



Fiscal Year 2008 Budget

HOUSING COMMISSION

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President & Chief Executive Officer

REPORT

DATE ISSUED: April 20, 2007

REPORT NO: HCR 07-33

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of April 27, 2007

SUBJECT: Proposed Fiscal Year 2008 Budget

REQUESTED ACTION:

Housing Commission and Housing Authority adoption of the Proposed Fiscal Year 2008 (FY08) Budget and authority for the Housing Commission Board and the President & Chief Executive Officer to amend the FY08 Budget under specific circumstances.

STAFF RECOMMENDATION:

1. Housing Commission and Housing Authority adoption of the \$231.3 million FY08 Proposed Activity Based Budget (Attachment 1).
2. Housing Authority delegation to the Housing Commission to amend the FY08 Budget for amounts up to \$500,000 consistent with prior delegation of the Housing Authority and with adopted policies, programs and activities.
3. Housing Commission continued delegation of authority to the President & CEO to amend the FY08 Budget for amounts up to \$100,000 consistent with policies, programs and activities approved by the Housing Commission and Housing Authority.

EXECUTIVE SUMMARY:

The proposed FY08 Budget totals \$231,288,338 - a decrease of \$56.2 million from the current FY07 Budget of \$287,535,533. There are no City General Funds in the Housing Commission budget.

Of the \$56.2 million decrease in the FY08 Budget, most is due to two factors. First, is the non-recurring expenditure of \$27 million for the development and furnishing of the new office facility in FY07. In addition, there is a decrease of \$22 million budgeted for housing development and rehabilitation. This is because loan and grant funds will be fully obligated in the current year, leading to less carryover from FY07 into FY08 than had carried into FY07 from FY06. It should be noted that administrative funding from HUD for Public Housing and Section 8 continue a downward trend and is \$700,000 less than in FY07 while workloads remain constant.

The proposed FY07 Budget shows a \$47.9 million (21%) decrease for housing programs, while administrative costs decrease by \$3 million (10%). Reserves decreased overall by \$5.3 million (21%) because of funding reductions and funds reserved for extraordinary maintenance of Housing Commission rental properties were used for repairs in FY07. However, Unobligated Reserves grow by \$1.27 million to almost 2.5% of the total budget.

FY2007 was the third and last year of the three-year Memorandum of Understanding (MOU) with the Service Employees International Union (SEIU). Negotiations are currently underway and a recommendation concerning any changes to salaries and benefits will be presented later in the spring. The budget contains a contingency for possible adjustments. There is also a net increase of one-half of one position and five reclassifications. Overall, personnel changes provide for a net FY08 Budget increase of 4% in salaries and benefits.

An important consideration in the proposed FY08 Budget is the lack of resources available to fund the City's Winter Shelter. Although several City activities continue to be funded by the Housing Commission in FY08 (Access Center, Fair Housing Council, Elderhelp, Regional Task Force on the Homeless, Homeless Coordinator position), the funding source previously used for the Winter Shelter is no longer available. However, the Housing Commission will continue to work with the Mayor's office regarding emergency shelter programs.

Authority to Amend the Budget

Each year, the Housing Authority delegates certain authority to the Commissioners to amend the agency's budget. Currently that authority is \$250,000; this report recommends \$500,000. This change would allow Commissioners, at public hearings, to accept unexpected funds and move funds within the budget up to \$500,000. It would not, however, change the Commissioners' expenditure authority level of \$250,000. In other words, the Board could accept but not necessarily expend up to \$500,000 without further Housing Authority approvals. In addition, the Housing Authority has the right to request that any Commission action be brought before it for review.

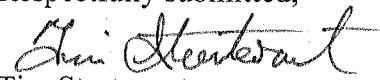
FISCAL CONSIDERATIONS:

The FY08 Proposed Budget anticipates revenues of \$231,288,338 from almost 70 sources (a net decrease of \$56.2 million from FY07). Of these funds, 79% are federal, 1% state, and 20% are locally generated. There are no City General Funds in this budget. Approval of the Proposed Budget will appropriate funds for the Agency to pursue the strategies and goals outlined in the FY06-FY08 Business Plan.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Housing Commission approved similar recommendations for the Fiscal Year 2007 Budget on April 14, 2006. On May 2, 2006, the Housing Authority approved the FY07 Budget and chose to make no change to the Commissioner's authority to amend the budget.

Respectfully submitted,


Tim Sturtevant
Budget Officer

Approved by,


Elizabeth C. Morris
President & Chief Executive Officer

Attachment: Proposed FY07 Budget

Distribution of these attachments may be limited. Copies are available for review during business hours at the Housing Commission offices at 1625 Newton Avenue.

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San Diego Housing Commission

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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, respects diversity, and promotes dignity, self-reliance and equal opportunity.

I EXECUTIVE SUMMARY

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San Diego Housing Commission

Agency Overview

	Original FY07	Current FY07	Proposed FY08	Change
I. ACTIVITY GROUPS				
Housing Services	152,767,600	157,139,734	154,630,950	(2,508,784)
Housing Finance & Development Operations	64,146,849	67,979,002	45,489,969	(22,489,033)
Program, Contingency & Unobligated Reserves	36,803,544	37,081,544	11,190,279	(25,891,265)
	22,013,570	25,335,253	19,977,140	(5,358,113)
Total Activity Groups	275,731,563	287,535,533	231,288,338	(56,247,195)

II. REVENUES

Restricted Revenues

Section 8	134,126,712	138,572,693	137,157,916	(1,414,777)
Other HUD	31,626,464	32,560,110	25,651,539	(6,908,571)
State	3,444,626	2,984,208	1,050,663	(1,933,545)
CDBG	3,422,834	3,399,427	3,351,474	(47,953)
Restricted Local	16,042,515	16,401,530	13,591,838	(2,809,692)
Subtotal	188,663,151	193,917,968	180,803,430	(13,114,538)

Unrestricted Revenues

Rental Rehabilitation	97,345	281,108	34,848	(246,260)
Local	43,979,412	45,747,994	21,980,911	(23,767,083)
Affordable Housing Fund	18,215,073	23,287,055	11,768,015	(11,519,040)
HOME	24,776,582	24,301,408	16,701,134	(7,600,274)
Subtotal	87,068,412	93,617,565	50,484,908	(43,132,657)

Total Revenues

	275,731,563	287,535,533	231,288,338	(56,247,195)
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III. EXPENDITURES

Salaries & Benefits	17,110,820	17,110,820	17,838,859	728,039
Services & Supplies	11,756,749	12,285,671	8,594,369	(3,691,302)
Housing Programs	224,850,424	232,803,789	184,877,970	(47,925,819)
Program, Contingency & Unobligated Reserves	22,013,570	25,335,253	19,977,140	(5,358,113)
Total Expenditures	275,731,563	287,535,533	231,288,338	(56,247,195)

Continuing Appropriations

	6,708,377	32,422,608	19,813,067	(12,609,541)
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San Diego Housing Commission

Summary of FY08 Budget

I. Budget Issues

Fiscal Year 2008 (FY08) will bring many challenges to the Housing Commission including reduced federal funding (especially for operational costs), repositioning of some public housing units to provide additional housing, leasing retail and office space at the Smart Corner and the implementation of the Agency's Succession Plan. An area of particular focus will be the HUD mandated conversion of Public Housing to project based accounting to ensure that each project is economically viable on its own. This fiscal year, programmatic changes will be implemented to address the expectation that there will be only limited fee income available to fund all central office costs – a serious issue for a scattered site program such as ours that relies on centralized services - effective in FY09.

For the past several years, the Housing Commission has experienced increased program activity but insufficient growth of revenues eligible to support related administrative activities. Through pursuit of the Business Plan Strategies to increase revenues along with ongoing management actions to constrain costs, this budget proposes a balance of administrative revenues with expenditures. It is noteworthy that supervision and overhead costs associated with this budget are held to less than seven percent of the budget. However, even with these actions, this year's reserves are tapped for several operating programs for the first time. Business practice restructuring is planned for several areas.

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 and a half percent of the total budget available in FY08 in Unobligated Reserves (compared with only one and a half percent in FY07). This is an increase of \$1.3 million more than in the current FY07 Budget, even after drawing down some reserves for use in FY08 as stated above. In addition to these Unobligated Reserves, the budget also contains \$11.9 million in reserves for specific programs. Altogether, eight percent of the budget is set aside for unexpected or future year obligations.

Levels of Production

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. Through a variety of programs, the Commission will continue to serve more than 75,000 San Diegans. Of course, available resources are not sufficient to fully satisfy all housing needs. For one thing, costs, especially those related to property acquisition and construction, continue to rise. In essence, the \$231.3 million proposed FY08 Budget would enable the San Diego Housing Commission to:

- * Assist 12,466 households to rent private housing.
- * Subsidize approximately 90 first-time homebuyers.
- * Initiate production of 400 additional affordable rental units.
- * Oversee physical improvements to 1,568 homes and apartments.
- * Manage 1,784 units of publicly owned housing.
- * Provide special purpose housing opportunities for 610 persons.
- * Aid 500 families toward self-sufficiency.

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 streamline its processes, ensure program compliance, and seek greater public understanding of housing issues. The Housing Commission is committed to

FY08 BUDGET

San Diego Housing Commission

Summary of FY08 Budget

maximizing the value of the resources allocated for each activity, controlling administrative costs, and providing the most affordable housing feasible.

II. Activity Based Budget

The Activity Based Budget aggregates expenditures in three Activity Groups plus Reserves. The Activity Groups are:

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

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

Operations covers administration including Board and Executive Functions, Support Services (including Human Resources, Information Technology, Business Services, Financial Services and Facilities Management), Policy & Public Affairs and Communications Activities.

Reserves include Program Reserves, Contingency Reserves and Unobligated Reserves.

The following chart shows the proposed FY08 Budget for each of the three Activity Groups and Reserves and it compares the FY08 Budget to FY07.

	Number of Staff	Salaries & Benefits	Services & Supplies	Housing Programs	FY08 Proposed Budget	FY 07 Current Budget
Housing		\$	\$	\$	\$	\$
Services	152.79	10,427,982	2,793,262	141,409,706	154,630,950	157,139,734
Hsg. Fin. & Dev.	39.08	3,402,875	1,718,475	40,368,619	45,489,969	67,979,002
Operations	46.13	4,008,002	4,082,632	3,099,645	11,190,279	37,081,544
Reserves	0.00	0	0	0	19,977,140	25,335,253
			\$	\$		
Total	238.00	\$17,838,859	8,594,369	184,877,970	\$231,288,338	\$287,535,533
Continuing Appropriations					\$ 19,813,067	\$ 32,422,608

Continuing Appropriations represent projects, contracts or activities approved in FY07 or earlier but not completed to date. As such, these funds are not available for allocation. Estimated Continuing Appropriations of \$19.8 million are not included in the proposed FY08 Budget total but are shown on the budget summary charts to give a complete picture of resources and activity levels.

In general, the Housing Commission budget is driven by the availability of revenues. Two activities in FY07 do not recur in FY08, accounting for the majority of the year to year budget decline: development of the office facility and accelerated rental housing development lending. Major changes from FY07 to FY08

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San Diego Housing Commission

Summary of FY08 Budget

are described below. More information regarding each Activity Group and the component Activities is available in Section II, with further detail for SubActivities shown in Section III.

Housing Services Activity Group

Housing Services reflects an overall decrease of 1.6 %, primarily due to expenditures for major repairs in FY07 that will not recur in FY08 and declining HUD revenue.

Housing Services Activities	FY07 Current	FY08 Proposed
Rental Assistance	\$133,857,358	\$134,463,479
Property Management	21,172,476	17,767,073
Resident Services	2,109,900	2,400,398
Total	\$157,139,734	\$154,630,950

Rental Assistance will continue to assist about the same number of households as it did last year. It should be noted that a change in the HUD formula for funding rents to owners results in a very small margin for rental increases next year (only \$606,000 more than was actually paid out in FY07). There are prior year rent to owner surpluses available if the annual allocation is exceeded. In addition, for the first time since the program began, the annual administrative fee is insufficient to cover costs. Administrative costs tend to rise with salaries and inflation, but the HUD fee has been declining every year since 2003. Today's fee is about \$100,000 less than FY07 and \$650,000 less than in 2004! To make up for the shortfall, the remaining HUD administrative fee reserve (from prior years' surplus) of \$248,600 is budgeted plus \$575,275 of Local Funds. This is a prime area for process review in FY08.

Property Management budget declines primarily because of progress on completing major repairs to numerous Commission- owned properties, drawing down \$3.5 million of one time revenues from Capital Fund grant and project-specific maintenance reserves in FY07; partially offset by a new award of \$2.5 million of Capital Funds for FY08. Non public housing sites cover their costs plus feed replacement reserve funds. However, public housing sites do not support themselves. Insufficient funds were budgeted by Congress for the Operating Fund grant so HUD pro-rated agencies at 82% of the formula amount. This reduces property management funds by almost \$600,000 from last year. This year, \$435,633 of Local Funds will underwrite the operations. Work on two strategies will proceed in FY08: pursuit of the public housing exit plan approved by the Housing Authority and process reengineering within the existing program. One-half of a position is deleted and several others are being held vacant in anticipation of a restructuring of the program. For the state-funded sites, the state annuity fund is insufficient to fund \$1.5 million of repairs requested in last year's budget; this work is deleted in the FY08 budget.

More than half of the *Resident Services* budget is supported by competitive grants awarded by HUD, HHS and foundations. The remainder is directly funded by the housing programs whose residents are assisted (Section 8 and Property Management). Funds are used for educational programs for youth and adults, individual savings accounts and recreation programs. It is expected that additional new awards, when received, will increase the Resident Services budget during FY08.

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San Diego Housing Commission

Summary of FY08 Budget

Housing Finance and Development Activity Group

Housing Finance and Development is budgeted at 35% less than last year primarily because rental development lending activity accelerated in FY07. It is projected to utilize virtually all of the FY07 funds as well as the significant carryover from FY06 that was budgeted in FY07.

Housing Finance & Development Activities	FY07 Current	FY08 Proposed
Rental Housing Production	\$43,148,244	\$26,004,672
Homeownership	6,087,763	5,753,737
Rehabilitation	11,383,999	7,835,614
Portfolio Servicing & Occupancy Monitoring	2,812,092	2,799,101
Special Purpose Housing	4,546,904	3,096,845
Total	<u>\$67,979,002</u>	<u>\$45,489,969</u>

Rental Housing Production is budgeted at a level supported primarily with new revenue anticipated for FY08 (HOME, Housing Trust Fund and Inclusionary Housing fees); there is no prior year Housing Trust Fund carryover in the budget. This is sufficient to initiate development of 400 additional units. In addition, staff will continue to work on projects, comprised of approximately 900 units, that were funded but not completed in prior years.

Homeownership is funded largely with payoffs of earlier home buyer loans. With a slowing market, loan payoffs are anticipated at lower levels than previously. Recent changes to the homebuyer program guidelines have improved absorption of the funds, as has completion of for-sale condominiums in Redevelopment Agency projects for which low and moderate income buyers can more easily qualify. In addition to administering Housing Commission-funded homebuyer assistance loans and grants, this staff assists the Redevelopment Agency by qualifying buyers and overseeing their transactions.

Rehabilitation has obligated much of the multiyear funding from the Redevelopment Agency and HUD Lead Hazard Control grants to make repairs to rental and owner occupied housing. New funding will be pursued and, if awarded, amended into the budget midyear. Staffing for the Lead Hazard Control program is contract based; when grant funds are depleted, the positions will be end.

Portfolio Servicing and Occupancy Monitoring maintains a foreclosure fund to prevent loss of loans that was tapped for \$50,000 in FY07. Housing Commission homebuyer loans are underwritten carefully and require fixed interest rate first position loans so that, even with the softening market, the default rate on Housing Commission loans is much below the marketplace. However, it is expected that some additional activity will be undertaken to protect the portfolio during FY08. Occupancy Monitoring has an increasing workload with a larger rental loan portfolio and anticipates continued activity in the City's relocation assistance programs (condominium conversion, SRO, Coastal Housing). For this reason, an additional position is requested to work with the clientele. Fees for these services will be reevaluated during the year.

Special Purpose Housing obligated most of its funds in FY07 and so has little carryover into FY08. There is no funding budgeted for the City's emergency homeless shelter program in the FY08 budget. Efforts will include support for the City's Housing First model.

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San Diego Housing Commission

Summary of FY08 Budget

Operations Activity Group

Operations Activities	FY07 Current	FY08 Proposed
Board and Executive	\$ 888,196	\$ 851,878
Support Services	35,422,976	9,506,866
Policy & Public Affairs	770,372	831,535
Total	<u>\$37,081,544</u>	<u>\$11,190,279</u>

There appears to be a substantial drop of almost 70% in the Operations budget because of the one time purchase of the new Smart Corner office building in FY07. Approximately \$26 million (a combination of loan proceeds and proceeds from the sale of the Newton Avenue office) was used for the purchase, tenant improvements, relocation and other costs (fixtures, furnishing, equipment and networking) associated with the facility. Also included in that amount are mortgage and other operating expenses. All other costs remain relatively unchanged.

Reserves Activity Group

Reserves Activity	FY07 Current	FY08 Proposed
Program Reserves	\$ 18,516,720	\$ 11,885,940
Contingency Reserves	2,600,000	2,600,000
Unobligated Reserves	4,218,533	5,491,200
Total	<u>\$ 25,335,253</u>	<u>\$ 19,977,170</u>

Considerable attention was focused on Reserves by the City Council's Land Use and Housing Committee in FY07. Despite declining funds for the Commission's major programs, Unobligated Reserves (funds available for unanticipated expenses) are augmented by approximately \$1.3 million and constitute a larger percentage of the budget than in FY07 (2.5% in FY08 vs 1.4% in FY07). Contingency Reserves (litigation, insurance losses and the office building) remain unchanged. As leasing efforts at Smart Corner prove successful in the future, it is anticipated that the need for this reserve would decline. Program Reserves set aside for specific activities are lower than FY07 for several reasons, including use of project reserves in FY07 for planned renovation of Commission owned housing and less new revenue for programs that produce less surplus to be held in reserves. Also some funds held in reserves last year are being budgeted for use in FY08.

III. Revenues

Housing Commission activities are driven largely by available revenues. The proposed FY08 Budget includes \$231.3 million in estimated revenues, representing a net decrease of \$56.2 million from the current FY07 revenues. As stated above, two non-recurring expenditures in FY07 account for the drop in revenue when comparing fiscal years: \$27 million was used to acquire and prepare the office building in FY07 and expenditure of \$22.6 million of prior year funds were expended for rental development and lead hazard abatement. (Revenues are discussed in greater detail in Section III, beginning on page 3-44.)

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San Diego Housing Commission

Summary of FY08 Budget

Of the \$231.3 million budget, approximately \$180.8 million or 78% are restricted revenues that can only be used for the purpose for which they were granted by the funding sources. Conversely, \$50.5 million (22%) of revenues are subject to significant local discretion to distribute among housing activities. Addendum 8 further describes distribution of Unrestricted Revenues.

Revenues

	FY07 Current Budget	FY08 Proposed Budget	Change
San Diego Revenues	\$85,436,579	\$ 47,340,764	\$ (38,095,815)
State Revenues	2,984,208	1,050,663	(1,933,545)
Federal Revenues	<u>199,114,746</u>	<u>182,896,911</u>	<u>(16,217,835)</u>
Total	\$287,535,533	\$ 231,288,338	\$ (56,247,195)

San Diego Revenues decrease substantially due largely to the previously mentioned decrease of \$27.7 million of borrowed funds and the Newton Avenue sale proceeds that combined to develop the new office facility in FY07. In addition, Affordable Housing Funds that carried into FY07 from prior years are expected to be obligated for various projects in FY07 and so are unavailable for carryover into FY08, and FY08 new revenues in Linkage and Inclusionary Housing fees are expected to be lower than prior year.

The FY07 Budget included a request to use \$1.5 million of *State of California* annuity funds to make major repairs to the state-funded apartments. The state apparently has insufficient funds so the \$1.5 million was removed from the FY08 budget, resulting in an apparent decline in revenue. Proposition 46 funds for homebuyer programs were expended, and new Prop 1C funds will be requested for FY08; they will be added to the budget when received.

Federal Revenues decline, reflecting both less new money and expenditure of prior year funds in FY07. The Section 8 Voucher program anticipates \$2.7 million less new revenue than in FY07, both for administration and rent to owners. These declines are balanced by carryover of rent funds and use of reserves for administration. Lead Hazard Control grant funds are being spent down. Public Housing receives less new money in FY08 and expended \$3 million of Public Housing reserves and Capital Funds for extraordinary maintenance in FY07 that will not re-appear in the FY08 budget. This is offset by a new award of Capital Funds providing \$900,000 more than previously. Shelter Plus Care is expected to receive \$400,000 more than in FY07 for service enriched housing.

It should be noted that the lease-up rate for the Section 8 Voucher Program has been closely monitored and is hovering close to 100%. This is significant because future funding is based on annual lease up rates but HUD will not fund units above the baseline number. In previous budgets we have discussed how surplus administrative funds from the Section 8 program formerly became Local funds and paid for activities ineligible for many other funding sources, such as homeless shelters. Because Section 8 administrative funding has declined while costs are increasing, there are no such surplus funds, and even if there were, they could no longer be used for non Section 8 purposes placing an added burden on remaining Local funds.

Additional federal and state grants not yet reflected in this budget are likely to increase available revenues during FY08. It is unlikely that new funding for the Section 8 Voucher program will be available, except for

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San Diego Housing Commission

Summary of FY08 Budget

residents of projects opting out of federal housing agreements. However, it is expected that additional new awards from HUD and other agencies for Resident Services programs will become available in FY08.

IV. Expenditures

The proposed FY08 Budget shows a 20% decrease in proposed expenditures to match available revenues. As has been discussed, 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		
	FY07 Current Budget	FY08 Proposed Budget	Change
Salaries & Benefits	\$ 17,110,820	\$ 17,838,859	\$ 728,039
Services & Supplies	12,285,671	8,594,369	(3,691,302)
Housing Programs	232,803,789	184,877,970	(47,925,819)
Reserves	<u>25,335,253</u>	<u>19,977,140</u>	<u>(5,358,113)</u>
	\$ 287,535,533	\$ 231,288,338	\$ (56,247,195)

Staffing remains constant and *Salaries and Benefits* increase by 4%. This reflects two staffing changes: **1)** a net increase of one half position (adding one Senior Administrative Assistant in Occupancy Monitoring and deleting 0.5 Housing Aide in Property Management) and **2)** five reclassifications to better reflect increased workload and responsibilities in certain positions. (A summary of staffing changes is included in Section III, Addendum 4.). Provision is made for employee progression through the seven step merit pay plan and for labor negotiations. The meet and confer process for a new labor agreement is underway and any agreements would be brought to the Housing Commission and Housing Authority for ratification. Addendum 5 describes salaries and benefits changes in detail.

The *Supplies and Services* budget decreases by 30%, due primarily to the non-recurring expenditures in FY07 related to the office facility furnishings and equipment as well as Smart Corner-related consultant costs. In addition, there are increases totaling \$423,681 due to annualizing the rent charged for office space in the new office facility in FY08. Also, there are decreases in contract/consultant costs for temporary employees and a variety of consultants in Rental Housing Production. Completion of the one-time FY03 and FY04 re-audits and the Public Housing Development audits in FY07, reduces the FY08 audit budget by \$179,750. A duplicative Data Processing charge was eliminated, reducing those costs by \$175,836, and Insurance is estimated by our providers to increase by \$150,100.

Housing Program expenses decrease by 21% because the one time \$22.6 million acquisition costs for the new office facility will not recur in FY08. In addition, rental housing development and lead hazard abatement will have \$21.8 million less to lend. Also, there is a decrease in extraordinary maintenance due to partial completion of work projects at Public Housing, Maya and University Canyon. Due to insufficient State funding, there is a decrease of \$1,496,250 in proposed expenditures for repair/replacement of kitchens, stairways and parking lots for the State projects; only the most urgently needed repairs will be undertaken.

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San Diego Housing Commission

Summary of FY08 Budget

The Housing Program expenditures increase in Rent to Owners for contract renewals of existing Shelter Plus Care projects in Special Purpose Housing and for the Section 8 Voucher Program. However, the number of units assisted will be virtually unchanged. Also, there is an increased expenditure to annualize the mortgage for the new office facility. New Resident Services awards in FY08 will provide for educational programs and will match resident savings in individual development accounts.

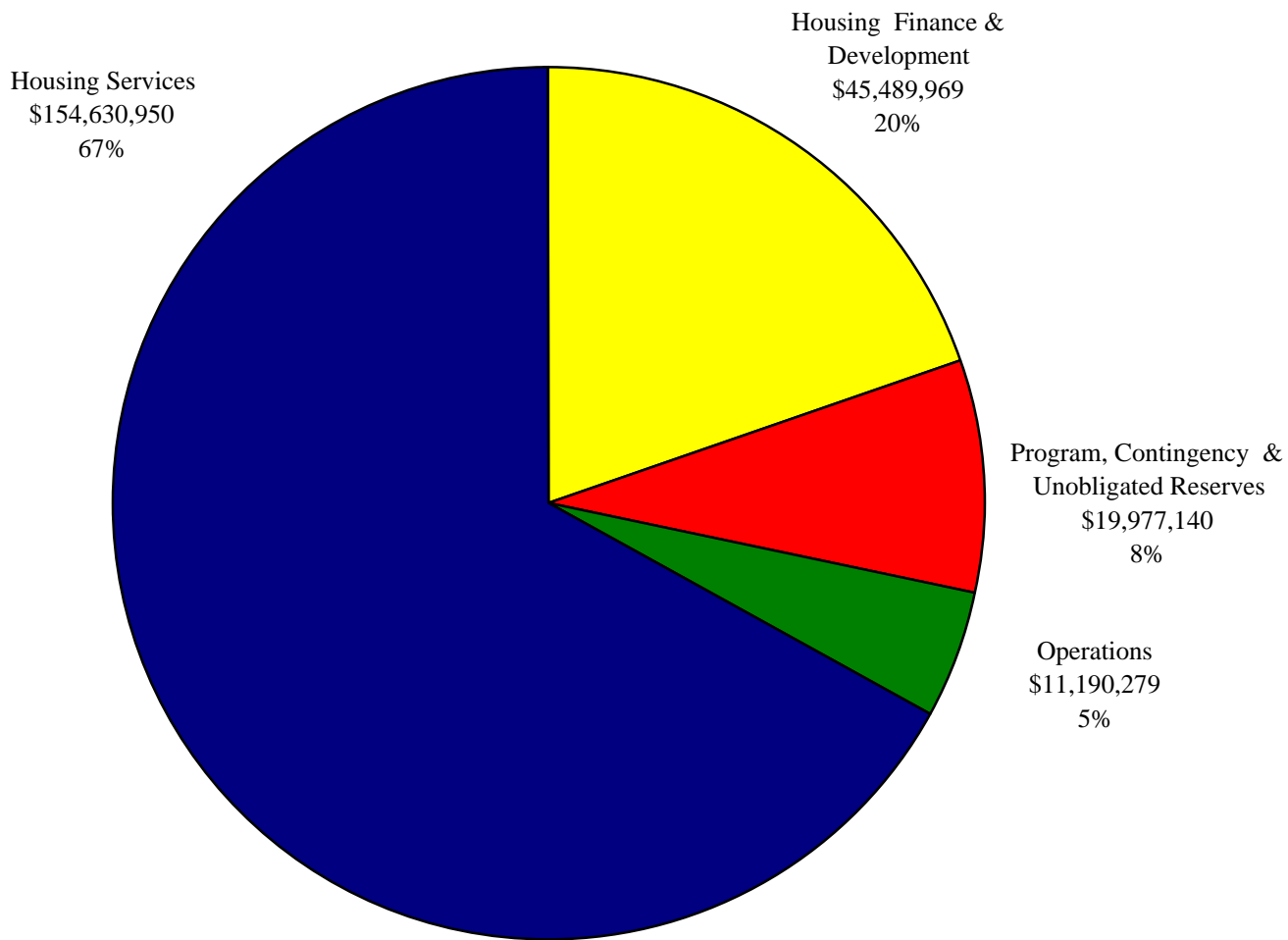
V. Summary of Major Budget Assumptions

This \$231.3 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 Program. This budget assumes that current Section 8 Voucher Program rules will continue to govern the program into FY08 with level funding. Also, new funding awards already received are included in the proposed budget; awards received after the publication date will be amended into the document when they become certain.

Further, the FY08 Housing Finance and Development budget contains significantly less carryover of loan funds due to the expected obligation and/or completion in the current fiscal year of several pipeline housing projects or programs. This is based on estimates of activity through the end of FY07. If funding milestones are not reached by year end, a budget amendment will be prepared to incorporate any additional funds not committed by June 30, 2007. 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.

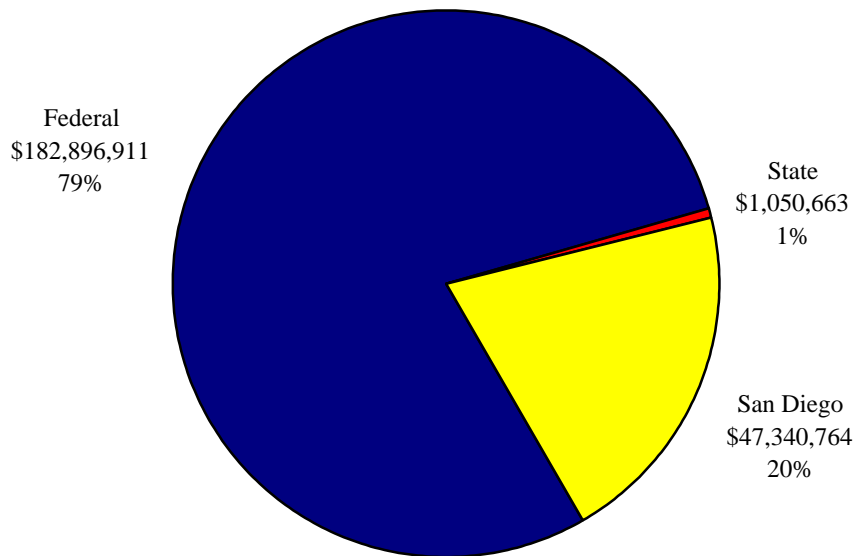
FY08 Budget by Activity Group

Total \$231,288,338*

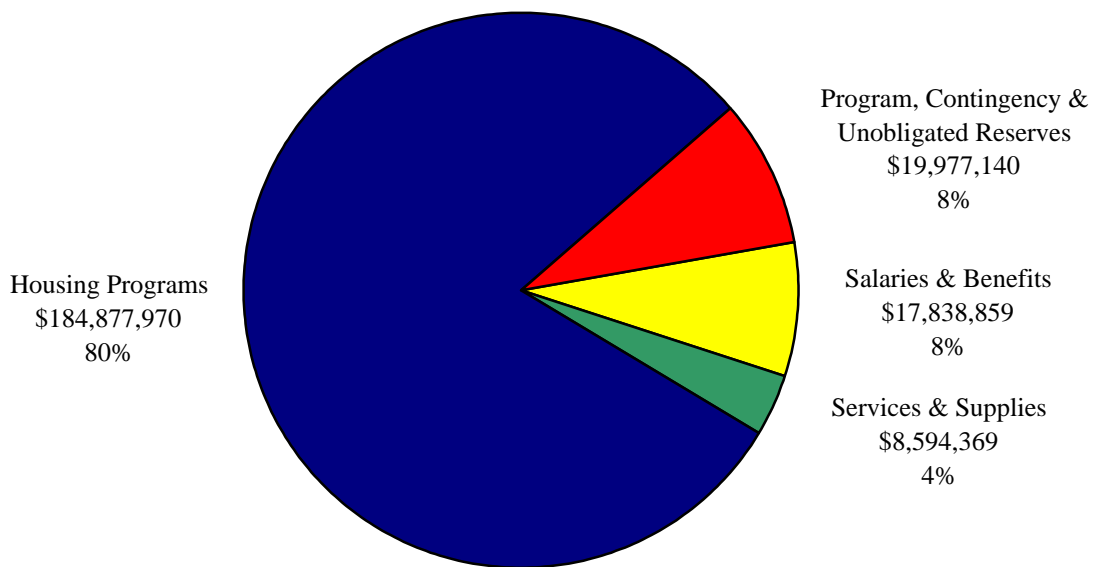


***Note: Does not include Continuing Appropriations of \$19,813,067**

FY08 Revenue by Major Category Total \$231,288,338*

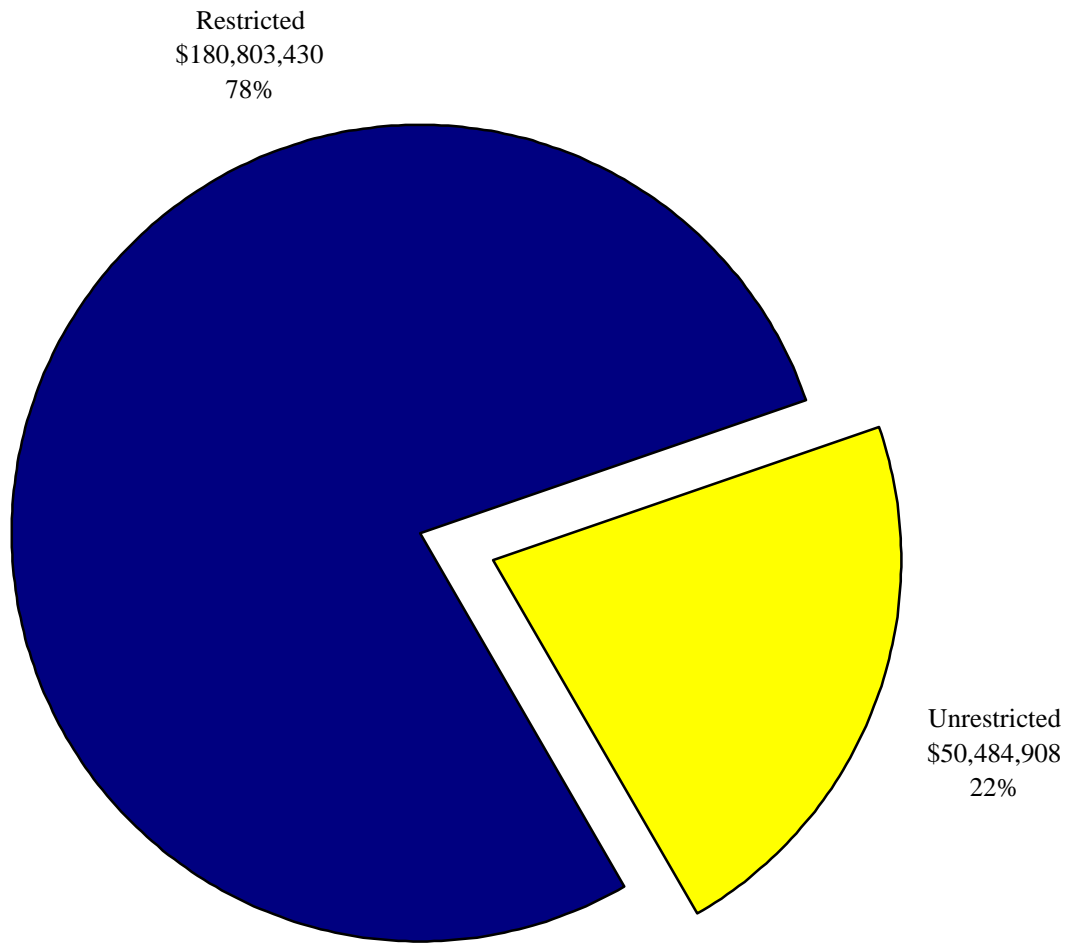


FY08 Expense by Major Category Total \$231,288,338*



*Note: Does not include Continuing Appropriations of \$19,813,067

**FY08 Revenues
Restricted and Unrestricted
Total \$231,288,338***



*** Note: Does not include Continuing Appropriations of \$19,813,067**

II FY08 ACTIVITY BASED BUDGET

FY08 BUDGET
San Diego Housing Commission

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FY08 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	FY07 Current Budget	FY07 Original Budget
Housing Services	152.79	10,427,982	2,793,262	141,409,706	0	154,630,950	1,153,300	157,139,734	152,767,600
Rental Assistance	87.35	5,783,071	1,278,486	127,401,922	0	134,463,479	22,800	133,857,358	129,327,092
Property Management	51.79	3,572,260	1,071,156	13,123,657	0	17,767,073	1,126,000	21,172,476	21,434,019
Management	25.10	1,548,408	591,058	3,743,559	0	5,883,025	0	6,025,455	6,025,455
Routine Maintenance	20.92	1,488,124	296,608	4,505,943	0	6,290,675	0	6,090,893	6,131,759
Asset Management	5.77	535,728	183,490	4,874,155	0	5,593,373	1,126,000	9,056,128	9,276,805
Resident Services	13.65	1,072,651	443,620	884,127	0	2,400,398	4,500	2,109,900	2,006,489
Housing Finance & Development	39.08	3,402,875	1,718,475	40,368,619	0	45,489,969	18,449,794	67,979,002	64,146,849
Rental Housing Production	11.68	1,135,156	788,372	24,081,144	0	26,004,672	12,882,567	43,148,244	40,941,932
Homeownership	3.10	231,884	82,723	5,439,130	0	5,753,737	2,614,947	6,087,763	5,614,872
Rehabilitation	11.60	1,014,097	545,515	6,276,002	0	7,835,614	105,400	11,383,999	11,237,434
Rental Housing	3.95	344,317	326,842	1,780,615	0	2,451,774	0	4,296,685	4,235,947
Owner Occupied	7.65	669,780	218,673	4,495,387	0	5,383,840	105,400	7,087,314	7,001,487
Portfolio Servicing & Occupancy Monitoring	10.55	822,521	256,584	1,719,996	0	2,799,101	0	2,812,092	2,725,502
Special Purpose Housing	2.15	199,217	45,281	2,852,347	0	3,096,845	2,846,880	4,546,904	3,627,109
Operations	46.13	4,008,002	4,082,632	3,099,645	0	11,190,279	209,973	37,081,544	36,803,544
Board & Executive Functions	3.70	579,889	271,989	0	0	851,878	0	888,196	848,196
Support Services	36.43	2,853,230	3,553,991	3,099,645	0	9,506,866	208,973	35,422,976	35,184,976
Human Resources	0.65	76,793	504,098	0	0	580,891	0	540,463	540,463
Information Technology	7.65	660,479	1,561,425	0	0	2,221,904	58,973	2,628,613	2,565,613
Business Services	7.00	491,469	418,198	0	0	909,667	0	373,777	373,777
Financial Services	20.00	1,528,004	395,045	0	0	1,923,049	0	2,467,417	2,292,417
Facilities Management	1.13	96,485	675,225	3,099,645	0	3,871,355	150,000	29,412,706	29,412,706
Policy & Public Affairs	6.00	574,883	256,652	0	0	831,535	1,000	770,372	770,372
Policy & Public Affairs	2.35	228,129	131,318	0	0	359,447	0	327,914	327,914
Communications	3.65	346,754	125,334	0	0	472,088	1,000	442,458	442,458
Program, Contingency & Unobligated Reserves	0.00	0	0	0	19,977,140	19,977,140	0	25,335,253	22,013,570
FY08 Proposed Activity Based Budget	238.00	17,838,859	8,594,369	184,877,970	19,977,140	231,288,338	19,813,067	287,535,533	275,731,563
FY07 Current Budget	237.50	17,110,820	12,285,671	232,803,789	25,335,253	287,535,533			

Activities and Revenues

Activities (A)	Restricted Revenue Sources						Unrestricted Revenue Sources			
	FY08 Proposed Budget (B)	Section 8 (C)	Other HUD (D)	State (E)	CDBG (F)	Restricted Local (G)	Rental Rehabilitation (H)	Local (I)	Affordable Housing Fund (J)	HOME (K)
Housing Services	154,630,950	134,622,143	11,722,055	585,857	0	7,061,504	0	639,391	0	0
Rental Assistance	134,463,479	134,037,529	0	0	0	0	0	425,950	0	0
Property Management	17,767,073	0	10,003,443	585,857	0	6,964,332	0	213,441	0	0
Management	5,883,025	0	1,968,789	177,608	0	3,728,071	0	8,557	0	0
Routine Maintenance	6,290,675	0	4,970,324	399,499	0	863,931	0	56,921	0	0
Asset Management	5,593,373	0	3,064,330	8,750	0	2,372,330	0	147,963	0	0
Resident Services	2,400,398	584,614	1,718,612	0	0	97,172	0	0	0	0
Housing Finance & Development	45,489,969	15,000	9,329,939	19,162	2,928,251	3,626,775	34,848	2,819,829	11,377,381	15,338,784
Rental Housing Production	26,004,672	0	5,443,207	0	417,489	775,245	0	1,727,596	7,363,314	10,277,821
Homeownership	5,753,737	0	0	19,162	423,147	35,474	0	0	1,551,206	3,724,748
Rehabilitation	7,835,614	0	2,717,957	0	756,536	2,576,776	0	0	789,013	995,332
Rental Housing	2,451,774	0	2,241,097	0	0	0	0	0	0	210,677
Owner Occupied	5,383,840	0	476,860	0	756,536	2,576,776	0	0	789,013	784,655
Portfolio Servicing & Occupancy Monitoring	2,799,101	0	0	0	1,331,079	239,280	0	857,859	30,000	340,883
Special Purpose Housing	3,096,845	15,000	1,168,775	0	0	0	34,848	234,374	1,643,848	0
Operations	11,190,279	2,325,773	1,864,770	118,307	423,223	361,267	0	5,530,491	140,634	425,814
Board & Executive Functions	851,878	360,464	185,174	11,924	53,188	48,283	0	70,245	30,439	92,161
Support Services	9,506,866	1,965,309	1,679,596	106,383	192,557	312,984	0	4,806,189	110,195	333,653
Human Resources	580,891	194,024	213,744	14,102	21,108	39,611	0	49,644	12,081	36,577
Information Technology	2,221,904	775,852	499,245	32,727	65,172	96,635	0	602,051	37,295	112,927
Business Services	909,667	346,812	314,036	20,801	28,015	56,185	0	79,246	16,031	48,541
Financial Services	1,923,049	648,621	652,571	38,753	78,262	120,553	0	203,893	44,788	135,608
Facilities Management	3,871,355	0	0	0	0	0	0	3,871,355	0	0
Policy & Public Affairs	831,535	0	0	0	177,478	0	0	654,057	0	0
Policy & Public Affairs	359,447	0	0	0	177,478	0	0	181,969	0	0
Communications	472,088	0	0	0	0	0	0	472,088	0	0
Program, Contingency & Unobligated Reserves	19,977,140	195,000	2,734,775	327,337	0	2,542,292	0	12,991,200	250,000	936,536
FY08 Proposed Budget	231,288,338	137,157,916	25,651,539	1,050,663	3,351,474	13,591,838	34,848	21,980,911	11,768,015	16,701,134
FY07 Current Budget	287,535,533	138,572,693	32,560,110	2,984,208	3,399,427	16,401,530	281,108	45,747,994	23,287,055	24,301,408

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FY08 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 75,000 low-, very low-, and extremely low-income persons. 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. Analyze proposed Fee for Service methodology in Rental Assistance. 2. Restructure Rental Assistance processes and procedures using best practices to streamline program operations. 3. Pursue alternate sources of funding in Resident Services. 4. Review methods to maintain average housing assistance payments to ensure continuing assistance for the maximum number of rental assistance clients within HUD allocation of funds. 5. Plan and implement significant program changes in public housing based on Asset Management rule and/or the approval to opt out of the Public Housing Program. 		
RESOURCE ALLOCATION:	FY07	FY08
	Current	Proposed
Budget	\$ 157,139,734	\$ 154,630,950
Continuing Appropriations	\$ 2,139,251	\$ 1,153,300
Positions	154.28	152.79

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 12,466 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. This activity includes maintaining the waiting list and determining eligibility, conducting unit inspections and preparation of yearly program re-certification of families, and ongoing program operations.</p>		
RESOURCE ALLOCATION:	FY07	FY08
	Current	Proposed
Budget	\$ 133,857,358	\$ 134,463,479
Continuing Appropriations	\$ 60,717	\$ 22,800
Positions	87.50	87.35

FY08 BUDGET
San Diego Housing Commission

ACTIVITY IB: PROPERTY MANAGEMENT		
PURPOSE AND DESCRIPTION: Property Management is responsible for the operation of all 1,784 Housing Commission-owned and/or managed units. Eligibility maintains the waiting list and selects qualified tenants. 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 791 units.		
RESOURCE ALLOCATION:	FY07	FY08
	Current	Proposed
Budget	\$ 21,172,476	\$ 17,767,073
Continuing Appropriations	\$ 1,925,339	\$ 1,126,000
Positions	52.63	51.79

ACTIVITY IC: RESIDENT SERVICES		
PURPOSE AND DESCRIPTION: Resident Services promotes the self-sufficiency of residents of assisted housing through the Family Self-Sufficiency Program, Learning Opportunity Centers and Elderly/Disabled Case Management. Services include: 1) <i>FSS Program</i> : Assist up to 500 FSS Program participants in identifying and pursuing careers that offer upward mobility; provide individualized career coaching and referral services; collaborate with community organizations that provide employment-related training, education and supportive services; promote asset building strategies and homeownership opportunities; 2) <i>LOC Program</i> : Provide youth programming to include academic tutoring and mentoring, drug and crime diversion, and leadership skills; 3) <i>Elderly/Disabled Program</i> : Assist residents in maintaining independence through access to supportive services and activities that promote socialization. Current and alternate funding sources are actively pursued including HUD and other government agencies and private and corporate foundations.		
RESOURCE ALLOCATION:	FY07	FY08
	Current	Proposed
Budget	\$ 2,109,900	\$ 2,400,398
Continuing Appropriations	\$ 153,195	\$ 4,500
Positions	14.15	13.65

FY08 BUDGET
San Diego Housing Commission

ACTIVITY GROUP II: HOUSING FINANCE & DEVELOPMENT		
<p>Housing Finance & 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- and moderate-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. Pursue more aggressive development and revenue generation opportunities pursuant to FY06-08 Business Plan including the use of program income to fund Housing Commission projects. 2. Seek out additional revenues for lending programs. 3. Provide homebuyer products for workforce up to 120% of Area Median Income. 		
RESOURCE ALLOCATION:	FY07	FY08
	Current	Proposed
Budget	\$ 67,979,002	\$ 45,489,969
Continuing Appropriations	\$ 27,430,727	\$ 18,449,794
Positions	37.00	39.08

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:	FY07	FY08
	Current	Proposed
Budget	\$ 43,148,244	\$ 26,004,672
Continuing Appropriations	\$ 17,301,917	\$ 12,882,567
Positions	11.35	11.68

FY08 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:		FY07 Current	FY08 Proposed
	Budget	\$ 6,087,763	\$ 5,753,737
	Continuing Appropriations	\$ 3,485,646	\$ 2,614,947
	Positions	2.40	3.10

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. A significant portion of the Rehabilitation activities are focused in designated Redevelopment Areas of the City. Rehabilitation includes lead paint hazard reduction to eliminate and prevent childhood lead poisoning.			
RESOURCE ALLOCATION:		FY07 Current	FY08 Proposed
	Budget	\$ 11,383,999	\$ 7,835,614
	Continuing Appropriations	\$ 556,235	\$ 105,400
	Positions	11.70	11.60

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; managing the Housing Commission's relocation/tenant assistance program; and managing tenant relocation under the City's condominium conversion ordinance. Administration of the Reinvestment Task Force is also included in this activity.			
RESOURCE ALLOCATION:		FY07 Current	FY08 Proposed
	Budget	\$ 2,812,092	\$ 2,799,101
	Continuing Appropriations	\$ 39,000	\$ 0
	Positions	9.35	10.55

FY08 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:		
		FY07
		Current
		FY08
		Proposed
Budget	\$	4,546,904
Continuing Appropriations	\$	6,047,929
Positions		2.20
		\$ 3,096,845
		\$ 2,846,880
		2.15

FY08 BUDGET
San Diego Housing Commission

ACTIVITY GROUP III: OPERATIONS			
Operations activities provide support services to carry out housing program mission and goals. Board and Executive Functions provide strategic planning, policy direction, leadership, and management to implement housing programs. Support Services include internal operations needed to deliver housing program services and projects.			
RESOURCE ALLOCATION:		FY07 Current	FY08 Proposed
	Budget	\$ 37,081,544	\$ 11,190,279
	Continuing Appropriations	\$ 2,852,630	\$ 209,973
	Positions	46.22	46.13

The Operations Activity Group includes the following Activities:

ACTIVITY IIIA: BOARD & EXECUTIVE FUNCTIONS			
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 and Housing Authority are included.			
RESOURCE ALLOCATION:		FY07 Current	FY08 Proposed
	Budget	\$ 888,196	\$ 851,878
	Continuing Appropriations	\$ 57,792	\$ 0
	Positions	3.70	3.70

FY08 BUDGET
San Diego Housing Commission

ACTIVITY IIB: 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, Business Services, Financial Services and Facilities Management.			
RESOURCE ALLOCATION:		FY07 Current	FY08 Proposed
	Budget	\$ 35,422,976	\$ 9,506,866
	Continuing Appropriations	\$ 2,772,129	\$ 208,973
	Positions	36.67	36.43

ACTIVITY IIC: POLICY & PUBLIC AFFAIRS			
PURPOSE AND DESCRIPTION: To plan, direct and coordinate all Housing Commission public policy and governmental affairs activities by establishing positive, collaborative working relationships with legislators, other agencies, City departments and outside interests to effectuate the goals and mission of the Housing Commission. Activities include policy and legislative research, collaborating with stakeholders, monitoring activities of interested groups, representing the agency at public affairs, meetings, and facilitating the development of policies that further the mission of the Housing Commission. Communications serves to increase awareness and build support among internal and external publics for and about the agency's initiatives, accomplishments and purpose; educate clients and the community about the agency's programs and services; and obtain customer feedback via an ombudsman service.			
RESOURCE ALLOCATION:		FY07 Current	FY08 Proposed
	Budget	\$ 770,372	\$ 831,535
	Continuing Appropriations	\$ 22,709	\$ 1,000
	Positions	5.85	6.00

III ADDENDA

FY08 BUDGET
San Diego Housing Commission

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Activity Based Budget Detail

HOUSING SERVICES

ACTIVITY GROUP

FY08 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 12,466 qualified low-income households (35,000 individuals) living in privately-owned rental units. All programs are federally funded. Funding is now provided on a block grant basis.												
Objectives:	<ol style="list-style-type: none"> 1. Maximize utilization of housing assistance through maintaining average lease-up rate of 99%-100%. (Business Plan Goal 3.1) 2. Explore feasibility of the new Fee for Service methodology in determining the Section 8 operation and administration costs. (Business Plan Goal 3.1b) 3. Restructure RAP processes and procedures using best practices to streamline program operations. (Business Plan Goal 3.5) 4. Maintain and maximize a PIC score of 95% or above to ensure continual program funding. (Business Plan Goal 3.5a) 5. Build stronger alliance with apartment association and owners to ensure program support during funding or operational change. (Business Plan Goal 4.1) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 133,857,358</td> <td style="text-align: right;">\$ 134,463,479</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 60,717</td> <td style="text-align: right;">\$ 22,800</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">87.50</td> <td style="text-align: right;">87.35</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 133,857,358	\$ 134,463,479	Continuing Appropriations	\$ 60,717	\$ 22,800	Positions	87.50	87.35
	FY07 Current	FY08 Proposed											
Budget	\$ 133,857,358	\$ 134,463,479											
Continuing Appropriations	\$ 60,717	\$ 22,800											
Positions	87.50	87.35											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

HOUSING SERVICES

RENTAL ASSISTANCE

Rental Assistance

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	5,527,241	5,783,071	5%
Services & Supplies	1,322,029	1,278,486	-3%
Housing Programs			
Rent to Owners	127,008,088	127,401,922	0%
Housing Programs Total	127,008,088	127,401,922	0%
TOTAL EXPENDITURES	133,857,358	134,463,479	0%
REVENUES			
Restricted			
Section 8	133,857,358	134,037,529	0%
Restricted Total	133,857,358	134,037,529	0%
Unrestricted			
Local	0	425,950	0%
Unrestricted Total	0	425,950	0%
TOTAL REVENUES	133,857,358	134,463,479	0%

FY08 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 HUD's new Asset Management rule and/or implement the opt out of Public Housing if approved by HUD. (Business Plan Goal 3.2) 2. Create re-use strategy for the State funded sites. (Business Plan Goal 1.1). 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 6,025,455</td> <td style="text-align: right;">\$ 5,883,025</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 6,895</td> <td style="text-align: right;">\$ 0</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>		FY07 Current	FY08 Proposed	Budget	\$ 6,025,455	\$ 5,883,025	Continuing Appropriations	\$ 6,895	\$ 0	Positions	25.10	25.10
	FY07 Current	FY08 Proposed											
Budget	\$ 6,025,455	\$ 5,883,025											
Continuing Appropriations	\$ 6,895	\$ 0											
Positions	25.10	25.10											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

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

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,481,586	1,548,408	5%
Services & Supplies	558,948	591,058	6%
Housing Programs			
Rent to Owners	165,870	0	-100%
Other Housing Programs	3,819,051	3,743,559	-2%
Housing Programs Total	3,984,921	3,743,559	-6%
TOTAL EXPENDITURES	6,025,455	5,883,025	-2%
REVENUES			
Restricted			
Other HUD	1,926,869	1,968,789	2%
State	158,039	177,608	12%
Restricted Local	3,932,020	3,728,071	-5%
Restricted Total	6,016,928	5,874,468	-2%
Unrestricted			
Local	8,527	8,557	0%
Unrestricted Total	8,527	8,557	0%
TOTAL REVENUES	6,025,455	5,883,025	-2%

FY08 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 Housing Commission-owned and/or managed properties.												
Objectives:	<ol style="list-style-type: none"> 1. Implement HUD's new Asset Management rule and/or implement the opt out of Public Housing if approved by HUD. (Business Plan Goal 3.2) 2. Maintain all Housing Commission-owned and managed properties to high standard to promote neighborhood support and asset viability. (Business Plan Goal 3.5) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 6,090,893</td> <td style="text-align: right;">\$ 6,290,675</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 198,826</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">20.43</td> <td style="text-align: right;">20.92</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 6,090,893	\$ 6,290,675	Continuing Appropriations	\$ 198,826	\$ 0	Positions	20.43	20.92
	FY07 Current	FY08 Proposed											
Budget	\$ 6,090,893	\$ 6,290,675											
Continuing Appropriations	\$ 198,826	\$ 0											
Positions	20.43	20.92											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

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

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,428,052	1,488,124	4%
Services & Supplies	260,906	296,608	14%
Housing Programs			
Other Housing Programs	4,401,935	4,505,943	2%
Housing Programs Total	<u>4,401,935</u>	<u>4,505,943</u>	2%
TOTAL EXPENDITURES	6,090,893	6,290,675	3%
REVENUES			
Restricted			
Other HUD	4,833,566	4,970,324	3%
State	406,202	399,499	-2%
Restricted Local	801,280	863,931	8%
Restricted Total	<u>6,041,048</u>	<u>6,233,754</u>	3%
Unrestricted			
Local	49,845	56,921	14%
Unrestricted Total	<u>49,845</u>	<u>56,921</u>	14%
TOTAL REVENUES	6,090,893	6,290,675	3%

FY08 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:	<ol style="list-style-type: none"> 1. Seek HUD approval to reposition public housing properties. (Business Plan Goal 1.5) 2. Ensure the long-term viability of Housing Commission-owned developments through the completion of capital improvement projects. (Business Plan Goal 1.1) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 9,056,128</td> <td style="text-align: right;">\$ 5,593,373</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 1,719,618</td> <td style="text-align: right;">\$ 1,126,000</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">7.10</td> <td style="text-align: right;">5.77</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 9,056,128	\$ 5,593,373	Continuing Appropriations	\$ 1,719,618	\$ 1,126,000	Positions	7.10	5.77
	FY07 Current	FY08 Proposed											
Budget	\$ 9,056,128	\$ 5,593,373											
Continuing Appropriations	\$ 1,719,618	\$ 1,126,000											
Positions	7.10	5.77											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

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

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	642,098	535,728	-17%
Services & Supplies	291,251	183,490	-37%
Housing Programs			
Other Housing Programs	8,122,779	4,874,155	-40%
Housing Programs Total	8,122,779	4,874,155	-40%
TOTAL EXPENDITURES	9,056,128	5,593,373	-38%
REVENUES			
Restricted			
Other HUD	4,333,960	3,064,330	-29%
State	1,505,000	8,750	-99%
Restricted Local	2,477,405	2,372,330	-4%
Restricted Total	8,316,365	5,445,410	-35%
Unrestricted			
Local	739,763	147,963	-80%
Unrestricted Total	739,763	147,963	-80%
TOTAL REVENUES	9,056,128	5,593,373	-38%

FY08 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: 1) Assist adults and youth in achieving economic self-sufficiency and breaking cycles of poverty; and 2) Assist elderly residents and persons with disabilities in maintaining independent living. Activities that promote economic self-sufficiency for adults include education and training; career planning and coaching; referral services; financial fitness; asset building strategies; and homeownership education. Activities for youth include academic tutoring and mentoring; drug and crime diversion; and leadership skills. Services for senior/disabled participants include supportive service referrals and socialization activities.												
Objectives:	<ol style="list-style-type: none"> 1. Coordinate programs, partnerships and supportive services that assist Housing Commission participants in achieving economic self-sufficiency, educational advancement and personal independence through the administration of the Family Self-Sufficiency Program, Learning Opportunity Centers, and senior/disabled services. (Business Plan Goal 2.1) 2. Analyze program costs and service delivery options in conjunction with the Commission's plan to opt out of the Public Housing Program. (Business Plan Goal 3.2) 3. Aggressively seek funding to support existing services through grant applications to government agencies as well as to private and corporate foundations. (Business Plan Goal 2.1) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 2,109,900</td> <td style="text-align: right;">\$ 2,400,398</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 153,195</td> <td style="text-align: right;">\$ 4,500</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">14.15</td> <td style="text-align: right;">13.65</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 2,109,900	\$ 2,400,398	Continuing Appropriations	\$ 153,195	\$ 4,500	Positions	14.15	13.65
	FY07 Current	FY08 Proposed											
Budget	\$ 2,109,900	\$ 2,400,398											
Continuing Appropriations	\$ 153,195	\$ 4,500											
Positions	14.15	13.65											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

HOUSING SERVICES

RESIDENT SERVICES

Resident Services

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,047,857	1,072,651	2%
Services & Supplies	433,659	443,620	2%
Housing Programs			
Other Housing Programs	628,384	884,127	41%
Housing Programs Total	<u>628,384</u>	<u>884,127</u>	41%
TOTAL EXPENDITURES	2,109,900	2,400,398	14%
REVENUES			
Restricted			
Section 8	556,870	584,614	5%
Other HUD	1,467,332	1,718,612	17%
Restricted Local	85,698	97,172	13%
Restricted Total	<u>2,109,900</u>	<u>2,400,398</u>	14%
TOTAL REVENUES	2,109,900	2,400,398	14%

Activity Based Budget Detail

HOUSING FINANCE & DEVELOPMENT

ACTIVITY GROUP

FY08 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 market opportunities to maintain and expand the City's inventory of rental housing through Housing Commission ownership.												
Objectives:	<ol style="list-style-type: none"> 1. Initiate creation or preservation of 400 rental units through financing (new construction, acquisition, acquisition with rehabilitation), affordable at/below 60% Area Median Income. (Business Plan Goals 1.1 and 1.4) 2. Provide technical assistance to nonprofits in the form of project development assistance and provide workshops for developers regarding rental housing development issues. (Business Plan Goal 1.1) 3. Provide project management support for 900 units in development. (Business Plan Goals 1.1 and 1.3) 4. Actively pursue development of mixed-income housing, owned and operated by the Housing Commission. (Business Plan Goals 1.3, 1.5, 1.6 and 1.7) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 43,148,244</td> <td style="text-align: right;">\$ 26,004,672</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 17,301,917</td> <td style="text-align: right;">\$ 12,882,567</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">11.35</td> <td style="text-align: right;">11.68</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 43,148,244	\$ 26,004,672	Continuing Appropriations	\$ 17,301,917	\$ 12,882,567	Positions	11.35	11.68
	FY07 Current	FY08 Proposed											
Budget	\$ 43,148,244	\$ 26,004,672											
Continuing Appropriations	\$ 17,301,917	\$ 12,882,567											
Positions	11.35	11.68											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

HOUSING FINANCE & DEVELOPMENT

RENTAL HOUSING PRODUCTION

Rental Housing Production

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,053,155	1,135,156	8%
Services & Supplies	615,574	788,372	28%
Housing Programs			
Loans & Grants	28,731,695	17,377,669	-40%
Site Acquisition	12,665,870	6,643,207	-48%
Other Housing Programs	81,950	60,268	-26%
Housing Programs Total	41,479,515	24,081,144	-42%
TOTAL EXPENDITURES	43,148,244	26,004,672	-40%
REVENUES			
Restricted			
Other HUD	5,443,207	5,443,207	0%
State	395,000	0	-100%
CDBG	490,889	417,489	-15%
Restricted Local	1,783,700	775,245	-57%
Restricted Total	8,112,796	6,635,941	-18%
Unrestricted			
Local	2,046,108	1,727,596	-16%
Affordable Housing Fund	16,995,556	7,363,314	-57%
HOME	15,993,784	10,277,821	-36%
Unrestricted Total	35,035,448	19,368,731	-45%
TOTAL REVENUES	43,148,244	26,004,672	-40%

FY08 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 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. For 90 homebuyers: administer first-time homebuyer financial assistance programs (including deferred second trust deed loans, down payment/closing cost assistance grants, and mortgage credit certificates). Determine buyer eligibility for a variety of affordable for-sale (price-restricted) units with particular emphasis on those within 80% of Area Median Income. (Business Plan Goal 1.7) 2. Underwrite, process and fund all first-time homebuyer program loans and grants in accordance with Housing Commission policies, guidelines and regulations. (Business Plan Goal 1.7) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 6,087,763</td> <td style="text-align: right;">\$ 5,753,737</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 3,485,646</td> <td style="text-align: right;">\$ 2,614,947</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">2.40</td> <td style="text-align: right;">3.10</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 6,087,763	\$ 5,753,737	Continuing Appropriations	\$ 3,485,646	\$ 2,614,947	Positions	2.40	3.10
	FY07 Current	FY08 Proposed											
Budget	\$ 6,087,763	\$ 5,753,737											
Continuing Appropriations	\$ 3,485,646	\$ 2,614,947											
Positions	2.40	3.10											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

HOUSING FINANCE & DEVELOPMENT

HOMEOWNERSHIP

Homeownership

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	175,394	231,884	32%
Services & Supplies	93,969	82,723	-12%
Housing Programs			
Loans & Grants	5,818,400	5,439,130	-7%
Housing Programs Total	5,818,400	5,439,130	-7%
TOTAL EXPENDITURES	6,087,763	5,753,737	-5%
REVENUES			
Restricted			
State	10,055	19,162	91%
CDBG	307,996	423,147	37%
Restricted Local	274,858	35,474	-87%
Restricted Total	592,909	477,783	-19%
Unrestricted			
Affordable Housing Fund	1,079,704	1,551,206	44%
HOME	4,415,150	3,724,748	-16%
Unrestricted Total	5,494,854	5,275,954	-4%
TOTAL REVENUES	6,087,763	5,753,737	-5%

FY08 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT													
ACTIVITY: REHABILITATION													
SUBACTIVITY: Rental Housing													
Purpose and Description of the Activity:	Provide 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 140 rental housing units. (Business Plan Goal 2.2) 2. Provide accessibility grants for 10 tenants with disabilities. (Business Plan Goal 2.2) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 4,296,685</td> <td style="text-align: right;">\$ 2,451,774</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;">2.95</td> <td style="text-align: right;">3.95</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 4,296,685	\$ 2,451,774	Continuing Appropriations	\$ 0	\$ 0	Positions	2.95	3.95
	FY07 Current	FY08 Proposed											
Budget	\$ 4,296,685	\$ 2,451,774											
Continuing Appropriations	\$ 0	\$ 0											
Positions	2.95	3.95											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

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

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	250,569	344,317	37%
Services & Supplies	319,195	326,842	2%
Housing Programs			
Loans & Grants	3,298,906	1,452,600	-56%
Other Housing Programs	428,015	328,015	-23%
Housing Programs Total	<u>3,726,921</u>	<u>1,780,615</u>	<u>-52%</u>
TOTAL EXPENDITURES	4,296,685	2,451,774	-43%
REVENUES			
Restricted			
Other HUD	4,079,404	2,241,097	-45%
State	78,443	0	-100%
CDBG	56,824	0	-100%
Restricted Total	<u>4,214,671</u>	<u>2,241,097</u>	<u>-47%</u>
Unrestricted			
HOME	82,014	210,677	157%
Unrestricted Total	<u>82,014</u>	<u>210,677</u>	<u>157%</u>
TOTAL REVENUES	4,296,685	2,451,774	-43%

FY08 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: HOUSING FINANCE & DEVELOPMENT													
ACTIVITY: REHABILITATION													
SUBACTIVITY: Owner Occupied													
Purpose and Description of the Activity:	Provide 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 237 owner-occupied residences consisting of: <ul style="list-style-type: none"> • Loans for 63 low-income single family homeowners; • Deferred loans and grants to 84 very low-income single family homeowners; • Grants for 70 very low-income mobile home owners; • Lead based paint reduction grants for 20 single family owner-occupied homes. (Business Plan Goal 2.2) 2. Monitor CDBG-financed nonprofit rehabilitation for 400 residential units. (Business Plan Goal 2.2) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 7,087,314</td> <td style="text-align: right;">\$ 5,383,840</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 556,235</td> <td style="text-align: right;">\$ 105,400</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">8.75</td> <td style="text-align: right;">7.65</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 7,087,314	\$ 5,383,840	Continuing Appropriations	\$ 556,235	\$ 105,400	Positions	8.75	7.65
	FY07 Current	FY08 Proposed											
Budget	\$ 7,087,314	\$ 5,383,840											
Continuing Appropriations	\$ 556,235	\$ 105,400											
Positions	8.75	7.65											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

HOUSING FINANCE & DEVELOPMENT

REHABILITATION

Owner Occupied

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	737,772	669,780	-9%
Services & Supplies	215,973	218,673	1%
Housing Programs			
Loans & Grants	5,988,810	4,372,628	-27%
Other Housing Programs	144,759	122,759	-15%
Housing Programs Total	6,133,569	4,495,387	-27%
TOTAL EXPENDITURES	7,087,314	5,383,840	-24%
REVENUES			
Restricted			
Other HUD	1,256,174	476,860	-62%
CDBG	746,550	756,536	1%
Restricted Local	3,141,412	2,576,776	-18%
Restricted Total	5,144,136	3,810,172	-26%
Unrestricted			
Affordable Housing Fund	602,608	789,013	31%
HOME	1,340,570	784,655	-41%
Unrestricted Total	1,943,178	1,573,668	-19%
TOTAL REVENUES	7,087,314	5,383,840	-24%

FY08 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 Housing Commission's \$190 million loan portfolio and \$375 million bond portfolio, and contract monitoring for compliance with loan terms and conditions. Monitoring projects for compliance with occupancy and affordability restrictions and managing tenant relocation under the City's condominium conversion ordinance. The \$162,930 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 Housing Commission's portfolio to ensure that all loans are in compliance with the loan terms and conditions. (Business Plan Goal 3.5) 2. Develop and enhance electronic database to provide better external and internal customer service. (Business Plan Goal 3.4) 3. Provide compliance monitoring for 419 projects and 14,800 units with occupancy and affordability restrictions. (Business Plan Goals 3.3, 3.4 and 3.5) 4. Manage the tenant relocation requirement for the City of San Diego's condominium conversion ordinance. (Business Plan Goals 3.3, 3.4 and 3.5) 		
Resource Allocation:		FY07 Current	FY08 Proposed
	Budget	\$ 2,812,092	\$ 2,799,101
	Continuing Appropriations	\$ 39,000	\$ 0
	Positions	9.35	10.55

FY08 BUDGET

San Diego Housing Commission

Addendum 1

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

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	715,613	822,521	15%
Services & Supplies	326,408	256,584	-21%
Housing Programs			
Site Acquisition	1,770,071	1,719,996	-3%
Housing Programs Total	1,770,071	1,719,996	-3%
TOTAL EXPENDITURES	2,812,092	2,799,101	0%
REVENUES			
Restricted			
CDBG	1,389,383	1,331,079	-4%
Restricted Local	351,792	239,280	-32%
Restricted Total	1,741,175	1,570,359	-10%
Unrestricted			
Local	761,930	857,859	13%
Affordable Housing Fund	79,747	30,000	-62%
HOME	229,240	340,883	49%
Unrestricted Total	1,070,917	1,228,742	15%
TOTAL REVENUES	2,812,092	2,799,101	0%

FY08 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. (Business Plan Goals 1.1 and 2.4) 2. Provide a portion of the funding for at least 400 beds in transitional housing programs throughout the City. (Business Plan Goal 2.4) 3. Provide a minimum of 175 units of permanent supportive housing for 190 homeless, disabled individuals and families. (Business Plan Goals 1.1, 2.1 and 2.4) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 4,546,904</td> <td style="text-align: right;">\$ 3,096,845</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 6,047,929</td> <td style="text-align: right;">\$ 2,846,880</td> </tr> <tr> <td>Positions</td> <td style="text-align: center;">2.20</td> <td style="text-align: center;">2.15</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 4,546,904	\$ 3,096,845	Continuing Appropriations	\$ 6,047,929	\$ 2,846,880	Positions	2.20	2.15
	FY07 Current	FY08 Proposed											
Budget	\$ 4,546,904	\$ 3,096,845											
Continuing Appropriations	\$ 6,047,929	\$ 2,846,880											
Positions	2.20	2.15											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

HOUSING FINANCE & DEVELOPMENT

SPECIAL PURPOSE HOUSING

Special Purpose Housing

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	193,010	199,217	3%
Services & Supplies	54,339	45,281	-17%
Housing Programs			
Rent to Owners	650,933	1,074,656	65%
Loans & Grants	3,648,622	1,777,691	-51%
Housing Programs Total	4,299,555	2,852,347	-34%
TOTAL EXPENDITURES	4,546,904	3,096,845	-32%
REVENUES			
Restricted			
Section 8	15,000	15,000	0%
Other HUD	718,134	1,168,775	63%
Restricted Total	733,134	1,183,775	61%
Unrestricted			
Rental Rehabilitation	281,108	34,848	-88%
Local	383,596	234,374	-39%
Affordable Housing Fund	3,149,066	1,643,848	-48%
Unrestricted Total	3,813,770	1,913,070	-50%
TOTAL REVENUES	4,546,904	3,096,845	-32%

Activity Based Budget Detail

OPERATIONS

ACTIVITY GROUP

FY08 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 strategies and goals of the Business Plan. Perform periodic evaluation of program and organizational effectiveness and efficiency. Provides direct support to the Board of Commissioners. President & Chief Executive Officer, Executive Vice President & Chief Operating Officer, immediate support staff and docket support are included.												
Objectives:	<ol style="list-style-type: none"> 1. Continue to provide strong agency leadership to deliver quality housing programs. (Business Plan Goals 3.3 and 3.5) 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. (Business Plan Goal 1.1) 3. Continue to provide analysis, options and recommendations for local housing policies, including new revenues and development incentives. (Business Plan Goal 2.1) 4. Provide affordable housing leadership in community policy and education. (Business Plan Goal 4) 5. Coordinate with other City agencies and departments regarding programs, legislation, etc., to further affordable housing goals. (Business Plan Goal 4.1) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 888,196</td> <td style="text-align: right;">\$ 851,878</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 57,792</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">3.70</td> <td style="text-align: right;">3.70</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 888,196	\$ 851,878	Continuing Appropriations	\$ 57,792	\$ 0	Positions	3.70	3.70
	FY07 Current	FY08 Proposed											
Budget	\$ 888,196	\$ 851,878											
Continuing Appropriations	\$ 57,792	\$ 0											
Positions	3.70	3.70											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

OPERATIONS

BOARD & EXECUTIVE FUNCTIONS

Board & Executive Functions

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	574,599	579,889	1%
Services & Supplies	313,597	271,989	-13%
TOTAL EXPENDITURES	888,196	851,878	-4%
REVENUES			
Restricted			
Section 8	406,562	360,464	-11%
Other HUD	216,028	185,174	-14%
State	12,107	11,924	-2%
CDBG	50,133	53,188	6%
Restricted Local	52,806	48,283	-9%
Restricted Total	737,636	659,033	-11%
Unrestricted			
Local	44,305	70,245	59%
Affordable Housing Fund	60,033	30,439	-49%
HOME	46,222	92,161	99%
Unrestricted Total	150,560	192,845	28%
TOTAL REVENUES	888,196	851,878	-4%

FY08 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: OPERATIONS													
ACTIVITY: SUPPORT SERVICES													
SUBACTIVITY: Human Resources													
Purpose and Description of the Activity:	Monitor and evaluate new human resources service delivery partnerships to ensure the appropriate selection, staffing, classification, and compensation of personnel to support the Housing Commission's needs in the area of human capital management and labor relations in accordance with employment regulations and practices.												
Objectives:	<ol style="list-style-type: none"> 1. Assess results of HR outsourcing to ensure effectiveness in support of agency mission. (Business Plan Goal 3.5) 2. Implement appropriate human resources recommendations made by selected vendors and consultants in order to streamline processes and improve employment outcomes. (Business Plan Goal 3.5) 3. Conduct specific classification and job compensation studies to enhance operational and staffing resources. (Business Plan Goal 3.3) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 540,463</td> <td style="text-align: right;">\$ 580,891</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 148,301</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">0.65</td> <td style="text-align: right;">0.65</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 540,463	\$ 580,891	Continuing Appropriations	\$ 148,301	\$ 0	Positions	0.65	0.65
	FY07 Current	FY08 Proposed											
Budget	\$ 540,463	\$ 580,891											
Continuing Appropriations	\$ 148,301	\$ 0											
Positions	0.65	0.65											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

OPERATIONS

SUPPORT SERVICES

Human Resources

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	72,772	76,793	6%
Services & Supplies	467,691	504,098	8%
TOTAL EXPENDITURES	540,463	580,891	7%
REVENUES			
Restricted			
Section 8	241,915	194,024	-20%
Other HUD	174,105	213,744	23%
State	11,795	14,102	20%
CDBG	23,653	21,108	-11%
Restricted Local	36,119	39,611	10%
Restricted Total	<u>487,587</u>	<u>482,589</u>	-1%
Unrestricted			
Local	2,744	49,644	1709%
Affordable Housing Fund	28,323	12,081	-57%
HOME	21,809	36,577	68%
Unrestricted Total	<u>52,876</u>	<u>98,302</u>	86%
TOTAL REVENUES	540,463	580,891	7%

FY08 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. Continue 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. (Business Plan Goal 3.5) 2. Continue to develop IT employee technical skills to enhance performance and customer service capabilities. (Business Plan Goal 3.3) 3. Complete an analysis of Emphasys Elite Financials modules as a possible replacement for PeopleSoft. (Business Plan Goal 3.5) 4. Develop and implement a Business Continuity and IT Security Plan. (Business Plan Goal 3.3) 5. Partner with other departments to achieve a higher degree of organizational effectiveness through identification and implementation of technological solutions to accomplish Housing Commission objectives. (Business Plan Goal 3.5) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 2,628,613</td> <td style="text-align: right;">\$ 2,221,904</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 122,944</td> <td style="text-align: right;">\$ 58,973</td> </tr> <tr> <td>Positions</td> <td style="text-align: right;">7.65</td> <td style="text-align: right;">7.65</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 2,628,613	\$ 2,221,904	Continuing Appropriations	\$ 122,944	\$ 58,973	Positions	7.65	7.65
	FY07 Current	FY08 Proposed											
Budget	\$ 2,628,613	\$ 2,221,904											
Continuing Appropriations	\$ 122,944	\$ 58,973											
Positions	7.65	7.65											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

OPERATIONS

SUPPORT SERVICES

Information Technology

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	644,758	660,479	2%
Services & Supplies	1,983,855	1,561,425	-21%
TOTAL EXPENDITURES	2,628,613	2,221,904	-15%
REVENUES			
Restricted			
Section 8	837,644	775,852	-7%
Other HUD	1,464,448	499,245	-66%
State	29,658	32,727	10%
CDBG	62,816	65,172	4%
Restricted Local	94,587	96,635	2%
Restricted Total	<u>2,489,153</u>	<u>1,469,631</u>	-41%
Unrestricted			
Local	6,320	602,051	9426%
Affordable Housing Fund	75,223	37,295	-50%
HOME	57,917	112,927	95%
Unrestricted Total	<u>139,460</u>	<u>752,273</u>	439%
TOTAL REVENUES	2,628,613	2,221,904	-15%

FY08 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: OPERATIONS													
ACTIVITY: SUPPORT SERVICES													
SUBACTIVITY: Business Services													
Purpose and Description of the Activity:	Responsible for providing continued improvement and technological innovation for the effective organizational development of the agency's human capital. Developing and equipping management and staff with the tools necessary to carry out the mission, vision and goals of the agency. Administer an equal opportunity program that promotes staff respect, dignity, and worth. Business Services also provides procurement service to stakeholders of the Housing Commission that include purchasing, contract monitoring, inventory control, disposition management, and mail services management. The procurement function has been transferred to Business Services from Financial Services in this budget.												
Objectives:	<ol style="list-style-type: none"> 1. Maintain an environment conducive to the development of highly effective work teams through focused training and coaching for an overall improvement of departmental productivity and communication. (Business Plan Goal 3.3) 2. Evaluate agency's Succession Plan to ensure effectiveness and efficiency of program implementation in addressing succession of key agency staff. (Business Plan Goal 3.3) 3. Evaluate agency's Equal Opportunity Employment / Contracting Programs to maintain a respectful environment, which stimulates productivity and enhances diversity. (Business Plan Goal 3.3) 4. Provide oversight of the organization's procurement policy. Ensure that purchase orders are issued in advance of the purchase being made and report exceptions in procurement policy to management. (Business Plan Goal 3.5) 5. Review and modify quotation/contract documents as necessary in compliance with newly revised HUD Procurement Handbook. (Business Plan Goal 3.5) 6. Assess potential use of electronic procurement by utilizing an eProcurement system. (Business Plan Goal 3.5) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 373,777</td> <td style="text-align: right;">\$ 909,667</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;">3.00</td> <td style="text-align: right;">7.00</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 373,777	\$ 909,667	Continuing Appropriations	\$ 0	\$ 0	Positions	3.00	7.00
	FY07 Current	FY08 Proposed											
Budget	\$ 373,777	\$ 909,667											
Continuing Appropriations	\$ 0	\$ 0											
Positions	3.00	7.00											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

OPERATIONS

SUPPORT SERVICES

Business Services

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	240,059	491,469	105%
Services & Supplies	133,718	418,198	213%
TOTAL EXPENDITURES	373,777	909,667	143%
REVENUES			
Restricted			
Section 8	170,628	346,812	103%
Other HUD	123,985	314,036	153%
State	7,716	20,801	170%
CDBG	14,601	28,015	92%
Restricted Local	24,014	56,185	134%
Restricted Total	<u>340,944</u>	<u>765,849</u>	125%
Unrestricted			
Local	1,879	79,246	4117%
Affordable Housing Fund	17,487	16,031	-8%
HOME	13,467	48,541	260%
Unrestricted Total	<u>32,833</u>	<u>143,818</u>	338%
TOTAL REVENUES	373,777	909,667	143%

FY08 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 Housing Commission. Includes accounting services such as 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. Also provides safety and risk management services. The procurement function has been transferred from Financial Services to Business Services in this budget.												
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. (Business Plan Goal 3.5) 2. Develop an annual activity based budget that includes internal budget planning strategies designed to meet organizational goals and objectives. (Business Plan Goal 3.3) 3. Continue an annual risk control program that provides a safe operational environment and protects the organization's assets. (Business Plan Goal 3.5) 												
Resource Allocation:	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">FY07 Current</th> <th style="width: 20%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$ 2,467,417</td> <td style="text-align: right;">\$ 1,923,049</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$ 13,425</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;">20.00</td> </tr> </tbody> </table>		FY07 Current	FY08 Proposed	Budget	\$ 2,467,417	\$ 1,923,049	Continuing Appropriations	\$ 13,425	\$ 0	Positions	24.00	20.00
	FY07 Current	FY08 Proposed											
Budget	\$ 2,467,417	\$ 1,923,049											
Continuing Appropriations	\$ 13,425	\$ 0											
Positions	24.00	20.00											

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

OPERATIONS

SUPPORT SERVICES

Financial Services

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,695,796	1,528,004	-10%
Services & Supplies	771,621	395,045	-49%
TOTAL EXPENDITURES	2,467,417	1,923,049	-22%
REVENUES			
Restricted			
Section 8	861,640	648,621	-25%
Other HUD	891,868	652,571	-27%
State	58,901	38,753	-34%
CDBG	92,625	78,262	-16%
Restricted Local	179,512	120,553	-33%
Restricted Total	<u>2,084,546</u>	<u>1,538,760</u>	-26%
Unrestricted			
Local	186,552	203,893	9%
Affordable Housing Fund	110,917	44,788	-60%
HOME	85,402	135,608	59%
Unrestricted Total	<u>382,871</u>	<u>384,289</u>	0%
TOTAL REVENUES	2,467,417	1,923,049	-22%

FY08 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 Housing Commission.		
Objectives:	Complete lease up of 1 st and 2 nd floors at the Housing Commission's new office facility. (Business Plan Goal 2.3)		
Resource Allocation:		FY07 Current	FY08 Proposed
	Budget	\$ 29,412,706	\$ 3,871,355
	Continuing Appropriations	\$ 2,487,459	\$ 150,000
	Positions	1.37	1.13

FY08 BUDGET

San Diego Housing Commission

Addendum 1

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

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	123,174	96,485	-22%
Services & Supplies	3,859,881	675,225	-83%
Housing Programs			
Site Acquisition	23,421,660	760,923	-97%
Other Housing Programs	2,007,991	2,338,722	16%
Housing Programs Total	25,429,651	3,099,645	-88%
TOTAL EXPENDITURES	29,412,706	3,871,355	-87%
REVENUES			
Unrestricted			
Local	29,412,706	3,871,355	-87%
Unrestricted Total	29,412,706	3,871,355	-87%
TOTAL REVENUES	29,412,706	3,871,355	-87%

FY08 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: OPERATIONS																					
ACTIVITY: POLICY & PUBLIC AFFAIRS																					
SUBACTIVITY: Policy & Public Affairs																					
Purpose and Description of the Activity:	<p>Plan, direct and coordinate all Housing Commission public policy and governmental affairs activities by establishing positive, collaborative working relationships with legislators, other agencies, City departments and outside interests to effectuate the goals and mission of the Housing Commission.</p> <p>Activities include policy and legislative research, collaborating with stakeholders, monitoring activities of interested groups, representing the agency at policy, public affairs and Commission meetings, and facilitating the development of policies that further the mission of the Housing Commission. Discussions with elected officials occur on a local level and center around specific policy initiatives.</p>																				
Objectives:	<ol style="list-style-type: none"> 1. Identify and facilitate the establishment of short and long-range Housing Commission legislative goals and priorities for legislative support on the municipal, state and federal levels. (Business Plan Goal 4.2) 2. Make recommendations to the Board of Commissioners, various City boards and committees and City Council regarding proposed local legislation and the possible impacts on the local housing market. (Business Plan Goals 4.1 and 4.2) 3. Confer with elected and appointed officials to represent the Housing Commission's position with primary concentration on local and regional issues affecting the affordable housing industry's interests. (Business Plan Goal 3.6a) 4. Coordinate alliance relationships with individuals, groups and other associations with similar interests in the furtherance of identified Housing Commission goals and objectives. (Business Plan Goal 4.1a) 																				
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;">FY07 Current</th> <th style="width: 10%;"></th> <th style="width: 15%; text-align: center;">FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">327,914</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">359,447</td> </tr> <tr> <td>Continuing Appropriations</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">20,603</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Positions</td> <td></td> <td style="text-align: right;">2.50</td> <td></td> <td style="text-align: right;">2.35</td> </tr> </tbody> </table>			FY07 Current		FY08 Proposed	Budget	\$	327,914	\$	359,447	Continuing Appropriations	\$	20,603	\$	0	Positions		2.50		2.35
		FY07 Current		FY08 Proposed																	
Budget	\$	327,914	\$	359,447																	
Continuing Appropriations	\$	20,603	\$	0																	
Positions		2.50		2.35																	

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

OPERATIONS

POLICY & PUBLIC AFFAIRS

Policy & Public Affairs

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	201,734	228,129	13%
Services & Supplies	126,180	131,318	4%
TOTAL EXPENDITURES	327,914	359,447	10%
REVENUES			
Restricted			
CDBG	163,957	177,478	8%
Restricted Total	<u>163,957</u>	<u>177,478</u>	8%
Unrestricted			
Local	163,957	181,969	11%
Unrestricted Total	<u>163,957</u>	<u>181,969</u>	11%
TOTAL REVENUES	327,914	359,447	10%

FY08 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: OPERATIONS																	
ACTIVITY: POLICY & PUBLIC AFFAIRS																	
SUBACTIVITY: Communications																	
Purpose and Description of the Activity:	<p>Increase awareness and build support among internal and external publics for and about the agency's initiatives as well as affordable housing issues.</p> <p>Educate clients and the community about the agency's affordable housing programs and services.</p> <p>Obtain community and client feedback about the agency's performance.</p> <p>Audiences include: clients, Commissioners, government officials, community leaders, the media, the community at large, and agency staff.</p> <p>Activities include media relations, production of printed and multimedia materials, managing the agency's website, ombudsmanship, advertising, marketing, and other forms of educational activities, and responding to requests for public information.</p>																
Objectives:	Inform the agency's internal and external publics about affordable housing issues and Housing Commission programs and roles, building support for new initiatives. (Business Plan Goal 4.2)																
Resource Allocation:	<table border="1"> <thead> <tr> <th></th> <th></th> <th>FY07 Current</th> <th>FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td>\$</td> <td>442,458</td> <td>\$ 472,088</td> </tr> <tr> <td>Continuing Appropriations</td> <td>\$</td> <td>2,106</td> <td>\$ 1,000</td> </tr> <tr> <td>Positions</td> <td></td> <td>3.35</td> <td>3.65</td> </tr> </tbody> </table>			FY07 Current	FY08 Proposed	Budget	\$	442,458	\$ 472,088	Continuing Appropriations	\$	2,106	\$ 1,000	Positions		3.35	3.65
		FY07 Current	FY08 Proposed														
Budget	\$	442,458	\$ 472,088														
Continuing Appropriations	\$	2,106	\$ 1,000														
Positions		3.35	3.65														

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP:

ACTIVITY:

SUBACTIVITY:

OPERATIONS

POLICY & PUBLIC AFFAIRS

Communications

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	305,581	346,754	13%
Services & Supplies	136,877	125,334	-8%
TOTAL EXPENDITURES	442,458	472,088	7%
REVENUES			
Restricted			
Section 8	221,229	0	-100%
Restricted Total	<u>221,229</u>	<u>0</u>	<u>-100%</u>
Unrestricted			
Local	221,229	472,088	113%
Unrestricted Total	<u>221,229</u>	<u>472,088</u>	<u>113%</u>
TOTAL REVENUES	442,458	472,088	7%

Activity Based Budget Detail

PROGRAM, CONTINGENCY & UNOBLIGATED

RESERVES

FY08 BUDGET
San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: PROGRAM, CONTINGENCY & UNOBLIGATED RESERVES																					
ACTIVITY: PROGRAM, CONTINGENCY & UNOBLIGATED RESERVES																					
SUBACTIVITY: Program, Contingency & Unobligated Reserves																					
Purpose and Description of the Activity:	<p>The Program, Contingency & Unobligated 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 Unobligated 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></th> <th>FY07 Current</th> <th></th> <th>FY08 Proposed</th> </tr> </thead> <tbody> <tr> <td>Budget</td> <td>\$</td> <td>25,335,253</td> <td>\$</td> <td>19,977,140</td> </tr> <tr> <td>Continuing Appropriations</td> <td>\$</td> <td>0</td> <td>\$</td> <td>0</td> </tr> <tr> <td>Positions</td> <td></td> <td>0.00</td> <td></td> <td>0.00</td> </tr> </tbody> </table>			FY07 Current		FY08 Proposed	Budget	\$	25,335,253	\$	19,977,140	Continuing Appropriations	\$	0	\$	0	Positions		0.00		0.00
		FY07 Current		FY08 Proposed																	
Budget	\$	25,335,253	\$	19,977,140																	
Continuing Appropriations	\$	0	\$	0																	
Positions		0.00		0.00																	

FY08 BUDGET

San Diego Housing Commission

Addendum 1

ACTIVITY GROUP: PROGRAM, CONTINGENCY & UNOBLIGATED RESERVES
ACTIVITY: PROGRAM, CONTINGENCY & UNOBLIGATED RESERVES
SUBACTIVITY: Program, Contingency & Unobligated Reserves

	FY07 Current Budget	FY08 Proposed Budget	% Change
EXPENDITURES			
Reserves	25,335,253	19,977,140	-21%
TOTAL EXPENDITURES	25,335,253	19,977,140	-21%
REVENUES			
Restricted			
Section 8	1,403,847	195,000	-86%
Other HUD	5,631,030	2,734,775	-51%
State	311,292	327,337	5%
Restricted Local	3,166,327	2,542,292	-20%
Restricted Total	10,512,496	5,799,404	-45%
Unrestricted			
Local	11,718,533	12,991,200	11%
Affordable Housing Fund	1,088,391	250,000	-77%
HOME	2,015,833	936,536	-54%
Unrestricted Total	14,822,757	14,177,736	-4%
TOTAL REVENUES	25,335,253	19,977,140	-21%

FY08 BUDGET

San Diego Housing Commission

Addendum 1

Type of Reserve	FY08 Proposed Use	FY07 Budget	FY08 Budget	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. This reserve also includes a sinking fund for the future purchase of State units.				
CalHOME Program	Administration for FY09	28,124	11,755	(16,369)
Coastal, Condo & NCFUA	Administration for FY08	531,065	0	(531,065)
HOME	Administration for FY09 & FY10	2,015,833	936,536	(1,079,297)
Inclusionary Housing Fund	Administration for FY09 & FY10	1,088,391	250,000	(838,391)
Lead Hazard Control Grant	Administration for FY09	1,176,306	370,180	(806,126)
Property Mgmt - City Properties Mgmt	Administration for FY08	2,535	0	(2,535)
Property Mgmt - Maya Apartments	Future Extraordinary Maintenance	693,080	633,555	(59,525)
Property Mgmt - State Rental	Future Extraordinary Maintenance	263,005	294,536	31,531
Property Mgmt - State Rental Local Funds	Provide Sinking Fund for State Units	2,000,000	2,000,000	0
Property Mgmt - University Canyon Management	Future Extraordinary Maintenance	1,513,261	1,460,407	(52,854)
Public Housing - Capital Funds	Administration for FY09 & FY10	267,747	329,645	61,898
Public Housing - Local Funds	Provide Public Housing Support	1,000,000	1,000,000	0
Public Housing - Management	Future Extraordinary Maintenance	3,982,791	1,863,669	(2,119,122)
Public Housing - ROSS Neighborhood Networks	Administration for FY09	5,251	30,000	24,749
Public Housing - ROSS PH Family Self Sufficiency	Administration for FY09	65,000	65,000	0
Public Housing - ROSS RSDM	Administration for FY09	68,661	32,500	(36,161)
Redevelopment Agency - CCDC Homeownership	Administration for FY09	46,000	41,500	(4,500)
Redevelopment Agency - City Heights Redevelopment	Administration for FY09 & FY10	237,949	275,944	37,995
Redevelopment Agency - Crossroads HELP	Administration for FY09	71,495	53,051	(18,444)
Redevelopment Agency - Linda Vista	Administration for FY09	34,978	39,244	4,266
Redevelopment Agency - Market Street Redevelopment	Administration for FY09	11,942	13,961	2,019
Redevelopment Agency - SEDC Mt Hope Rehabilitation	Administration for FY09	8,258	9,283	1,025
Redevelopment Agency - SEDC Southcrest	Administration for FY09	14,886	14,647	(239)
San Diego Association of Realtors	Administration for FY09	878	700	(178)
Section 8 - HCV FSS Coordinator	Administration for FY09	130,000	130,000	0
Section 8 - HCV FSS Homeownership Coordinator	Administration for FY09	65,000	65,000	0
Section 8 - Local Funds	Provide for Section 8 Support	1,900,000	1,900,000	0
Section 8 Surplus Admin Fees	Administration for FY08	1,208,847	0	(1,208,847)
Shelter Plus Care	Administration for FY09 & FY10	65,274	43,781	(21,493)
State REO	Administration for FY09 & FY10	20,163	21,046	883
	Subtotal	18,516,720	11,885,940	(6,630,780)
II Contingency Reserves				
The Contingency Reserves include amounts to provide for potential litigation, uninsured losses and building reserves. 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	2,000,000	2,000,000	0
	Subtotal	2,600,000	2,600,000	0
III Unobligated Reserves				
The Unobligated Reserves include amounts that are available for any unanticipated housing purpose.				
Local Funds	Unanticipated Needs	4,218,533	5,491,200	1,272,667
Total Program, Contingency & Unobligated Reserves		25,335,253	19,977,140	(5,358,113)

FY08 BUDGET

San Diego Housing Commission

Addendum 2

Revenues

The proposed FY08 Budget includes \$231,288,338 in estimated revenue sources identified to date, representing a decrease of \$56.2 million from the current FY07 revenues. This decrease in revenues is due primarily to the decrease of \$27.7 million from borrowed funds and the Newton Avenue sale proceeds that combined to acquire and prepare the approved new office facility in FY07. In addition, there is a decrease of \$22.1 million in carryover of funds (Coastal, Condo Conversion, HOME, Inclusionary and Linkage fees, and Lead Hazard Control) primarily due to the expected obligation/expenditure for Rental Housing Production and Rehabilitation projects in FY07. It is expected there will be a decrease of \$5.0 million in the Public Housing program resulting from less HUD subsidy available and the use of funds for extraordinary maintenance on the Fulton, Golfcrest and Saranac units in FY07. Since the State of California has indicated there are insufficient annuity funds available, the FY07 request for \$1.5 million for extraordinary maintenance has been eliminated in FY08. Also, HUD funding for administration and rent payments for the Voucher program has declined by \$1.4 million.

These decreases are partially offset by an increase of \$900,000 for the new award in FY08 for the Capital Fund to provide primarily for extraordinary maintenance on public housing units. In addition, the Shelter Plus Care program shows an increase of \$400,000 due to renewal funding with service providers of several projects in FY08. All of the other funds experience modest increases or decreases to account for the remaining \$200,000 net increase in the FY08 Budget. Finally, staff will continue to refine revenue estimates and advise the Commission through budget status reports and revisions.

Of the \$231.3 million in identified revenues in FY08, \$180.8 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 FY08 Budget includes \$50.5 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.

	FY07 Current	FY08 Proposed	Change
Restricted Revenues			
Section 8	\$138,572,693	\$137,157,916	-1%
Other HUD	32,560,110	25,651,539	-21%
State	2,984,208	1,050,663	-65%
CDBG	3,399,427	3,351,474	-1%
Restricted Local	16,401,530	13,591,838	-17%
Subtotal	\$193,917,968	\$180,803,430	-7%
Unrestricted Revenues			
Rental Rehab	\$281,108	\$34,848	-88%
Local	45,747,994	21,980,911	-52%
Affordable Housing Fund	23,287,055	11,768,015	-49%
HOME	24,301,408	16,701,134	-31%
Subtotal	\$93,617,565	\$50,484,908	-46%
Total Revenues	\$ 287,535,533	\$231,288,338	-20%

FY08 BUDGET

San Diego Housing Commission

Addendum 2

Revenues

Most of the decrease of \$56.2 million in funding is due to the one time financing of the new office facility transaction and the expected obligation/expenditure of HOME, Inclusionary and Linkage fees, and Lead Hazard Control funds for Rental Housing Production and Rehabilitation projects in FY07.

Federal funding for Section 8 has been changed from multiple contract years to a calendar year system. Full funding for calendar year 2007 has not been established but is expected soon. Current HUD funding projections do appear to be barely sufficient to provide for the authorized units and very modest rent increases in the Section 8 Voucher Program during the first half of the Housing Commission's fiscal year. Also, funding for Federal Fiscal Year 2008 is not yet established, so flat revenues are projected for the second half of the fiscal year. Administrative fees paid by HUD for calendar year 2007 have declined slightly from 2006 calendar year and no increase is expected in FY08.

The 21% decrease in Other HUD funds is primarily due to a decrease of \$5.0 million in the Public Housing program resulting from less HUD subsidy available, one time purchase of Information Technology equipment and software and the use of funds for extraordinary maintenance on the Fulton, Golfcrest and Saranac units in FY07. This results in less carryover of funds from FY07 than occurred in FY06. Also, the multi-year Lead Hazard Control funds decrease by \$3.4 million due to the expected obligation/expenditure for Rehabilitation projects in FY07. These decreases are offset by increases of \$900,000 for the new award of Capital Fund, \$200,000 for the ROSS funds for Resident Services and \$400,000 for the Shelter Plus Care programs for renewal funding with service providers of several projects in FY08.

State funds budgeted decrease by 65% as the State of California has indicated there are insufficient annuity funds available so the FY07 request for \$1.5 million for extraordinary maintenance at the two State projects has been eliminated in FY08. In addition, there is a decrease from the expected obligation and/or completion in the current fiscal year of a number of housing projects or programs funded by CalHome, CalHome EAGR and Cal State Housing Trust Fund programs. This results in \$400,000 less carryover of these funds from FY07 than occurred in FY06.

Community Development Block Grant (CDBG) funds decrease by 1% due to foreclosure related expenditures in FY07 that lead to less carryover than occurred in FY06. At this time, the FY08 budget includes approximately the same amount of funds received in FY07; should the funding award is different than proposed in the FY08 budget, an adjustment will be reflected in the fall budget revision. 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. The allocation for affordable housing in FY07 was less than 15% of the City's total CDBG funds.

Restricted Local funds are expected to decrease by 17% primarily due to the expected \$1.6 million decrease resulting from the obligation/expenditure for Rental Housing Production and Rehabilitation projects in FY07 leading to less carryover of Housing Trust Fund Rehabilitation, Coastal, Condo Conversion and NCFUA funds than occurred in FY06. In addition, \$800,000 less Coastal, Condo Conversion and NCFUA fees are expected in FY08. Also, it is expected that University Canyon will have \$200,000 less carryover in FY07 than occurred in FY06 and \$200,000 less income due to the operation of 36 University Canyon units as Public Housing in FY08. There are various other much smaller increases and decreases in revenues that are offsetting.

FY08 BUDGET

San Diego Housing Commission

Addendum 2

Revenues

Rental Rehabilitation loan payoffs are expected to decrease by 88% due to the decreasing size of the loan portfolio. In addition, carryover of funds from FY07 will not occur due to the expected expenditure and/or obligation of funds in FY07 on Special Purpose Housing projects.

Local funds are expected to decrease by 52% due to the one time receipt of \$27.7 million of borrowed funds and the Newton Avenue sale proceeds that combined to finance the approved new office facility in FY07. A portion of these funds are currently held in escrow to provide for remaining facility expenses. This decrease is partially offset by an expected increase in FY08 of \$3.9 million from annualizing Housing Commission rent payments, new commercial leases and parking revenue at the new office facility along with loan payoffs, higher bond fees and greater interest earnings.

The Affordable Housing Fund is expected to decrease by 49% primarily due to the substantial decrease of \$10.5 million from the obligation/expenditure for Rental Housing Production, Homeownership, Rehabilitation and Special Purpose projects in FY07 leading to less carryover than occurred in FY06. In addition, new Inclusionary Housing and Linkage fees, loan payments and payoffs are expected to decrease by \$1.2 million in FY08.

HOME funds are expected to decrease by 31% primarily due to the to the substantial decrease of \$7.4 million from the obligation/expenditure for Rental Housing Production, Homeownership and Rehabilitation projects in FY07 leading to less carryover than occurred in FY06. In addition, new HOME funds and loan payments and payoffs are expected to decrease by \$200,000 in FY08.

FY08 BUDGET

San Diego Housing Commission

Addendum 2

Agency Summary of Revenues

	FY07 Current			FY08 Proposed			% of Chg Curr/Prop
	Carryover	New	Total	Carryover	New	Total	
REVENUES							
Cal State Housing Trust Fund	395,000	0	395,000	0	0	0	-100%
CalHome EAGR Program	78,443	0	78,443	0	0	0	-100%
CalHome Program	39,033	0	39,033	33,703	0	33,703	-14%
CDBG	1,046,169	2,353,258	3,399,427	1,000,210	2,351,264	3,351,474	-1%
Coastal Housing	544,255	1,021,495	1,565,750	92,908	509,647	602,555	-62%
Condo Conversion	555,697	334,384	890,081	125,049	76,933	201,982	-77%
County CDBG RTF	0	65,000	65,000	0	65,000	65,000	0%
Family Health Centers of SD	25,298	0	25,298	6,700	23,872	30,572	21%
HOME	14,135,071	10,166,337	24,301,408	6,726,532	9,974,602	16,701,134	-31%
Housing Rehabilitation Trust Fund	929,381	195,765	1,125,146	285,646	250,487	536,133	-52%
HTF - CDBG	309,400	34,310	343,710	434,438	99,174	533,612	55%
HTF - Linkage Fees	3,606,953	2,970,551	6,577,504	0	2,785,000	2,785,000	-58%
HTF - Redevelopment Agency	23,893	0	23,893	24,317	364	24,681	3%
HTF - Transient Occupancy Tax	26,201	0	26,201	0	0	0	-100%
HUD Development	5,443,207	0	5,443,207	5,443,207	0	5,443,207	0%
HUD Lead Hazard Control Grant	6,572,842	0	6,572,842	3,158,367	0	3,158,367	-52%
Inclusionary Housing Fund	10,171,401	6,144,346	16,315,747	3,424,722	5,000,000	8,424,722	-48%
Local Funds	14,984,521	30,763,473	45,747,994	16,684,523	5,296,388	21,980,911	-52%
National City CDBG - RTF	51,974	0	51,974	0	0	0	-100%
North County Future Urbanizing Area	223,057	116,732	339,789	151,409	63,857	215,266	-37%
Property Mgmt - City Properties Management	3,956	98,683	102,639	3,096	92,124	95,220	-7%
Property Mgmt - Maya Apartments	539,584	1,456,313	1,995,897	551,938	1,476,464	2,028,402	2%
Property Mgmt - State Rental Housing	241,233	2,210,336	2,451,569	272,764	723,150	995,914	-59%
Property Mgmt - University Canyon Management	1,158,217	6,488,639	7,646,856	1,031,275	6,211,639	7,242,914	-5%
Public Housing - Capital Fund	1,133,566	1,663,900	2,797,466	1,167,898	2,550,639	3,718,537	33%
Public Housing - Community Outreach Partnership Ctrs	0	0	0	0	19,100	19,100	0%
Public Housing - Management	7,255,852	8,771,407	16,027,259	3,065,918	7,931,308	10,997,226	-31%
Public Housing - ROSS Neighborhood Networks	123,329	0	123,329	28,252	200,000	228,252	85%
Public Housing - ROSS PH Service Coordinator	130,000	130,000	260,000	65,000	130,000	195,000	-25%
Public Housing - ROSS RSDM	192,115	350,000	542,115	315,946	350,000	665,946	23%
Redevelopment Agency - CCDC Homeownership	143,356	0	143,356	46,000	0	46,000	-68%
Redevelopment Agency - City Heights	882,386	637,949	1,520,335	501,317	1,125,186	1,626,503	7%
Redevelopment Agency - Crossroads HELP	300,850	88,793	389,643	152,108	206,001	358,109	-8%
Redevelopment Agency - Linda Vista	159,310	25,775	185,085	226,226	27,379	253,605	37%
Redevelopment Agency - Market Street	101,939	4,780	106,719	107,227	14,906	122,133	14%
Redevelopment Agency - SEDC Mt Hope Rehabilitation	27,760	11,881	39,641	21,300	3,848	25,148	-37%
Redevelopment Agency - SEDC Southcrest	156,349	13,849	170,198	101,574	3,635	105,209	-38%
Rental Rehabilitation	183,763	97,345	281,108	0	34,848	34,848	-88%
SD Association of Realtors	18,189	390	18,579	17,846	535	18,381	-1%
Section 8 Programs	11,171,212	127,401,481	138,572,693	13,485,750	123,672,166	137,157,916	-1%
Shea Homes	11,342	8,202	19,544	7,880	10,826	18,706	-4%
Shelter Plus Care	86,767	707,125	793,892	65,274	1,160,630	1,225,904	54%
State REO	19,562	601	20,163	20,433	613	21,046	4%
Total Budget	83,202,433	204,333,100	287,535,533	58,846,753	172,441,585	231,288,338	-20%
Less: Interfund Transfers							
a) University Canyon			(5,000,000)			(5,000,000)	0%
b) Data Processing			(175,836)			0	-100%
c) Facilities Management			(1,370,864)			(1,898,678)	39%
Net Total Budget			280,988,833			224,389,660	-20%
Continuing Appropriations			32,422,608			19,813,067	-39%

FY08 BUDGET

San Diego Housing Commission

Addendum 2

Summary of Housing Commission Revenue Changes

Cal State Housing Trust Fund	The decrease of 100% is due to the expected obligation/expenditure for Rental Housing Production in FY07. No new funds are expected in FY08.
CalHome EAGR Program	The decrease of 100% is due to the expected obligation/expenditure for Rental Housing Rehabilitation in FY07. No new funds are expected in FY08.
CalHome Program	The decrease of 14% is due to the expected obligation/expenditure for Homeownership in FY07. No new funds are expected in FY08.
Coastal Housing	The decrease of 62% is primarily due to the expected obligation/expenditure for Rental Housing Production in FY07. In addition, new funds for FY08 are expected to be less than the amount received in FY07.
Condo Conversion	The decrease of 77% is primarily due to the expected obligation/expenditure for Rental Housing Production in FY07. In addition, new funds for FY08 are expected to be less than the amount received in FY07.
Family Health Centers of SD	The increase of 21% reflects the new award expected in FY08 and the anticipated use in FY07 of most of the current funding.
HOME	The decrease of 31% is due to the expected obligation and/or completion of various Rental Housing Production projects in FY07 resulting in over \$7.4 million less carryover from FY07 than occurred in FY06. In addition, there is a decrease of \$200,000 due to a lower new award and less shared equity loan payoffs in FY08.
Housing Rehabilitation Trust Fund	The decrease of 52% is due to less carryover from FY07 than occurred in FY06. This decrease is partially offset by an expected increase in loan payoffs in FY08.
HTF-CDBG	The increase of 55% is primarily due to the timing of the expected completion/obligation of various Housing Rehabilitation projects during FY07 and this will result in more carryover funding than occurred in FY06. Also, it is expected there will be greater loan payoffs in FY08 than occurred in FY07.
HTF-Linkage Fees	The decrease of 58% is due to the expected obligation and/or completion of various Rental Housing Production and Special Purpose Housing projects in FY07 resulting in over \$3.6 million less carryover from FY07 than occurred in FY06. Also, there is a slight decrease in new funds from fees and loan payoffs expected in FY08.
HTF-TOT	The decrease of 100% is due to the expected use of all funding in FY07. No new funds are expected in FY08.

FY08 BUDGET
San Diego Housing Commission

Addendum 2

Summary of Housing Commission Revenue Changes

HUD Lead Hazard Control Grant	The decrease of 52% is due to the expected obligation and/or completion of various Rehabilitation projects in FY07 resulting in over \$3.4 million less carryover from FY07 than occurred in FY06. No new funds are expected in FY08.
Inclusionary Housing Fund	The decrease of 48% is primarily due to the expected obligation and/or completion of various Rental Housing Production projects in FY07 resulting in over \$6.7 million less carryover from FY07 than occurred in FY06. Also, there is a decrease in new funds expected in FY08.
Local Funds	The decrease of 52% is due primarily to the one-time receipt of borrowed funds and sale proceeds from the existing office facility to purchase the new office facility in FY07. This decrease is partially offset by greater carryover of funds from FY07 than occurred in FY06.
National City CDBG – RTF	The decrease of 100% is due to the expected use of all funding in FY07. No new funds are expected in FY08.
North County Future Urbanizing Area	The decrease of 37% is due primarily to the expected completion/obligation of various Rental Housing Production projects during FY07, resulting in less carryover funding than occurred in FY06. Also, there is an expected decrease in new fees in FY08.
Property Management - State Rental Housing	The decrease of 59% is primarily due to the decrease in annuity funding requested from the State of California for extraordinary maintenance on the Otay Villas and Scattered Site projects in FY08. This decrease is partially offset by an increase in carryover replacement reserve funds.
Public Housing - Capital Fund	The increase of 33% is primarily due to new funds to be awarded in FY08 on this multiyear program. It is expected that the new award will be higher than the award in FY07. In addition, due to the timing of executing contracts for extraordinary maintenance, there is a small increase in carryover funds from FY07 than occurred in FY06.
Public Housing - Community Outreach Partnership Centers	The increase is due to an expected new award of funds for Resident Services in FY08.
Public Housing – Management	The decrease of 31% is primarily due to the obligation and/or completion of extraordinary maintenance on the Fulton, Golfcrest and Saranac units resulting in less carryover from FY07 than occurred in FY06. In addition, due to less HUD subsidy, new funds for FY08 will decline.
Public Housing - ROSS Neighborhood Networks	The 85% increase is due to a new award expected in FY08. This increase is partially offset by less carryover of funds from FY07 than occurred in FY06.

FY08 BUDGET

San Diego Housing Commission

Addendum 2

Summary of Housing Commission Revenue Changes

Public Housing - ROSS PH Service Coordinator	The decrease of 25% reflects less carryover of funds from FY07 than occurred in FY06, due to the expenditure and/or obligation of funds in FY07. New funds are expected to be awarded in FY08 at the same level as received in FY07.
Public Housing - ROSS RSDM	The increase of 23% is due to more carryover of funds from FY07 than occurred in FY06, due to the timing of expenditure and/or obligation of funds in FY07. New funds are expected to be awarded in FY08 at the same level as received in FY07.
Redevelopment Agency - CCDC Homeownership	The decrease of 68% is due to the expected obligation/expenditure for Homeownership in FY07. No new funds are expected in FY08.
Redevelopment Agency- Linda Vista	The increase of 37% is due primarily to the timing of completion/obligation of Rehabilitation projects during FY07, resulting in greater carryover funding than occurred in FY06. Also, new loan payments, payoffs and interest earnings are expected to increase slightly in FY08.
Redevelopment Agency - Market Street	The increase of 14% is due primarily to the timing of expected completion/obligation of various rehabilitation projects during FY07, resulting in greater carryover of funds from FY07 than occurred in FY06. Also, it is expected that there will be more new funds in FY08 resulting from loan payments and payoffs.
Redevelopment Agency - SEDC Mt Hope Rehabilitation	The decrease of 37% reflects the expected completion/obligation of various rehabilitation projects during FY07 that will result in less carryover of funds from FY07 than occurred in FY06. Also, no new award of funds in FY08 for Housing Rehabilitation is expected and loan payments and payoffs are expected to be less than FY07.
Redevelopment Agency - SEDC Southcrest	The decrease of 38% reflects the expected completion/obligation of various rehabilitation projects during FY07 that will result in less carryover of funds from FY07 than occurred in FY06. Also, no new award of funds in FY08 for Housing Rehabilitation is expected and loan payments and payoffs are expected to be less than FY07.
Rental Rehabilitation	The 88% decrease reflects less carryover of funds from FY07 than occurred in FY06, due to the expenditure and/or obligation of funds in FY07. Also, there is a decrease in new funds anticipated in FY08 from loan payments and interest income.
Shelter Plus Care	The increase of 54% is due to greater renewal funding with service providers of several projects in FY08. This increase is partially offset by a decrease in carryover funds due to the expenditure of funds for administration in FY07 on older projects leading to less carryover funding in FY07 than occurred in FY06.

FY08 Budget
San Diego Housing Commission

Addendum 3

Expenditures

The proposed FY08 Budget shows a 20% decrease in expenditures and reserves. Salaries and benefits increased primarily due to employee movement along the seven-step merit pay plan in FY08 and a provision for salary and benefit increases in FY08. There is an overall increase of 0.50 positions that includes the addition of one position and a deletion of one-half of one position resulting in an overall small increase in salaries and benefits. Also, Services and Supplies decreased primarily due to the one-time purchase of fixtures, furnishings and office equipment for the new office facility and a new phone system, networking equipment at the new facility, equipment for kiosk, training, conference, lobby and client rooms, security system and printers. In addition, consulting decreased due to one-time costs for the sale of the Newton office facility and the purchase of Smart Corner in FY07; a reduction in Rental Assistance primarily for temporary employees; a variety of consultants in Rental Housing Production; and in the Reinvestment Task Force due to the completion of the Smart Money conference in FY07. Housing Programs decreased primarily due to the one-time purchase of Smart Corner in FY07 and the decreased carryover resulting from the obligation and/or completion in FY07 of various housing projects.

	FY07 Current	FY08 Proposed	Change
Salaries & Benefits	\$ 17,110,820	\$ 17,838,859	\$ 728,039
Services & Supplies	12,285,671	8,594,369	(3,691,302)
Housing Programs	232,803,789	184,877,970	(47,925,819)
Program, Contingency & Unobligated Reserves	25,335,253	19,977,140	(5,358,113)
Total	\$ 287,535,533	\$ 231,288,338	\$ (56,247,195)
Continuing Appropriations	\$ 32,422,608	\$ 19,813,067	\$ (12,609,541)

The FY08 Budget proposal includes a net increase of one-half of one position. This is the result of adding one Senior Administrative Assistant position and deleting one-half of a Housing Aide II position for a small net increase in salaries.

FY08 budgeted salaries reflect a provision for employee progression on the seven-step merit pay range. A salary and benefit contingency for FY08 is also included in the salaries and benefits line item to accommodate salary and benefits adjustments that may result from the current meet and confer process. These negotiations will conclude soon and the agreement will be ratified by the Housing Commission and Housing Authority. Addendum 5 describes the changes in salary and benefit costs in detail (Section III, Addendum 5).

Supplies and Services have decreased by 30%, due primarily to the one-time purchase under the approved development plan for the new office facility of \$2,650,000 for fixtures, furnishings and office equipment in FY07 in Facilities Management. In addition, there is a decrease of \$542,057 in Information Technology for the one-time purchase of a new phone system, networking equipment at the new facility, equipment for a kiosk, training, conference, lobby and client rooms, security system and printers in FY07. Also, there are decreases in contract/consultant that includes \$263,521 in leasing agent commissions in Facilities Management, \$220,000 in one-time costs for the sale of the Newton office facility and the purchase of Smart Corner in FY07, \$185,087 in Rental Assistance primarily for the reduction of temporary employees and \$112,400 in a variety of consultants in Rental Housing

FY08 Budget

San Diego Housing Commission

Addendum 3

Expenditures

Production. Also, due to the completion of the one-time FY03, FY04 and Public Housing Development audits in FY07, audit costs decline by \$179,758 and Data Processing charges decline by \$175,836 due to the elimination of an antiquated fee for service approach and the substitution of an approved overhead allocation method for distributing costs to programs utilizing Information Technology services. There are increases of \$423,681 due to annualizing the rent charged for programs and activities occupying space in the new office facility in FY08 and Insurance is estimated by our providers to increase by \$150,107 for general and excess liability, real property, earthquake, boiler, flood insurance, terrorism, errors and omissions, vehicles, claims, employment practices, crime and honesty, fiduciary and mold and fungi. The remaining balance of the increase of \$63,569 is due to various increases/decreases in the other line items.

Housing Programs expenses decreased by 21% primarily due to the one time decrease of \$22,660,737 for the acquisition of the new office facility in FY07. In addition, there is a decrease of \$21,780,113 from the obligation and/or expenditure of Affordable Housing Fund, Coastal, Condo Conversion, HOME, Lead Hazard Control and State funds on various projects, resulting in less carryover from FY07 than occurred in FY06. It is expected that there will be a reduction of \$1,526,937 in new funds from these same programs resulting from lower fees and shared equity loan payoffs and new awards. Also, there is a decrease of \$2,124,770 in extraordinary maintenance due to partial completion of work projects at Public Housing, Maya and University Canyon. Due to insufficient State funding, the budget deletes the FY07 \$1,496,250 request for repair/replacement of kitchens, painting, stairways and repaving of parking lots for the two State projects.

These decreases are partially offset by an increase in Rent to Owners of \$423,723 for contract renewals of existing Shelter Plus Care projects in Special Purpose Housing. In addition, there is an increase of \$393,834 in Rental Assistance funds for rent to owners that will enable the Section 8 Voucher Program to lease the authorized units and allow modest rent increases for units leased through FY08. Also, there is an increase of \$519,583 for annualizing the mortgage for the new office facility in Facilities Management and there are expected new Resident Services awards in FY08 that will provide for \$436,600 of academic tutoring, individual savings accounts and education and training classes. The balance of the \$110,752 decrease is due to various increases/decreases in the other Housing Program line items.

Continuing Appropriations of \$19.8 million are expenditures that were committed in FY07 or earlier for multiyear projects or programs. While funds are not available for reallocation in this FY08 budget process, they are shown to fully reveal activity and workload during FY08.

FY08 BUDGET

San Diego Housing Commission

Addendum 3

Agency Summary of Expenditures

	FY07 Current	FY08 Proposed	% of Chg Curr/Prop
Staffing	237.50	238.00	0%
EXPENDITURES			
Salaries & Benefits	17,110,820	17,838,859	4%
Services & Supplies			
Legal	668,327	695,416	4%
Training	170,668	173,092	1%
Travel	109,754	110,947	1%
Audit	273,758	94,000	-66%
Contract/Consultant	3,385,097	2,630,302	-22%
Office & Building Rent	1,474,997	1,898,678	29%
Data Processing	175,836	0	-100%
Sundry	1,915,513	1,886,567	-2%
Insurance	371,885	521,992	40%
Office Equipment	3,739,836	583,375	-84%
Total Services & Supplies	12,285,671	8,594,369	-30%
Housing Programs			
Resident Services Expenses	595,684	851,627	43%
Maintenance Expenses	2,914,665	2,915,216	0%
Utilities	1,850,940	1,977,635	7%
PILOT & Property Taxes	190,860	28,200	-85%
Collection Loss	59,914	124,156	107%
Mortgage Payments	4,781,146	5,127,073	7%
Protective Services	336,227	402,837	20%
Rent to Owners	127,824,891	128,476,578	1%
Loans & Grants	47,486,433	30,419,718	-36%
Relocation	778,516	752,074	-3%
Site Acquisition & Housing Development	37,857,601	9,124,126	-76%
Extraordinary Maintenance	7,835,782	4,363,000	-44%
Dwelling Equipment	291,130	315,730	8%
Total Housing Programs	232,803,789	184,877,970	-21%
Program, Contingency & Unobligated Reserves	25,335,253	19,977,140	-21%
Total Budget	287,535,533	231,288,338	-20%
Less: Interfund Transfers			
a) University Canyon	(5,000,000)	(5,000,000)	0%
b) Data Processing	(175,836)	0	-100%
c) Facilities Management	(1,370,864)	(1,898,678)	39%
Net Total Budget	280,988,833	224,389,660	-20%
Continuing Appropriations	32,422,608	19,813,067	-39%

FY08 BUDGET

San Diego Housing Commission

Addendum 3

Summary of Housing Commission Expenditure Changes

Salaries & Benefits	<p>The \$728,039 or 4% increase in salaries and benefits is primarily the result of a combined increase of \$772,474 for employee movement along the seven-step merit pay plan in FY08 and a provision for salary and benefit increases in FY08. These increases are partially offset by a decrease of \$58,472 in Worker Compensation due to rate decreases and actual experience factors. Other small increases for Medicare, state unemployment insurance, long term disability and life insurance account for the remaining increase of \$14,037.</p> <p>There is an overall increase of 0.50 positions that includes the addition of one position and a deletion of one-half of one position resulting in an overall small increase in salaries and benefits. In addition, there were reclassifications of 5.00 positions and one range adjustments for FY08. A detailed explanation of staffing changes and the changes in salaries and benefits is included in Section III, Addenda 4 and 5.</p>
Audit	<p>The decrease in audit of \$179,758 or 66% is due to the completion of the one-time FY03, FY04 and Public Housing Development audits in FY07. The remaining annual audit is contractually based on the increase in the Consumer Price Index.</p>
Contract/Consultant	<p>The decrease of \$754,795 or 22% in contract/consultant is due to a variety of increases/decreases in most activities. The decreases include \$263,521 primarily in leasing agent commissions in Facilities Management, \$220,000 in one-time costs for the sale of the Newton office facility and the purchase of Smart Corner in FY07, \$185,087 in Rental Assistance primarily for the reduction of temporary employees, \$112,400 in a variety of consultants in Rental Housing Production, \$106,976 in the Reinvestment Task Force due to the completion of the Smart Money conference in FY07, \$55,000 in Board and Executive Functions due to the deletion of the Model School and transfer of pension consulting to Human Resources and a reduction of \$43,600 in construction defect consulting in Asset Management. These decreases are partially offset by an increase of \$123,463 for annualizing the cost of the management firm for the underground parking at the new office facility, \$70,500 in Information Technology primarily for network administration managed service and \$40,000 in Human Resources for pension administration. The remaining decrease of \$2,174 is due to smaller increases and decreases in Policy & Public Affairs, Property Management, Asset Management, Resident Services, Rental Housing Production, Rehabilitation, Portfolio Servicing & Occupancy Monitoring and Special Purpose Housing.</p>
Office & Building Rent	<p>The \$423,681 or 29% increase is due to annualizing the rent charged for programs and activities occupying space in the new office facility in FY08.</p>
Data Processing	<p>The decrease of \$175,836 or 100% is due to the elimination of an antiquated fee for service approach and the substitution of an approved</p>

FY08 BUDGET
San Diego Housing Commission

Addendum 3

Summary of Housing Commission Expenditure Changes

overhead allocation method for distributing costs to programs utilizing Information Technology services.

Insurance	The increase of \$150,107 or 40% is primarily due to the new office facility and our providers estimated a combined increase of \$178,407 for general and excess liability, real property, earthquake and boiler insurance. This increase was partially offset by a decrease of \$27,243 for personal property. Other insurance including flood insurance, terrorism, errors and omissions, vehicles, claims, employment practices, crime and honesty, fiduciary and mold and fungi show modest increases and decreases, netting a decrease of \$1,057. A reserve of \$300,000 has been proposed to cover potential uninsured losses.
Office Equipment	The decrease of \$3,156,461 or 84% is primarily due to the one-time purchase under the approved development plan for the new office facility of \$2,650,000 for fixtures, furnishings and office equipment in FY07 in Facilities Management. In addition, there is a decrease of \$542,057 in Information Technology for the one-time purchase of a new phone system, networking equipment at the new facility, equipment for a kiosk, training, conference, lobby and client rooms, security system and printers in FY07. Also, the \$3,570 of equipment for Newton, Ridgehaven and Gateway in FY07 is eliminated and the Reinvestment Task Force decreases by \$2,000 due to a computer and related purchases made in FY07. These decreases are partially offset by an increase of \$40,866 in Routine Maintenance for replacement maintenance vehicles and \$300 in Rental Assistance for an office chair.
Resident Services Expenses	The increase of \$255,943 or 43% is primarily due to the expected receipt of new awards in FY08 that will provide for \$436,600 of academic tutoring, individual savings accounts and education and training classes. This increase is partially offset by a decrease of \$180,657 from the obligation and/or expenditure of significant amounts of funding in FY07 for the ROSS and Capital Fund programs resulting in less carryover from FY07 than occurred in FY06. It is expected that additional new awards to replenish these decreases will occur during FY08. 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.
PILOT & Property Tax	The decrease of \$162,660 or 85% is due to the County of San Diego not requiring a property tax payment on the new office facility as was expected in FY07.
Collection Loss	There is an increase of \$64,242 or 107% for collection loss due to actual cost history.

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San Diego Housing Commission

Addendum 3

Summary of Housing Commission Expenditure Changes

Protective Services	<p>The increase of \$66,610 or 20% is primarily due to the increase of \$53,270 from annualizing security services at the new office facility. In addition, there is an increase of \$12,240 for the transfer of the emergency call board at Belden from contract/consultants and \$1,000 for increased security at the Learning Opportunity Centers based on actual cost experience.</p>
Loans & Grants	<p>The decrease of \$17,066,715 or 36% is due primarily to decreased carryover and new funding for various activities. These increases and decreases include:</p> <p>Rental Housing Production decreases by \$11,354,026 due primarily to \$8,427,089 of decreased carryover from the obligation and/or completion in the current fiscal year of various Cal State Housing Trust Fund, Coastal, Condo Conversion, HOME and Affordable Housing Fund projects. In addition, there is \$2,926,937 less new funds available from Coastal, HOME and Affordable Housing Fund due to lower expected fees and new awards.</p> <p>In Homeownership, there is a decrease of \$379,270 primarily due to a combined decrease of \$1,379,270 in Cal Home, CCDC Homeownership, Condo Conversion, HOME and Affordable Housing Fund due to the expected obligation and/or completion in the current fiscal year of various projects. This increase is partially offset by the provision of \$1,000,000 of new Inclusionary Housing funds for this activity in FY08.</p> <p>Rehabilitation Rental Housing decreases by \$1,846,306 and is due to an expected decrease in loans and grants resulting from the obligation and/or expenditure of CalHome EAGR, Lead Hazard Control and HOME funds on various projects, resulting in less carryover from FY07 than occurred in FY06. No new funds are provided this activity in FY08.</p> <p>Rehabilitation Owner Occupied decreases by \$1,616,182 primarily due to the decrease of \$2,246,904 resulting from the obligation and/or expenditure of HOME, Affordable Housing Fund, Lead Hazard Control and most of the Redevelopment funds on various projects that will lead to less carryover from FY07 than occurred in FY06. This decrease is partially offset by an increase of \$630,722 in new awards of CDBG and Redevelopment funds for City Heights and Crossroads HELP areas.</p> <p>Special Purpose Housing decreases by \$1,870,931 due primarily to \$1,857,881 of decreased carryover from the obligation and/or completion in the current fiscal year of Affordable Housing Fund projects. In addition, there is a \$445,000 reduction for the Winter Shelter program. These increases are partially offset by an increase of \$400,000 of new Linkage fees. The remaining increase of \$31,950 is for Shelter Plus Care renewal contracts with service providers and a relocation grant</p>
Site Acquisition & Housing Development	<p>The decrease of \$28,733,475 or 76% is due primarily to a decrease of \$22,660,737 for the development of the new office facility in FY07. In addition, it is expected there will be decreased carryover of \$6,022,663 from the obligation and/or completion in the current fiscal year of HOME projects</p>

FY08 BUDGET
San Diego Housing Commission

Addendum 3

Summary of Housing Commission Expenditure Changes

in Rental Housing Production. Also, it is expected that various costs including appraisals, trustee fees, title insurance, mortgage payments and insurance will reduce the foreclosure fund in Portfolio Services by \$50,075.

Extraordinary
Maintenance

The decrease of \$3,472,782 or 44% is primarily due to the \$2,124,770 decrease in extraordinary maintenance for partial completion of the baths, cabinets, counters, flooring, kitchens, courtyards, landscaping and irrigation, paint exteriors and interiors, playgrounds, seal parking lots, site retaining walls and stairways for the Public Housing, Maya and University Canyon units. In addition, due to insufficient State funding, there is a decrease of \$1,496,250 in the request for repair/replacement of kitchens, painting, stairways and repaving of parking lots for the two State projects. Also, with the expected completion of construction defect repairs at the Golfcrest, Saranac and Fulton sites in FY07, there is a reduction of \$464,153. These decreases are partially offset by an increase of \$612,391 from the expected new award of Capital Fund for specific work improvements at the Public Housing units

Program, Contingency &
Unobligated Reserves

The decrease in total Reserves is \$5,358,113 or 21%. This is due to the decrease in Program Reserves of \$6,630,780 while Contingency Reserves remained unchanged and Unobligated Reserves increased by \$1,272,667.

The *Program Reserves* provide for future personnel, services and supplies or housing expenditures. The Program Reserves have decreased by \$6,630,780 from \$18,516,720 in FY07 to \$11,885,940 in FY08 for two reasons. Costs are increasing causing us to draw on reserves and new funds are lower than prior years and insufficient to replenish reserves specifically. This decrease is primarily due to a decrease of \$3,327,969 directly related to a reduction in HUD operating subsidy and Voucher administrative funds despite increasing costs to operate Public Housing and the Voucher programs. In addition, there is a decrease of \$2,448,753 in the Coastal, Condo, HOME, Inclusionary Housing and NCFUA programs due to reduced fees and significantly fewer shared equity loan payoffs resulting from a slowing real estate market. As expected, there is an \$806,126 decrease in the multi year HUD award of two Lead Hazard control programs and the remaining reserve will provide for administration of these programs in FY09. Smaller increases and decreases in the other Program Reserves explain the balance of the decrease of \$47,932.

It is expected that new awards will replenish some of this decrease in Program Reserves during FY08. 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.

FY08 *Contingency Reserves* are recommended to remain stable and primarily provide for the new office facility and the uncertainty surrounding the leasing of the first two floors of the new office facility. As leasing efforts prove successful in the future, it is anticipated that this reserve would decline. 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.

FY08 BUDGET
San Diego Housing Commission

Addendum 3

Summary of Housing Commission Expenditure Changes

The *Unobligated Reserves* include amounts that are available for any unanticipated housing purpose. The increase in Unobligated Reserves by \$1,272,667 from \$4,218,533 in FY07 to \$5,491,200 in FY08 is due to several causes including the one-time use of \$500,000 to increase the Program Reserves of the State Sinking Fund in FY07, that is not repeated in FY08; an unexpected loan payoff of \$442,362 on the Redwood Villa project; and greater bond fees, monitoring fees and interest income expected in FY08. The Unobligated Reserves of \$5.5 million proposed for FY08 are less than two and a half percent of the FY08 Agency Budget and show improvement from the current FY07 level of slightly more than one and a half percent. Staff recommends that the Unobligated Reserves be retained as a sound business practice.

FY08 BUDGET
San Diego Housing Commission

Addendum 4

Summary of Staffing Changes From FY07 TO FY08

	Housing Services	Housing Finance & Development	Operations	Total
FY07 Staff	154.28	37.00	46.22	237.50
Proposed FY08 Changes:				
Adds	0.00	1.00	0.00	1.00
Deletes	(0.50)	0.00	0.00	(0.50)
Annualize	0.00	0.00	0.00	0.00
Transfers	(0.99)	1.08	(0.09)	0.00
Change	(1.49)	2.08	(0.09)	0.50
Upgrades	2.00	0.00	3.00	5.00
Downgrades	0.00	0.00	0.00	0.00
Proposed FY08 Staff	152.79	39.08	46.13	238.00

FY08 BUDGET
San Diego Housing Commission

Addendum 5

**Explanation of the Change in the Housing Commission
Salaries and Benefits Costs from FY07 to FY08**

The FY08 salaries and benefits budget totals \$17,838,859. This is an increase of \$728,039 or four percent from the current FY07 budget. The following factors contribute to this increase:

<u>FY07 Current Salaries & Benefits Budget</u>	\$17,110,820
<u>FY08 Recalculation of Salaries</u>	
Included in the FY08 budget are current employees' actual salaries reflecting the FY07 2.5% salary increases approved by the Housing Commission Board and any step increases due in FY08.	351,431
<u>FY08 Adding Positions</u>	
The FY08 budget includes the addition of 1.00 Senior Administrative Assistant position.	46,093
<u>FY08 Deleting Positions</u>	
The FY08 budget includes the deletion of .50 of a Housing Aide II position.	(12,761)
<u>FY08 Reclassification of Positions</u>	
The FY08 budget reclassifies 5.00 positions. The changes reclassify three Program Analysts to Senior Program Analysts, one Senior Administrative Assistant to Docket Coordinator, and one Senior Housing Assistant to Assistant Director of Housing Programs.	76,025
<u>FY08 Salary Reserves</u>	
The FY08 budget contains a contingency reserve for salary increases and bonuses, which may be approved by the Housing Commission Board.	43,506
<u>FY08 Overtime Provision</u>	
The FY08 budget contains a provision for overtime expenses. This will provide for Maintenance staff who respond to after-hours emergency maintenance calls at the Housing Commission's residential sites as well as salaries for staff during peak periods.	(9,000)
<u>FY08 Vacancy Factor</u>	
The FY08 vacancy factor of 0.5%, which is the same level as previous years, has been incorporated into the budget to provide for vacant positions during FY08.	(2,313)
<u>FY08 Benefits</u>	
Employee benefits provided include pension, 457, flex plan, Workers' Comp, Medicare, long-term disability, State Unemployment Insurance and life insurance. These benefits change as employees progress through the pay plan, service providers adjust rates, and any increases/decreases are approved by the Housing Commission Board. In FY08, benefits are budgeted at an average agency rate of 35.15%, up from 34.67% in FY07.	235,058
FY08 Salaries and Benefits Budget	\$17,838,859

FY08 BUDGET

San Diego Housing Commission

Addendum 6

Estimated Continuing Appropriations as of June 30, 2007

Division / Activity / Project	Funding Source	Amount
1. Housing Services		
Rental Assistance		
Income Verification Services	Section 8	20,500
Mediation Services	Section 8	2,300
<i>Total Rental Assistance</i>		\$ 22,800
Resident Services		
Computer Skills Training & Software Support	Capital, Public Housing & University Canyon	3,500
Grant Writing	Section 8	1,000
<i>Total Resident Services</i>		\$ 4,500
Asset Management		
Public Housing Extraordinary Maintenance	Local Funds, Public Housing	\$ 1,026,000
University Canyon Feasibility Study	Local Funds	\$ 100,000
<i>Total Asset Management</i>		\$ 1,126,000
2. Housing Finance & Development		
Rental Housing Production		
Acquisition & Rehab - Alabama Manor	HOME	10,000
Acquisition & Rehab - Hope Village	HOME	900,000
Acquisition & Rehab - Mason Hotel	HTF Linkage	157,142
Acquisition & Rehab - 390 unit complex	HOME, HTF Linkage, Inclusionary	9,600,000
Development - Arbor Crest	HOME	1,000
Development - Veteran's Village	Inclusionary Housing	2,199,425
Development - Victims of Domestic Violence	Cal State HTF	15,000
<i>Total Rental Housing Production</i>		\$ 12,882,567
Homeownership		
CA. Debt Allocation Committee Bond Deposit	Local Funds	100,000
Down Payment/Closing Costs Assistance	HOME	256,700
First Time Homebuyer Assistance	Cal Home, CCDC L&M ISHA, HOME, Inclusionary	1,344,548
First Time Homebuyer Education Workshops	HOME	7,200
Shared Equity Loan Program	HOME, Shea Homes	906,499
<i>Total Homeownership</i>		\$ 2,614,947
Rehabilitation		
Owner Occupied		
Homeworks Program	HOME	100,000
Home Improvements for the Elderly & Frail	CDBG	5,400
<i>Total Rehabilitation Owner Occupied</i>		\$ 105,400

FY08 BUDGET

San Diego Housing Commission

Addendum 6

Estimated Continuing Appropriations as of June 30, 2007

Division / Activity / Project	Funding Source	Amount
2. Housing Finance & Development (continued)		
Special Purpose Housing		
Acquisition & Rehab - Hope Village	HTF Linkage	32,000
College Aged Youth Housing Assistance	HTF Linkage	1,231
Development - Victims of Domestic Violence	Cal State HTF & HTF Linkage	350,000
Rental Assistance for Homeless Seniors & Disabled	HTF Linkage	1,500
Shelter Plus Care Sponsor Admin & Rent	Shelter Plus Care	2,437,023
Transitional Housing for Homeless Mentally Ill	HTF Linkage	25,126
<i>Total Special Purpose Housing</i>		\$ 2,846,880
3. Operations		
Support Services		
Information Technology		
Document Imaging Software	Public Housing , Section 8	11,420
Section 8 & Asset Mgmt Accting & Mgmt Software	Capital, Local, Public Housing & Section 8	27,693
Technical Implementation	Public Housing	11,822
Technical Training	Public Housing	8,038
<i>Total Information Technology</i>		\$ 58,973
Facilities Management		
Lease Commissions for Smart Corner	Local Funds	150,000
<i>Total Facilities Management</i>		\$ 150,000
Communications		
Graphic Design	Local Funds	1,000
<i>Total Communications</i>		\$ 1,000
AGENCY TOTAL		\$ 19,813,067

FY08 BUDGET
San Diego Housing Commission

Addendum 7

Non-Budgeted Restricted Cash

In addition to the amounts of revenue shown in the FY08 Budget document, there are the following restricted cash amounts that are not available for inclusion in the FY08 Budget for the reasons noted. Below is a detailed listing of these cash amounts and an explanation is provided that describes each amount.

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<u>PROGRAM</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
1. Security Deposits	\$ 535,303	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 06/30/06.
2. Family Self-Sufficiency Escrow Accounts	\$ 484,457	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 06/30/06.
3. Rehabilitation Line of Credit Deposit	\$ 77,665	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 06/30/06.
4. Bond Program Performance Deposits	\$ 347,965	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 06/30/06. The Housing Commission released \$162,108 to a developer in FY07.

FY08 BUDGET

San Diego Housing Commission

Addendum 8

Use of Unrestricted Revenues

The proposed FY08 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 (\$93.6 million and \$50.5 million in FY07 and FY08 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 FY08 Budget, the allocation of the Unrestricted and Restricted Revenues is as follows:

Activity	Proposed FY08 Unrestricted Revenues		Proposed FY08 Restricted Revenues		Proposed FY08 Total Revenues	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Rental Hsg. Production	19,368,731	38.4%	6,635,941	3.7%	26,004,672	11.2%
Operations	6,096,939	12.1%	5,093,340	2.8%	11,190,279	4.8%
Reserves	14,177,736	28.1%	5,799,404	3.2%	19,977,140	8.6%
Homeownership	5,275,954	10.5%	477,783	0.3%	5,753,737	2.5%
Special Purpose Housing	1,913,070	3.8%	1,183,775	0.7%	3,096,845	1.3%
Rehabilitation	1,784,345	3.5%	6,051,269	3.3%	7,835,614	3.4%
Property Management	213,441	0.4%	17,553,632	9.7%	17,767,073	7.7%
Portfolio Servicing & Occupancy Monitoring	1,228,742	2.4%	1,570,359	0.9%	2,799,101	1.2%
Rental Assistance	425,950	0.8%	134,037,529	74.1%	134,463,479	58.3%
Resident Services	0	0%	2,400,398	1.3%	2,400,398	1.0%
Total Proposed Budget	50,484,908	100.0%	180,803,430	100.0%	231,288,338	100.0%

FY08 BUDGET

San Diego Housing Commission

Addendum 8

Use of Unrestricted Revenues

This allocation of Unrestricted Revenues is similar to previous fiscal years with the exception of funds allocated to Operations that will be used for the operation of the new office facility. As the chart demonstrates, the majority of the remaining 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 (slightly less than 2.5% 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.

FY08 BUDGET

San Diego Housing Commission

Addendum 9

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 Housing 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.

FY08 BUDGET

San Diego Housing Commission

Addendum 9

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 & Unobligated 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. **Unobligated 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%.

SAN DIEGO HOUSING COMMISSION

THREE-YEAR BUSINESS PLAN

FISCAL YEARS 2006, 2007, 2008

PREPARED BY

THE SAN DIEGO HOUSING COMMISSION

September 2005

Approved:

Housing Commission on: September 16, 2005
Housing Authority on: November 1, 2005

SAN DIEGO HOUSING COMMISSION BUSINESS PLAN

Fiscal Years 2006, 2007, 2008

EXECUTIVE SUMMARY

Since its inception in 1979, the San Diego Housing Commission has acted as the primary local government agency charged with providing affordable housing opportunities for residents of the City. As an agency of the City, established under California statute and through the general policy direction of the Housing Authority, the Housing Commission has been directly responsible for the planning, financing and implementation of publicly assisted housing programs, especially those conducted on a citywide basis.

The Housing Commission has also worked in collaboration with others to educate the community, policy leaders, and various stakeholders about the need for affordable housing for all San Diegans – and the impact the shortage of affordable housing has on the City’s economic well being. Housing Commission staff help to clarify issues, explain programs, and identify potential actions to address the affordable housing shortage.

The past several years represent an unparalleled challenge for the Housing Commission in two distinct directions. First, the City of San Diego has a recognized “housing crisis” since 2003. Conversely, HUD has made unprecedented changes in the funding formulas for Rental Assistance and Public Housing during the past two years.

The Housing Commission’s first Business Plan was developed to guide its efforts in Fiscal Years 2004, 2005, and 2006. Because of significant changes in program rules and funding, a more aggressive strategy is needed. While this plan continues and augments the efforts identified in the first plan, the FY06-08 Plan includes strategies, goals and outputs that are more aggressive and broader reaching than before. We are committed to using the best private market principles while maintaining the public mission.

It is critical that the Housing Commission retains its ability to continue to provide affordable housing. Our first major strategy detailed later in this document: “Further the Agency’s Mission of Creating Affordable Housing Opportunities for Lower Income Families, Seniors and Persons with Disabilities,” includes innovative ideas such as mixed income development sites, acquiring new and existing properties and creating programs that will ensure continual development of affordable housing.

FY08 BUDGET

San Diego Housing Commission

Addendum 10

The second major strategy: “Increase State and Local Revenue Sources to Relieve Financial Dependency on the Federal Government for Affordable Housing” moves the Housing Commission in a direction of further collaboration within the community, seeking alternative funding, revamping the entire Rental Assistance Program, and relocating our offices to a new facility at the Smart Corner. These new directions seek to improve and stabilize the Housing Commission’s financial position.

The third major strategy: “Establish the Housing Commission as a National Model of Public Agency Efficiency” reflects our desire to be the best in the business. We believe that with the support of the Board of Commissioners and the Housing Authority we have ample talent and ability to move beyond the current status quo.

Our fourth major strategy, critical to every San Diegan, is to “Provide Policy and Public Education Leadership Regarding Affordable Housing.” Through outreach to the private sector and community education at large, we believe we can change public perception about affordable housing and its effect on all citizens within the City.

The FY 06 budget is \$221,300,000. Of that, only 21% is unrestricted revenues. The rest consists of direct reimbursements for programmatic, operational and administrative costs incurred as a result of specific program guidelines. It is imperative that the Housing Commission develop additional financial and organizational resources over which more discretion can be exercised to address local housing needs. The Strategies and Goals presented in this plan are intended to promote increased self-reliance, while expanding housing availability within the City.

STRATEGIES AND GOALS

Strategy 1: Further the Agency’s Mission of Creating Affordable Housing Opportunities for Lower Income Families, Seniors and Persons with Disabilities

3-69

GOAL	ACTIONS/OUTPUT	MEASUREMENT	ESTIMATED DATE OF COMPLETION
1.1 Develop, own and operate multifamily rental housing independently or in partnership with other developers in addition to financing other entities projects	1.1a Design models for mixed finance projects 1.1b Identify opportunity for joint ventures, including potential syndication services	<ul style="list-style-type: none"> • Increased inventory of affordable housing • Increased revenue stream to Housing Commission to support continuing operations 	FY 2008 FY 2007
1.2 Implement a mixed income re-use plan for University Canyon combining Public Housing with open market units restricted to 80% of median area income	1.2a Use income from 80% AMI units to help offset cost of the units available to very low income households 1.2b Add 120 vouchers to S8 inventory 1.2 c Develop additional units on available land at the site	<ul style="list-style-type: none"> • Preserve affordability of units • Mixed income model completed • Improved positive cash flow • Additional units available 	June 2006 June 2007 FY 2008
1.3 Create and implement a mixed income re-use plan for two developments currently assisted through the State of California Rental Housing Construction program	1.3a Buy out or pre-pay state loans 1.3b Complete needed repairs/renovation to units and site	<ul style="list-style-type: none"> • Preserve affordability of 113 units • Extend useful life of property • Improved site conditions • Positive cash flow 	June 2007 December 2007 April 2008

STRATEGIES AND GOALS

GOAL	ACTIONS/OUTPUT	MEASUREMENT	ESTIMATED DATE OF COMPLETION
1.4 “Land bank” property specifically for affordable housing	1.4a Identify public land to be used for housing 1.4b Have sites selected and board approved with some pre-development activities completed	<ul style="list-style-type: none"> Additional sites available for Housing Commission or other affordable housing developers 	November 2005 January 2007
1.5 Reposition underperforming assets, including vacant land and certain public housing sites	1.5a Create and implement plan to leverage existing properties	<ul style="list-style-type: none"> Development strategy for sale of assets Additional affordable housing is created Added revenues to support housing programs 	August 2006
1.6 Identify potential resources and program model to take advantage of acquisition opportunities if market turns	1.6a Establish resource development role on Management Team 1.6b Develop an analytical tool to determine feasibility of development opportunities 1.6c Actively search for acquisition opportunities	<ul style="list-style-type: none"> Focused resource development activity Agreed upon parameters to proceed with projects Successful acquisition of at least one site 	November 2005 January 2006 June 2008
1.7 Establish policy to retain HOME program income to produce Housing Commission owned assets with ongoing revenue stream	1.7a Production of Housing Commission owned assets	<ul style="list-style-type: none"> Focused affordable housing and revenues to support under funded programs 	October 2005

STRATEGIES AND GOALS

GOAL	ACTIONS/OUTPUT	MEASUREMENT	ESTIMATED DATE OF COMPLETION
2.3 Complete the development of the Commission’s new central office facility at the Smart Corner and relocate satellite offices, dispose of the Newton property and lease up suitable retail and office space	2.3a Improved customer service for clients 2.3b Relocation of most staff to one central office	<ul style="list-style-type: none"> Transition accomplished on time within budget 	December 2006
2.4 Seek alternative sources of funding for special purpose housing	2.4a Serve in advisory capacity to County Department of Health regarding use of Prop 63 funds for housing people with mental illness	<ul style="list-style-type: none"> Production of new special purpose housing units 	Ongoing

STRATEGIES AND GOALS

Strategy 3: Establish the Housing Commission as a National Model of Public Agency Efficiency

GOAL	ACTIONS/OUTPUT	MEASUREMENT	ESTIMATED DATE OF COMPLETION
<p>3.1 Redesign the Rental Assistance Program in response to anticipated legislative changes</p>	<p>3.1a Develop a plan for Voucher funding using anticipated regulatory flexibility 3.1b Do a cost analysis of Housing Assistance Payment Costs (HAP) of the current voucher program vs. the proposed Flexible Voucher Program (FVP) or other program models to maximize number of families served 3.1c Use project-based vouchers when advantageous to the Housing Commission</p>	<ul style="list-style-type: none"> • Maintain or increase the number of families receiving a housing subsidy • Minimize administrative expenses 	<p>March 2006 (dependent on release of final regulations)</p>
<p>3.2 Develop a private sector asset management model for all Housing Commission owned real estate</p>	<p>3.2a Identify real cost of operations by individual development rather than by entire public housing inventory</p>	<ul style="list-style-type: none"> • Information will be available to make appropriate business decisions about each site, e.g. should be asset be retained, improved or disposed 	<p>June 2007</p>

STRATEGIES AND GOALS

GOAL	ACTIONS/OUTPUT	MEASUREMENT	ESTIMATED DATE OF COMPLETION
<p>3.3 Ensure the Housing Commission meets strategic and operational challenges by having the right people in the right places at the right times to do the right things</p>	<p>3.3a Plan for leadership continuity and bench talent from within the organization 3.3b Ensure staffing to support the Business Plan strategies 3.3c Conduct class/compensation study to identify current staffing needs and skills available and compare with project needs for longer term success</p>	<ul style="list-style-type: none"> • Access to required knowledge and skills to conduct Agency’s business in the most efficient manner • Diverse staff is retained with the required skills, knowledge, and ability to carry out the Agency’s mission • Staff is classified and compensated based on program changes and evolving Housing Commission focus 	<p>Succession Plan: June 2006</p> <p>Ongoing</p> <p>January 2007</p>
<p>3.4 Develop an Information Technology Plan for the Agency</p>	<p>3.4a Project current and future technology needs and identify opportunities to optimize efficiency of Commission operations</p>	<ul style="list-style-type: none"> • More effective technology systems • Improved staff productivity and efficiency through use of software solutions that can adapt to changing needs 	<p>IT Plan: January 2006</p> <p>Ongoing</p>
<p>3.5 Optimize efficiency of all departments to ensure cost effectiveness, appropriate levels of customer service and optimum service delivery models</p>	<p>3.5a Create a call center for the Rental Assistance Dept. 3.5b Explore opportunities for outsourcing functions</p>	<ul style="list-style-type: none"> • Fast, accurate, and consistent responses to clients, owners and public queries • The Human Resources and Payroll work units outsourcing is completed with minimum disruption to employees 	<p>January 2006</p> <p>October 2005</p>

STRATEGIES AND GOALS

Strategy 4: Provide Affordable Housing Leadership in Community Policy and Education

GOAL	ACTIONS/OUTPUT	MEASUREMENT	ESTIMATED DATE OF COMPLETION
4.1 Serve as policy leader in Affordable housing solutions for the City of San Diego.	4.1a Outreach to housing advocates and private housing industry 4.1b Formulate advisory group to identify affordable housing possibilities	<ul style="list-style-type: none"> Partnerships that create more affordable housing quickly for eligible families Increased role of the Housing Commission in the affordable housing arena 	Ongoing January 2007
4.2 Serve as leader in educating the public regarding affordable housing	4.2a Develop community support for Agency initiatives to enable the Housing Commission to achieve its goals and objectives 4.2b Create forums to share and brainstorm ideas 4.2c Integrate affordable housing discussions regarding infrastructure finance	<ul style="list-style-type: none"> Community is more educated about issues and policy decisions regarding the availability of affordable housing Awareness of pivotal role that affordable housing plays in economic success of the San Diego region 	Ongoing

FY08 BUDGET

San Diego Housing Commission

Addendum 10

San Diego Housing Commission
FY08 Organizational Chart

HOUSING AUTHORITY

HOUSING COMMISSION

President & Chief Executive Officer
Elizabeth Morris

Assistant to the President
& CEO
Angela Risotti

Executive Vice President &
Chief Operating Officer
Carrol Vaughan

