



Good Neighbors

San Diego
Housing Commission

- ◆ 1625 Newton Avenue
- ◆ San Diego, California 92113-1038
- ◆ 619/231 9400
- ◆ FAX: 619/544 9193
- ◆ www.sdhc.net

REPORT

DATE ISSUED: November 10, 2004

Item: 101

REPORT NO.: HCR04-93
For the Agenda of November 19, 2004

SUBJECT: Proposed Fiscal Year 2005 Budget Revision (Citywide)

SUMMARY

Issue: Should the Housing Commission recommend Housing Authority approval of revisions to the Fiscal Year 2005 budget to reflect actual carryover and net new revenues?

Recommendation: Approve the revision that will result in a net increase to the Fiscal Year 2005 budget of \$14,096,253 and recommend final approval by the Housing Authority.

Fiscal Impact: Approval of this action will increase the current Fiscal Year 2005 budget by \$14,096,253 for a total budget of \$212,760,640.

Previous Related Actions: On May 19, 2004, the Housing Commission approved the Fiscal Year 2005 budget in the amount of \$197,183,418. The budget was presented to the Land Use & Housing Committee and then forwarded to the Housing Authority for approval on June 15, 2004. Subsequent budget amendments detailed on Attachment 4 have increased the budget by \$1,480,969 to \$198,664,387.

BACKGROUND

The budget revision is primarily a reconciliation of the previously approved FY05 budget with current, more accurate financial information. The 2005 Housing Commission budget was developed in early 2004 and included estimates of carryover funds, because exact amounts would not be known prior to the close of Fiscal Year 2004. At this point, exact carryover has been determined and the revision reflects these additions and deductions.



A state agency authorized by the City of San Diego

In addition, the Housing Commission receives funding from numerous federal, state and local sources and these revenues change and require periodic update. Finally, new sources of funds received and sources anticipated but not awarded require adjustment to the previously approved budget. The summation of all these adjustments from estimated to actual is incorporated within this Fall budget revision.

DISCUSSION

The first policy issue for this budget revision involves two recent rule changes by HUD. The first change no longer allows Section 8 Reserves to be used for non-Section 8 purposes and the second change is a reduction in the administrative fee of approximately six percent. Management did hold a number of positions vacant in FY04 and decreased administrative spending to try to absorb some of the administrative fee reduction by HUD although this is not expected to continue due to the staff decrease in FY05.

Historically, the Housing Commission has been able to operate the Section 8 programs very effectively, efficiently and at a lower cost than the administrative fee provided by HUD which results in surplus administrative fees at the end of each fiscal year. These surplus administrative fees have provided most of the funding for a number of City of San Diego related projects including the Winter Shelter, Shared Housing, Fair Housing Council, Access Center, Homeless Coordinator and the Regional Task Force on the Homeless. These projects total over \$750,000 in the FY05 Budget.

As in past years, it was planned in FY05 to use the estimated \$429,061 of FY04 Section 8 Reserves to provide for the City of San Diego projects. A transfer of these funds to Local funds within the FY05 Budget was adopted and approved by the Housing Commission and Housing Authority. As a result of the two HUD rule changes, this budget revision reverses the planned transfer of Section 8 Reserves to Local funds and retains the \$429,061 within the Section 8 Reserves. The six percent reduction in administrative fees and the restriction on the use of Section 8 Reserves has resulted in an added drain of Local funds in FY05 that must now make up the difference in this loss of Section 8 Reserve funding without a compensating ongoing new stream of revenue. As a result, staff will be pursuing discussions with City officials to minimize the annual cost of these City related projects to the Housing Commission as well as working to identify new sources of Local funds.

The second policy issue involves the high dollar volume of shared equity loan repayments received during the previous nine months and the unexpected higher linkage and inclusionary fees. With interest rates at levels not seen in over 40 years and property values in San Diego rising very rapidly, a refinancing boom commenced at about the same time as the FY05 Budget was being prepared. Many shared equity loans and other loans made by the Housing Commission over the last several years to eligible participants were refinanced and the Housing

Commission will receive approximately \$3.5 million more in shared equity and loan payoffs than was expected in the approved FY05 Budget.

Combined with almost \$1.3 million of additional linkage and inclusionary fees, there is \$4.8 million of additional unrestricted funds to be allocated to housing activities. Staff proposes that the Board allocate the \$4.8 million of additional unrestricted funds as follows:

- \$3.2 million to Rental Housing Production to insure that pipeline projects are adequately covered
- \$900,000 for local match on several Special Purpose projects
- \$700,000 for additional homeownership loans.

REVENUE CHANGES

There are two types of funds incorporated into this budget revision: carryover funds and new revenue sources. The net addition to the budget from carryover sources was \$12,321,160. The net addition to the budget from new revenue sources was \$1,775,093.

Carryover funds are those funds budgeted in the prior fiscal year that for a variety of reasons did not get expended or obligated. Carryover may also be revenues in excess of those expected. Carryover funds can be broken down into two categories based upon the requirements of the funding sources. First, "restricted carryover" amounted to \$2,899,477. This carryover is restricted to a specific purpose or activity as mandated by the funding source. The second type of carryover is "unrestricted" and amounted to \$9,421,683. There is some discretion in the use of these funds. Most of these carryover funds have been tentatively allocated to financing housing proposals that are anticipated to be ready for funding approvals in FY05.

New revenue sources are similarly broken into restricted and unrestricted funds. Restricted new funding adjustments amounted to \$187,001. Unrestricted new funding adjustments amounted to \$1,588,092. A detailed explanation of the sources of both carryover and new revenue sources is discussed in Attachment 1.

The Housing Commission currently has fifty-one revenue sources in the budget. All but eight of these sources have been adjusted within this revision. Attachment 6 contains the detailed information by specific revenue source that contributes to the budget revision.

The following table summarizes the changes in revenues for local, state and federal sources.

Revenues	Current Budget	Revision Budget	Proposed Budget	% of Change
Local Revenues	20,878,973	8,031,930	28,910,903	+38%
State Revenues	8,102,095	(600,270)	7,501,825	-7%
Federal Revenues	169,683,319	6,664,593	176,347,912	+4%
Total Revenues	198,664,387	14,096,253	212,760,690	+7%

EXPENDITURE CHANGES

The incorporation of the additional revenue in the budget is offset by the uses for the funds. Of the \$14,096,253 in revenue additions, \$10,358,167 is budgeted into the various agency activities and the remaining \$3,738,086 is placed primarily into public housing related reserves. Generally speaking, funds carried over from a prior year were placed within the same activities as originally funded. Housing Finance and Development staff reviewed the Department's FY05 goals but do not recommend revising the goals at this time. The average per unit cost increased \$25,000 to \$75,000 over the last several months and the additional funds will likely be needed to produce the units proposed in the original FY05 Budget. New program funds were allocated to the activities identified in the grant application process. The Housing Commission will maintain the unexpected revenue and the administrative savings in reserves for future utilization. The proposed changes in activities are presented in detail in Attachments 2 and 3.

The following table summarizes the changes in expenditures by major activity.

Activities	Current Budget	Revision Budget	Proposed Budget	% of Change
Housing Services	134,574,511	745,368	135,319,879	+1%
Hsg Finance & Dev	42,525,373	9,577,384	52,102,757	+23%
Operations	7,890,974	35,415	7,926,389	+0%
Reserves	13,673,529	3,738,086	17,411,615	+27%
Total Expenditures	198,664,387	14,096,253	212,760,640	+7%

The Agency summary of expenditure is detailed in Attachment 7. Salary and Benefits show no change while less than \$60,000 of the revision is attributable to slight increases in services and supplies. Almost \$10.3 million or 73% is utilized for the programs and services the Housing Commission operates.

Alternatives:

1. Budget new unrestricted funds differently.
2. Utilize unrestricted carryover funds for activities other than those budgeted

Respectfully submitted,

Approved by,

**Signature on File
With Original Document**

Edward P. Mauk
Director, Financial Services

Elizabeth C. Morris
President and Chief Executive Officer

Attachment(s):

- Attachment 1: Detailed Explanation of Proposed FY05 Revenue Revisions
- Attachment 2: Proposed FY05 Budget by Activity
- Attachment 3: Detailed Explanation of Proposed FY05 Activity Revisions
- Attachment 4: Previous FY05 Budget Revisions
- Attachment 5: Schedule of Agency FY05 Reserves
- Attachment 6: Agency Summary of FY05 Revenues
- Attachment 7: Agency Summary of FY05 Expenditures

DETAILED EXPLANATION OF PROPOSED REVENUE REVISIONS

The following chart details the \$14,096,253 Budget Revision by each major component of restricted and unrestricted revenue.

Revenues	Current Budget	Revision Budget	Proposed Budget	% of Change
Restricted Revenues				
Section 8	120,860,953	582,011	121,442,964	+ 0%
Other HUD	25,915,929	1,586,802	27,502,731	+ 6%
State	8,102,095	(600,270)	7,501,825	- 7%
CDBG	3,622,558	(240,202)	3,382,356	- 7%
Restricted Local	6,236,933	1,758,137	7,995,070	+ 28%
Sub-Total	164,738,468	3,086,478	167,824,946	+ 2%
Unrestricted Revenues				
Rental Rehabilitation	224,595	86,353	310,948	+ 38%
Local	10,987,291	4,109,317	15,096,608	+ 37%
Affordable Housing Fund	3,654,749	2,164,476	5,819,225	+ 59%
HOME	19,059,284	4,649,629	23,708,913	+ 24%
Sub-Total	33,925,919	11,009,775	44,935,694	+ 32%
Total Revenues	198,664,387	14,096,253	212,760,640	+ 7%

For ease of review, this budget revision has been divided into four sections that are:

1. Restricted Carryover Funding adjustments (+ \$2,899,477)
2. Restricted New Funding adjustments (+ \$187,001)
3. Unrestricted Carryover Funding adjustments (+ \$9,421,683)
4. Unrestricted New Funding Adjustments (+ \$1,588,092)

Each of these sections is explained on the following pages.

1. Restricted Carryover Funding Adjustments + \$2,899,477

The following is a detailed listing of all restricted carryover funding adjustments.

- A. + \$ 1,130,919 Additional carryover of Conventional, Maya, State and University Canyon projects resulting primarily from higher average tenant rent, administrative and program savings.
- B. + \$ 1,087,544 Additional carryover of CAL Home, CALHFA Help, CCDC, CDBG, City Heights, Housing Rehabilitation Trust Funds, Market Street, Mt. Hope, San Diego Association of Realtors, Shea Home and Southcrest funds resulting primarily from unspent Rental Housing Production, Homeownership, Rehabilitation and Special Purpose loans and grants plus greater than anticipated loan payoffs.
- C. + \$ 647,333 Additional carryover of Capital Fund, HUD Development and Lead Hazard Control funds resulting primarily from unspent site acquisition/housing development in Rental Housing Production and loans and grants in Rehabilitation.
- D. + \$ 582,313 New HUD rule changes prohibit the use of Section 8 Voucher Reserves for non-Section 8 Voucher purposes. Therefore, \$429,061 will no longer be transferred to Local funds nor be used to fund the City's Homeless Shelter etc. The remaining balance is primarily the retention of surplus Move to Work funding now permitted by HUD and administrative savings.
- E. + \$ 12,287 There is a net increase in carryover resulting primarily from administrative savings on several programs including City Property Management, County RTF, Shelter Plus Care and State REO funds. The carryover funding ranged from a decrease of \$224 to an increase of \$11,441 depending on the source.
- F. + \$ 537 There is a net increase in carryover of several

Resident Services funds resulting primarily from unspent service contracts on the Family Health Centers, FSS Coordinator, PH Drug Elimination, ROSS Grants and SDCCD ICAN Implementation and Welfare to Work programs. The carryover funding ranged from a decrease of \$1,695 to an increase of \$3,163 depending on the source.

G. - \$ 561,456

There is a decrease in carryover of Capital Fund due primarily to executing additional contracts for extraordinary maintenance and resident services in the fourth quarter of FY04. The reduction was applied to Resident Services, Site Maintenance and the Major Renovations activities.

2. Restricted New Funding Adjustments +\$187,001

The following is a detailed listing of all restricted new funding adjustments.

A. +\$ 798,000

Additional proceeds expected from the sale of 35 Conventional units to the San Diego Unified School District. The increase in funds has been provided to site acquisition in Rental Housing Production.

B. +\$ 619,836

HUD provided an increase in funds for the Mariner's Cove project in July following execution of a contract amendment extending the term of affordability for 100 units. The increase in funds has been provided to rent to owners in Rental Assistance.

C. +\$ 150,000

Additional funds expected to be awarded from the Redevelopment Agency for City Heights. The increase in funds has been provided to loans and grants in Rehabilitation and Reserves.

D. +\$ 50,000

Additional County CDBG funds for the Reinvestment Task Force will provide partial assistance for administration and consulting.

E. +\$ 38,797

HUD provided an increase in the Conventional operating subsidy for an elderly/disabled coordinator

to compensate for the elimination of the ROSS Service Coordinator program.

F. +\$ 25,993

The actual HUD award of Capital Fund was greater than anticipated and the increase was applied to Resident Services, extraordinary maintenance in Major Renovations and Reserves for administrative costs in FY05 and FY06.

G. -\$ 256,737

The decrease in CDBG funds is primarily due to receiving \$246,737 less funding than anticipated in the Housing Commission application and housing projects awarded to other entities by the City and administered by the Housing Commission. Although there were increases in Homeownership projects awarded, these were more than offset by decreases in Rental Housing Production and Rehabilitation projects. In addition, the award to the Reinvestment Task Force was \$10,000 less than anticipated.

H. -\$ 618,750

The State of California did not approve additional funds for Major Renovations for the scattered site project.

I. -\$ 620,138

HUD reduced the administrative fee from \$68.92 and \$64.33 to \$60.58 per unit per month on the Section 8 Voucher and Moderate Rehabilitation programs.

3. Unrestricted Carryover Funding Adjustments + \$9,421,683

The following is a detailed listing of all unrestricted carryover funding adjustments.

A. +\$ 4,211,458

There is additional carryover of Local funds resulting primarily from \$1,358,130 in litigation proceeds that provides for extraordinary maintenance repairs at the Fulton, Saranac and Golfcrest sites. In addition, \$1,269,580 remains from the Lucera settlement and \$1.2 million has been allocated to site acquisition in Rental Housing Production and the balance in Reserves. Also, there are \$826,066 of administrative and program savings, additional single

and multi-family bond fees, MCC fees, lease payments, and interest earnings. Finally, there is an unexpected loan payoff of \$658,751 on Trolley Court and \$98,931 of carryover resulting from the release of some project continuing appropriations.

B. + \$ 2,949,001

There is \$1,961,877 of unexpected HOME program income resulting from substantial payoffs of Homeownership loans in the last two quarters of FY04. In addition, there is \$604,949 of additional carryover of HOME funds resulting primarily from unspent funds due to the timing of project approvals in Rental Housing Production and Rehabilitation. Also, there are administrative savings of \$164,190 and \$217,985 of additional administrative funds available due to the substantial loan payoffs.

C. +\$ 2,164,476

There is \$1,169,149 of additional carryover of Affordable Housing Trust Funds resulting from greater linkage fees, unspent funds due the timing of project approvals in Rental Housing Production, Homeownership and Rehabilitation, cancelled projects and unexpected revenue from increased loan payoffs. Most of these funds will provide for matching funds for various Special Purpose projects in FY05. In addition, there is \$764,361 of unexpected Inclusionary Housing Fees that were received in the last two quarters of FY04 and these funds provide for Rental Housing Production. The balance of the carryover results from \$230,966 of administrative savings and the additional administrative funds available due to unexpected loan payoffs and greater inclusionary and linkage fees.

D. + \$ 86,353

There is additional carryover of Rental Rehabilitation funds due to unexpected revenue from increased loan payoffs.

E. + \$ 10,395

There is an additional \$317,483 of carryover of Condo Conversion and NCFUA funds resulting primarily from unspent funds due the timing of project approvals in Rental Housing Production and from unexpected fees received in the last two quarters of FY04. This amount was almost offset by

greater than expected lending activity in Rental Housing Production for projects utilizing Coastal funds.

4. Unrestricted New Funding Adjustments + \$1,588,092

The following is a detailed listing of all unrestricted new funding adjustments.

A. +\$ 1,700,628

There are additional new HOME funds expected primarily due to the refinancing of Homeownership loans that has produced significant shared equity repayments. These funds will provide for Rental Housing Production and Reserves.

B. - \$ 112,536

As previously mentioned, new HUD rules prohibit the use of Section 8 Reserves for non-Section 8 uses. Since the original FY05 Budget included a transfer of \$429,061 of Section 8 Reserves to Local funds to provide for various City of San Diego activities, this must be reversed and reduces Local funds. This reduction was partially offset by the recent receipt in the first quarter of FY05 of proceeds on the 7th Avenue site and an increase in lease payments from the Mariner's Cove project due to higher rents.

PROPOSED FY05 BUDGET BY ACTIVITY

Activities	Current Budget	Revision	Proposed Budget	% of Change
Housing Services	134,574,511	745,368	135,319,879	1%
Rental Assistance	117,013,607	596,036	117,609,643	1%
Property Management	15,528,954	147,375	15,676,329	1%
Management	3,073,131	0	3,073,131	0%
Routine Maintenance	5,374,860	(3,752)	5,371,108	0%
Asset Management	7,080,963	151,127	7,232,090	2%
Resident Services	2,031,950	1,957	2,033,907	0%
Housing Finance & Development	42,525,373	9,577,384	52,102,757	23%
Rental Housing Production	24,978,108	5,636,885	30,614,993	23%
Homeownership	5,444,026	1,179,800	6,623,826	22%
Rehabilitation	5,999,494	1,725,207	7,724,701	29%
Rental Housing	1,217,707	223,759	1,441,466	18%
Owner Occupied	4,781,787	1,501,448	6,283,235	31%
Portfolio Servicing & Occupancy Monitorin	2,477,983	160,946	2,638,929	6%
Special Purpose Housing	3,625,762	874,546	4,500,308	24%
Operations	7,890,974	35,415	7,926,389	0%
Board & Executive Functions	1,137,607		1,137,607	0%
Support Services	6,336,336	35,415	6,371,751	1%
Human Resources	577,970	0	577,970	0%
Information Technology	1,542,201	(20,000)	1,522,201	-1%
Financial Services	2,023,669	0	2,023,669	0%
Organizational Development & Training	308,166	0	308,166	0%
Facilities Management	1,884,330	55,415	1,939,745	3%
Communications & Strategy	417,031	0	417,031	0%
Program & Contingency Reserves	13,673,529	3,738,086	17,411,615	27%
FY05 Proposed Activity Based Budget	198,664,387	14,096,253	212,760,640	7%

EXPLANATION OF PROPOSED FY05 BUDGET REVISIONS BY ACTIVITY

Housing Services

1. Rental Assistance

The net increase of \$596,036 is primarily for an increase in rent to owners of \$619,836 at the Mariner's Cove project. HUD provided an increase in funds for the Mariner's Cove project in July following execution of a contract amendment extending the term of affordability for 100 units. This increase is partially offset by a \$23,800 decrease in rent to owners to correct the actual number of vouchers from 12,051 to 12,043.

2. Property Management-Routine Maintenance

The decrease of \$3,752 is due to additional equipment purchases late in FY04 resulting in less carryover from FY04 than had been anticipated.

3. Property Management-Asset Management

The net increase of \$151,127 is primarily due to additional carryover of litigation proceeds of \$1,358,130 that provides for extraordinary maintenance repairs at the Fulton, Saranac and Golfcrest sites. The litigation amount includes funds earmarked pursuant to previous Housing Commission discussion for future regrading at these sites if it should prove necessary. This increase has been mostly offset by a reduction of \$618,750 in extraordinary maintenance as the State of California did not approve additional funds for Major Renovations for the scattered site project. In addition, there is a decrease in Capital Fund of \$588,253 due primarily to executing additional contracts for extraordinary maintenance in FY04 leading to less carryover than anticipated.

4. Resident Services

The net increase of \$1,957 is primarily due to less than expected use of direct hire contractors in FY04 on the ICAN Welfare to Work program leading to more carryover than expected. This increase was partially offset by greater spending in FY04 than anticipated on some ROSS resident services contracts.

Housing Finance & Development

5. Rental Housing Production

The net increase of \$5,636,885 is due to an increase of \$3,189,245 in loans and grants resulting from higher loan payoffs in FY04 and FY05, unanticipated fees received in FY04 and less loan

activity in FY04 than expected due to the timing of project approvals. Staff expects that current pipeline projects will utilize this amount in FY05. In addition, there is \$1,200,000 from the recently completed relocation effort involving the Lucera litigation settlement that is earmarked for site acquisition. It is expected that there will be an additional \$798,000 of proceeds from the sale of 35 Conventional units to the San Diego Unified School District and staff anticipates that HUD will permit the retention of \$421,959 of remaining development funds and \$11,641 of Capital fund from the Boston Avenue project. These site acquisition sources will enhance the pool of funds available for replacement Conventional units in FY05. The remaining \$16,040 of carryover CDBG funds are for relocation for the 40th Street project.

6. Homeownership

The increase of \$1,179,800 is primarily due to an increase of \$1,021,114 in loans and grants as a result of unanticipated HOME shared equity payoffs in FY04, other loan payoffs in FY04 and less lending in FY04 than anticipated. In addition, there is an increase of \$94,186 in loans and grants from cancelled projects and \$64,500 from unexpected new CDBG projects from the City of San Diego to be monitored by staff.

7. Rehabilitation-Rental Housing

The increase of \$223,759 results from less HOME and Lead Hazard Control lending and relocation activity in FY04 than expected due to the timing of project approvals. This led to additional carryover of these funds designated for this purpose.

8. Rehabilitation-Owner Occupied

The increase of \$1,501,448 is primarily due to an increase of \$1,753,236 in loans and grants as a result of new revenue for City Heights, less lending in FY04 than anticipated due to the timing of several project approvals and unanticipated loan payoffs in FY04. This increase was partially offset by a decrease of \$251,788 in CDBG projects from the City of San Diego to be monitored by staff.

9. Portfolio Servicing & Occupancy Monitoring

The increase of \$160,946 is primarily due to an increase of \$82,930 of additional City and County funding for the Reinvestment Task Force from new awards and administrative savings in FY04. In addition, there is an increase of \$78,016 of CDBG Foreclosure funds resulting from an unexpected shared equity loan payoff late in FY04 and lower costs in FY04.

10. Special Purpose Housing

The increase of \$874,546 in loans and grants is primarily due to an increase of additional carryover of Affordable Housing Trust Funds resulting from greater linkage fees, the transfer of

unspent funds due the timing of project approvals in Rental Housing Production, the transfer of a canceled project commitment for Homeownership and unexpected revenue from unexpected loan payoffs. These funds will provide for matching funds for various Special Purpose projects in FY05.

Operations

11. Information Services

The decrease of \$20,000 is due to additional equipment purchases late in FY04 resulting in less carryover from FY04 than had been anticipated.

12. Facilities Management

The increase of \$55,415 is due to the carryover of consultant funding for the new office facility.

Reserves

13. Reserves

The overall increase of \$3,738,086 in Reserves includes an increase of \$2,095,025 in Program Reserves and a \$1,643,061 increase in Agency reserves. Each of these changes in Reserves are explained below.

The increase of \$2,095,025 in Program Reserves is due primarily to a \$872,124 increase in the Conventional, Maya, State and University Canyon Reserves as a result of higher tenant rent than expected and administrative and program savings in FY04. In addition, there is an increase of HOME Reserves of \$671,848 that includes \$494,037 of additional administrative funds resulting from substantial loan payoffs and \$177,811 of administrative savings in FY04. Also, there is an increase of \$243,021 in Section 8 Surplus Administrative Fees based on new HUD rules. Additional increases include \$117,406 in Capital Fund due to administrative savings in FY04, \$94,472 in Inclusionary due to additional fees received and \$58,544 in Lead Hazard Control due to administrative savings in FY04. The remaining balance of the increase of \$37,610 is due to small increases in the other program reserves.

The increase in Agency Reserves of \$1,643,061 is primarily due to one-time receipts of approximately \$1 million on the Trolley Court and 7th Avenue projects. The balance of the increase is due to administrative savings, higher bond and MCC fees, greater interest income and cancelled projects. The proposed Agency Reserves of \$3.572 million are targeted to provide for the supplemental funding required in FY06 and FY07 for the administration and operation of programs with insufficient administrative funding and represent only 1.68% of the agency's FY05 Budget.

PREVIOUS FY05 BUDGET REVISIONS

<u>DATE OF REVISION</u>	<u>CHANGE TO THE FY05 BUDGET</u>	<u>APPROVING AUTHORITY</u>	<u>COMMENTS:</u>
	197,183,418		Approved Original Budget.
06/15/04	0	Housing Authority (Report # HAR 04-012)	In Rental Housing Production, transfer \$890,000 from loans & grants to Homeownership for condo conversion projects.
06/24/04	0	President & CEO	In Property Management, transfer \$7,000 of various funds from office supplies to janitorial services and transfer \$7,000 of Conventional funds to Reserves.
06/29/04	2,661	President & CEO	In Resident Services, add \$2,661 ROSS RSDM01 funds to various accounts; also make various transfers between accounts.
08/03/04	1,000,000	Housing Authority (Report #HCR04-052)	In Homeownership, add Cal Home funds to loans & grants and transfer \$724,312 HOME funds from Homeownership to Rental Housing Production.
08/12/04	0	President & CEO	Transfer \$17,542 HOME and local funds from Reserves to various Orgs to correct the funding of a Senior Program Analyst
08/12/04	0	President & CEO	In Homeownership, transfer \$20,000 HOME funds from Reserves to consultants for condo conversion projects.
08/16/04	0	President & CEO	In Property Management and Routine Maintenance, transfer \$460 Conventional funds from Reserves to business expense.
08/19/04	9,400	President & CEO	In Resident Services, add HUD Community Outreach Partnership Centers funds to recreation accounts.
09/07/04	452,000	Housing Authority (Report #HCR04-068)	In Rehab Owner Occupied, add \$452,000 Redevelopment Agency funds to loans & grants (& Reserves) for Crossroads HELP.
09/09/04	20,000	President & CEO	In Rental Housing Production, add \$20,000 CDBG funds to consultants for JPA.
09/09/04	0	President & CEO	In Rental Housing Production, transfer \$570,000 HOME funds from loans & grants to site acquisition for Talmadge Village.
09/21/04	0	President & CEO	In Special Purpose Housing, transfer \$56,250 from Rehab Owner Occupied for the Second Chance Prisoner Re-entry Employment program.
09/29/04	0	President & CEO	In Communication & Strategy, transfer \$275 from office supplies to equipment for ergonomic accessories.
10/01/04	201	President & CEO	In Resident Services, add RSDM funds in various accounts due to grant ending; transfer Capital funds to Reserves.
10/01/04	(5,145)	President & CEO	In Resident Services, reduce FSS Coordinator funds and make transfers in various accounts due to grant ending; transfer Capital funds to Reserves.
10/01/04	1,852	President & CEO	In Resident Services, add ROSS funds and make transfers to various accounts due to grant ending; transfer Capital funds to Reserves.
	<hr/> 198,664,387		

SCHEDULE OF AGENCY RESERVES

Type of Reserve	FY05 Proposed Use	FY04 Amount	FY05 Original	FY05 Current	FY05 Proposed
I Program Reserves					
The Program Reserves provide for future salaries and benefits, services and supplies, and/or housing programs on specific multiyear housing programs and decrease over time unless new resources are awarded. These funds are restricted and must be used in support of each program or returned to the funding source.					
CCDC L&MIH Set Aside - HO	Administration for FY06	57,063	46,000	46,000	46,000
CAL HOME EAGR Program	Administration for FY06	-	50,000	50,000	50,000
CAL HOME Program	Administration for FY05 & FY06	2,427	-	-	350
Capital Fund	Admin & Hsg Prg for FY06 & FY07	727,252	266,701	361,560	478,966
City Heights Redevelopment	Administration for FY06	135,000	75,109	75,109	94,664
City Properties Mgmt	Administration for FY05 & FY06	2,062	-	-	1,028
Conventional Operating Mgmt	Future Extraordinary Maintenance	5,800,890	4,793,086	4,799,626	5,168,456
FSS Coordinator - Section 8	Administration for FY06	130,145	116,444	116,444	116,444
HOME	Admin for FY06 & FY07	1,086,590	954,610	918,821	1,590,669
HOME American Dream	Administration for FY06	-	29,105	29,105	29,105
HTF-Inclusionary Housing	Administration for FY06	-	110,000	110,000	204,472
HUD Lead Hazard Control Grant	Admin & Hsg Prg for FY06	279,323	81,068	81,068	137,612
Local Section 8 Support	Admin Prg for FY06 & FY07	1,152,867	1,152,867	1,152,867	1,152,867
Market Street Redevelopment	Administration for FY06	44,872	14,380	14,380	18,334
Maya Apartments	Future Extraordinary Maintenance	393,040	450,005	450,005	781,615
Redev Agency - Crossroads HELP	Administration for FY06	-	-	58,957	58,957
ROSS Neighborhood Networks	Administration for FY06	16,584	20,000	20,000	20,000
ROSS PH Service Coordinator	Administration for FY05	37,599	-	-	-
ROSS RSDM	Administration for FY06	90,625	86,584	86,584	86,584
San Diego Association of Realtors	Administration for FY05 & FY06	3,550	-	-	700
Section 8 Surplus Admin Fees	Admin Prg for FY06 & FY07	650,021	462,966	462,966	705,987
SEDC Mt Hope Rehabilitation	Administration for FY06	23,356	15,466	15,466	17,716
SEDC Southcrest Redevelopment	Administration for FY06	19,284	10,494	10,494	10,784
Shelter Plus Care	Admin for FY05 to FY07	66,580	26,855	26,855	38,296
State Rental	Future Extraordinary Maintenance	170,642	213,282	213,282	212,323
State REO	Admin & Hsg Prg for FY06	16,069	16,248	16,248	16,290
University Canyon Management	Future Extraordinary Maintenance	562,172	512,996	512,996	685,639
Subtotal		11,468,013	9,504,266	9,628,833	11,723,858

II Contingency Reserves

The Contingency Reserves include amounts to provide for potential litigation, uninsured losses, office facility, De Anza and Section 8 Local reserves. The unexpended Contingency Reserves will be re-budgeted in the following year.

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

III Agency Reserves

The Agency Reserves include amounts that are available for all housing purposes. Staff recommends that this amount be retained to provide for supplemental funding of programs that do not provide sufficient administration.

Local Funds	Admin for FY06 & FY07	1,167,225	1,930,776	1,929,023	3,572,084
-------------	-----------------------	-----------	-----------	-----------	-----------

Total Program, Contingency & Agency Reserves 14,750,911 13,550,715 13,673,529 17,411,615

AGENCY SUMMARY OF REVENUES

	Current FY05 Budget (Column A)	Proposed FY05 Revisions (Column B)	Revised FY05 Budget (Column C)	% of Chg Rev/Curr (Column D)
Revenues				
Bond Program	4,908,603	1,008,034	5,916,637	21%
Cal State Housing Trust Fund	2,000,000	0	2,000,000	0%
CalHFA Help Program	2,264,000	(3,634)	2,260,366	0%
CalHome EAGR	500,000	0	500,000	0%
CalHOME Program	1,000,000	23,031	1,023,031	2%
Capital Fund	3,914,059	(523,794)	3,390,265	-13%
Centre City Development Corporation	57,890	21,085	78,975	36%
CDBG	3,622,558	(240,202)	3,382,356	-7%
City Heights Redevelopment	688,920	718,466	1,407,386	104%
City's Properties Management	84,759	1,028	85,787	1%
Coastal Housing	713,970	(307,088)	406,882	-43%
Community Outreach Partnership Center	9,400	0	9,400	0%
Condo Conversion	243,114	45,802	288,916	19%
Conventional Operating Management	14,727,022	692,422	15,419,444	5%
County CDBG RTF	106,224	49,776	156,000	47%
Discretionary	2,599,584	3,293,355	5,892,939	127%
Family Health Centers of San Diego	23,293	(1,695)	21,598	-7%
FSS Coordinator Section 8	375,000	0	375,000	0%
HOME American Dream	951,764	0	951,764	0%
HOME Program	18,107,520	4,649,629	22,757,149	26%
Housing Rehabilitation Trust Fund	579,358	292,666	872,024	51%
HTF - CDBG	233,423	174,045	407,468	75%
HTF - Inclusionary Housing	1,000,000	858,833	1,858,833	86%
HTF - Linkage Fees	2,421,326	1,059,894	3,481,220	44%
HTF - Redevelopment Agency	0	38,328	38,328	0%
HTF - Transient Occupancy Tax	0	33,376	33,376	0%
HUD Development	4,547,000	1,219,959	5,766,959	27%
HUD Lead Hazard Control Grant Program	1,024,076	213,705	1,237,781	21%
Lease Sale Proceeds	2,522,020	(202,467)	2,319,553	-8%
Market Street Redevelopment	92,328	113,718	206,046	123%
Maya Apartments	1,713,408	331,610	2,045,018	19%
National City CDBG RTF	50,000	0	50,000	0%
North County Future Urbanizing Area (NCFUA)	518,549	271,681	790,230	52%
Redevelopment Agency - Crossroads HELP	452,000	0	452,000	0%
Rental Rehabilitation	224,595	86,353	310,948	38%
ROSS Neighborhood Networks	160,781	(7,926)	152,855	-5%
ROSS Resident Services Delivery Model	704,419	6,995	711,414	1%
ROSS Service Coordinator	67,864	(26,000)	41,864	-38%
SD Association of Realtors	0	20,106	20,106	0%
SDCCDAO ICAN Welfare to Work	0	3,163	3,163	0%
Section 8 Mariner's Cove	633,362	623,094	1,256,456	98%
Section 8 Moderate Rehabilitation	1,322,969	(12,053)	1,310,916	-1%
Section 8 University Canyon	681,816	0	681,816	0%
Section 8 Voucher	117,847,806	(29,030)	117,818,776	0%
SEDC Mt Hope Rehabilitation	97,403	29,997	127,400	31%
SEDC Southcrest Redevelopment Agency	49,709	(735)	48,974	-1%
Shea Homes	5,146	6,309	11,455	123%
Shelter Plus Care	761,308	11,441	772,749	2%
State Rental	2,321,847	(619,709)	1,702,138	-27%
State REO	16,248	42	16,290	0%
University Canyon Management	1,717,946	172,643	1,890,589	10%
Total Budget	198,664,387	14,096,253	212,760,640	7%

AGENCY SUMMARY OF EXPENDITURES

	Current FY05 Budget (Column A)	Proposed FY05 Revisions (Column B)	Revised FY05 Budget (Column C)	% of Chg Rev/Curr (Column D)
Staffing	238.50		238.50	0%
Expenditures				
1 Salaries & Benefits	16,212,146		16,212,146	0%
Services & Supplies				
2 Legal	634,300	(2,000)	632,300	0%
3 Training	194,789	(1,500)	193,289	-1%
4 Travel	99,443	2	99,445	0%
5 Audit	48,240		48,240	0%
6 Contract/Consultant	2,172,128	62,607	2,234,735	3%
7 Office & Building Rent	1,625,217		1,625,217	0%
8 Data Processing	174,252		174,252	0%
9 Sundry	1,605,851	3,474	1,609,325	0%
10 Insurance	401,715		401,715	0%
11 Equipment	370,818	(2,780)	368,038	-1%
Total Services & Supplies	7,326,753	59,803	7,386,556	1%
Housing Programs				
13 Resident Services Expenses	757,361	(6,151)	751,210	-1%
14 Maintenance Expenses	2,436,965		2,436,965	0%
15 Utilities	1,571,019		1,571,019	0%
16 PILOT & Property Taxes	23,031		23,031	0%
17 Collection Loss	46,205		46,205	0%
18 Mortgage Payments	731,953		731,953	0%
19 Protective Services	284,132		284,132	0%
20 Rent to Owners	111,591,963	596,036	112,187,999	1%
21 Loans & Grants	29,943,723	6,954,199	36,897,922	23%
22 Relocation	237,300	55,885	293,185	24%
23 Site Acquisition & Housing Development	7,754,951	2,509,616	10,264,567	32%
24 Extraordinary Maintenance	6,005,906	210,979	6,216,885	4%
25 Dwelling Equipment	67,450	(22,200)	45,250	-33%
Total Housing Programs	161,451,959	10,298,364	171,750,323	6%
Program & Contingency Reserves	13,673,529	3,738,086	17,411,615	27%
Total Budget	198,664,387	14,096,253	212,760,640	7%