to reflect the increased participation of this position in this activity.

Services & Supplies: The increase of \$15,169 is primarily due to the increase of \$18,797 in consulting services for administration of group benefits and pension. In addition, there is an increase of \$4,500 for legal based on past cost experience. Also, there is a net increase of \$2,460 for pre-employment clearances, mileage, car allowance and paper shredding services. These increases were partially offset by decreases of \$6,808 for public officials employment practices insurance based on an estimate from the provider and \$3,780 for the reallocation of office space.

Housing Programs: N/A

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: OPERATIONS			
ACTIVITY: SUPPORT SERVICES			
SUBACTIVITY: Information Technology			
Purpose and Description of the Activity:	Provide information technology and telecommunication services to internal and external customers. Services include acquisition and implementation of commercial off-the-shelf technology, application maintenance, developing and maintaining systems and security policies, database management, custom report development, network and user support, and computer training.		
Objectives:	<ol style="list-style-type: none"> 1. Begin implementation of a multi-year document-imaging project to reduce paper storage requirements and enhance the ability to search documents such as Section 8 client information. 2. Develop IT employee technical skills to enhance performance and customer service capabilities. 3. Partner with other departments to achieve a higher degree of organizational effectiveness through identification and implementation of technological solutions to accomplish Housing Commission objectives. 		
Resource Allocation:		FY05 Current	FY06 Proposed
	Budget	\$ 1,522,201	\$ 2,019,816
	Continuing Appropriations	\$ 159,832	\$ 105,006
	Positions	7.30	7.35

FY06 BUDGET

San Diego Housing Commission

ACTIVITY GROUP:
ACTIVITY:
SUBACTIVITY:

OPERATIONS
SUPPORT SERVICES
Information Technology

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	571,351	588,316	3%
Services & Supplies	950,850	1,431,500	51%
TOTAL EXPENDITURES	1,522,201	2,019,816	33%
REVENUES			
Restricted			
Section 8	584,039	788,774	35%
Other HUD	730,396	776,632	6%
State	22,570	32,433	44%
CDBG	46,342	69,444	50%
Restricted Local	57,232	73,443	28%
Restricted Total	1,440,579	1,740,726	21%
Unrestricted			
Local	22,850	142,629	524%
Affordable Housing Fund	15,440	47,922	210%
HOME	43,332	88,539	104%
Unrestricted Total	81,622	279,090	242%
TOTAL REVENUES	1,522,201	2,019,816	33%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	OPERATIONS
ACTIVITY:	SUPPORT SERVICES
SUBACTIVITY:	Information Technology

Summary of Major Changes:

Salaries & Benefits: The increase of \$16,965 is primarily due to the reclassification of an Information Technology Technician to an Information Technology Specialist. In addition, there are provisions for salary, benefits and employee pay plan increases in FY06. Also, there is a transfer of 0.05 of a Director of Business Services from Organizational Development and Training to reflect the increased participation of this position in this activity.

Services & Supplies: The increase of \$480,650 is primarily due to an increase of \$245,084 for various consulting services including temporary employees for document imaging, back file conversion services, agency database design and web development. In addition, there is an increase of \$164,992 for computer hardware and software for document imaging, replacement monitors, and web portals for Section 8 owners and applicants on the waiting list; an increase of \$71,500 in software support for the Human Resources/Payroll system, Microsoft and the Symantec Ghost; an increase of \$5,000 for additional cell phones for Asset Management and Rehabilitation; \$1,529 in computer insurance based on an estimate from the provider; \$702 for the reallocation of office space; and \$471 for car allowance. These increases were partially offset by a decrease of \$8,628 in repair and maintenance of office equipment.

Housing Programs: N/A

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: OPERATIONS													
ACTIVITY: SUPPORT SERVICES													
SUBACTIVITY: Financial Services													
Purpose and Description of the Activity:	Provide financial services to stakeholders of the San Diego Housing Commission. Includes accounting services such as payroll, accounts payable, accounts receivable, revenue and expense analysis, budget development, monitoring, enforcement and financial reporting, audit, cash management and investment, financial systems and internal control. Provide safety and risk management services, procurement services, contract monitoring, inventory control, disposition management, and postal services management.												
Objectives:	<ol style="list-style-type: none"> 1. Provide timely, accurate and relevant financial information, reporting tools and services to Housing Commission program areas to assist in the successful administration of agency programs and overall mission. 2. Develop an annual activity based budget that includes internal budget planning strategies designed to meet organizational goals and objectives. 3. Develop an annual risk control program that provides a safe operational environment and protects the organization's assets. 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY05 Current</th> <th style="width: 20%; text-align: center;">FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 2,023,669</td> <td style="text-align: right;">\$ 2,062,334</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">24.00</td> <td style="text-align: right;">24.00</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 2,023,669	\$ 2,062,334	Continuing Appropriations	\$ 0	\$ 0	Positions	24.00	24.00
	FY05 Current	FY06 Proposed											
Budget	\$ 2,023,669	\$ 2,062,334											
Continuing Appropriations	\$ 0	\$ 0											
Positions	24.00	24.00											

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP:
ACTIVITY:
SUBACTIVITY:

OPERATIONS
SUPPORT SERVICES
Financial Services

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,556,261	1,595,102	2%
Services & Supplies	467,408	467,232	0%
TOTAL EXPENDITURES	2,023,669	2,062,334	2%
REVENUES			
Restricted			
Section 8	756,703	736,896	-3%
Other HUD	823,180	736,048	-11%
State	53,524	56,241	5%
CDBG	96,484	95,765	-1%
Restricted Local	137,578	134,251	-2%
Restricted Total	1,867,469	1,759,201	-6%
Unrestricted			
Local	42,906	114,950	168%
Affordable Housing Fund	30,815	66,085	114%
HOME	82,479	122,098	48%
Unrestricted Total	156,200	303,133	94%
TOTAL REVENUES	2,023,669	2,062,334	2%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	OPERATIONS
ACTIVITY:	SUPPORT SERVICES
SUBACTIVITY:	Financial Services

Summary of Major Changes:

Salaries & Benefits: The increase of \$38,841 is due primarily to provisions for salary, benefits and employee pay plan increases in FY06. In addition, there is a range adjustment for the Budget Analyst position.

Services & Supplies: The decrease of \$176 is primarily due to the decrease of \$6,910 in office supplies, repair of office equipment and financial consulting based on past cost experience. These decreases are almost offset by an increase of \$3,000 in legal, \$2,114 in paper shredding service, mileage and car allowance. Also, there is an increase of \$1,620 for reallocation of office space.

Housing Programs: N/A

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: OPERATIONS			
ACTIVITY: SUPPORT SERVICES			
SUBACTIVITY: Facilities Management			
Purpose and Description of the Activity:	Maintain a safe, secure and healthy operational environment for staff, clients and visitors of the San Diego Housing Commission.		
Objectives:	<ol style="list-style-type: none"> 1. Maintain Housing Commission offices through the completion of routine maintenance. 2. Complete the sale of the Newton Avenue office facility. 3. Continue development strategy to ensure successful transition to new central office facility. 		
Resource Allocation:		FY05 Current	FY06 Proposed
	Budget	\$ 1,939,745	\$ 1,767,685
	Continuing Appropriations	\$ 48,482	\$ 15,000
	Positions	1.22	1.22

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP:
ACTIVITY:
SUBACTIVITY:

OPERATIONS
SUPPORT SERVICES
Facilities Management

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	113,888	118,408	4%
Services & Supplies	1,366,259	1,185,704	-13%
Housing Programs			
Other Housing Programs	459,598	463,573	1%
Housing Programs Total	459,598	463,573	1%
TOTAL EXPENDITURES	1,939,745	1,767,685	-9%
REVENUES			
Unrestricted			
Local	1,939,745	1,767,685	-9%
Unrestricted Total	1,939,745	1,767,685	-9%
TOTAL REVENUES	1,939,745	1,767,685	-9%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	OPERATIONS
ACTIVITY:	SUPPORT SERVICES
SUBACTIVITY:	Facilities Management

Summary of Major Changes:

Salaries & Benefits: The increase of \$4,520 is due to provisions for salary, benefits and employee pay plan increases in FY05.

Services & Supplies: The decrease of \$180,555 is due to the decrease of \$95,680 in consulting services for the new office facility. In addition, there are decreases of \$95,496 in the estimated rent to be charged by the new owner in the sale/leaseback of the Newton facility and \$129 less property insurance projected by our broker. These decreases are partially offset by increases of \$10,750 for postage, printing, advertising, laundry and parking at the Newton and new office facilities.

Housing Programs: The \$3,975 increase is due to the increase of \$60,150 for protective services at all facilities and a \$3,825 increase in utilities at the Ridgehaven and Gateway facilities. This increase is almost offset by \$60,000 less extraordinary maintenance on the Newton facility due to the impending sale.

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: OPERATIONS			
ACTIVITY: SUPPORT SERVICES			
SUBACTIVITY: Organizational Development & Training			
Purpose and Description of the Activity:	Responsible for providing effective organizational development for the agency, developing and implementing programs and resources to provide management and staff with the tools necessary to carry out the vision, mission and goals of the agency. Administers the Agency's equal opportunity programs.		
Objectives:	<ol style="list-style-type: none"> 1. Strengthen agency's performance through focused training, coaching and improved communications to maximize individual and departmental performance. 2. Implement a Succession Plan for the San Diego Housing Commission that addresses agency key staffing needs during the next five years. 3. Review agency Equal Opportunity Programs and make recommendations to maximize effectiveness and efficiency. 		
Resource Allocation:		FY05 Current	FY06 Proposed
	Budget	\$ 308,166	\$ 315,922
	Continuing Appropriations	\$ 12,723	\$ 0
	Positions	2.50	2.40

FY06 BUDGET

San Diego Housing Commission

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

OPERATIONS

SUPPORT SERVICES

Organizational Development & Training

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	191,288	187,576	-2%
Services & Supplies	116,878	128,346	10%
TOTAL EXPENDITURES	308,166	315,922	3%
REVENUES			
Restricted			
Section 8	144,598	137,156	-5%
Other HUD	115,289	82,029	-29%
State	4,557	6,325	39%
CDBG	11,384	14,770	30%
Restricted Local	12,459	14,751	18%
Restricted Total	288,287	255,031	-12%
Unrestricted			
Local	5,440	31,864	486%
Affordable Housing Fund	3,795	10,193	169%
HOME	10,644	18,834	77%
Unrestricted Total	19,879	60,891	206%
TOTAL REVENUES	308,166	315,922	3%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	OPERATIONS
ACTIVITY:	SUPPORT SERVICES
SUBACTIVITY:	Organizational Development & Training

Summary of Major Changes:

Salaries & Benefits: The decrease of \$3,712 is primarily due to the transfer of 0.10 of a Director of Business Services to Information Technology and Human Resources to reflect the increased participation of this position in these activities. This decrease was partially offset by provisions for salary, benefits and employee pay plan increases in FY06.

Services & Supplies: The increase of \$11,468 is primarily due to an increase of \$10,000 in legal based on past cost experience. In addition, there is an increase of \$1,720 for business expenses for the employee awards and cultural events. These increases are partially offset by a decrease of \$252 for the reallocation of office space.

Housing Programs: N/A

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: OPERATIONS																					
ACTIVITY: COMMUNICATION & STRATEGY																					
SUBACTIVITY: Communication & Strategy																					
Purpose and Description of the Activity:	<p>Helps open channels of communication between the Housing Commission and its internal and external publics – including clients, Commissioners, government officials, the media, the community at large, and agency staff.</p> <p>Activities include media relations, production of printed and multimedia materials, ombudsmanship, advertising, marketing, and assistance in developing housing related policies and communication and education around those policies as well as responding to requests for public information.</p>																				
Objectives:	<ol style="list-style-type: none"> 1. Inform the agency’s internal and external publics about affordable housing issues and Housing Commission programs and roles, building support for new initiatives. 2. Assist customers with problems or concerns; work with community groups on affordable housing and neighborhood issues. 																				
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%;"></th> <th style="width: 15%; text-align: center;">FY05 Current</th> <th style="width: 10%;"></th> <th style="width: 15%; text-align: center;">FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">417,031</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">427,825</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">7,235</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">3,800</td> </tr> <tr> <td>Positions</td> <td></td> <td style="text-align: right;">3.85</td> <td></td> <td style="text-align: right;">3.85</td> </tr> </tbody> </table>			FY05 Current		FY06 Proposed	Budget	\$	417,031	\$	427,825	Continuing Appropriations	\$	7,235	\$	3,800	Positions		3.85		3.85
		FY05 Current		FY06 Proposed																	
Budget	\$	417,031	\$	427,825																	
Continuing Appropriations	\$	7,235	\$	3,800																	
Positions		3.85		3.85																	

FY06 BUDGET

San Diego Housing Commission

ACTIVITY GROUP:
ACTIVITY:
SUBACTIVITY:

OPERATIONS
COMMUNICATION & STRATEGY
Communication & Strategy

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	346,097	356,639	3%
Services & Supplies	70,934	71,186	0%
TOTAL EXPENDITURES	417,031	427,825	3%
REVENUES			
Restricted			
Section 8	200,000	213,912	7%
Restricted Total	<u>200,000</u>	<u>213,912</u>	7%
Unrestricted			
Local	217,031	213,913	-1%
Unrestricted Total	<u>217,031</u>	<u>213,913</u>	-1%
TOTAL REVENUES	417,031	427,825	3%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	OPERATIONS
ACTIVITY:	COMMUNICATION & STRATEGY
SUBACTIVITY:	Communication & Strategy

Summary of Major Changes:

Salaries & Benefits: The increase of \$10,542 is due to provisions for salary, benefits and employee pay plan increases in FY06.

Services & Supplies: The increase of \$252 is due to the reallocation of office space.

Housing Programs: N/A

Activity Based Budget Detail

PROGRAM, CONTINGENCY & AGENCY

RESERVES

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: PROGRAM, CONTINGENCY & AGENCY RESERVES													
ACTIVITY: PROGRAM, CONTINGENCY & AGENCY RESERVES													
SUBACTIVITY: Program, Contingency & Agency Reserves													
Purpose and Description of the Activity:	<p>The Program, Contingency & Agency Reserves are funds budgeted in the current year to provide for a future event.</p> <ul style="list-style-type: none"> • The Program Reserves provide for future personnel, services and supplies or housing expenditures on specific housing programs. • The Contingency Reserves include amounts to provide for potential litigation, uninsured losses and building reserves. • The Agency Reserves include amounts that are available for any unanticipated housing purpose. <p>A detailed list of these Reserves and uses is at the end of Addendum 1.</p>												
Resource Allocation:	<table> <thead> <tr> <th></th> <th>FY05 Current</th> <th>FY06 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td>\$ 17,376,500</td> <td>\$ 17,825,158</td> </tr> <tr> <td>Continuing Appropriations</td> <td>\$ 0</td> <td>\$ 0</td> </tr> <tr> <td>Positions</td> <td>0.00</td> <td>0.00</td> </tr> </tbody> </table>		FY05 Current	FY06 Proposed	Budget	\$ 17,376,500	\$ 17,825,158	Continuing Appropriations	\$ 0	\$ 0	Positions	0.00	0.00
	FY05 Current	FY06 Proposed											
Budget	\$ 17,376,500	\$ 17,825,158											
Continuing Appropriations	\$ 0	\$ 0											
Positions	0.00	0.00											

FY06 BUDGET
San Diego Housing Commission

ACTIVITY GROUP: PROGRAM, CONTINGENCY & AGENCY RESERVES
ACTIVITY: PROGRAM, CONTINGENCY & AGENCY RESERVES
SUBACTIVITY: Program, Contingency & Agency Reserves

	FY05 Current Budget	FY06 Proposed Budget	% Change
EXPENDITURES			
Reserves	17,376,500	17,825,158	3%
TOTAL EXPENDITURES	17,376,500	17,825,158	3%
REVENUES			
Restricted			
Section 8	853,931	559,441	-34%
Other HUD	5,968,299	4,115,989	-31%
State	278,963	282,531	1%
Restricted Local	1,983,031	2,639,422	33%
Restricted Total	9,084,224	7,597,383	-16%
Unrestricted			
Local	6,468,030	8,484,578	31%
Affordable Housing Fund	204,472	461,846	126%
HOME	1,619,774	1,281,351	-21%
Unrestricted Total	8,292,276	10,227,775	23%
TOTAL REVENUES	17,376,500	17,825,158	3%

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	PROGRAM, CONTINGENCY & AGENCY RESERVES
ACTIVITY:	PROGRAM, CONTINGENCY & AGENCY RESERVES
SUBACTIVITY:	Program, Contingency & Agency Reserves

Summary of Major Changes:

Salaries & Benefits: N/A

Services & Supplies: N/A

Housing Programs: N/A

Reserves: The increase in total Reserves is \$448,658. This is due to the increase in Agency Reserves of \$1,169,415 and Contingency Reserves remained stable. This increase was partially offset by a decrease in Program Reserves of \$720,757.

The *Program Reserves* provide for future personnel, services and supplies or housing expenditures. The Program Reserves have decreased by \$720,757 from \$12,061,337 in FY05 to \$11,340,580 in FY06. The decrease is due to the draw down of \$1,520,983 of Conventional Public Housing reserves to provide for substantial extraordinary maintenance on public housing units in FY05; a decrease of \$323,870 in HOME funds as shared equity loan payoffs in FY06 are expected to diminish and provide less administrative funds than in FY05; a decrease of \$320,006 in Section 8 Surplus Admin fees due to the reduction in the administrative fee level by HUD; and the expected \$199,804 drawdown of the multiyear Capital Fund reserves for administration and resident services in FY06. These decreases are partially offset by a staff recommendation to provide \$500,000 for a sinking fund for the future payoff of a \$4.5 million loan from the State of California in the early 1980's to build 113 units with balloon payments due in 2013 and 2015; an increase of \$406,690 in University Canyon due to an increase in rental income resulting from opting out of the HUD Section 8 New Construction contract; a staff recommended increase of \$347,133 in the Local Section 8 Support Reserve to offset the reduction in the HUD funded reserve (noted above), thereby maintaining the Section 8 reserves at the FY05 level in order to respond to the uncertainty concerning the future Congressional direction for the Section 8 Voucher Program that may involve unexpected program costs; and increases of \$257,374 and \$130,807 in Inclusionary Housing and City Heights Redevelopment for anticipated fees collected in FY06 that will provide administration in FY07 and FY08.

It is expected that new awards will replenish some of this decrease in Program Reserves during FY06. Specific applications for funds will be presented at future Housing Commission meetings for approval as HUD and other agencies notify staff concerning the availability of resources.

FY06 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:	PROGRAM, CONTINGENCY & AGENCY RESERVES
ACTIVITY:	PROGRAM, CONTINGENCY & AGENCY RESERVES
SUBACTIVITY:	Program, Contingency & Agency Reserves

Reserves:

FY06 *Contingency Reserves* are recommended to remain stable at \$2,115,673 in FY06. The Contingency Reserves include litigation reserves to provide for unexpected legal issues, insurance reserves to provide for coverage of deductibles, and building reserves to provide for any potential shortfall in the Smart Corner transaction.

The *Agency Reserves* include amounts that are available for any unanticipated housing purpose. The Agency Reserves have increased by \$1,169,415 from \$3,199,490 in FY05 to \$4,368,905 in FY06 primarily due to the one-time revenue from the anticipated FY06 purchase of the Hotel Metro loan by Centre City Development Corporation in FY06 and additional interest earnings and other income from a variety of sources in FY05. This amount is less than two percent of the FY06 Agency Budget and staff recommends that the Agency Reserves be retained as a sound business practice.

FY06 BUDGET

San Diego Housing Commission

Addendum 1

Type of Reserve	FY06 Proposed Use	FY05 Amount	FY06 Amount	Change
I Program Reserves				
The Program Reserves provide for future personnel, services and supplies or housing expenditures on specific housing programs. These funds are generally restricted and must be used in support of each program or returned to the funding source.				
CAL HOME Program	Administration for FY07	350	27,150	26,800
CAL HOME EAGR Program	Administration for FY06	50,000	0	(50,000)
Capital Fund	Administration for FY07 & FY08	566,745	366,941	(199,804)
CCDC L&MIH Set Aside - HO	Administration for FY06	46,000	0	(46,000)
City Heights Redevelopment	Administration for FY07 & FY08	94,664	225,471	130,807
City Properties Mgmt	Administration for FY07	1,028	3,433	2,405
Coastal, Condo & NCFUA	Administration for FY07 & FY08	267,594	369,958	102,364
Conventional Operating Mgmt	Future Extraordinary Maintenance	5,119,062	3,598,079	(1,520,983)
FSS Coordinator - Section 8	Administration for FY07	116,444	141,500	25,056
HCV FSS Homeownership Coordinator	Administration for FY07	31,500	31,960	460
HOME	Administration for FY07 & FY08	1,590,669	1,266,799	(323,870)
HOME American Dream	Administration for FY07	29,105	14,552	(14,553)
Inclusionary Housing Fund	Administration for FY07	204,472	461,846	257,374
Lead Hazard Control Grant	Admin & Hsg Prg for FY06	137,612	0	(137,612)
Linda Vista Redevelopment	Administration for FY07	0	19,565	19,565
Local Funds	Provide Sinking Fund for State Units	0	500,000	500,000
Market Street Redevelopment	Administration for FY07	18,334	26,713	8,379
Maya Apartments	Future Extraordinary Maintenance	781,615	824,771	43,156
Redevelopment Crossroads HELP	Administration for FY07	58,957	59,657	700
ROSS Neighborhood Networks	Administration for FY07	20,000	35,000	15,000
ROSS RSDM	Administration for FY07	86,584	60,000	(26,584)
SD Association of Realtors	Administration for FY07	700	700	0
Section 8 Surplus Admin Fees	Administration for FY07 & FY08	705,987	385,981	(320,006)
Local Section 8 Support	Admin & Hsg Prg for FY07 & FY08	1,152,867	1,500,000	347,133
SEDC Mt Hope Rehabilitation	Administration for FY06	17,716	0	(17,716)
SEDC Southcrest Redevelopment	Administration for FY07	10,784	13,825	3,041
Shelter Plus Care	Admin for FY07 to FY09	38,296	55,969	17,673
State Rental	Future Extraordinary Maintenance	212,323	238,342	26,019
State REO	Admin & Hsg Prg for FY07	16,290	17,039	749
University Canyon Management	Future Extraordinary Maintenance	685,639	1,095,329	409,690
	Subtotal	12,061,337	11,340,580	(720,757)

II Contingency Reserves

The Contingency Reserves include amounts to provide for potential litigation, uninsured losses, building reserves and a sinking fund for future purchase of State units. The unexpended Contingency Reserves will be re-budgeted in the following year.

Local Funds	Provide for potential litigation	300,000	300,000	0
Local Funds	Provide for uninsured losses	300,000	300,000	0
Local Funds	Provide for office facility	1,515,673	1,515,673	0
	Subtotal	2,115,673	2,115,673	0

III Agency Reserves

The Agency Reserves include amounts that are available for any unanticipated housing purpose.

Local Funds	Unanticipated Needs	3,199,490	4,368,905	1,169,415
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Total Program, Contingency & Agency Reserves 17,376,500 17,825,158 448,658

FY06 BUDGET

San Diego Housing Commission

Addendum 2

Revenues

The proposed FY06 Budget includes \$221,347,131 in estimated revenue sources identified to date, representing an increase of \$8.5 million from the current FY05 revenues. This increase in revenues is due primarily to the increase of \$5.8 million in carryover and new Inclusionary Housing fees as the program continues to phase in. In addition, it is expected there will be \$5.0 million of proceeds resulting from the sale of 35 University Canyon units to the Conventional public housing program in FY06. Also, there is an additional \$3.6 million of Shelter Plus Care, Capital Fund and Cal Home Program funds resulting from new awards by HUD and the State of California and an anticipated increase of \$3.1 million in the Section 8 Voucher Program to provide for rent increases through FY06.

These increases are partially offset by a decline in HOME, Cal State Housing Trust and CalHFA HELP funds due to the expected obligation and/or completion in the current fiscal year of a number of housing projects or programs. This will cause \$8.2 million less in carryover funds from FY05 than occurred in FY04. All of the other funds experience modest increases or decreases to account for the remaining \$800,000 net decrease in the FY06 Budget. Finally, staff will continue to refine revenue estimates and advise the Commission through budget status reports and revisions.

Of the \$221.3 million in identified revenues in FY06, \$175.3 million are Restricted Revenues that can only be expended for specific purposes defined by the funding sources. Restricted Revenues include Section 8 rental assistance and public housing operating subsidies from the U.S. Department of Housing and Urban Development (HUD), State funds, specific grants for programs administered by Resident Services, and other sources.

The FY06 Budget includes \$46.1 million in Unrestricted Revenues. The Commission has discretion over these less restricted revenues that include Rental Rehabilitation loan repayments, Local funds (bond fees, lease/sale revenue, loan repayments, etc.), Housing Trust Funds and HOME funds.

	FY05 Current	FY06 Proposed	Change
Restricted Revenues			
Section 8	\$121,507,964	\$124,574,182	3%
Other HUD	27,574,385	27,217,459	-1%
State	7,501,825	5,568,323	-26%
CDBG	3,362,356	3,236,603	-4%
Restricted Local	8,962,549	14,669,604	64%
Subtotal	<u>\$168,909,079</u>	<u>\$175,266,171</u>	4%
Unrestricted Revenues			
Rental Rehab	\$310,948	\$286,968	-8%
Local	14,129,129	15,030,788	6%
Affordable Housing Fund	5,819,225	11,596,832	99%
HOME	23,708,913	19,166,372	-19%
Subtotal	<u>\$43,968,215</u>	<u>\$46,080,960</u>	5%
Total Revenues	\$ 212,877,294	\$ 221,347,131	4%

FY06 BUDGET

San Diego Housing Commission

Addendum 2

Revenues

Federal funding for Section 8 and public housing has been changed from multiple contract years to a calendar year system. Funding for calendar year 2005 has been established and appears to be sufficient funding to provide for the authorized units and modest rent increases in the Section 8 Voucher Program during the first half of the Housing Commission's fiscal year. Funding for Federal Fiscal Year 2006 is not yet established, so flat revenues are projected.

The 1% decrease in Other HUD funds is primarily due to the expected obligation and/or completion of \$1.6 million of extraordinary maintenance on several Conventional public housing complexes in FY05 and approximately \$802,000 of Lead Hazard Control loans. This results in less carryover of funds from FY05 than occurred in FY04. In addition, \$323,000 of HUD Development funds are no longer available. Also, all of the ROSS funds for Resident Services show a cumulative decrease of \$100,000. These decreases are almost completely offset by new awards of Shelter Plus Care and Capital Funds.

State funds decrease by 26% primarily due to the expected obligation and/or completion of \$3.7 million of loans and a site purchase on Cal Home EAGR, Cal State Housing Trust Fund and CalHFA Help programs in FY05. This results in less carryover of these funds from FY05 than occurred in FY04. These decreases are partially offset by an additional award of \$1.1 million on the Cal Home program and a request for \$619,000 of additional annuity funds on the Scattered Sites State project to provide for kitchens, painting, stairways and parking lots in FY06.

Community Development Block Grant (CDBG) funds decrease by 4% as new funds from the FY06 application to be submitted to the City for Housing Commission activities are expected to be slightly less than the amount received from the award in FY05. Carryover and new funds for district projects are also expected to decline slightly from FY05 to FY06. The City Council stated its intent in 1996 to allocate 20% of the CDBG funds to affordable housing. This amount includes estimated funding for Housing Commission administration of programs, district allocations to Commission-administered projects, commitments to nonprofit entities for housing programs and the balance to be placed in the Housing Trust Fund. It should be noted that the actual CDBG allocation was unknown at the time of budget preparation and may result in a revision based on the actual funding level.

Restricted Local funds are expected to increase by 64% primarily due to the \$5.1 million of proceeds resulting from the sale of 35 University Canyon units to the Conventional public housing program and higher rents in FY06. Also, there is an increase of \$330,000 of in lieu fees expected on Coastal projects and a new award of \$442,000 from the Redevelopment Agency for City Heights and Linda Vista. These decreases have been partially offset by the expected obligation and/or completion in FY05 of \$188,000 of loans on Market Street, Mt Hope and Southcrest and this results in less carryover of these funds from FY05 than occurred in FY04. .

Rental Rehabilitation loan payoffs are expected to decrease by 8% due to the decreasing size of the loan portfolio. In addition, carryover of funds from FY05 will not occur due to the expected expenditure and/or obligation of funds in FY05.

Local funds are expected to increase by 6% primarily due to the purchase of the Hotel Metro \$780,000 loan by the Centre City Development Corporation. In addition, there was \$304,000 of additional interest income and other income from a variety of sources received in FY05. These increases are partially offset by a decrease of \$200,000 in administrative fees from multi-family bond issues as several bond issues have been paid off.

FY06 BUDGET
San Diego Housing Commission

Addendum 2

Revenues

The Affordable Housing Fund is expected to increase by 99% due to the substantial increase of \$5.8 million of carryover and new Inclusionary Housing fees. HOME funds are expected to decrease by \$3.9 million due to the expected obligation and/or expenditure for Rental Housing Production, Homeownership and Rehabilitation activities in FY05 resulting in less carryover from FY05 than occurred in FY04. Also, new HOME Funds from shared equity loan payoffs are expected to decrease by \$1.0 million with the decline in the loan refinancing boom that occurred during last year.

FY06 BUDGET

San Diego Housing Commission

Addendum 2

Agency Summary of Revenues

	FY05 Current			FY06 Proposed			% of Chg Curr/Prop
	Carryover	New	Total	Carryover	New	Total	
REVENUES							
Cal Home EAGR Program	0	500,000	500,000	250,000	0	250,000	-50%
Cal Home Program	23,031	1,000,000	1,023,031	1,095,107	1,001,085	2,096,192	105%
Cal State Housing Trust Fund	0	2,000,000	2,000,000	400,000	0	400,000	-80%
CalHFA HELP Program	2,260,366	0	2,260,366	435,366	0	435,366	-81%
Capital Fund	1,273,968	2,186,813	3,460,781	1,897,104	2,419,459	4,316,563	25%
CCDC	1,490	0	1,490	0	0	0	-100%
CCDC Low/Moderate Income Hsg Set Aside	422	0	422	430	0	430	2%
CCDC L&M IHSA - Homeownership	77,063	0	77,063	20,000	0	20,000	-74%
CDBG	1,239,256	2,123,100	3,362,356	1,166,299	2,070,304	3,236,603	-4%
City Heights Redevelopment	854,737	552,649	1,407,386	1,078,902	548,593	1,627,495	16%
City Properties Management	3,167	82,620	85,787	566	85,949	86,515	1%
Coastal Housing	396,331	10,551	406,882	475,985	259,250	735,235	81%
Community Outreach Partnership Centers	0	9,400	9,400	5,000	0	5,000	-47%
Condo Conversion	283,632	5,284	288,916	303,507	6,070	309,577	7%
Conventional Operating Management	7,177,211	8,243,371	15,420,582	5,328,747	8,442,786	13,771,533	-11%
County CDBG RTF	56,000	100,000	156,000	56,000	75,000	131,000	-16%
Family Health Centers of SD	21,598	0	21,598	11,936	0	11,936	-45%
HOME	10,717,280	12,039,869	22,757,149	6,792,019	11,143,375	17,935,394	-21%
HOME American Dream	0	951,764	951,764	937,211	293,767	1,230,978	29%
Housing Rehabilitation Trust Fund	580,305	291,719	872,024	548,501	290,965	839,466	-4%
HTF - CDBG	176,945	230,523	407,468	0	40,348	40,348	-90%
HTF - Linkage Fees	1,747,839	1,733,381	3,481,220	969,714	2,845,399	3,815,113	10%
HTF - Redevelopment Agency	38,328	0	38,328	39,123	775	39,898	4%
HTF - Transient Occupancy Tax	33,376	0	33,376	0	0	0	-100%
HUD Development	766,959	5,000,000	5,766,959	5,443,207	0	5,443,207	-6%
HUD Lead Hazard Control Grant	1,237,781	0	1,237,781	435,164	0	435,164	-65%
Inclusionary Housing Fund	858,833	1,000,000	1,858,833	4,124,627	3,576,846	7,701,473	314%
Local Funds	10,599,457	3,529,672	14,129,129	11,144,377	3,886,411	15,030,788	6%
Market Street Redevelopment	200,347	5,699	206,046	133,479	7,652	141,131	-32%
Maya Apartments	674,277	1,370,741	2,045,018	648,883	1,456,202	2,105,085	3%
Mt Hope Rehabilitation Project	83,111	44,289	127,400	0	43,736	43,736	-66%
National City CDBG - RTF	50,000	0	50,000	50,000	0	50,000	0%
North County Future Urbanizing Area	779,611	10,619	790,230	458,560	257,950	716,510	-9%
Public Housing FSS Coordinator FFY04	0	0	0	0	63,000	63,000	0%
Redevelopment Agency - Crossroads HELP	0	452,000	452,000	407,000	5,369	412,369	-9%
Redevelopment Agency - Linda Vista	0	0	0	52,066	150,000	202,066	0%
Rental Rehabilitation	86,353	224,595	310,948	60,253	226,715	286,968	-8%
ROSS Neighborhood Networks	52,855	100,000	152,855	84,200	200,000	284,200	86%
ROSS RSDM	361,414	350,000	711,414	202,301	276,400	478,701	-33%
ROSS PH Service Coordinator	41,864	0	41,864	0	0	0	-100%
SD Association of Realtors	20,106	0	20,106	1,064	0	1,064	-95%
SDCCDAO ICAN Welfare to Work	3,163	0	3,163	0	0	0	-100%
Section 8 Programs	796,969	120,710,995	121,507,964	698,760	123,875,422	124,574,182	3%
Shea Homes	8,789	2,666	11,455	1,337	3,543	4,880	-57%
Shelter Plus Care	78,021	694,728	772,749	36,747	2,383,344	2,420,091	213%
Southcrest Redevelopment Agency	18,558	30,416	48,974	91,633	40,810	132,443	170%
State Rental Housing	190,551	1,511,587	1,702,138	216,570	2,153,156	2,369,726	39%
State REO	16,050	240	16,290	16,705	334	17,039	5%
University Canyon Management	732,732	1,157,857	1,890,589	701,083	6,397,583	7,098,666	275%
Total Budget	44,620,146	168,257,148	212,877,294	46,819,533	174,527,598	221,347,131	4%
Less: Interfund Transfers							
a) University Canyon			(681,816)			(5,000,000)	633%
b) Data Processing			(174,252)			(175,746)	1%
c) Facilities Management			(947,700)			(947,700)	0%
Net Total Budget			211,073,526			215,223,685	2%
Continuing Appropriations			7,465,463			10,717,434	44%

FY06 BUDGET
San Diego Housing Commission

Addendum 2

Summary of Housing Commission Revenue Changes

Cal Home EAGR Program	The decrease of 50% is due to the expected obligation/expenditure of half of the funds for Rental Housing Rehabilitation in FY05
Cal Home Program	The increase of 105% is primarily due to the expected award of Homeownership funds in FY06. Also, there are interest earnings on the FY05 award of funds that are expected to carryover to FY06.
Cal State Housing Trust Fund	The decrease is of 80% is due to the use of most of the one-time funds in FY05 for loans to the YWCA of San Diego County for Rental Housing Production.
CalHFA HELP Program	The decrease of 81% is due to the purchase of the 52 nd Street site in FY05.
Capital Fund	The increase of 25% is primarily due to the timing of executing contracts for extraordinary maintenance and leads to higher carryover from FY05 than occurred in FY04. Also, it is expected that new funds awarded in FY06, on this multiyear program, will be higher than the award amount in FY05.
CCDC	The decrease of 100% is due to the expected obligation/expenditure of all funds in FY05 for the Homeless Senior program and no new funds are expected in FY06.
CCDC Low & Moderate Income Housing Set Aside	The increase of 2% is due to a modest amount of interest earnings in FY05 and this remaining balance of funds in FY06 is expected to supplement a Rental Housing Production project. No new funds are expected in FY06.
CCDC L&M IHSA - Homeownership	The decrease of 74% is due to the expected obligation and/or completion of Homeownership activities in FY05 of most of this one-time restricted local source.
CDBG	The decrease of 4% is primarily due to slightly less new funds expected from the FY06 application submitted to the City for Housing Commission activities than the award amount in FY05. Also, carryover of district projects funds from FY05 are slightly less than the amount that occurred in FY04.
City Heights Redevelopment	The increase of 16% is primarily due to the timing of executing contracts for Rehabilitation and leads to higher carryover from FY05 than occurred in FY04. This is partially offset as the expected new award of funds in FY06 will be slightly less than the award of funds received in FY05.

FY06 BUDGET
San Diego Housing Commission

Addendum 2

Summary of Housing Commission Revenue Changes

City Properties Management	The increase of 1% primarily reflects a slight increase in the actual rents charged on the 10 City-owned units managed by the Housing Commission. This is partially offset by less carryover of funds from FY04 than occurred in FY03.
Coastal Housing	The increase of 81% is due to much higher in lieu fees expected to be received from developers in FY06. Also, fees were higher than expected in the second half of FY05 leading to greater carryover of funds from FY05 than occurred in FY04.
Community Outreach Partnership Centers	The decrease of 47% is due to the expected obligation and/or completion of most of these funds for Resident Services in FY05.
Condo Conversion	The increase of 7% is due to slightly higher carryover of funds in FY06 than occurred in FY05 and slightly greater new funds from interest earnings anticipated in FY06.
Conventional Operating Management	The decrease of 11% is primarily due to the obligation and/or completion of extraordinary maintenance on the Fulton, Golfcrest and Saranac units in FY05 resulting in less carryover from FY05 than occurred in FY04. This decrease is partially offset by expected higher resident rent in FY06.
County CDBG RTF	The decrease of 16% reflects the expectation that the new award of funds in FY06 will be \$25,000 less than FY05.
Family Health Centers of SD	The decrease of 45% reflects the use in FY05 and most of the funding is expected to carryover in FY06 for Resident Services. Again, no new funds are expected in FY06.
HOME	The decrease of 21% is primarily due to the expected obligation and/or completion of projects in FY05 resulting in almost \$4.0 million less carryover from FY05 than occurred in FY04. Also, new funds are expected to decrease by almost \$1.0 million due to less shared equity loan payoffs.
HOME American Dream	The increase of 29% is primarily due to an expected new award in FY06. Most of the funds awarded in FY05 are expected to carryover to FY06.
Housing Rehabilitation Trust Fund	The decrease of 4% is due to slightly less carryover from FY05 than occurred in FY04 and slightly less new funds from loan payoffs are expected in FY06.
HTF-CDBG	The decrease of 90% is primarily due to substantially less loan payoffs expected in FY06 than occurred in FY05. Also, the expected completion/obligation of various housing rehabilitation projects during FY05 will result in much less carryover funding than occurred in FY04.

FY06 BUDGET
San Diego Housing Commission

Addendum 2

Summary of Housing Commission Revenue Changes

HTF-Linkage Fees	The increase of 10% is due primarily to an expected increase of new funds in FY06. This increase is partially offset by the expected completion/obligation of various Special Purpose Housing projects during FY05, resulting in less carryover funding than occurred in FY04.
HTF-Redevelopment Agency	The increase of 4% reflects a slight amount of interest earnings on these funds in FY05 and FY06.
HTF-TOT	The decrease of 100% reflects the final expenditure in FY05 of this one-time only source of funds from the City of San Diego.
HUD Development	The 6% decrease is due a reduced level of funding available from HUD.
HUD Lead Hazard Control Grant	The decrease of 65% reflects the expected obligation and/or completion of Rehabilitation activities in FY05 of this one-time source resulting in less carryover funding than occurred in FY04.
Inclusionary Housing Fund	The 314% increase is due to substantially higher than expected receipts of these new fees from the City of San Diego in late FY05 and FY06.
Local Funds	The increase of 8% is due primarily to the expected one-time receipt from the sale of the Hotel Metro loan to Centre City Development Corporation in FY06. Also, carryover funds are higher due to greater interest earnings and other income received in FY05.
Market Street Redevelopment	The decrease of 32% is due primarily to the expected completion/obligation of various rehabilitation projects during FY05, resulting in far less carryover of funds from FY05 than occurred in FY04. This decrease is partially offset by a slight increase in new funds resulting from loan payments payoffs and payoffs in FY06.
Maya Apartments	The increase of 3% is due to an increase in new funds in FY06 from resident rent, while income from legal, maintenance and late charges are expected to be approximately the same as in FY05.
Mt Hope Rehabilitation	The decrease of 66% reflects the expected completion/obligation of various rehabilitation projects during FY05 that will result in far less carryover of funds from FY05 than occurred in FY05. Also, no new award of funds in FY06 for housing rehabilitation is expected.
National City CDBG – RTF	There is no change in the estimated funds to be received in FY06.
North County Future Urbanizing Area	The decrease of 9% is due primarily to the expected completion/obligation of various Rental Housing Production projects during FY05, resulting in less carryover funding than occurred in FY04. This decrease is partially offset by an increase in new funds expected in FY06.

FY06 BUDGET
San Diego Housing Commission

Addendum 2

Summary of Housing Commission Revenue Changes

Public Housing FSS Coordinator	The increase is due to the expected award of funds from HUD on this new program in FY06.
Redevelopment Agency-Crossroads HELP	The decrease of 9% is due primarily to the expected completion/obligation of Rehabilitation projects during FY05 on this one time source. Although new funds are not expected to be awarded in FY06, it is anticipated there will be modest interest earnings in FY06.
Redevelopment Agency-Linda Vista	The increase is due to the expected new award of funds in FY06 for Rehabilitation. Also, remaining FY05 Homeownership funds, that were going to be returned to the Redevelopment Agency, will be utilized for Rehabilitation.
Rental Rehabilitation	The 8% decrease reflects less carryover of funds from FY05 than occurred in FY04, due to the expenditure and/or obligation funds in FY05. This decrease is partially offset by a slight increase in new funds anticipated in FY06 from loan payments and interest income.
ROSS Neighborhood Networks	The 86% increase is primarily due to the expected new award of funds for FY06. Also, there is greater carryover of funds from FY05 than occurred in FY04.
ROSS RSDM	The decrease of 33% is due primarily to less carryover of funds from FY05 than occurred in FY04, due to the expenditure and/or obligation of funds in FY04. In addition, there is a decrease in new funds expected to be awarded in FY06.
ROSS PH Service Coordinator	The decrease of 100% is due to the expected final completion/obligation of funds in FY05 of this one-time source.
RTF Contracts	The decrease of 100% is due to the expected final completion/obligation of funds in FY04 of this source. No new funds are expected in FY05.
SD Association of Realtors	The decrease of 95% is due to the expected completion/obligation of most funds in FY05 for this one-time source. No new funds are expected in FY06.
SDCCDAO ICAN Welfare to Work	The decrease of 100% is due to the expected final completion/obligation of funds in FY05 of this source. No new funds are expected in FY06.
Section 8 Programs	The 3% increase in the award of funds from HUD will provide for rent increases on units through FY06. Unlike past years, this dollar amount is fixed and cannot be augmented.

FY06 BUDGET

San Diego Housing Commission

Addendum 2

Summary of Housing Commission Revenue Changes

Shea Homes	The decrease of 57% in this one-time fund reflects the expenditure and/or obligation of funds for Homeownership in FY05, leading to significantly less carryover funding in FY05 than occurred in FY04. This is partially offset by slightly higher anticipated new funds from interest earnings in FY06.
Shelter Plus Care	The increase of 213% is primarily due to the anticipated award of new funds to extend and expand this program in FY06. This is partially offset by a decrease in carryover funds due to the expenditure of funds for administration in FY05 on older projects leading to less carryover funding in FY05 than occurred in FY04.
Southcrest Redevelopment Agency	The increase of 170% is due primarily to the expected new award of funds late in FY05 that will provide higher carryover funding from FY05 than occurred in FY04. Also, the new award of funds anticipated in FY06 is slightly higher than new funds awarded in FY05.
State Rental Housing	The increase of 39% is primarily due to the anticipated approval and funding of a significant amount of extraordinary maintenance on the Otay Villas and Scattered Site projects in FY06. In addition, there will be a slightly higher amount of carryover funds from FY05 than occurred in FY04.
State REO	The increase of 5% is primarily due to a small amount of interest earnings expected in FY05 and FY06 on loan repayments. Loan repayments have been placed in Reserves pending the State's determination of uses.
University Canyon Management	The increase of 275% is primarily due to the expected \$5 million of proceeds resulting from the sale of 35 units to the Conventional Public Housing program in FY06. In addition, it is expected that rental income will increase in FY06 due to opting out of the existing Section 8 New Construction. These increases are partially offset by a slight decline in funds that carryover from FY05.

FY06 Budget
San Diego Housing Commission

Addendum 3

Expenditures

The proposed FY06 Budget shows a 4% increase in expenditures and reserves. Salaries and benefits increased primarily due to higher Workers' Compensation rates and flex plan benefits along with a 2% negotiated salary increase. Although there was an increase of one-half of one position, the salary and benefits for the two deleted positions exceeded the increase for the two and one-half additional positions. Also, Services and Supplies decreased primarily due to the completion of one-time consulting on a variety of projects in FY05. Housing Programs increased primarily to provide for anticipated rent increases to landlords through FY06 in Rental Assistance. In addition, mortgage payments increased due to the planned payoff of the University Canyon mortgage upon the sale of 35 University Canyon units to the Conventional Public Housing Program in Property Management. Also, there is a substantial increase in extraordinary maintenance in Asset Management for a variety of significant work items in FY06.

	FY05 Current	FY06 Proposed	Change
Salaries & Benefits	\$ 16,261,540	\$ 16,515,683	\$ 254,143
Services & Supplies	7,471,556	7,190,199	(281,357)
Housing Programs	171,767,698	179,816,091	8,048,393
Program, Contingency & Agency Reserves	17,376,500	17,825,158	448,658
Total	\$ 212,877,294	\$ 221,347,131	\$ 8,469,837
Continuing Appropriations	\$ 7,465,463	\$ 10,717,434	\$ 3,251,971

The FY06 Budget proposal includes a net increase of one-half of one position. This is the result of adding two and one-half positions and deleting two higher paid positions for a net reduction in salaries. These changes continue to reflect the declining availability of Federal and Local sources of administrative funding and the President & CEO's commitment to responding to this decline by restructuring and reassigning staff as necessary.

FY06 budgeted salaries reflect the implementation of the classification and compensation study approved in FY99, as well as a provision for employee progression on the seven-step merit pay range. A salary contingency for FY06 is also included in the salaries and benefits line item to accommodate salary adjustments that resulted from the meet and confer process. These negotiations occurred last year and the agreement was ratified by the Housing Commission and Housing Authority. Estimated benefits are included and Workers' Compensation and flex plan benefits for employees increased from FY05. Addendum 7 describes the changes in salary and benefit costs in detail (Section III, Addendum 7).

Supplies and Services have decreased by 4%, due primarily to the net reduction of \$347,091 in contract/consultants resulting from the completion of one-time consulting on a variety of projects in FY05. In addition, there is a decrease in office rent from negotiations that reduced the expected cost on the sale/leaseback of the Newton office facility by \$95,496. Also, the decrease includes the reduction of \$84,945 in insurance based on estimates from our providers.

These decreases were partially offset by an increase of \$139,121 primarily for computer hardware and software for document imaging, replacement monitors, and web portals for Section 8 owners and applicants on the waiting list. In addition, there is an increase of \$112,165 primarily for software support for the Human Resources/Payroll system, Microsoft and the Symantec Ghost. All other supplies and services line items were reviewed and this led to the \$5,111 cumulative reduction.

FY06 Budget

San Diego Housing Commission

Addendum 3

Expenditures

Housing Programs expenses increased by 5% primarily due to HUD providing an additional \$4,765,978 of rent to owners for the Section 8 Voucher and Shelter Plus Care programs. The increase of \$3,198,326 in Rental Assistance funds will enable the Section 8 Voucher Program to lease the authorized units and allow modest rent increases for units leased through FY06. Also, the new awards and renewals of contracts for the Shelter Plus Care program by HUD will provide an additional \$1,567,652 for rent to owners. In addition, mortgage payments increased by \$2,879,274 to fund the planned payoff of the University Canyon mortgage upon the sale of 35 University Canyon units to the Conventional Public Housing Program in Property Management. These same sale proceeds will fund the majority of the substantial increase of \$3,141,373 in extraordinary maintenance in Asset Management for a variety of significant work items at the University Canyon project while new Capital Funds from HUD allow for the remaining increase in public housing renovations in FY06.

These increases are partially offset by a reduction in loans and grants activity of \$2,773,664 resulting from lower revenue expectations. The balance of the \$35,432 increase is due to various increases/decreases in the other Housing Program line items.

Continuing Appropriations of \$10.7 million are expenditures that were committed in FY05 or earlier for multiyear projects or programs. While funds are not available for reallocation in this FY06 budget process, they are shown to fully reveal activity and workload during FY06.

FY06 BUDGET

San Diego Housing Commission

Addendum 3

Agency Summary of Expenditures

	FY05 Current	FY06 Proposed	% of Chg Curr/Prop
Staffing	239.50	240.00	0%
EXPENDITURES			
Salaries & Benefits	16,261,540	16,515,683	2%
Services & Supplies			
Legal	632,300	615,800	-3%
Training	193,289	192,961	0%
Travel	99,445	109,668	10%
Audit	48,240	48,240	0%
Contract/Consultant	2,319,735	1,972,644	-15%
Office & Building Rent	1,625,217	1,529,721	-6%
Data Processing	174,252	175,746	1%
Sundry	1,609,325	1,721,490	7%
Insurance	401,715	316,770	-21%
Office Equipment	368,038	507,159	38%
Total Services & Supplies	7,471,556	7,190,199	-4%
Housing Programs			
Resident Services Expenses	752,348	552,885	-27%
Maintenance Expenses	2,426,952	2,439,965	1%
Utilities	1,571,019	1,585,574	1%
PILOT & Property Taxes	23,031	23,031	0%
Collection Loss	46,205	46,205	0%
Mortgage Payments	731,953	3,611,227	393%
Protective Services	294,145	347,982	18%
Rent to Owners	112,187,999	116,953,977	4%
Loans & Grants	35,072,922	32,299,258	-8%
Relocation	293,185	315,921	8%
Site Acquisition & Housing Development	12,089,567	12,220,321	1%
Extraordinary Maintenance	6,218,122	9,359,495	51%
Dwelling Equipment	60,250	60,250	0%
Total Housing Programs	171,767,698	179,816,091	5%
Program, Contingency & Agency Reserves	17,376,500	17,825,158	3%
Total Budget	212,877,294	221,347,131	4%
Less: Interfund Transfers			
a) University Canyon	(681,816)	(5,000,000)	633%
b) Data Processing	(174,252)	(175,746)	1%
c) Facilities Management	(947,700)	(947,700)	0%
Net Total Budget	211,073,526	215,223,685	2%
Continuing Appropriations	7,465,463	10,717,434	44%

FY06 BUDGET

San Diego Housing Commission

Addendum 3

Summary of Housing Commission Expenditure Changes

Salaries & Benefits	<p>The \$254,143 increase in salaries and benefits is primarily the result of an increase of \$210,922 in Workers' Compensation rates and flex plan benefits for employees. In addition, there is a combined increase of \$190,135 for employee movement along the seven-step merit pay plan and the 1.5% salary increase from the first year of the three-year labor agreement. These increases are partially offset by a decrease of \$158,516 as the salary contingency amount has been reduced from 4% in FY05 to the second year agreed upon level in the three-year labor agreement of 2% in FY06 (It should be noted that the three-year labor agreement was underway at the time the FY05 Budget was being prepared and 4% was estimated as the salary contingency amount last year). Other small increases for pension, medicare, state unemployment insurance, long term disability, life insurance and overtime account for the remaining increase of \$11,602.</p> <p>There is an overall increase of one-half of one position that includes the addition of two and one-half positions and a deletion of two positions (the two deleted positions are higher level than the two and one-half additional positions resulting in an overall decrease in salaries and benefits). In addition, there were reclassifications of 5.00 positions and a range adjustment for 1.00 position. A detailed explanation of staffing changes and the changes in salaries and benefits is included in Section III, Addenda 4 and 7.</p>
Legal	<p>The \$16,500 decrease in legal reflects actual experience and is primarily due to the \$20,000 decrease in Board and Executive Functions as less City Attorney services have been required. The remaining net increase of \$3,500 is for Human Resources, Financial Services, Organizational Development & Training, Rental Assistance, Occupancy Monitoring and Reinvestment Task Force and is based on actual cost experience. A reserve of \$300,000 continues to be proposed to provide for potential litigation expenses.</p>
Training	<p>There is a decrease of \$328 in training due primarily to a \$2,000 decrease in lead based training as the Lead Hazard Control program is completed in FY06. In addition, Board and Executive Functions shows a decrease of \$1,738 based on actual past cost experience. These decreases are almost offset by increases of \$2,410 for Rental Assistance to attend national conferences on proposed rule changes and \$1,000 for the Reinvestment Task Force.</p>
Travel	<p>The increase of \$10,223 in travel is primarily due to the increase of \$11,100 in Rental Assistance and Resident Services to attend national conferences on proposed rule changes and \$498 for the Reinvestment Task Force. These increases are partially offset by a decrease lead based travel as the Lead Hazard Control program is completed in FY06.</p>
Audit	<p>No Change.</p>

FY06 BUDGET

San Diego Housing Commission

Addendum 3

Summary of Housing Commission Expenditure Changes

Contract/Consultant	The decrease of \$347,091 in contract/consultant is primarily due to a variety of increases/decreases in most activities. The decreases include the completion in FY05 of one time consultants in Board and Executive Functions for \$165,000 of retirement, revenue and planning consulting; the reduction of \$167,224 in Rental Assistance for the elimination of \$71,000 in sex offender clearances due to the recent availability of this information online, the transfer of \$63,964 of temporary employee positions to budgeted positions and the reduction of \$32,530 in criminal history records, mediation, temporary employees due to completion of the file purge and waiting list contract; the reduction of \$95,680 in Facilities Management for the new office building due to one time consulting in FY05; a decline of \$80,000 in Asset Management due to the completion of the energy audit and needs assessment; a decrease of \$65,122 in Rehabilitation as lead testing is completed on Lead Hazard Control program in FY06; and a \$65,685 decline in Reinvestment Task Force consulting. These decreases were partially offset by an increase of \$245,084 in Information Technology for consultants, temporary employees and direct hire contractors for a variety of specialized work items including agency data base design, back file conversion services, document imaging and web development. Also, Resident Services has an increase of \$54,607 for a contract position to provide services on the Family Self Sufficiency program. Increases/decreases in several other activities account for the remaining increase of \$8,071.
Office & Building Rent	The \$95,496 decrease in office rent is the result of negotiations that reduced the expected cost on the sale/leaseback of the Newton office facility by \$95,496.
Data Processing	The modest \$1,494 increase is due to charges for the annualizing of additional units expected to be under lease in FY06 in Rental Assistance and Property Management. The charges are for the maintenance of records for residents and landlords.
Sundry	The \$112,165 increase in sundry is primarily due to the increase of \$68,343 in Information Technology for software support for the Human Resources/Payroll system, Microsoft and the Symantec Ghost. In addition, there is an increase of \$20,771 for the Reinvestment Task Force for office supplies, postage, printing, office equipment repair, business expense, and mileage; an increase of \$11,750 in Routine Maintenance for a new mail meter, gasoline and paper shredding services; and an increase of \$8,218 for the Newton office facility to provide for additional advertising, printing, laundry and postage. Small increases/decreases in most other activities account for the remaining increase of \$3,083.
Insurance	The decrease of \$84,945 is primarily due to our providers estimating reductions of \$41,875 for property insurance, \$29,363 for vehicle insurance, and \$11,945 for public officials' errors and omissions and employment practices. Other insurance including general liability, lead hazard, terrorism,

FY06 BUDGET

San Diego Housing Commission

Addendum 3

Summary of Housing Commission Expenditure Changes

	claims, crime and honesty, fiduciary, personal property and mold and fungi and flood insurance show modest increases and decreases, netting a decrease of \$1,762. A reserve of \$300,000 has been proposed to cover potential uninsured losses.
Office Equipment	The increase of \$139,121 is primarily due to an increase of \$164,992 for computer hardware and software for document imaging, replacement monitors, and web portals for Section 8 owners and applicants on the waiting list. This increase was partially offset by a decrease of \$22,974 in the expected purchase of new vehicles to replace aging stock. Resident Services, Reception and the Reinvestment Task Force activities show modest increases/decreases in office equipment, accounting for the balance of the decrease of \$2,897.
Resident Services Expenses	The decrease of \$199,463 is due to the obligation and/or expenditure of significant amounts of funding in FY05 for the ROSS and Capital Fund programs. In addition, the SDCCDAO ICAN Welfare to Work and SDCCD ICAN Implementation programs will be completed in FY05. Also, it is expected that additional new awards to replenish these activities will occur during FY06.
Maintenance Expenses	The increase of \$13,013 will bring the FY06 budget up to the original level approved in FY05 for maintenance contracts. The FY05 maintenance contracts budget had been reduced and the funding was transferred to protective services to provide for the new contract.
Utilities	The increase of \$14,555 is primarily due to the expected blended increase in FY06 rates for water, sewer, gas and electric utilities. It should be noted that utility costs did not increase as rapidly as forecast in FY05 and this enables the increase for FY06 to be smaller.
PILOT & Property Tax	There is no change in this line based on FY05 cost experience.
Collection Loss	There is no change in this line based on FY05 cost experience.
Mortgage Payments	The increase of \$2,879,274 is to enable the planned payoff of the University Canyon mortgage of \$2,824,524 upon the sale of 35 University Canyon units to the Conventional Public Housing program. In addition, mortgage payments increase by \$54,750 from the purchase of the 52 nd Street site utilizing a loan from the CalHFA Help program.
Protective Services	The increase of \$53,837 is primarily due to the increase of guard service at the three office facilities and the learning Opportunity Centers. In addition, all employees will be provided security badges in FY06.
Rent to Owners	The increase of \$4,765,978 is primarily due to an increase of \$3,198,326 in Rental Assistance funds to provide for the authorized Voucher units and a modest rent increase in FY06. Also, the new awards and renewals of

FY06 BUDGET

San Diego Housing Commission

Addendum 3

Summary of Housing Commission Expenditure Changes

contracts for the Shelter Plus Care program by HUD will provide an additional \$1,567,652 for rent to owners.

Loans & Grants

The decrease of \$2,773,664 is due to reduced funding for various activities. These increase and decreases include:

Rental Housing Production declines by \$788,907 primarily from the expected obligation and/or completion in the current fiscal year of several Cal State Housing Trust Fund, HOME, and NCFUA housing projects or programs. Carryover and new Inclusionary fees offset much of this decline in loan funds in Rental Housing Production.

In Homeownership, there is an increase of \$166,568 due to the expected increase of \$1,340,128 in Cal Home and HOME American Dream funds from new awards from the State and HUD. Most of this increase is offset by the transfer of \$1.0 million of HOME program income to Rental Housing Production. In addition, there is a combined decrease of \$173,560 in CDBG, HOME, HTF Linkage and San Diego Association of Realtors due to the expected obligation and/or completion in the current fiscal year of various projects.

Rehabilitation is reduced by \$1,519,691 primarily due to the decrease of \$1,083,398 resulting from the obligation and/or expenditure of CDBG, HOME, Housing Trust and Lead Hazard Control funds on various projects that will lead to less carryover from FY05 than occurred in FY04. In addition, there is a transfer of expected HOME carryover funds of \$750,000 to Rental Housing Production. These decreases are partially offset by an increase of \$313,707 in Redevelopment funds for the City Heights, Linda Vista and Southcrest areas.

Special Purpose Housing decreases by \$692,115 due to the obligation and/or expenditure of Cal State Housing Trust, CCDC and Housing Trust funds on various projects, resulting in less carryover from FY05 than occurred in FY04. These increases have been partially offset by a \$60,481 increase from new awards and renewals of the Shelter Plus Care program.

Relocation

The increase of \$22,736 is due primarily to the \$43,876 increase in temporary relocation of residents in occupancy during the completion of specific Capital Fund work improvements at the Conventional public housing units. This increase is partially offset by a decrease of \$21,140 in temporary relocation during lead paint abatement for the multi-year HUD Lead Hazard Control program in Rehabilitation that is expected to be completed in FY06.

Site Acquisition & Housing Development

The increase of \$130,754 is due primarily to an increase of \$99,810, targeting HOME shared equity loan payoffs for site acquisition. Also, with the strong loan portfolio, it is expected that \$30,944 of interest earnings in FY05 and FY06 will enhance the size of the foreclosure fund.

FY06 BUDGET

San Diego Housing Commission

Addendum 3

Summary of Housing Commission Expenditure Changes

Extraordinary Maintenance	<p>The increase of \$3,141,373 reflects plans to provide for \$3,722,513 in renovations (baths, cabinets, counters, flooring, kitchens, courtyards, landscaping and irrigation, paint exteriors and interiors, playgrounds, seal parking lots, site retaining walls and stairways) at the Conventional public housing, Maya Apartments, two State projects and University Canyon sites. These increases are partially offset by a decrease of \$521,140 in construction defects extraordinary maintenance as contracts are expected to be entered into in FY05. In addition, there is \$60,000 less extraordinary maintenance planned on the Newton facility due to the impending sale.</p>
Dwelling Equipment	<p>There is no change in this line based on FY05 cost experience.</p>
Program, Contingency & Agency Reserves	<p>The increase in total Reserves is \$448,658. This is due to the increase in Agency Reserves of \$1,169,415 and Contingency Reserves remained stable. This increase was partially offset by a decrease in Program Reserves of \$720,757.</p> <p>The Program Reserves provide for future personnel, services and supplies or housing expenditures. The Program Reserves have decreased by \$720,757 from \$12,061,337 in FY05 to \$11,340,580 in FY06. The decrease is due to the draw down of \$1,520,983 of Conventional Public Housing reserves to provide for substantial extraordinary maintenance on public housing units in FY05; a decrease of \$323,870 in HOME funds as shared equity loan payoffs in FY06 are expected to diminish and provide less administrative funds than in FY05; a decrease of \$320,006 in Section 8 Surplus Admin fees due to the reduction in the administrative fee level by HUD; and the expected \$199,804 drawdown of the multiyear Capital Fund reserves for administration and resident services in FY06. These decreases are partially offset by a staff recommendation to provide \$500,000 for a sinking fund for the future payoff of a \$4.5 million loan from the State of California in the early 1980's to build 113 units with balloon payments due in 2013 and 2015; an increase of \$406,690 in University Canyon due to an increase in rental income resulting from opting out of the HUD Section 8 New Construction contract; a staff recommended increase of \$347,133 in the Local Section 8 Support Reserve to offset the reduction in the HUD funded reserve (noted above), thereby maintaining the Section 8 reserves at the FY05 level in order to respond to the uncertainty concerning the future Congressional direction for the Section 8 Voucher Program that may involve unexpected program costs; and increases of \$257,374 and \$130,807 in Inclusionary Housing and City Heights Redevelopment for anticipated fees collected in FY06 that will provide administration in FY07 and FY08.</p> <p>It is expected that new awards will replenish some of this decrease in Program Reserves during FY06. Specific applications for funds will be presented at future Housing Commission meetings for approval as HUD and other agencies notify staff concerning the availability of resources.</p>

FY06 BUDGET

San Diego Housing Commission

Addendum 3

Summary of Housing Commission Expenditure Changes

FY06 *Contingency Reserves* are recommended to remain stable at \$2,115,673 in FY06. The Contingency Reserves include litigation reserves to provide for unexpected legal issues, insurance reserves to provide for coverage of deductibles, and building reserves to provide for any potential shortfall in the Smart Corner transaction.

The *Agency Reserves* include amounts that are available for any unanticipated housing purpose. The Agency Reserves have increased by \$1,169,415 from \$3,199,490 in FY05 to \$4,368,905 in FY06 primarily due to the one-time revenue from the anticipated FY06 purchase of the Hotel Metro loan by Centre City Development Corporation in FY06 and additional interest earnings and other income from a variety of sources in FY05. This amount is less than two percent of the FY06 Agency Budget and staff recommends that the Agency Reserves be retained as a sound business practice.

FY06 BUDGET
San Diego Housing Commission

Addendum 4

Summary of Staffing Changes From FY05 TO FY06

	Housing Services	Housing Finance & Development	Operations	Total
FY05 Staff	154.53	34.90	50.07	239.50
Proposed FY06 Changes:				
Adds	2.00	0.50	0.00	2.50
Deletes	(1.00)	0.00	(1.00)	(2.00)
Annualize	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Change	1.00	0.50	(1.00)	0.50
Upgrades	3.00	1.00	1.00	5.00
Downgrades	0.00	0.00	0.00	0.00
Proposed FY06 Staff	155.53	35.40	49.07	240.00

FY06 BUDGET

San Diego Housing Commission

Addendum 5

Classification and Pay Plan

Effective July 1, 2005 (Start of Pay Period)

(Start of Pay Period in which the first day of the fiscal year begins)

"M" SCHEDULE

Range	OC	OT/BU	Classification	Type	Minimum	Maximum
M 50	A	Ex/M	President & Chief Executive Officer	Hrly. Rate BiWk. Equiv. Ann. Equiv.	54.09 4,327.20 112,507.20	80.69 6,455.20 167,835.20
M48	A	Ex/M	Executive Vice President & Chief Operating Officer	Hrly. Rate BiWk. Equiv. Ann. Equiv.	48.82 3,905.60 101,545.60	68.97 5,517.60 143,457.60
M47	--	--	--	Hrly. Rate BiWk. Equiv. Ann. Equiv.	43.55 3,484.00 90,584.00	59.97 4,797.60 124,737.60
M44	A	Ex/M	Director of Business Services	Hrly. Rate	32.61	49.99
	A	Ex/M	Director of Communication & Strategy	BiWk. Equiv.	2,608.80	3,999.20
	A	Ex/M	Director of Facilities	Ann. Equiv.	67,828.80	103,979.20
	A	Ex/M	Director of Financial Services			
	A	Ex/M	Director of Housing Finance & Development			
	A	Ex/M	Director of Rental Assistance			
M 39	--	--	--	Hrly. Rate BiWk. Equiv. Ann. Equiv.	26.91 2,152.80 55,972.80	32.75 2,620.00 68,120.00
M 34	C	Ex/M	Secretary to the President & Chief Executive Officer	Hrly. Rate BiWk. Equiv. Ann. Equiv.	21.08 1,686.40 43,846.40	30.19 2,415.20 62,795.20

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FY06 BUDGET

San Diego Housing Commission

Addendum 5

"S" SCHEDULE

Range	OC	OT/BU	Classification	Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
S42	B	Ex/S	Asst Director of Housing Programs *	Hrly. Rate	31.16	32.71	34.36	35.22	36.09	37.01	37.92
				BiWk. Equiv.	2,492.80	2,616.80	2,748.80	2,817.60	2,887.20	2,960.80	3,033.60
	B	Ex/S	Budget Officer *	Ann. Equiv.	64,812.80	68,036.80	71,468.80	73,257.60	75,067.20	76,980.80	78,873.60
	B	Ex/S	Housing Construction Officer *								
	B	Ex/S	Human Resources Officer *								
	B	Ex/S	Information Technology Officer *								
S41	B	Ex/A	Financial Specialist *	Hrly. Rate	29.68	31.16	32.71	33.54	34.37	35.23	36.11
	B	Ex/A	Loan Management Supv. *	BiWk. Equiv.	2,374.40	2,492.80	2,616.80	2,683.20	2,749.60	2,818.40	2,888.80
	D	Ex/A	Policy Advisor to the President & CEO *	Ann. Equiv.	61,734.40	64,812.80	68,036.80	69,763.20	71,489.60	73,278.40	75,108.80
	D	Ex/S	Project Manager *								
S40	--	--	--	Hrly. Rate	28.26	29.67	31.16	31.94	32.73	33.56	34.39
				BiWk. Equiv.	2,260.80	2,373.60	2,492.80	2,555.20	2,618.40	2,684.80	2,751.20
				Ann. Equiv.	58,780.80	61,713.60	64,812.80	66,435.20	68,078.40	69,804.80	71,531.20
S39	B	Ex/S	Accounting Supervisor *	Hrly. Rate	26.91	28.25	29.67	30.41	31.17	31.95	32.75
	B	Ex/A	Associate Project Manager *	BiWk. Equiv.	2,152.80	2,260.00	2,373.60	2,432.80	2,493.60	2,556.00	2,620.00
	B	Ex/A	Community Liaison *	Ann. Equiv.	55,972.80	58,760.00	61,713.60	63,252.80	64,833.60	66,456.00	68,120.00
	B	Ex/A	Organizational Training Spec. *								
	B	Ex/A	Principal Accountant *								
	B	Ex/A	Principal HR Analyst *								
	B	Ex/A	Senior Budget Analyst *								
S38	D	Pre/O	Housing Construction Spec.	Hrly. Rate	25.63	26.92	28.25	28.97	29.69	30.43	31.19
	B	Ex/A	Sr. HR Analyst *	BiWk. Equiv.	2,050.40	2,153.60	2,260.00	2,317.60	2,375.20	2,434.40	2,495.20
	T	Ex/A	Sr. Information Technology Analyst *	Ann. Equiv.	53,310.40	55,993.60	58,760.00	60,257.60	61,755.20	63,294.40	64,875.20
	B	Ex/S	Supv Resident Initiatives Coord. *								
S37	B	Ex/A	Community Relations Spec. *	Hrly. Rate	24.41	25.63	26.92	27.58	28.27	28.98	29.70
	B	Ex/S	Housing Supervisor *	BiWk. Equiv.	1,952.80	2,050.40	2,153.60	2,206.40	2,261.60	2,318.40	2,376.00
	T	Ex/A	Information Technology Analyst *	Ann. Equiv.	50,772.80	53,310.40	55,993.60	57,366.40	58,801.60	60,278.40	61,776.00
	B	Ex/A	Senior Accountant *								
	B	Ex/A	Sr. Resident Initiatives Coord. *								
S36	B	Ex/A	Contracts Analyst	Hrly. Rate	23.25	24.41	25.63	26.27	26.93	27.60	28.30
	B	Ex/A	Human Resources Analyst	BiWk. Equiv.	1,860.00	1,952.80	2,050.40	2,101.60	2,154.40	2,208.00	2,264.00
	B	Ex/A	Program Analyst	Ann. Equiv.	48,360.00	50,772.80	53,310.40	54,641.60	56,014.40	57,408.00	58,864.00

FY06 BUDGET

San Diego Housing Commission

Addendum 5

Range	OC	OT/BU	Classification	Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	
S35	--	--	--	Hrly. Rate	22.14	23.26	24.42	25.02	25.65	26.30	26.95	
				BiWk. Equiv.	1,771.20	1,860.80	1,953.60	2,001.60	2,052.00	2,104.00	2,156.00	
				Ann. Equiv.	46,051.20	48,380.80	50,793.60	52,041.60	53,352.00	54,704.00	56,056.00	
S34	B	Ex/A	Accountant	Hrly. Rate	21.09	22.14	23.26	23.84	24.43	25.04	25.66	
			Budget Analyst	BiWk. Equiv.	1,687.20	1,771.20	1,860.80	1,907.20	1,954.40	2,003.20	2,052.80	
			Docket Coordinator	Ann. Equiv.	43,867.20	46,051.20	48,380.80	49,587.20	50,814.40	52,083.20	53,372.80	
			Fiscal Services Specialist									
			Loan Servicing Specialist									
S33	B	Ex/A	Asst. Hsg. Property Supv.	Hrly. Rate	20.08	21.09	22.14	22.71	23.28	23.86	24.44	
			Housing Specialist	BiWk. Equiv.	1,606.40	1,687.20	1,771.20	1,816.80	1,862.40	1,908.80	1,955.20	
S32	P	Pre/A	Contracts Compliance Asst.	Hrly. Rate	19.15	20.09	21.10	21.62	22.17	22.73	23.29	
			Housing Inspector	BiWk. Equiv.	1,532.00	1,607.20	1,688.00	1,729.60	1,773.60	1,818.40	1,863.20	
			Loan Production Specialist	Ann. Equiv.	39,832.00	41,787.20	43,888.00	44,969.60	46,113.60	47,278.40	48,443.20	
			Maintenance Supervisor									
			Resident Initiatives Coord.									
			Senior Administrative Assistant									
			Senior Human Resources Tech.									
S31	C	Pre/O	Senior Accounting Technician	Hrly. Rate	18.23	19.15	20.09	20.59	21.11	21.63	22.19	
			Senior Housing Assistant	BiWk. Equiv.	1,458.40	1,532.00	1,607.20	1,647.20	1,688.80	1,730.40	1,775.20	
			Wage Services Technician	Ann. Equiv.	37,918.40	39,832.00	41,787.20	42,827.20	43,908.80	44,990.40	46,155.20	
S30	C	Pre/M	Executive Secretary	Hrly. Rate	17.35	18.22	19.14	19.60	20.09	20.60	21.11	
				BiWk. Equiv.	1,388.00	1,457.60	1,531.20	1,568.00	1,607.20	1,648.00	1,688.80	
				Ann. Equiv.	36,088.00	37,897.60	39,811.20	40,768.00	41,787.20	42,848.00	43,908.80	
S29	C	Pre/O	Administrative Assistant	Hrly. Rate	16.54	17.36	18.22	18.69	19.16	19.63	20.11	
			Housing Assistant II	BiWk. Equiv.	1,323.20	1,388.80	1,457.60	1,495.20	1,532.80	1,570.40	1,608.80	
			Human Resources Technician	Ann. Equiv.	34,403.20	36,108.80	37,897.60	38,875.20	39,852.80	40,830.40	41,828.80	
			Office Supervisor									
S28	C	Pre/O	Accounting Technician	Hrly. Rate	15.74	16.51	17.34	17.78	18.22	18.68	19.15	
			Senior Maintenance Technician	BiWk. Equiv.	1,259.20	1,320.80	1,387.20	1,422.40	1,457.60	1,494.40	1,532.00	
				Ann. Equiv.	32,739.20	34,340.80	36,067.20	36,982.40	37,897.60	38,854.40	39,832.00	

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San Diego Housing Commission

Addendum 5

Range	OC	OT/BU	Classification	Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Z27	D	Pre/O	Maintenance Technician II	Hrly. Rate	15.72	16.50	17.33	17.76	18.21	18.66	19.13
				BiWk. Equiv.	1,257.60	1,320.00	1,386.40	1,420.80	1,456.80	1,492.80	1,530.40
				Ann. Equiv.	32,697.60	34,320.00	36,046.40	36,940.80	37,876.80	38,812.80	39,790.40
S27	C	Pre/O	Information Technology Technician	Hrly. Rate	14.99	15.74	16.52	16.94	17.33	17.80	18.26
				BiWk. Equiv.	1,199.20	1,259.20	1,321.60	1,355.20	1,386.40	1,424.00	1,460.80
	D	Pre/O	Maintenance Technician II	Ann. Equiv.	31,179.20	32,739.20	34,361.60	35,235.20	36,046.40	37,024.00	37,980.80
	C	Pre/O	Senior Storekeeper								
S26	C	Pre/O	Senior Office Assistant	Hrly. Rate	14.28	14.99	15.74	16.13	16.53	16.95	17.37
				BiWk. Equiv.	1,142.40	1,199.20	1,259.20	1,290.40	1,322.40	1,356.00	1,389.60
				Ann. Equiv.	29,702.40	31,179.20	32,739.20	33,550.40	34,382.40	35,256.00	36,129.60
Z25	C	Pre/O	Accounting Assistant	Hrly. Rate	14.27	14.97	15.73	16.12	16.52	16.94	17.36
				BiWk. Equiv.	1,141.60	1,197.60	1,258.40	1,289.60	1,321.60	1,355.20	1,388.80
				Ann. Equiv.	29,681.60	31,137.60	32,718.40	33,529.60	34,361.60	35,235.20	36,108.80
S25	C	Pre/O	Accounting Assistant	Hrly. Rate	13.60	14.28	14.99	15.36	15.75	16.14	16.56
	T	Pre/O	Housing Assistant I	BiWk. Equiv.	1,088.00	1,142.40	1,199.20	1,228.80	1,260.00	1,291.20	1,324.80
	C	Pre/O	Resident Manager II	Ann. Equiv.	28,288.00	29,702.40	31,179.20	31,948.80	32,760.00	33,571.20	34,444.80
S24	C	Pre/O	Client Services Receptionist	Hrly. Rate	12.94	13.60	14.27	14.63	14.99	15.36	15.75
	C	Pre/O	Office Assistant II	BiWk. Equiv.	1,035.20	1,088.00	1,141.60	1,170.40	1,199.20	1,228.80	1,260.00
	C	Pre/O	Storekeeper	Ann. Equiv.	26,915.20	28,288.00	29,681.60	30,430.40	31,179.20	31,948.80	32,760.00
S23	C	Pre/O	Information Technology Assistant	Hrly. Rate	12.33	12.95	13.60	13.93	14.28	14.64	15.00
	D	Pre/O	Maintenance Technician I	BiWk. Equiv.	986.40	1,036.00	1,088.00	1,114.40	1,142.40	1,171.20	1,200.00
	C	Pre/O	Office Assistant I	Ann. Equiv.	25,646.40	26,936.00	28,288.00	28,974.40	29,702.40	30,451.20	31,200.00
S22	--	--	--	Hrly. Rate	11.74	12.33	12.94	13.27	13.61	13.94	14.29
				BiWk. Equiv.	939.20	986.40	1,035.20	1,061.60	1,088.80	1,115.20	1,143.20
				Ann. Equiv.	24,419.20	25,646.40	26,915.20	27,601.60	28,308.80	28,995.20	29,723.20
S21	--	--	--	Hrly. Rate	11.19	11.75	12.33	12.64	12.96	13.28	13.62
				BiWk. Equiv.	895.20	940.00	986.40	1,011.20	1,036.80	1,062.40	1,089.60
				Ann. Equiv.	23,275.20	24,440.00	25,646.40	26,291.20	26,956.80	27,622.40	28,329.60

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San Diego Housing Commission

Addendum 5

Range	OC	OT/BU	Classification	Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
S20	C	Pre/O	Housing Aide II	Hrly. Rate	9.88	10.38	10.91	11.17	11.47	11.74	12.05
				BiWk. Equiv.	790.40	830.40	872.80	893.60	917.60	939.20	964.00
				Ann. Equiv.	20,550.40	21,590.40	22,692.80	23,233.60	23,857.60	24,419.20	25,064.00
S19	--	--	--	Hrly. Rate	8.91	9.34	9.81	10.07	10.31	10.57	10.83
				BiWk. Equiv.	712.80	747.20	784.80	805.60	824.80	845.60	866.40
				Ann. Equiv.	18,532.80	19,427.20	20,404.80	20,945.60	21,444.80	21,985.60	22,526.40
S18	C	Pre/O	Housing Aide I	Hrly. Rate	8.41	8.83	9.26	9.50	9.73	9.99	10.23
				BiWk. Equiv.	672.80	706.40	740.80	760.00	778.40	799.20	818.40
				Ann. Equiv.	17,492.80	18,366.40	19,260.80	19,760.00	20,238.40	20,779.20	21,278.40

MISCELLANEOUS TEMPORARY CLASSIFICATIONS & HOURLY PAY RATES

Range	OC	OT/BU	Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
TSR	B	Ex/T	Scholar in Residence	24.29	25.50	26.77	27.45	28.13	28.83	29.56
TSI	C	Pre/T	Student Intern (Paid)	10.58	11.11	11.66	11.96	12.25	12.56	12.87
THA	O	Pre/T	Housing Services Aide	7.39	7.76	8.15	8.35	8.56	8.78	9.00
TAT	O	Pre/T	Housing Aide Trainee	7.39	7.76	8.15	8.35	8.56	8.78	9.00

Pay for the following classifications are based on HUD minimum wage requirements, or temporary and limited scope of duties, and/or specific terms and conditions of appointment:

Maintenance Technician Trainee: On the job training program for residents or Section 8 Program participants to qualify for Maintenance Technician I (or similar employment).

Contract Employee: Employment by contract agreement for professional services external to the merit process, budget, and classification and pay plan for specific scope of work and duration, and without employment rights or benefits other than those required by law or under terms of the contract.

Restricted Employee: Appointment to a Special Housing/Employment Program with requirements other than merit under which employees are selected and funded by State, Federal, or local agency; or to provide on the job training to public housing residents and Section 8 participants to enhance economic development and self sufficiency on a short term, on-call, or seasonal basis.

Site Contacts: Residents paid in accordance with HUD pay limitations as on-site residential contacts.

OC = Occupational Category:

- A - Manager/Administrator
- B - Professional
- C - Clerical/Admin Support
- D - Crafts/Kindred
- P - Paraprofessional
- T - Technical

OT = Overtime Designation:

- Pre - Premium Overtime Compensation
- Ex - Exempt from Overtime Compensation

BU = Bargaining Unit Designation:

- M - Management or Confidential (nonunion - represented)
- S - Supervisory (nonunion - represented)
- A - Administrative/Professional (nonunion - represented)
- O - Office/Clerical/Technical (union - represented)
- T - Temporary Employee (nonunion - represented)

FY06 BUDGET

San Diego Housing Commission

Addendum 5

NOTES:

- M Schedule** Salary ranges on Management (M) Schedule derived by adding the percent increase to each hourly minimum and maximum of the range.
- S Schedule** Salary steps on Staff (S) Schedule derived by adding the percent increase to each hourly step. Annual salary equivalent is derived from hourly rate multiplied by 2,080 (number of work hours in a year). Biweekly rate is derived from annual salary divided by 26 paychecks. Amounts subject to rounding.
- E Class** * Extended Range "E" Class designates appointments that may be made to the range directly above or below the designated classification range based on specific qualifications and duties assigned.
- Z Range** Incumbents in the Maintenance Technician II and Accounting Assistant classifications as of September 30, 1998 shall be paid according to the Z range for the classification. Z range is defined as a special range for incumbents effective January 1, 1999 pursuant to negotiated Memorandum of Understanding. After September 30, 1998 newly hired or appointed incumbents to those classes will be paid according to the S range.
- Trainee** A "Trainee" designation is paid at a rate of 15% below the entry level classification and advanced to Step 1 of the targeted classification upon meeting minimum requirements.
- Reinstatement** The re-hire of an employee to a class satisfactorily held or to a comparable or lower class in which satisfactory service was rendered or to any comparable or lower class in the same occupational series provided the minimum requirements are met and the request is within one year of separation or voluntary demotion.
- Retired Returnee** An employee retired from the SDHC Defined Contribution Pension Plan may be appointed to a position at the same or comparable level of pay, requiring special skills or knowledge without competition, for a period not to exceed 180 days in any fiscal year.
- Volunteer** An individual designated to perform specific workplace tasks on a non-paid status.
- Minimum Wage** Hourly rates will be adjusted up to meet Federal Minimum Wage requirements as minimum wage rates change.
- Classification and Pay Plan Updates** Classification titles, new classes, and salary ranges may be updated pursuant to Personnel Policies and adopted Budget.
- Furlough** Mandatory business closure without pay. There shall be a mandatory one-day work furlough on July 1, 2005, a four-day work furlough between December 26, 2005 and December 31, 2005 and an additional one-day work furlough on May 26, 2006. The 48 hours are pro-rated over 26 paychecks in the fiscal year in order to receive regular pay during furlough. The furlough deduction is adjusted employment starts or ends mid-year.

FY06 BUDGET

San Diego Housing Commission

Addendum 6

Schedule of Average/Actual Salaries by Classification

CLASSIFICATION	# of POSITIONS	AVERAGE/ACTUAL SALARY
ACCOUNTANT	3.00	52,839
ACCOUNTING ASSISTANT	2.00	34,133
ACCOUNTING SUPERVISOR	2.00	64,355
ACCOUNTING TECHNICIAN	5.00	37,747
ADMINISTRATIVE ASSISTANT	1.00	41,870
ASSISTANT DIRECTOR OF HOUSING PROGRAMS	4.00	72,313
ASSISTANT HOUSING PROPERTY SUPERVISOR	2.00	49,837
BUDGET ANALYST	1.00	54,912
BUDGET OFFICER	1.00	79,992
CLIENT SERVICES RECEPTIONIST	2.00	31,160
COMMUNITY RELATIONS LIAISON	1.00	72,862
COMMUNITY RELATIONS SPECIALIST	1.00	61,630
CONTRACTS ANALYST	1.00	54,007
DIRECTORS	6.00	91,271
EXECUTIVE VICE PRESIDENT & CHIEF OPERATING OFFICER	1.00	129,204
FINANCIAL SERVICES SPECIALIST	1.00	48,610
FINANCIAL SPECIALIST	2.00	73,632
HOUSING AIDE II	2.00	23,697
HOUSING ASSISTANT II	38.00	39,715
HOUSING CONSTRUCTION OFFICER	2.00	75,875
HOUSING CONSTRUCTION SPECIALIST	10.00	64,462
HOUSING INSPECTOR	9.00	47,598
HOUSING SPECIALIST	8.00	50,222
HOUSING SUPERVISOR	7.00	60,319
HUMAN RESOURCES OFFICER	1.00	86,285
INFORMATION TECHNOLOGY ANALYST	1.00	57,063
INFORMATION TECHNOLOGY OFFICER	2.00	84,233
INFORMATION TECHNOLOGY SPECIALIST	1.00	40,955
INFORMATION TECHNOLOGY TECHNICIAN	1.00	32,362
LOAN MANAGEMENT SUPERVISOR	1.00	73,632
LOAN PRODUCTION SPECIALIST	2.00	45,791
LOAN SERVICING SPECIALIST	2.00	50,927
MAINTENANCE SUPERVISOR	2.00	48,672
MAINTENANCE TECHNICIAN II	13.00	38,635

FY06 BUDGET

San Diego Housing Commission

Addendum 6

Schedule of Average/Actual Salaries by Classification

CLASSIFICATION	# of POSITIONS	AVERAGE/ACTUAL SALARY
OFFICE ASSISTANT II	11.00	30,715
PIU HEARING COORDINATOR	1.00	56,262
POLICY ADVISOR TO THE PRESIDENT & CEO	1.00	68,390
PRESIDENT & CHIEF EXECUTIVE OFFICER	1.00	150,000
PROGRAM ANALYST	7.00	56,636
PROJECT MANAGER	5.00	71,535
REINVESTMENT COORDINATOR	1.00	95,722
RESIDENT INITIATIVES COORDINATOR	2.00	46,322
RESIDENT MANAGER II	9.00	31,618
SECRETARY TO THE PRESIDENT & CEO	1.00	58,469
SENIOR ACCOUNTANT	1.00	65,125
SENIOR ACCOUNTING TECHNICIAN	1.00	46,384
SENIOR ADMINISTRATIVE ASSISTANT	8.00	47,499
SENIOR BUDGET ANALYST	1.00	68,459
SENIOR HOUSING ASSISTANT	17.00	45,039
SENIOR HUMAN RESOURCES ANALYST	1.00	59,072
SENIOR HUMAN RESOURCES TECHNICIAN	1.00	47,560
SENIOR INFORMATION TECHNOLOGY ANALYST	2.00	59,072
SENIOR MAINTENANCE TECHNICIAN	4.00	39,062
SENIOR OFFICE ASSISTANT	9.00	35,395
SENIOR PROGRAM ANALYST	6.00	64,916
SENIOR RESIDENT INITIATIVES COORDINATOR	4.00	58,734
SENIOR STOREKEEPER	2.00	37,232
STOREKEEPER	1.00	32,115
SUPERVISING PROJECT MANAGER	2.00	74,578
SUPERVISING RESIDENT INITIATIVES COORDINATOR	2.00	62,352
WAGE SERVICES TECHNICIAN	1.00	41,995
	<hr/>	
	240.00	

FY06 BUDGET
San Diego Housing Commission

Addendum 7

**Explanation of the Change in the Housing Commission
Salaries and Benefits Costs from FY05 to FY06**

The FY06 salaries and benefits budget totals \$16,515,683. This is an increase of \$254,143 or slightly over one and one-half percent from the current FY05 budget. The following factors contribute to this increase:

<u>FY05 Current Salaries & Benefits Budget</u>	\$16,261,540
<u>FY06 Recalculation of Salaries</u>	
Included in the FY06 budget are current employees' actual salaries reflecting the FY05 1.5% salary increases approved by the Housing Commission and any step increases due in FY06.	229,294
<u>FY06 Adding Positions</u>	
The FY06 budget includes the addition of 2.50 positions. The new positions are: 2.00 Office Assistant II's and .50 of a Senior Office Assistant.	77,081
<u>FY06 Deleting Positions</u>	
The FY06 budget includes the deletion of 2.00 positions. The deleted positions are: 1.00 Assistant Director of Housing Programs and 1.00 Principal Human Resources Analyst.	-138,611
<u>FY06 Reclassification of Positions</u>	
The FY06 budget reclassifies 6.00 positions. The changes reclassify two Information Technology Technicians to Information Technology Specialists, an Administrative Assistant to a Senior Administrative Assistant, an Office Supervisor to a Senior Administrative Assistant, and two Housing Supervisors to Assistant Directors of Housing Programs.	21,099
<u>FY06 Salary Range Adjustments</u>	
The salary range for the Budget Analyst has been adjusted to the same level as other analysts.	1,271
<u>FY06 Salary Reserves</u>	
The FY06 budget contains a contingency reserve for salary increases and bonuses, which may be approved by the Housing Commission. The FY05 salary reserves were budgeted at a higher rate than the FY06 reserves because labor negotiations had not been finalized.	-158,516
<u>FY06 Overtime Provision</u>	
The FY06 budget contains a provision for overtime expenses. This will provide for an increase in the salaries of Maintenance staff who respond to after-hours emergency maintenance calls at the SDHC residential sites as well as salaries for staff during peak periods.	2,402
<u>FY06 Vacancy Factor</u>	
The FY06 vacancy factor of 0.5%, which is the same level as FY05, has been incorporated into the budget to provide for vacant positions during FY06.	-948
<u>FY06 Benefits</u>	
Employee benefits provided include pension, flex plan, Workers' Comp, Medicare, long-term disability, State Unemployment Insurance and life insurance. Benefits increase due, in part, to an increase in the rates for Workers' Comp and increased payments for flex plan benefits. In FY06, benefits are budgeted at an average agency rate of 32.27%, up from 30.54% in FY05.	221,071
FY06 Salaries and Benefits Budget	\$16,515,683

FY06 BUDGET

San Diego Housing Commission

Addendum 8

Estimated Continuing Appropriations as of June 30, 2005

Division / Activity / Project	Funding Source	Amount
1. Housing Services		
Rental Assistance		
Credit Check Services	Section 8	63,689
Employment Development Information Services	Section 8	10,000
<i>Total Rental Assistance</i>		\$ 73,689
Property Management		
Employment Development Information Services	Conventional Public Housing	850
<i>Total Property Management</i>		\$ 850
Asset Management		
Extraordinary Maintenance - Kitchen & Bathroom Upgrades	Capital Funds	115,999
Extraordinary Maintenance - Construction Defects	Conventional Public Housing, Local Funds	2,341,000
<i>Total Asset Management</i>		\$ 2,456,999
Resident Services		
Youth Recreation & Diversionary Services	ROSS Programs	3,794
Learning Opportunity Center Educational Services	Capital Funds, ROSS Programs, UC	100,184
Public Housing Residents Employment Related Services	ROSS Programs	2,000
<i>Total Resident Services</i>		\$ 105,978
2. Housing Finance & Development		
Rental Housing Production		
Acquisition - Black Contractors Association	CDBG	15,501
Acquisition - Talmadge Senior Village	HOME	315,000
Acquisition & Development - 52nd Street Seniors Apartments	CalHFA HELP Program	5,000
Acquisition & Development - Beyer Courtyard Apts	HTF Linkage	1,656
Acquisition & Development - Creekside Trails	Coastal Housing, HOME, Inclusionary Hsg	625,000
Acquisition & Rehab - Bayview CDC	HOME, HTF Linkage	58,499
Acquisition & Rehab - Casa Colina del Sol	HOME	1,000
Acquisition & Rehab - Hillside Garden Apts	HOME, HTF Linkage	600,000
Acquisition & Rehab - Mason Hotel	HTF Linkage	157,142
Consulting Services	Local Funds	12,228
Development - The Crossings	NCFUA	400,000
Development - Renaissance (Seniors)	HOME	10,000
Development-Transitional Hsing Families Fleeing Domestic Violence	Cal State HTF	300,000
<i>Total Rental Housing Production</i>		\$ 2,501,026
Homeownership		
CA. Debt Allocation Committee Bond Deposit	Local Funds	100,000
Down Payment/Closing Costs Assistance	HTF Linkage	88,000
First Time Homebuyer Assistance	CCDC	750,000

FY06 BUDGET

San Diego Housing Commission

Addendum 8

Estimated Continuing Appropriations as of June 30, 2005

Division / Activity / Project	Funding Source	Amount
2. Housing Finance & Development		
Homeownership (continued)		
First Time Homebuyer Education Workshops	HOME	17,158
Shared Equity Loan Program	HOME	917,249
<i>Total Homeownership</i>		\$ 1,872,407
Rehabilitation		
Owner Occupied		
Black Contractors Assoc. - Home Independent Project	CDBG	35,000
Environmental Health Coalition-Lead Based Paint Outreach & Education	CDBG	49,500
Homeworks Program	HOME	100,000
Lutheran Social Services - Minor Home Repairs for Srs & Disabled	CDBG	65,187
Owner Occupied Rehabilitation	HOME	150,000
<i>Total Rehabilitation Owner Occupied</i>		\$ 399,687
Special Purpose Housing		
College Aged Youth Housing Assistance	HTF Linkage	8,500
Development - Transitional Hsing for Victims of Domestic Violence	Cal State HTF, HTF Linkage	1,243,000
Shared Housing Assistance Program	Local Funds	37,538
Shelter Plus Care Sponsor Admin & Rent	Shelter Plus Care	1,893,954
<i>Total Special Purpose Housing</i>		\$ 3,182,992
3. Operations		
Support Services		
Information Technology		
Implementation of Housing Services Software	Conventional Public Housing	50,633
Implementation of Voice Response System	Local Funds	24,373
Consulting & Training for Migration between Software Applications	Conventional Public Housing	30,000
<i>Total Information Technology</i>		\$ 105,006
Facilities Management		
Consulting Services	Local Funds	15,000
<i>Total Facilities Management</i>		\$ 15,000
Communication & Strategy		
Consulting Services		3,800
<i>Total Communication & Strategy</i>		\$ 3,800
AGENCY TOTAL		\$ 10,717,434

FY06 BUDGET
San Diego Housing Commission

Addendum 9

Non-Budgeted Restricted Cash

In addition to the amounts of revenue shown in the [FY06 Budget](#) document, there are the following restricted cash amounts that are not available for inclusion in the FY06 Budget for the reasons noted. Below is a detailed listing of these cash amounts and an explanation is provided that describes each amount.

<u>PROGRAM</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
1. Security Deposits	\$ 489,375	Residents who occupy units owned/managed by the Housing Commission are required to provide security deposits. This deposit is returned to the resident if the resident vacates the unit with no past due rent or excessive wear and tear damage to the unit. The amount shown is the balance at 6/30/04.
3-90 2. Family Self-Sufficiency Escrow Accounts	\$1,113,039	Residents who participate in the Family Self-Sufficiency Program and experience an increase in earned income would normally pay a higher rent payment. In order to encourage self-sufficiency, part of the increase in the rent payment is set aside in an escrow account for the benefit of the resident. At the end of the five-year program, a successful resident who has achieved self-sufficiency would be able to withdraw the escrow balance that has accumulated. The amount shown is the balance at 6/30/04.
3. Rehabilitation Line of Credit Deposit	\$ 76,784	The Housing Commission has previously entered into Line of Credit Agreements with Wells Fargo Bank. The Agreements require the deposit of these funds as collateral at Wells Fargo Bank to sustain the leveraging of bank funds. The amount shown is the balance at 6/30/04.
4. Bond Program Performance Deposits	\$ 156,276	The State of California requires that the Housing Commission collect a performance deposit from each developer who applies for State tax credits. These funds are held by the Housing Commission and returned to the developer upon written authorization from the State of California that the developer has performed satisfactorily. If the developer fails to perform, these funds are remitted to the State of California. The amount shown is the balance at 6/30/04.

FY05 BUDGET
San Diego Housing Commission

Addendum 10

SAN DIEGO HOUSING COMMISSION INCOME AND RENT CALCULATIONS

U.S. Department of Housing and Urban Development 2005 SAN DIEGO MEDIAN INCOME:

\$63,400

Note: The table contains income limits for extremely low, very low and low income, as adjusted for family size and other factors adopted and amended from time to time by the U.S. Department of Housing and Urban Development (HUD). In 2005, HUD adjusted San Diego Very Low Income limits for a "high housing cost area" factor.

Family Size	Unit Size	Extremely Low Income						Very Low Income					
		30% AMI (Adjusted by HUD)		35% AMI (Adjusted by HUD)			40% AMI (Adjusted by HUD)			50% AMI (Adjusted by HUD)			
		ANNUAL INCOME ¹	GROSS RENT ²	ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³ / "Low HOME" ³	
ONE	STUDIO	\$ 14,500	\$363	\$16,900	\$423	\$ 422	\$19,300	\$483	\$ 483	\$24,150	\$604	\$603	
TWO	1-BR	\$ 16,550	\$414	\$19,300	\$483	\$ 452	\$22,100	\$553	\$ 517	\$27,600	\$690	\$646	
THREE	2-BR	\$ 18,650	\$466	\$21,750	\$544	\$ 543	\$24,850	\$621	\$ 621	\$31,050	\$776	\$776	
FOUR	3-BR	\$ 20,700	\$518	\$24,150	\$604	\$ 627	\$27,600	\$690	\$ 717	\$34,500	\$863	\$896	
FIVE	4-BR	\$ 22,350	\$559	\$26,100	\$653	\$ 700	\$29,800	\$745	\$ 800	\$37,250	\$931	\$1,000	
SIX	5-BR	\$ 24,000	\$600	\$28,000	\$700	\$ 773	\$32,000	\$800	\$ 883	\$40,000	\$1,000	\$1,104	
SEVEN	6-BR	\$ 25,650	\$641	\$29,950	\$749		\$34,200	\$855		\$42,800	\$1,070	\$1,207	
EIGHT		\$ 27,300		\$31,900			\$36,450			\$45,550			

Family Size	Unit Size	60% AMI (Adjusted by HUD)			65% AMI (Adjusted by HUD)			70% AMI (Adjusted by HUD)		Low Income 80% AMI (Adjusted by HUD)	
		ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	ANNUAL INCOME ¹	GROSS RENT ²	"High HOME" ³	ANNUAL INCOME ¹	GROSS RENT ²	ANNUAL INCOME ¹	GROSS RENT ²
ONE	STUDIO	\$29,000	\$725	\$724	\$31,400	\$785	\$765	\$33,800	\$845	\$38,650	\$966
TWO	1-BR	\$33,100	\$828	\$776	\$35,900	\$898	\$821	\$38,650	\$966	\$44,150	\$1,104
THREE	2-BR	\$37,250	\$931	\$931	\$40,350	\$1,009	\$987	\$43,450	\$1,086	\$49,700	\$1,243
FOUR	3-BR	\$41,400	\$1,035	\$1,076	\$44,850	\$1,121	\$1,132	\$48,300	\$1,208	\$55,200	\$1,380
FIVE	4-BR	\$44,700	\$1,118	\$1,200	\$48,450	\$1,211	\$1,244	\$52,150	\$1,304	\$59,600	\$1,490
SIX	5-BR	\$48,000	\$1,200	\$1,325	\$52,050	\$1,301	\$1,353	\$56,050	\$1,401	\$64,050	\$1,601
SEVEN	6-BR	\$51,350	\$1,284		\$55,600	\$1,390	\$1,464	\$59,900	\$1,498	\$68,450	\$1,711
EIGHT		\$54,650			\$59,200			\$63,750		\$72,850	

Family Size	Unit Size	100% AMI (No HUD adjustment)		120% AMI (No HUD adjustment)	
		ANNUAL INCOME ¹	GROSS RENT ²	ANNUAL INCOME ¹	GROSS RENT ²
ONE	STUDIO	\$44,400	\$1,110	\$53,250	\$1,331
TWO	1-BR	\$50,700	\$1,268	\$60,850	\$1,521
THREE	2-BR	\$57,050	\$1,426	\$68,450	\$1,711
FOUR	3-BR	\$63,400	\$1,585	\$76,100	\$1,903
FIVE	4-BR	\$68,450	\$1,711	\$82,150	\$2,054
SIX	5-BR	\$73,550	\$1,839	\$88,250	\$2,206
SEVEN	6-BR	\$78,600	\$1,965	\$94,350	\$2,359
EIGHT		\$83,700		\$100,450	

* TCAC = Tax Credit Allocation Committee

1. Annual Income = Gross annual income adjusted by family size for Area Median Income (AMI) level. May contain additional adjustments as determined annually by HUD.
2. Gross Rent = cash rent plus the tenant-paid utilities (the "utility allowance"). See the "San Diego Housing Commission Utility Allowance Schedule" on the reverse side to calculate the utility allowance based on the project's actual utilities mix. Gross rent minus utility allowance = maximum cash rent.
3. For projects with multiple funding sources, use the lowest rents applicable. "Low HOME" and "High HOME" rents are effective March 31, 2005.

This general income and rental rate information is derived from the U.S. Department of Housing and Urban Development (HUD) very low income figures published on February 11, 2005 and TCAC Maximum Rents published February 11, 2005.

FY06 BUDGET

San Diego Housing Commission

Addendum 11

Use of Unrestricted Revenues

The proposed FY06 Budget allocates both restricted and unrestricted funds to support multiple affordable housing activities including: rental assistance, development to increase the supply of affordable rental housing, renovation to extend the life of older housing stock, first-time homebuyer assistance, and transitional and supportive housing. Unrestricted Revenues (\$44.0 million and \$46.1 million in FY05 and FY06 respectively) of the Housing Commission have far fewer restrictions on usage than the Restricted Revenues and may be used for a variety of activities. There are four (4) types of Unrestricted Revenue sources as explained below:

1. Rental Rehabilitation – this source derives from loan payments and payoffs from previous lending activity and provides support for Special Purpose Housing.
2. Local Funds – these funds derive from a variety of sources including fees earned from administering programs, lease revenue or loan payments from previous development activity, and rental income from certain Housing Commission-owned sites. These funds are very flexible and are utilized for all Housing Commission activities except Rental Assistance.
3. Affordable Housing Funds – this source includes the Housing Trust Fund derived from fees charged developers of commercial and industrial property and a relatively small amount of loan repayments from CDBG Rehabilitation loans, as well as the Inclusionary Housing Fund of in-lieu fees paid by residential developers. Currently, this source provides support for activities in Housing Finance & Development.
4. HOME Funds – this federal entitlement source is received annually by the City of San Diego and is administered by the Housing Commission. Currently, this source provides support for activities in Housing Finance & Development.

In past years, the Housing Commission has supported a multifaceted approach by allocating the Unrestricted Revenue sources among several activities. In the proposed FY06 Budget, the allocation of the Unrestricted and Restricted Revenues is as follows:

Activity	Proposed FY06 Unrestricted Revenues		Proposed FY06 Restricted Revenues		Proposed FY06 Total Revenues	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Rental Assistance	0	0.0%	120,727,262	68.9%	120,727,262	54.5%
Rental Hsg. Production	21,815,951	47.3%	8,117,522	4.6%	29,933,473	13.5%
Reserves	10,227,775	22.2%	7,597,383	4.3%	17,825,158	8.0%
Homeownership	4,467,092	9.7%	2,324,133	1.3%	6,791,225	3.1%
Special Purpose Housing	3,072,390	6.7%	2,363,884	1.4%	5,436,274	2.5%
Operations	2,950,262	6.4%	5,270,202	3.0%	8,220,464	3.7%
Rehabilitation	1,607,609	3.5%	4,567,537	2.6%	6,175,146	2.8%
Property Management	1,052,530	2.3%	20,664,290	11.8%	21,716,820	9.8%
Portfolio Servicing	887,351	1.9%	1,745,501	1.0%	2,632,852	1.2%
Resident Services	0	0.0%	1,888,457	1.1%	1,888,457	0.9%
Total Proposed Budget	46,080,960	100.0%	175,266,171	100.0%	221,347,131	100.0%

FY06 BUDGET

San Diego Housing Commission

Addendum 11

Use of Unrestricted Revenues

This allocation of Unrestricted Revenues is similar to previous fiscal years. As the chart demonstrates, the majority of unrestricted funding is provided to Rental Housing Production with significant allocations for Homeownership, Rehabilitation and Special Purpose Housing. Most reserves are earmarked to provide for the future costs associated with specific programs, litigation, insurance claims, a provision for the office building acquisition and the future purchase of State units when the State loan is due. A small amount (less than 2.0% of the budget) is set aside for unanticipated purposes and to provide for future years administration for programs that provide insufficient administrative funding.

Commissioners can shift unrestricted funds under certain conditions from one activity to another. However, reducing activities below certain minimum levels could result in a high proportion of administrative costs for that activity, making it no longer economically viable. Staff recommends maintaining at least minimum viable program levels in all programs so that these services can be augmented as community needs change.

FY06 BUDGET

San Diego Housing Commission

Addendum 12

Glossary of Budget Terms

AFFORDABLE HOUSING - Typically the cost is no more than 30% of a low or very-low household's income.

AREA MEDIAN INCOME (AMI) - The median income in the San Diego Standard Metropolitan Statistical Area (MSA) adjusted for household size, as published annually by the United States Department of Housing and Urban Development.

APPROPRIATION - Funds set aside by formal action of a legislative body for a specific use or program.

CARRYOVER - Residual unspent and unencumbered funds brought forward from previous fiscal year.

CAPITAL FUND - A HUD entitlement grant to the Housing Commission for the purpose of undertaking major renovation of public housing properties, enhancing resident services and management improvement.

CDBG - Community Development Block Grant - A HUD entitlement grant to the City of San Diego. The Commission applies to the City to provide funds for various housing activities including the rehabilitation, homeownership, and rental housing programs.

CONTINUING APPROPRIATIONS - Continuing Appropriations are the unexpended balances of monies budgeted and obligated in previous years for vendor/contract commitments. Although these funds are not included in the current year because approval by the Board was received in a previous fiscal year, there is considerable workload associated with these projects.

ENCUMBRANCE - Funds contractually obligated for expenditure on a particular project or purpose.

ENTITLEMENT - Noncompetitive funds granted to the Housing Commission, based on a formula considering several factors including population, location, age of housing, etc.

EXPENDITURE - Anticipated costs for a fiscal year.

EXTRAORDINARY MAINTENANCE - Capital improvements that extend the useful life of housing units.

EXTREMELY LOW-INCOME - Household income is 30% or less of published median income for the area.

HOME - A HUD entitlement grant to the City of San Diego that is used for various housing activities including the rehabilitation, homeownership, and rental housing programs.

HOUSING PROGRAM EXPENSE - Anticipated cost directly benefiting program participants including rent to owners, loans and grants, extraordinary maintenance, resident services, etc.

IMPOUND - A restriction on use of appropriated funds due to either legal or management decisions.

FY06 BUDGET

San Diego Housing Commission

Addendum 12

Glossary of Budget Terms

LOCAL FUNDS - Funds resulting from Housing Commission actions which are available for local discretionary usage. Sources include bond monitoring fees, leases on local sites, repayments of previous loans, sites sales, rents, and interest.

LOW-INCOME - Household income is greater than 50% of the published median income figure for the area and up to 80%.

MAINTENANCE EXPENSES - Repair/replacement of minor building components that have failed or are about to fail.

MODERATE INCOME - Household income is greater than 80% of the published median income figure for the area and up to 120%.

OPERATING FUND - Provides operating subsidy for public housing programs.

OVERHEAD - Costs for Agency support functions such as board & executive functions, accounting, human resources, information technology, budgeting, etc., which support all program activities.

REINVESTMENT TASK FORCE - Charged with encouraging private and public financing of affordable housing and economic development in those areas suffering from disinvestments. Jointly funded by the Housing Commission and the County.

RESERVES - Program, Contingency & Agency Reserves are funds budgeted in the current year to provide for a future event. **Program Reserves** provide for personnel, supplies and services or housing programs. **Contingency Reserves** include amounts to provide for potential litigation, uninsured losses and a building reserve. **Agency Reserves** include amounts that are available for all housing purposes.

RESTRICTED REVENUE - Revenues for regulated purposes defined by the funding source.

REVENUE - Carryover funds from the preceding fiscal year and anticipated new cash receipts in the next fiscal year.

SALARIES AND BENEFITS EXPENSE - Anticipated cost for salary, wages, and benefits.

SERVICES AND SUPPLIES EXPENSE - Anticipated administrative costs to support staffing including legal, rent, travel, training, equipment, contracts, audit, data processing, insurance, and sundry.

SUNDRY - Costs for a variety of supplies and services including postage, telephone, photocopy, office supplies, printing, mileage, advertising, etc.

UNRESTRICTED REVENUE - Revenues that can be allocated to a variety of housing related purposes by the Board of Commissioners.

VERY LOW-INCOME - Household income is greater than 30% of the published median income for the area and up to 50%.