APPENDIX IV

San Diego Housing Commission

Fiscal Year 2005 Budget

HOUSING AUTHORITY OF THE CITY OF SAN DIEGO

Mayor Dick Murphy, Chair
Toni Atkins, Vice Chair
Scott Peters
Michael Zucchet
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Brian Maienschein
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Housing Commission

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Good Neighbors
San Diego
Housing Commission

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

Vision: **An affordable home for every San Diegan**

Goals:

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

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

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

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

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

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

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

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

- **Foster Respect and Service:**

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

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

San Diego Housing Commission

Strategic Plan Goals

Fiscal Years 2004 – 2006

GOAL 1: Significantly Increase the Number of Affordable Housing Units

GOAL 2: Successfully Administer Affordable Housing & Resident Initiative Programs

GOAL 3: Develop and Optimize Housing Commission Financial Resources

GOAL 4: Strengthen Organizational Effectiveness

GOAL 5: Provide Policy and Public Education Leadership Regarding Affordable Housing

San Diego Housing Commission

Business Plan Strategies

Fiscal Years 2004-2006

STRATEGY 1: Appraise all Housing Commission-owned properties to assess value and potential available equity.

STRATEGY 2: Develop and own multifamily rental housing through new construction and acquisition/rehabilitation.

STRATEGY 3: Implement a land banking program.

STRATEGY 4: Provide related services to other entities associated with the Housing Commission (e.g., contract monitoring on subsidized developments on behalf of HUD, syndication of tax credits on Housing Commission-financed projects).

STRATEGY 5: Create and implement a mixed income re-use plan for the University Canyon development.

STRATEGY 6: Market and implement technical rehabilitation services to public entities, as well as not-for-profit and for-profit affordable housing developers.

STRATEGY 7: Identify functions that may be outsourced.

STRATEGY 8: Create and implement a homeownership program for Section 8 clients.

STRATEGY 9: Optimize efficiency of Operations departments, to ensure cost effectiveness and appropriate levels of internal and external customer service.

STRATEGY 10: Establish an internal audit function within the Financial Services department.

STRATEGY 11: Develop a Succession Plan for the agency.

San Diego Housing Commission

Business Plan Strategies

Fiscal Years 2004-2006

STRATEGY 12: Develop electronic database systems to ensure quick and easy access to updated documents, facts, and other information needed to provide better external and internal customer service.

STRATEGY 13: Consider a program to acquire and rehabilitate single-family residences for resale to low- and moderate-income first-time homebuyers.

STRATEGY 14: Partner with housing developers, in the form of an ownership interest, to create and preserve affordable rental housing.

STRATEGY 15: Develop potential community support for FY 2004-2006 initiatives to enable the Housing Commission to achieve its goals and objectives.

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FY05 BUDGET
San Diego Housing Commission

Agency Overview

	Original FY04	Current FY04	Proposed FY05	Change
I. ACTIVITY GROUPS				
Housing Services	117,849,783	121,399,938	134,666,941	13,267,003
Housing Finance & Development	22,353,671	34,265,123	41,074,788	6,809,665
Operations	7,240,916	9,077,166	7,890,974	(1,186,192)
Program, Contingency & Agency Reserves	15,135,037	14,896,393	13,550,715	(1,345,678)
Total Activity Groups	162,579,407	179,638,620	197,183,418	17,544,798
II. REVENUES				
Restricted Revenues				
Section 8	108,424,712	108,471,292	120,866,098	12,394,806
Other HUD	19,003,240	21,784,337	25,901,815	4,117,478
State	876,368	3,838,702	7,102,095	3,263,393
CDBG	3,432,888	3,847,449	3,602,558	(244,891)
Restricted Local	4,875,540	6,617,474	5,266,384	(1,351,090)
Subtotal	136,612,748	144,559,254	162,738,950	18,179,696
Unrestricted Revenues				
Rental Rehabilitation	364,784	414,502	224,595	(189,907)
Local	11,615,981	16,914,842	11,505,840	(5,409,002)
Affordable Housing Fund	1,810,936	3,093,400	3,654,749	561,349
HOME	12,174,958	14,656,622	19,059,284	4,402,662
Subtotal	25,966,659	35,079,366	34,444,468	(634,898)
Total Revenues	162,579,407	179,638,620	197,183,418	17,544,798
III. EXPENDITURES				
Salaries & Benefits	15,963,223	16,274,991	16,194,604	(80,387)
Services & Supplies	7,061,611	8,809,279	7,377,978	(1,431,301)
Housing Programs	124,419,536	139,657,957	160,060,121	20,402,164
Program, Contingency & Agency Reserves	15,135,037	14,896,393	13,550,715	(1,345,678)
Total Expenditures	162,579,407	179,638,620	197,183,418	17,544,798
Continuing Appropriations	10,016,701	9,537,288	9,400,534	(136,754)

Summary of FY05 Budget

Summary of Major Budget Assumptions

This $197.2 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 Housing Choice Voucher. This budget assumes that current Voucher rules will continue to govern the program into FY05. If major legislative changes occur, amendments to the Rental Assistance Program budget would likely be needed.

New funding awards already received are included in the proposed budget; awards received after the publication date would be amended into the document when they become certain. Awards of state funds for programs supported with Proposition 46 proceeds and the new federal homebuyer program add to the FY05 lending pool. Further, the FY05 Housing Finance and Development budget appears to contain significant carryover of loan funds. In actuality, Housing Commission funds are conditionally committed during the year to projects that are also seeking outside funding and this agency's funds continue to be reflected as available in the budget until the conditions are removed and funds firmly committed.

For the past several years, the Housing Commission has experienced increased program activity but projected insufficient growth of revenues eligible to support related administrative activities. Through pursuit of the Business Plan Strategies and ongoing management reviews, this budget proposes a balance of administrative revenues with expenditures. This has been accomplished by maximizing opportunities for new revenues and constraining expenditures. In fact, Housing Program expenses increase by $20 million from FY04, yet salaries and other administrative costs actually decrease.

It is commonly assumed that it is prudent to budget a contingency reserve for unanticipated events. While reserves of up to five percent are considered optimal, the Housing Commission anticipates having approximately one percent of the total budget available in FY05 for its unallocated reserve.

Lastly, this proposed budget implements the City Council-approved multifaceted strategy (included in the Housing Element of the General Plan and the Consolidated Plan) for providing affordable housing for those in need. This strategy recognizes the varied affordable housing needs of San Diegans living in the City's diverse neighborhoods. The multifaceted approach also recognizes that available resources are not sufficient to meet all of these diverse needs and cannot fully address most segments of need.

Levels of Production

The proposed FY05 Activity Based Budget allocates resources so that the Housing Commission will continue to serve more than 75,000 San Diegans. In essence, the $197.2 million proposed FY05 Budget would enable the San Diego Housing Commission to:

* Assist 12,454 households to rent private housing.
* Subsidize approximately 95 first-time homebuyers.
* Produce 690 additional affordable rental units.

Summary of FY05 Budget

* Oversee physical improvements to 1,830 homes and apartments.
* Manage 1,745 units of publicly owned housing.
* Provide special purpose housing opportunities for 370 persons.
* Aid 589 families toward self-sufficiency.

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

Activities

The Activity Based Budget aggregates expenditures in three Activity Groups (and Reserves) that are displayed in greater detail in the FY05 Activity Based Budget Section (Section II). The Activity Groups are:

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

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

Operations cover administration including Board and Executive Functions, Support Services (including Human Resources, Information Technology, Financial Services, Organizational Development & Training and Facilities Management) for the Agency, and Communications & Strategy.

The following chart shows the change from the current FY04 Budget to the proposed FY05 Budget in dollars and percentage for each of the three Activity Groups and Reserves.

Activity Group	FY04 Current Budget	% of Total Budget	FY05 Proposed Budget	% of Total Budget
Housing Services	$ 121,399,938	68%	$ 134,666,941	68%
Housing Finance & Development	34,265,123	19%	41,074,788	21%
Operations	9,077,166	5%	7,890,974	4%
Reserves	14,896,393	8%	13,550,715	7%
Total Budget	$ 179,638,620	100%	$ 197,183,418	100%
Continuing Appropriations	$ 9,537,288		$ 9,400,534	

Summary of FY05 Budget

Continuing Appropriations represent projects, contracts or activities approved in FY04 or earlier but not completed to date. As such, these funds are not available for allocation. Estimated Continuing Appropriations of $9.4 million are not included in the proposed FY05 Budget total but are shown on the budget summary charts to give a complete picture of resources and activity levels.

In addition, the following chart shows the proposed FY05 Budget for each of the Activity Groups and Reserves. It details staff positions, administrative costs and housing program dollars.

	Number of Staff	Salaries & Benefits	Services & Supplies	Housing Programs	FY05 Proposed Budget	Continuing Appropriations
Housing Services	153.53	$ 9,470,813	$2,621,597	$ 122,574,531	$ 134,666,941	$ 276,070
Hsg Fin & Devel.	34.90	2,828,588	1,220,208	37,025,992	41,074,788	8,913,996
Operations	50.07	3,895,203	3,536,173	459,598	7,890,974	210,468
Reserves	0.00	0	0	0	13,550.715	0
Total	238.50	$16,194,604	$7,377,978	$ 160,060,121	$197,183,418	$ 9,400,534

With the Activity Based Budget, comparisons between years are available in Section II. Major changes from FY04 to FY05 can be noted in general terms.

In FY05, *Housing Services* reflects an overall increase of 11% primarily to provide for rent increases for landlords through FY05. FY05 Rental Assistance increases by $11 million (10%) over FY04, even though FY04 included $2 million for De Anza Harbor Resort. There is a 24% increase in Property Management reflecting stepped up extraordinary maintenance to address the aging housing stock and increases in related construction costs. Plans include replaced or improved baths and kitchens, stairways and landings, landscaping and playgrounds, lighting, painting buildings and sealing parking lots at Housing Commission owned properties. These will be funded with public housing grants and property specific reserve funds created for such extraordinary maintenance. In addition, Property Management includes a provision for the expected utility rate increases. Resident Services decreases by 21% for recreation and contract expenses because significant portions of HUD grants were expended or obligated in FY04. It is expected that additional new awards, when received, will increase the FY05 Resident Services budget during FY05. Grant applications will be considered at future Housing Commission/Housing Authority meetings as HUD and other agencies issue notices of the availability of resources.

Housing Finance & Development reflects an overall net increase of 20% because of additional revenues for housing loans. It should be noted that the cost of each development and homebuyer loan is expected to be higher in FY05 because market prices continue to rise. Primary budget increases are due to new awards of $3.9 million from HUD and the State, loan pay offs by previous borrowers, $890,000 of Inclusionary Housing in-lieu fees and $2.1 million carryover of Rental Housing Production caused by FY04 projects' timing. As a result, Rental Housing Production, Homeownership and Special Purpose Housing reflect increases of 39%, 15% and 28% respectively. Rehabilitation decreases by 19% resulting from the obligation and/or expenditure of significant amounts of Lead Control Hazard grant funds in FY04. Portfolio Servicing and Occupancy Monitoring decreases by 5% primarily due to nonrecurring FY04 funding for the Reinvestment Task Force's consulting for venture capital research.

Summary of FY05 Budget

Operations reflects an overall decrease of 13% primarily due to two nonrecurring expenses from FY04: the one-time use of $986,735 placed in escrow in FY04 for the purchase of the new office facility and $308,816 for the actual ten year Worker's Compensation loss reconciliation paid in FY04. Again this year, Operations expenses can be readily distinguished from direct services and are 4% of the FY05 Budget (down from 5% in the FY04 Budget and 6% in the FY02 Budget). If all expenses associated with supervisory functions in Housing Services and Housing Finance & Development were included with the Operations budget, costs would be substantially less than the auditor's study several years ago that found agency "administration" to be only 8% of the budget.

Reserves total $13.5 million, down from $14.9 million in FY04. Most ($9.5 million) funds are set aside for specific multiyear programs. $2.1 million is reserved, as it was in FY04, for litigation, uninsured losses and the office facility purchase contingencies. Less than one percent of the budget ($1.9 million) is set aside for unanticipated events and future administrative expenses.

Revenues

Housing Commission activities are driven largely by available revenues. The proposed FY05 Budget includes $197.2 million in estimated revenue sources, representing a net increase of $17.6 million from the current FY04 revenues. Of this amount, approximately $162 million or 83% are restricted revenues that can only be used for the purpose for which they were granted by the funding sources. Conversely, $34 million (17%) of revenues are subject to significant local discretion. Almost half of Unrestricted Revenues are allocated to Rental Housing Production, with significant amounts allocated to Homeownership, Rehabilitation and Special Purpose Housing. Addendum 11 further describes Unrestricted Revenues and their distribution.

The net increase in revenues reflects a large growth in Rental Assistance, new awards, proceeds from selling public housing sites to the San Diego Unified School District and additional carryover of funds resulting from the timing of project approvals. New grant awards include $2 million of State Housing Trust matching funds, $908,000 for HOME American Dream Downpayment, $600,000 for HOME and $400,000 of CAL Home funds. In addition it is expected that $890,000 of new Inclusionary Housing in-lieu fees will be collected, and $492,000 of additional program income from loan payoffs are expected in FY05. New Housing Trust Fund revenues are expected to increase slightly. These increases are partially offset by fewer Local funds due to the one-time uses for the De Anza Harbor Resort and the escrow for the new office facility as well as one-time revenues realized in FY04 for a specific litigation settlement and a one-time substitution of Voucher funds that freed up Local funds in FY04. Also, CCDC, Redevelopment and Shea funds were mostly obligated during FY04, and thus are reduced in FY05. Revenues are discussed in greater detail in Section III, Addendum 2.

Revenues

	FY04	FY05	Change
San Diego Revenues	$ 26,625,716	$ 20,426,973	$ (6,198,743)
State Revenues	3,838,702	7,102,095	3,263,393
Federal Revenues	149,174,202	169,654,350	20,480,148
	$ 179,638,620	$ 197,183,418	$ 17,544,798

Summary of FY05 Budget

Additional Federal grants not yet reflected in this Budget are likely to increase available revenues during FY05. It is unlikely that new Section 8 vouchers will become available, except for residents of projects opting out of their federal housing agreements. However, it is expected that additional new awards from HUD and other agencies for Resident Services programs will become available in FY05. Furthermore, it is probable that the State will make available additional funds for homeownership and rehabilitation activities in FY05 from the statewide housing bond approved in November 2002. Proceeds from Housing Authority bonds for rental development flow directly to projects and not through the Housing Commission's budget.

It should be noted that the lease-up rate for the Voucher program has been closely monitored and is hovering just below 100%. This is significant because HUD will not fund units above our baseline number yet only units under lease generate administrative revenues. Surplus administrative funds become Local funds in future years that can pay for activities ineligible for many other funding sources such as homeless shelters, social services, task forces, planning and administrative activities. The Executive Summary in the FY02 Budget anticipated the declining trend in Local funds in FY03 and beyond.

Expenditures

The proposed FY05 Budget shows a 10% increase in proposed expenditures. However, administrative funds are limited, so significant attention has been given to reducing administrative expenses. The FY05 Budget reflects no net increase in salary and benefits, and a 16% decrease in administrative supplies and services that are discussed below.

Housing Programs expenses increase by 15% primarily for anticipated increased rents for landlords through FY05, and use of more funds in FY05 than were available in FY04 for Rental Housing Development, including pursuing replacement housing with proceeds from the anticipated sale of 35 Conventional public housing units to the San Diego Unified School District. One-time expenditures for De Anza Harbor Resort and the escrow for the new office facility made in FY04 will not recur in FY05. Expenditures are discussed in greater detail in Section III, Addendum 3.

Expenditures

	FY04	FY05	Change
Salaries & Benefits	$ 16,274,991	$ 16,194,604	$ (80,387)
Services & Supplies	8,809,279	7,377,978	(1,431,301)
Housing Programs	139,657,957	160,060,121	20,402,164
Reserves	14,896,393	13,550,715	(1,345,678)
	$ 179,638,620	$ 197,183,418	$ 17,544,798

Staffing expenditures decrease reflecting a net reduction of seven positions. The ratio of salaries and benefits to housing program funds is well below that of FY04, even though the Reinvestment Task Force staffing transfers into the salary line. Benefits decline from FY04 as the ten year Worker's Compensation reconciliation is not repeated in FY05.

Supplies and Services have decreased 16% due primarily to the transfer out of expenses for the office facility and the Reinvestment Task Force to appropriate line items to better reflect the nature of these costs. In addition,

Summary of FY05 Budget

FY04 expenditures for the purchase of the new office facility escrow cost will not repeat in FY05. All activities were critically reviewed and this led to a reduction in training, travel and office equipment. These decreases were partially offset by increases in office rent to cover actual cost increases as well as the potential cost of leasing back the Newton facility from a future buyer for a portion of FY05 in the event that a sale is transacted before the new office facility is completed. Also, legal costs increased for the extensive legal assistance required on numerous Rental Housing Production projects and the expected sale of the Newton office facility in FY05. Most insurance premiums are expected to increase in FY05 based on estimates of providers.

Housing Programs increase by 15% primarily to provide for rent increases to landlords through FY05 in Rental Assistance. New federal funding rules are expected to require a different type of control on total Housing Assistance Payments to owners. In addition, this increase in Housing Programs includes expenditures pursuant to new funding awards for Rental Housing Production and Homeownership activities. Also, there are carryover HOME funds in Rental Housing Production already reserved for specific projects that are seeking outside financing approvals; Commission monies will not be expended until, on a project by project basis, a complete financing package is fully approved. Other increases in Housing Programs planned expenditures include a provision to replace public housing sold to the San Diego Unified School District; a substantial increase in extraordinary maintenance in Asset Management; and the transfer of facility expenses to appropriate line items in Housing Programs to better reflect the nature of these costs.

Administrative Issues

Based on a 1996 recommendation of the Select Committee on Government Efficiency and Fiscal Reform, the Housing Commission's auditor was commissioned to segregate administrative expenses from those associated with service delivery. At that time, this study demonstrated that less than 8% of the Housing Commission's budget was devoted to administration. This ratio of administration to programs is projected to be approximately 6% in the FY05 Budget.

In FY05, overhead will be tightly controlled. A net of seven more positions will be deleted in the coming fiscal year, and initial budget requests for personnel, supplies and services are pared down. From FY02 through FY05, there will have been a net reduction of 7.5 positions. Embedded in these net numbers is a substantial staffing decrease in administrative positions as well as a transfer of some positions from less active programs in order to bolster staffing in the Rental Assistance Program where the number of households assisted has grown by 7.2% during those fiscal years. Seventeen (17) deleted positions, or a reduction of almost 7% of the workforce, offset new Rental Assistance staffing (9.5 positions) added specifically to cover the expanded case load. All other administrative expenditures were reviewed in FY04 and this review led to the net reduction of training, travel and office equipment for FY05. In addition, the trend of flattening the organization by reducing management positions from twenty-one (21) to ten (10) by FY04 continues with the deletion of two more Manager positions in FY05. As part of the restructuring process, the CEO has combined the support functions of Human Resources, Information Technology and Organizational Development & Training into one department – Business Services. Terry Whitesides was selected as manager of the department.

At the CEO's direction, staff has been pursuing efforts to support the strategies included in the Business Plan approved by the Housing Commission and Housing Authority in late FY03. An example is the technical services provided by agency staff to Housing Development Partners and the San Diego Model School Development Agencies (Strategy 4).

Summary of FY05 Budget

Salaries and Benefits

The FY05 Budget proposal includes a net decrease of seven positions. This is the result of deleting sixteen positions and adding nine positions. The greatest change is dropping 8.5 Resident Manager I positions and replacing them with 5 higher level Resident Manager II positions. This provides some salary savings, but is mostly intended to upgrade service levels. Two Manager positions are deleted with their duties falling to two new positions: Human Resources Officer and Information Technology Officer. Other deleted positions include 2 Contract Analysts, 1 Program Analyst, 1 Senior Administrative Assistant, 1 Accounting Assistant and 0.5 Office Assistant. One Project Manager is proposed to be added to Asset Management to reposition Commission owned properties. Also, costs for the Reinvestment Task Force Coordinator have been transferred from contract/consultant to salaries and benefits to better reflect actual costs. A summary of staffing changes is included in Section III, Addendum 4.

Summary of FY05 Budgeted Positions

	Current FY04	Proposed FY04	Change
Staffing Positions	245.50	238.50	(7.00)

The Memorandum of Understanding with SEIU Local 535, the union that represents about two-thirds of the Housing Commission's employees, will expire in FY04 and negotiations are currently underway. A salary reserve for FY05 has been included in the salaries and benefits line to accommodate potential adjustments that might result from the meet and confer process. Any tentative agreements would require ratification by the Housing Commission and Housing Authority. Addendum 7 describes salaries and benefits cost increases in detail (Section III, Addendum 7).

Beneficiaries

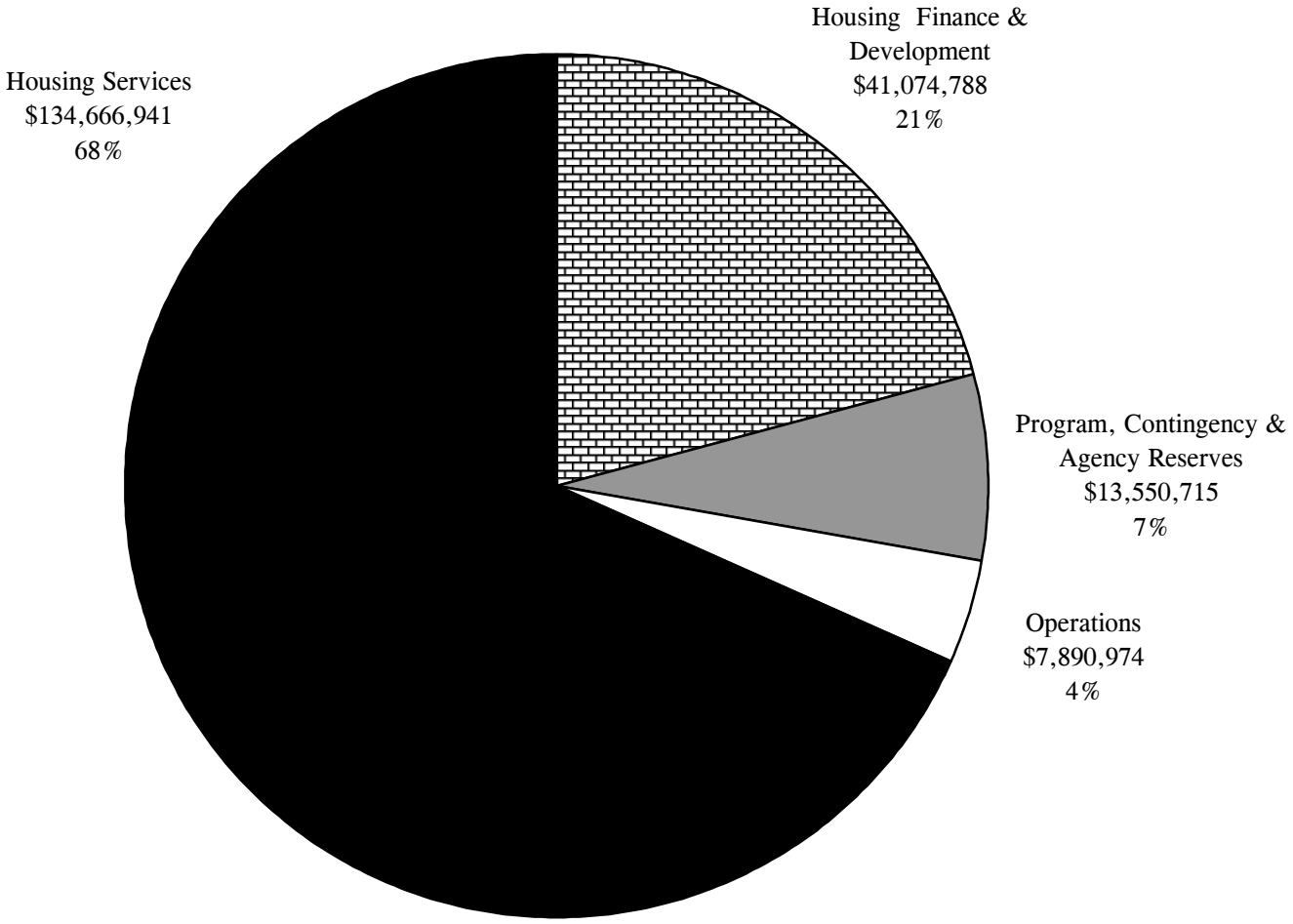
Proposed budget activities are targeted to serve lower income households with the vast majority of the budget targeting the very low-income earning well below 50% of area median income (AMI). Almost all of the Housing Services programs, which comprise over two thirds of the budget, serve households with very low-incomes. The average annual income of households served by these programs is $14,450.

In addition, within the Housing Finance & Development Activity Group, Special Purpose Housing targets those with extremely low-incomes. This activity represents an additional 2% of the budget for a total of approximately 70% of the budget targeted to serve very low income groups.

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

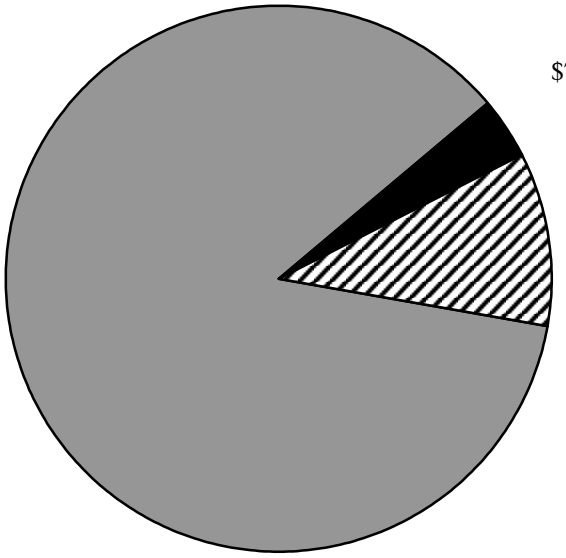
Chart 1

FY05 Budget by Activity Group
Total $197,183,418*

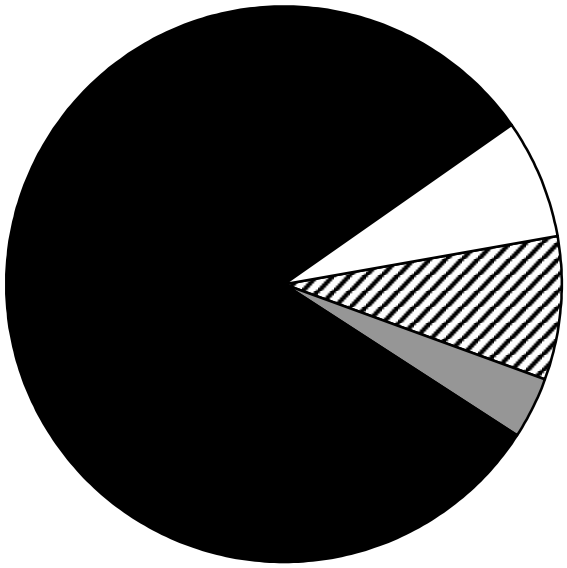


***Note: Does not include Continuing Appropriations of $9,400,534**

FY05 Revenue by Major Category
Total $197,183,418*

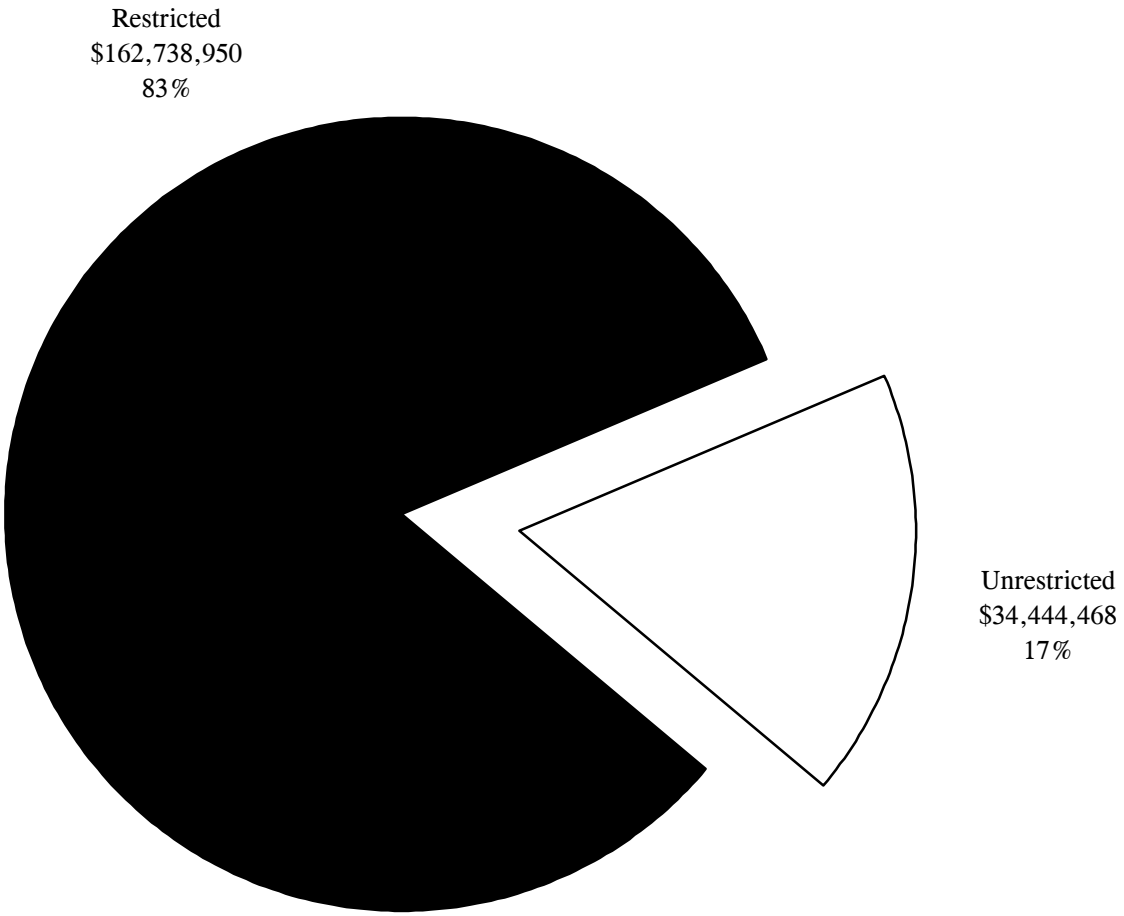


FY05 Expense by Major Category
Total $197,183,418*



***Note: Does not include Continuing Appropriations of $9,400,534**

FY05 Revenues
Restricted and Unrestricted
Total $197,183,418*



*** Note: Does not include Continuing Appropriations of $9,400,534**

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FY05 BUDGET **Schedule I**

San Diego Housing Commission

Activity Based Budget Summary

Activities	# of Staff	Salaries & Benefits	Services & Supplies	Housing Programs	Program & Contingency Reserves	Total Proposed Budget	Continuing Appropriations	FY04 Current Budget	FY04 Original Budget
Housing Services	**153.53**	**9,470,813**	**2,621,597**	**122,574,531**	**0**	**134,666,941**	**276,070**	**121,399,938**	**117,849,783**
Rental Assistance	**87.25**	**5,197,190**	**1,029,473**	**110,786,944**	**0**	**117,013,607**	**15,000**	**106,185,140**	**103,210,792**
Property Management	**52.28**	**3,318,994**	**1,214,479**	**10,995,021**	**0**	**15,528,494**	**5,680**	**12,524,686**	**12,462,539**
Management	24.10	1,366,354	560,988	1,145,569	0	3,072,911	5,680	3,112,607	3,058,107
Routine Maintenance	21.08	1,372,788	305,099	3,696,733	0	5,374,620	0	5,055,696	4,966,676
Asset Management	7.10	579,852	348,392	6,152,719	0	7,080,963	0	4,356,383	4,437,756
Resident Services	**14.00**	**954,629**	**377,645**	**792,566**	**0**	**2,124,840**	**255,390**	**2,690,112**	**2,176,452**
Housing Finance & Development	**34.90**	**2,828,588**	**1,220,208**	**37,025,992**	**0**	**41,074,788**	**8,913,996**	**34,265,123**	**22,353,671**
Rental Housing Production	**12.80**	**1,107,652**	**506,925**	**23,497,815**	**0**	**25,112,392**	**4,366,981**	**18,120,809**	**9,361,537**
Homeownership	**2.75**	**199,618**	**64,938**	**3,992,029**	**0**	**4,256,585**	**1,803,523**	**3,790,787**	**2,416,842**
Rehabilitation	**9.30**	**767,775**	**245,812**	**4,648,235**	**0**	**5,661,822**	**150,000**	**6,947,057**	**4,913,808**
Rental Housing	1.10	94,186	51,374	1,072,147	0	1,217,707	0	1,280,601	1,034,894
Owner Occupied	8.20	673,589	194,438	3,576,088	0	4,444,115	150,000	5,666,456	3,878,914
Portfolio Servicing & Occupancy Monitoring	**7.85**	**573,237**	**265,042**	**1,637,951**	**0**	**2,476,230**	**0**	**2,612,599**	**2,903,731**
Special Purpose Housing	**2.20**	**180,306**	**137,491**	**3,249,962**	**0**	**3,567,759**	**2,593,492**	**2,793,871**	**2,757,753**
Operations	**50.07**	**3,895,203**	**3,536,173**	**459,598**	**0**	**7,890,974**	**210,468**	**9,077,166**	**7,240,916**
Board & Executive Functions	**6.90**	**751,003**	**386,604**	**0**	**0**	**1,137,607**	**0**	**1,084,555**	**1,020,049**
Support Services	**39.32**	**2,798,103**	**3,078,635**	**459,598**	**0**	**6,336,336**	**210,468**	**7,562,941**	**5,791,197**
Human Resources	4.30	365,315	212,655	0	0	577,970	0	853,286	540,470
Information Technology	7.30	571,351	970,850	0	0	1,542,201	160,468	1,509,927	1,541,445
Financial Services	24.00	1,556,261	467,408	0	0	2,023,669	0	2,350,093	2,363,527
Organizational Development & Training	2.50	191,288	116,878	0	0	308,166	0	373,138	369,258
Facilities Management	1.22	113,888	1,310,844	459,598	0	1,884,330	50,000	2,476,497	976,497
Communication & Strategy	**3.85**	**346,097**	**70,934**	**0**	**0**	**417,031**	**0**	**429,670**	**429,670**
Program, Contingency & Agency Reserves	**0.00**	**0**	**0**	**0**	**13,550,715**	**13,550,715**	**0**	**14,896,393**	**15,135,037**
FY05 Proposed Activity Based Budget	**238.50**	**16,194,604**	**7,377,978**	**160,060,121**	**13,550,715**	**197,183,418**	**9,400,534**	**179,638,620**	**162,579,407**
FY04 Current Budget	245.50	16,274,991	8,809,279	139,657,957	14,896,393	179,638,620	9,537,288		

FY05 BUDGET **Schedule II**

San Diego Housing Commissio

Activities and Revenues

	Restricted Revenue Sources						Unrestricted Revenue Sources			
Activities	FY05 Proposed Budget	Section 8	Other HUD	State	CDBG	Restricted Local	**Rental Rehabilitation**	**Local**	**Affordable Housing Fund**	**HOME**
(A)	(B)	(C)	(D)	(E)	(F)	(G)	**(H)**	**(I)**	**(J)**	**(K)**
Housing Services	**134,666,941**	**117,474,152**	**12,365,213**	**2,011,813**	**0**	**2,351,650**	**0**	**464,113**	**0**	**0**
Rental Assistance	**117,013,607**	117,013,607	0	0	0	0	**0**	**0**	**0**	**0**
Property Management	**15,528,494**	0	10,784,611	2,011,813	0	2,267,957	**0**	**464,113**	**0**	**0**
Management	**3,072,911**	0	1,738,269	157,836	0	1,168,483	**0**	**8,323**	**0**	**0**
Routine Maintenance	**5,374,620**	0	4,222,798	348,977	0	757,232	**0**	**45,613**	**0**	**0**
Asset Management	**7,080,963**	0	4,823,544	1,505,000	0	342,242	**0**	**410,177**	**0**	**0**
Resident Services	**2,124,840**	460,545	1,580,602	0	0	83,693	**0**	**0**	**0**	**0**
Housing Finance & Development	**41,074,788**	**190,734**	**6,181,079**	**4,703,860**	**3,341,507**	**1,516,846**	**224,595**	**3,615,152**	**3,484,673**	**17,816,342**
Rental Housing Production	**25,112,392**	0	4,547,000	3,764,000	822,179	0	**0**	**2,121,754**	**1,617,164**	**12,240,295**
Homeownership	**4,256,585**	0	0	0	30,000	12,844	**0**	**133,170**	**117,930**	**3,962,641**
Rehabilitation	**5,661,822**	0	913,791	439,860	1,183,806	1,346,951	**0**	**50,697**	**226,871**	**1,499,846**
Rental Housing	**1,217,707**	0	648,831	439,860	0	0	**0**	**0**	**0**	**129,016**
Owner Occupied	**4,444,115**	0	264,960	0	1,183,806	1,346,951	**0**	**50,697**	**226,871**	**1,370,830**
Portfolio Servicing & Occup Monitoring	**2,476,230**	175,734	0	0	1,265,072	156,224	**0**	**720,640**	**45,000**	**113,560**
Special Purpose Housing	**3,567,759**	15,000	720,288	500,000	40,450	827	**224,595**	**588,891**	**1,477,708**	**0**
Operations	**7,890,974**	**2,621,802**	**2,081,229**	**106,892**	**261,051**	**273,438**	**0**	**2,227,259**	**60,076**	**259,227**
Board & Executive Functions	**1,137,607**	498,147	347,409	17,432	84,656	49,400	**0**	**37,016**	**19,481**	**84,066**
Support Services	**6,336,336**	1,923,655	1,733,820	89,460	176,395	224,038	**0**	**1,973,212**	**40,595**	**175,161**
Human Resources	**577,970**	264,854	218,419	8,809	23,168	22,757	**0**	**11,625**	**5,332**	**23,006**
Information Technology	**1,542,201**	658,379	676,055	22,570	47,271	55,385	**0**	**24,721**	**10,879**	**46,941**
Financial Services	**2,023,669**	838,867	741,014	53,524	94,343	133,891	**0**	**46,637**	**21,711**	**93,682**
Organizational Development & Training	**308,166**	161,555	98,332	4,557	11,613	12,005	**0**	**5,899**	**2,673**	**11,532**
Facilities Management	**1,884,330**	0	0	0	0	0	**0**	**1,884,330**	**0**	**0**
Communication & Strategy	**417,031**	200,000	0	0	0	0	**0**	**217,031**	**0**	**0**
Program, Contingency & Agency Reserves	**13,550,715**	**579,410**	**5,274,294**	**279,530**	**0**	**1,124,450**	**0**	**5,199,316**	**110,000**	**983,715**
FY05 Proposed Budget	**197,183,418**	**120,866,098**	**25,901,815**	**7,102,095**	**3,602,558**	**5,266,384**	**224,595**	**11,505,840**	**3,654,749**	**19,059,284**
FY04 Current Budget	179,638,620	108,471,292	21,784,337	3,838,702	3,847,449	6,617,474	414,502	16,914,842	3,093,400	14,656,622

ACTIVITY GROUP I: HOUSING SERVICES

Housing Services encompasses those activities that provide direct housing assistance and supportive services to the agency's primary clients, approximately 14,788 low-, very low-, and extremely low-income households. These program activities provide eligible families with Rental Assistance; oversee Property Management and Maintenance of agency-owned and managed complexes and coordinate the provision of Resident Services to assist clients to become independent of assistance.

POLICY ISSUES:

1. Pursue alternate sources of funding to replace discontinued services in Resident Services.
2. Analyze methods to lower average HAP payments to ensure continuing assistance for the maximum number of rental assistance clients.
3. Stabilize funding for Section 8.

RESOURCE ALLOCATION:		FY04 Current	FY05 Proposed
	Budget	$ 121,399,938	$ 134,666,941
	Continuing Appropriations	$ 36,339	$ 276,070
	Positions	157.33	153.53

The Housing Services Activity Group includes the following Activities:

ACTIVITY IA: RENTAL ASSISTANCE

PURPOSE AND DESCRIPTION: The Rental Assistance Program (RAP) provides rental subsidies to approximately 12,454 qualified low-income households (35,000 individuals) living in privately owned rental units. The primary program is the federally funded Voucher program; also includes Section 8 Moderate Rehabilitation and New Construction programs. This activity includes waiting list and eligibility, unit inspections and rent determination, and ongoing program operations.

RESOURCE ALLOCATION:		FY04 Current	FY05 Proposed
	Budget	$ 106,185,140	$ 117,013,607
	Continuing Appropriations	$ 4,684	$ 15,000
	Positions	87.50	87.25

ACTIVITY IB: PROPERTY MANAGEMENT

PURPOSE AND DESCRIPTION: Property Management is responsible for the operation of all 1,745 Housing Commission-owned and/or managed units. Eligibility maintains the waiting list and selects qualified applicants for program participation. Occupancy provides lease-up services and ensures resident compliance with programmatic and lease requirements. Routine Maintenance provides for the daily routine and preventive maintenance functions of all Housing Commission-owned properties. Asset Management ensures the long-term viability of the Housing Commission's housing stock through the completion of capital improvement projects on 840 units.

RESOURCE ALLOCATION:

		FY04 Current		FY05 Proposed
Budget	$	12,524,686	$	15,528,494
Continuing Appropriations	$	10,643	$	5,680
Positions		54.83		52.28

ACTIVITY IC: RESIDENT SERVICES

PURPOSE AND DESCRIPTION: The primary goal of Resident Services is to promote the self-sufficiency of residents of assisted housing, to enrich their quality of life and to increase their participation in the community. This goal is achieved as follows: 1) Self-sufficiency is fostered through collaborations with community organizations to provide employment-related training, educational opportunities and supportive services to 589 families; 2) Youth and adult programs at on-site learning centers include academic tutoring, computer skills training, ABE/ESL classes, and youth leadership programs for crime prevention and intervention; 3) Elderly residents and residents with disabilities have access to information and referral services and activities to increase socialization. Additional funding is pursued through grant writing efforts to maintain and enrich the current level of services.

RESOURCE ALLOCATION:

		FY04 Current		FY05 Proposed
Budget	$	2,690,112	$	2,124,840
Continuing Appropriations	$	21,012	$	255,390
Positions		15.00		14.00

ACTIVITY GROUP II: HOUSING FINANCE & DEVELOPMENT

Housing Finance and Development activities facilitate the creation of additional affordable housing opportunities by providing financing for development of housing by nonprofits, for-profits and for direct development; support for low-income homebuyers; preservation of existing affordable housing; provision of technical assistance, underwriting and loan servicing.

POLICY ISSUES:

1. Continuing increases in cost of development and home purchase.
2. Pursuit of more aggressive development and revenue generation opportunities pursuant to FY04-06 Business Plan.
3. Seek out additional revenues for lending programs.

RESOURCE ALLOCATION:

	FY04 Current	FY05 Proposed
Budget	$ 34,265,123	$ 41,074,788
Continuing Appropriations	$ 9,271,359	$ 8,913,996
Positions	34.15	34.90

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

ACTIVITY IIA: RENTAL HOUSING PRODUCTION

PURPOSE AND DESCRIPTION: This activity involves the development and preservation of 690 units of affordable rental housing using a variety of financing for acquisition, acquisition with rehabilitation, and new construction. This activity also provides project management support for 700 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 the Housing Development Partners; and development and implementation of policies and programs that result in private sector development of affordable rental housing.

RESOURCE ALLOCATION:

	FY04 Current	FY05 Proposed
Budget	$ 18,120,809	$ 25,112,392
Continuing Appropriations	$ 4,153,571	$ 4,366,981
Positions	12.15	12.80

ACTIVITY IIB: HOMEOWNERSHIP

PURPOSE AND DESCRIPTION: This activity provides for a range of financial products and technical assistance designed to help approximately 95 low- and moderate-income households purchase homes, and improve affordability for 140 existing homeowners with reissued Mortgage Credit Certificates.

RESOURCE ALLOCATION:		FY04 Current	FY05 Proposed
	Budget	$ 3,790,787	$ 4,256,585
	Continuing Appropriations	$ 1,527,984	$ 1,803,523
	Positions	2.30	2.75

ACTIVITY IIC: REHABILITATION

PURPOSE AND DESCRIPTION: The Rehabilitation activity provides financial and technical assistance for the renovation of 990 homes or mobile homes occupied by low-income households, and investor-owned housing occupied by low-income renters.

RESOURCE ALLOCATION:		FY04 Current	FY05 Proposed
	Budget	$ 6,947,057	$ 5,661,822
	Continuing Appropriations	$ 229,839	$ 150,000
	Positions	9.70	9.30

ACTIVITY IID: PORTFOLIO SERVICING & OCCUPANCY MONITORING

PURPOSE AND DESCRIPTION: This activity includes servicing and administration of the Housing Commission's $98.6 million loan portfolio and $545 million bond portfolio. Monitoring projects for compliance with occupancy and affordability restrictions and managing the Housing Commission's relocation/tenant assistance program are included. Administration of the Reinvestment Task Force is also included in this activity.

RESOURCE ALLOCATION:		FY04 Current	FY05 Proposed
	Budget	$ 2,612,599	$ 2,476,230
	Continuing Appropriations	$ 0	$ 0
	Positions	8.05	7.85

ACTIVITY IIE: SPECIAL PURPOSE HOUSING

PURPOSE AND DESCRIPTION: Provide funding to support affordable housing or services for 370 persons with special needs. Includes transitional housing, group homes and supportive housing or services as well as homeless services.

RESOURCE ALLOCATION:		FY04 Current	FY05 Proposed
	Budget	$ 2,793,871	$ 3,567,759
	Continuing Appropriations	$ 3,359,965	$ 2,593,492
	Positions	1.95	2.20

ACTIVITY GROUP III: OPERATIONS

Operations activities provide support services to carry out housing program mission and goals. Board and Executive Function provides strategic planning, policy direction, leadership, and management to implement housing programs. Support Services include internal operations needed to deliver housing program services and projects. Communication & Strategy serves to inform and educate clients and the community about affordable housing issues and programs, provides ombudsman services and provides customer feedback to the Housing Commission.

RESOURCE ALLOCATION:

		FY04 Current		FY05 Proposed
Budget	$	9,077,166	$	7,890,974
Continuing Appropriations	$	229,590	$	210,468
Positions		54.02		50.07

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 Chief Executive Officer and Chief Operating Officer and their immediate support staff, as well as support to the Boards of the Housing Commission, Housing Authority, and Model School Development Agency are included. The policy function, including tasks coordinated with the City's Planning and Development Departments, is part of this activity.

RESOURCE ALLOCATION:

		FY04 Current		FY05 Proposed
Budget	$	1,084,555	$	1,137,607
Continuing Appropriations	$	4,178	$	0
Positions		6.95		6.90

ACTIVITY IIIB: SUPPORT SERVICES

PURPOSE AND DESCRIPTION: Operations activities of the agency provide direct staff, equipment and contracting services to support housing program functions. These internal operations of the Housing Commission include Human Resources, Information Technology, Financial Services, Facilities Management, and Organizational Development & Training.

RESOURCE ALLOCATION:		FY04 Current	FY05 Proposed
	Budget	$ 7,562,941	$ 6,336,336
	Continuing Appropriations	$ 212,095	$ 210,468
	Positions	43.22	39.32

ACTIVITY IIIC: COMMUNICATION & STRATEGY

PURPOSE AND DESCRIPTION: To open channels of communication between the Housing Commission and its public – including clients, Commissioners, government officials, the media, the community at large, and agency staff – to educate external publics about affordable housing issues and to assist other departments in responding to current events and concerns. Activities include publicity, special events, publications, requests for information from the media and the public. Includes ombudsman who assists in resolving customer and neighborhood concerns.

RESOURCE ALLOCATION:		FY04 Current	FY05 Proposed
	Budget	$ 429,670	$ 417,031
	Continuing Appropriations	$ 13,317	$ 0
	Positions	3.85	3.85

III ADDENDA

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Activity Based Budget Detail

HOUSING SERVICES

ACTIVITY GROUP

ACTIVITY GROUP:	**HOUSING SERVICES**
ACTIVITY:	**RENTAL ASSISTANCE**
SUBACTIVITY:	**Rental Assistance**
Purpose and Description of the Activity:	Provide rental subsidies to approximately 12,454 qualified low-income households (35,000 individuals) living in privately owned rental units. All programs are federally funded. This activity includes waiting list, eligibility determination, unit inspection, rent determination, and ongoing administrative operations.
Objectives:	1. Maximize utilization of housing assistance by maintaining average lease-up of 98%. 2. Continue to monitor and re-engineer the Rental Assistance Program and increase the use of technology to improve overall effectiveness. 3. Strengthen supervisor training and development curriculum as part of San Diego Housing Commission succession plan. (Strategy #11) 4. Develop and coordinate an ongoing Owner Advisory Board to provide input and information to ensure program compliance and improved communication. (Strategy #15)
Resource Allocation:	

	FY04 Current	FY05 Proposed
Budget	$ 106,185,140	$ 117,013,607
Continuing Appropriations	$ 4,684	$ 15,000
Positions	87.50	87.25

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	5,057,806	5,197,190	3%
Services & Supplies	1,037,834	1,029,473	-1%
Housing Programs			
Rent to Owners	98,089,500	110,786,944	13%
Loans & Grants	2,000,000	0	-100%
Housing Programs Total	100,089,500	110,786,944	11%
TOTAL EXPENDITURES	**106,185,140**	**117,013,607**	**10%**
REVENUES			
Restricted			
Section 8	104,185,140	117,013,607	12%
Restricted Total	104,185,140	117,013,607	12%
Unrestricted			
Local	2,000,000	0	-100%
Unrestricted Total	2,000,000	0	-100%
TOTAL REVENUES	**106,185,140**	**117,013,607**	**10%**

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

Summary of Major Changes:

Salaries & Benefits: The increase of $139,384 is primarily due to provisions for salary, benefits and employee pay plan increases in FY05. This increase was offset by a reclass of a Housing Supervisor to a Housing Inspector and a reclass of a Housing Specialist to a Senior Housing Assistant. In addition, there is a transfer of 0.25 of a Housing Supervisor position to Occupancy Monitoring to supervise that activity.

Services & Supplies: The decrease of $8,361 is due to the decrease of $117,772 for three direct hire positions. In addition, there are decreases of $14,772 in office equipment as a result of one-time purchases in FY04; $7,000 in business expense and publications; and $5,143 in training. These decreases were partially offset by increases of $77,960 for criminal history records; temporary employees to purge eligibility files; sex offender clearances; lead based paint inspections and clearances; and fees paid for third party income verifications for SDHC clients. In addition, there are increases of $48,868 for the rate increase and reallocation of office rent; $5,000 for mileage based on cost history; $1,511 for general liability insurance based on an estimate from the provider; and $1,416 for data processing due to additional unit months.

Housing Programs: The increase of $10,697,444 is due to $12,697,944 in rent increases for units leased through FY05 based on cost history. This increase is partially offset by a reduction of $2,000,000 in loans and grants for the De Anza Harbor Resort that was funded in FY04.

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:	1. Implement new Housing Services software and modify business practices in order to increase efficiency and improve customer service. 2. Implement re-use plan for the University Canyon development. (Strategy #5) 3. Analyze potential re-use plan for state funded sites. (Strategy #5) 4. Replace public housing units lost as a result of acquisition by the San Diego Unified School District. (Strategy #5)
Resource Allocation:	

	FY04 Current	FY05 Proposed
Budget	$ 3,112,607	$ 3,072,911
Continuing Appropriations	$ 10,643	$ 5,680
Positions	27.60	24.10

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,386,790	1,366,354	-1%
Services & Supplies	509,180	560,988	10%
Housing Programs			
Rent to Owners	165,870	165,870	0%
Other Housing Programs	1,050,767	979,699	-7%
Housing Programs Total	1,216,637	1,145,569	-6%
TOTAL EXPENDITURES	**3,112,607**	**3,072,911**	**-1%**
REVENUES			
Restricted			
Other HUD	1,741,728	1,738,269	0%
State	137,633	157,836	15%
Restricted Local	1,223,934	1,168,483	-5%
Restricted Total	3,103,295	3,064,588	-1%
Unrestricted			
Local	9,312	8,323	-11%
Unrestricted Total	9,312	8,323	-11%
TOTAL REVENUES	**3,112,607**	**3,072,911**	**-1%**

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

Summary of Major Changes:

Salaries & Benefits: The decrease of $20,436 is due primarily to the deletion of 8.50 Resident Manager I positions. This decrease was partially offset by the addition of 5.00 Resident Manager II positions and provisions for salary, benefits and employee pay plan increases in FY05.

Services & Supplies: The increase of $51,808 is primarily due to the increase of $31,556 in general liability, mold, flood and property insurance based on an estimate from the provider. In addition, there are increases of $27,200 in contract/consultant for sex offender clearances, three additional on-site caretakers and temporary employees to purge eligibility files; $19,640 in legal due to mold issues and for resident related services based on cost history; $13,787 in collection agency fees, advertising, records storage and office supplies based on cost history; and $1,849 for the rate increase and reallocation of office rent. These increases were partially offset by decreases of $28,770 in contract/consultant for the ECS implementation and community services activities now performed by staff. In addition, there are decreases of $6,800 in audit as a separate annual project audit of University Canyon is no longer required by HUD; $4,116 in travel and training; and $2,166 in office equipment due to one-time purchases in FY04 and $372 in data processing charges due to the sale of Conventional units to the San Diego Unified School District.

Housing Programs: The decrease of $71,068 is due to the $73,667 reduction in the mortgage required on the University Canyon project as a result of refinancing. This decrease was partially offset by an increase of $2,599 in possessory interest tax and maintenance assessments on the Maya and Conventional projects.

ACTIVITY GROUP:	**HOUSING SERVICES**
ACTIVITY:	**PROPERTY MANAGEMENT**
SUBACTIVITY:	**Routine Maintenance**
Purpose and Description of the Activity:	Provide for the cost effective daily routine and preventive maintenance of all San Diego Housing Commission-owned and/or managed properties.
Objectives:	1. Maintain all San Diego Housing Commission-owned and managed properties to high standard to promote neighborhood support and asset viability.
Resource Allocation:	

	FY04 Current	FY05 Proposed
Budget	$ 5,055,696	$ 5,374,620
Continuing Appropriations	$ 0	$ 0
Positions	21.18	21.08

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,180,248	1,372,788	16%
Services & Supplies	308,576	305,099	-1%
Housing Programs			
Other Housing Programs	3,566,872	3,696,733	4%
Housing Programs Total	3,566,872	3,696,733	4%
TOTAL EXPENDITURES	**5,055,696**	**5,374,620**	**6%**
REVENUES			
Restricted			
Other HUD	3,962,256	4,222,798	7%
State	327,798	348,977	6%
Restricted Local	617,323	757,232	23%
Restricted Total	4,907,377	5,329,007	9%
Unrestricted			
Local	148,319	45,613	-69%
Unrestricted Total	148,319	45,613	-69%
TOTAL REVENUES	**5,055,696**	**5,374,620**	**6%**

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

Summary of Major Changes:

Salaries & Benefits: The increase of $192,540 is primarily due to provisions for salary, benefits and employee pay plan increases in FY05. It should be noted that instead of budgeting benefits at a standard percentage for all positions as in past year's budgets, each position now includes the specific benefit rates that apply. This has caused a substantial increase in this activity due to the high worker's compensation rate that applies to maintenance staff. This increase was partially offset by the transfer of 0.10 of a position to Facilities Management to more clearly reflect actual costs.

Services & Supplies: The decrease of $3,477 is primarily due to the decrease of $16,030 in vehicle insurance based on an estimate from the provider. In addition, there is a slight decrease of $300 in training. These decreases were partially offset by an increase of $6,045 in gasoline for vehicles and laundry based on cost history; $4,000 in legal and consulting due to mold issues and $2,808 in equipment primarily for an expected increase for new vehicles to replace aging stock.

Housing Programs: The increase of $129,861 is primarily due to the $144,585 expected increase in water, sewer, gas and electric utilities in FY05 based on cost history. This increase is partially offset by a decrease of $14,724 in maintenance contracts for the management of City Properties.

ACTIVITY GROUP:	**HOUSING SERVICES**			
ACTIVITY:	**PROPERTY MANAGEMENT**			
SUBACTIVITY:	**Asset Management**			
Purpose and Description of the Activity:	Complete capital improvement projects at Housing Commission-owned and managed developments.			
Objectives:	1. Ensure the long-term viability of San Diego Housing Commission-owned developments through the completion of capital improvement projects.			
Resource Allocation:		FY04 Current		FY05 Proposed
	Budget	$ 4,356,383	$	7,080,963
	Continuing Appropriations	$ 0	$	0
	Positions	6.05		7.10

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	492,826	579,852	18%
Services & Supplies	371,021	348,392	-6%
Housing Programs			
Other Housing Programs	3,492,536	6,152,719	76%
Housing Programs Total	3,492,536	6,152,719	76%
TOTAL EXPENDITURES	**4,356,383**	**7,080,963**	**63%**
REVENUES			
Restricted			
Other HUD	2,162,213	4,823,544	123%
State	108,750	1,505,000	1284%
Restricted Local	336,237	342,242	2%
Restricted Total	2,607,200	6,670,786	156%
Unrestricted			
Local	1,749,183	410,177	-77%
Unrestricted Total	1,749,183	410,177	-77%
TOTAL REVENUES	**4,356,383**	**7,080,963**	**63%**

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

Summary of Major Changes:

Salaries & Benefits: The increase of $87,026 is primarily due to the addition of 1.0 Project Manager and the net transfer of 0.05 positions from Facilities Management to more clearly reflect actual costs. In addition, there are provisions for salary, benefits and employee pay plan increases in FY05.

Services & Supplies: The decrease of $22,629 is primarily due to the $126,500 decrease in one-time contract/consultants for construction defect issues and engineering completed in FY04. In addition, there is a decrease of $400 in training. These decreases were partially offset by increases of $83,000 for energy audit and mold issues consulting; $12,000 for legal based on cost history; $4,747 for the rate increase and reallocation of office rent; $2,820 primarily for advertising and office supplies; and $1,704 of office equipment for the new project manager position.

Housing Programs: The increase of $2,660,183 is primarily due to the significant increase of $4,090,489 in extraordinary maintenance, resulting from plans to provide for baths, cabinets, counters, kitchens, landings, landscaping and irrigation, lighting, paint exteriors and interiors, playgrounds, seal parking lots, site retaining walls and stairways at the Conventional, Maya Apartments, two State projects and University Canyon. In addition, there is an increase of $100,660 in temporary relocation of residents in occupancy during the completion of specific Capital Fund work improvements at the Conventional units. These increases are partially offset by a decrease of $1,358,130 in construction defects extraordinary maintenance as contracts are expected to be entered into in FY04 resulting in less carryover from FY04 than occurred in FY03. Also, dwelling equipment is expected to decline by $172,836 as a result of the purchase of refrigerators in FY04.

ACTIVITY GROUP:	**HOUSING SERVICES**
ACTIVITY:	**RESIDENT SERVICES**
SUBACTIVITY:	**Resident Services**
Purpose and Description of the Activity:	Coordination of programs, services and strategic partnerships that assist San Diego Housing Commission participants to achieve economic self-sufficiency and personal independence through education, training, and employment opportunities. Activities include youth and adult education; literacy and ESL; career development; computer training; gang and drug prevention; leadership development; information and referral; and supportive services for families, seniors and persons with disabilities.
Objectives:	1. Coordinate programs, partnerships and supportive services that assist San Diego Housing Commission participants to achieve economic self-sufficiency, educational advancement and personal independence through the administration of Learning Opportunity Centers, the Family Self-Sufficiency Program, and other programs and partnerships. 2. Aggressively seek new and continued funding sources to maintain existing programs and partnerships and to improve the availability, accessibility and quality of supportive services for participants.
Resource Allocation:	

	FY04 Current	FY05 Proposed
Budget	$ 2,690,112	$ 2,124,840
Continuing Appropriations	$ 21,012	$ 255,390
Positions	15.00	14.00

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,007,188	954,629	-5%
Services & Supplies	432,260	377,645	-13%
Housing Programs			
Other Housing Programs	1,250,664	792,566	-37%
Housing Programs Total	1,250,664	792,566	-37%
TOTAL EXPENDITURES	**2,690,112**	**2,124,840**	**-21%**
REVENUES			
Restricted			
Section 8	480,116	460,545	-4%
Other HUD	2,093,574	1,580,602	-25%
Restricted Local	55,122	83,693	52%
Restricted Total	2,628,812	2,124,840	-19%
Unrestricted			
Local	61,300	0	-100%
Affordable Housing Fund	0	0	0%
HOME	0	0	0%
Unrestricted Total	61,300	0	-100%
TOTAL REVENUES	**2,690,112**	**2,124,840**	**-21%**

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

Summary of Major Changes:

Salaries & Benefits: The decrease of $52,559 is primarily due to the deletion of 1.00 Program Analyst position. This decrease is partially offset by provisions for salary, benefits and employee pay plan increases in FY05.

Services & Supplies: The decrease of $54,615 is primarily due to the decrease of $34,841 in contract/consultants for temporary employees and direct hire contractors on various Resident Services programs, including Family Self-Sufficiency and Welfare to Work. In addition, there are decreases of $22,855 in sundry, primarily for office supplies, postage, printing, publications, translation services and vehicle repair based on cost history; $4,622 in travel and training; $844 in vehicle insurance based on an estimate from the provider and $203 in office equipment. These decreases are partially offset by an increase of $8,750 for the rate increase and reallocation of office rent.

Housing Programs: The decrease of $458,098 is primarily due to the decrease in resident services program expenses resulting from the obligation and/or expenditure of significant amounts of funding in FY04 for the ROSS and Capital Fund programs and the elimination of the Move to Work programs. In addition, several programs will be completed in FY04 including Moving to Work Technical Assistance, Drug Elimination, SDCCDAO ICAN Welfare to Work and SDCCD ICAN Implementation. It is expected that additional new awards to replenish these decreases will occur during FY05. 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.

Activity Based Budget Detail

HOUSING FINANCE & DEVELOPMENT

ACTIVITY GROUP

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 when feasible, pursue development opportunities with Housing Commission participation.
Objectives:	1. Create or preserve 690 rental units through financing (new construction, acquisition, acquisition with rehabilitation), affordable at/below 60% area median income. (Strategy #14) 2. Provide technical assistance to nonprofits in the form of project development assistance and provide workshops for developers regarding rental housing development issues. (Strategy #6) 3. Provide project management support for 700 units in development. 4. Actively pursue development of mixed income housing, owned and operated by the San Diego Housing Commission. (Strategy #2) 5. In collaboration with the City, School District and Redevelopment Agency, continue the planning, financing, and construction of a development that would combine a new elementary school with multifamily housing to replace housing units that will be removed due to the construction of a school.
Resource Allocation:	

	FY04 Current	FY05 Proposed
Budget	$ 18,120,809	$ 25,112,392
Continuing Appropriations	$ 4,153,571	$ 4,366,981
Positions	12.15	12.80

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,094,580	1,107,652	1%
Services & Supplies	335,434	506,925	51%
Housing Programs			
Loans & Grants	11,416,830	17,927,665	57%
Site Acquisition	3,506,189	5,547,000	58%
Other Housing Programs	1,767,776	23,150	-99%
Housing Programs Total	16,690,795	23,497,815	41%
TOTAL EXPENDITURES	**18,120,809**	**25,112,392**	**39%**
REVENUES			
Restricted			
Other HUD	808,388	4,547,000	462%
State	2,964,000	3,764,000	27%
CDBG	627,223	822,179	31%
Restricted Local	417	0	-100%
Restricted Total	4,400,028	9,133,179	108%
Unrestricted			
Local	3,423,182	2,121,754	-38%
Affordable Housing Fund	1,431,579	1,617,164	13%
HOME	8,866,020	12,240,295	38%
Unrestricted Total	13,720,781	15,979,213	16%
TOTAL REVENUES	**18,120,809**	**25,112,392**	**39%**

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

Summary of Major Changes:

Salaries & Benefits: The increase of $13,072 is due to the provision for salary, benefits and employee pay plan increases in FY05. In addition, there was a transfer of 1.00 Program Analyst from Portfolio Servicing and Occupancy Monitoring to better reflect actual work assignment. These increases are partially offset by a transfer of 0.25 of a Project Manager to Special Purpose Housing and 0.10 of a Loan Management Supervisor to Portfolio Servicing and Occupancy Monitoring to more clearly reflect actual costs.

Services & Supplies: The increase of $171,491 is due in part to the $83,500 increase in legal based on cost history and reflects the need for extensive legal services for the numerous housing projects. In addition, there are increases in contract/consultants of $97,521, primarily for specialized services beyond the scope of staff, to assist during peak workload periods, bond compliance administration and for the Model Schools program; $8,478 for the rate increase and reallocation of office rent; and $1,983 primarily for records storage and mileage. These increases are partially offset by a decrease of $17,100 in consulting primarily for multi-family bonds, environmental reviews, appraisals and architectural services; $1,637 in travel and training and $1,254 in office equipment due to one-time purchases of bookcases and file cabinets in FY04.

Housing Programs: The increase of $6.8 million is primarily due to an increase in loans and grants of $6.5 million. This increase results from an additional $2.6 million in new HOME funds allocated to this activity, an increase of $1.6 in carryover HOME funds from FY04 due to the timing of project approvals, and $2.5 million of new CAL State Housing Trust Funds and Inclusionary Housing fees expected in FY05. In addition, there is an increase in site acquisition of $4.2 million resulting from the sale of 35 Conventional units to the San Diego Unified School District. These increases are offset by the expected completion of $1.7 million in relocation effort for the Lucera project in FY04; reducing HOME site acquisition funding in FY05 by $1 million; completing the $700,000 purchase of the Casa Colina site in FY04; and the reduction of $435,000 of HUD funds on the Boston Avenue project that is not being pursued due to high cost (a re-use plan for the Boston Avenue site is being developed).

ACTIVITY GROUP:	**HOUSING FINANCE & DEVELOPMENT**
ACTIVITY:	**HOMEOWNERSHIP**
SUBACTIVITY:	**Homeownership**
Purpose and Description of the Activity:	Provide financial and technical assistance to 95 first-time homebuyers and to private entities operating homeownership programs. Also provide housing programs and/or incentives to developers of affordable homeownership opportunities.
Objectives:	1. Administer first-time homebuyer programs including down payment/closing cost assistance grants, shared equity loans, CAL HOME Mortgage Assistance loans and CCDC Downtown Homebuyer loans with particular emphasis on those within 80% of area median income. 2. Underwrite, process, and fund all First-Time Homebuyer program loans and grants in accordance with San Diego Housing Commission policies, guidelines, and regulations.

Resource Allocation:

	FY04 Current	FY05 Proposed
Budget	$ 3,790,787	$ 4,256,585
Continuing Appropriations	$ 1,527,984	$ 1,803,523
Positions	2.30	2.75

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	166,991	199,618	20%
Services & Supplies	91,136	64,938	-29%
Housing Programs			
Loans & Grants	3,532,660	3,992,029	13%
Housing Programs Total	3,532,660	3,992,029	13%
TOTAL EXPENDITURES	**3,790,787**	**4,256,585**	**12%**
REVENUES			
Restricted			
State	1,523	0	-100%
CDBG	127,771	30,000	-77%
Restricted Local	859,770	12,844	-99%
Restricted Total	989,064	42,844	-96%
Unrestricted			
Local	190,121	133,170	-30%
Affordable Housing Fund	109,216	117,930	8%
HOME	2,502,386	3,962,641	58%
Unrestricted Total	2,801,723	4,213,741	50%
TOTAL REVENUES	**3,790,787**	**4,256,585**	**12%**

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

Summary of Major Changes:

Salaries & Benefits: The increase of $32,627 is primarily due to the transfer of 0.40 of a Loan Production Specialist from Rehabilitation, 0.15 of a Loan Management Supervisor from Rehabilitation and 0.10 of a Senior Office Assistant from Portfolio Servicing and Occupancy Monitoring to more clearly reflect actual costs. In addition, there is a provision for salary, benefits and employee pay plan increases in FY05. These increases are partially offset by a decrease of 0.20 of a Senior Administrative Assistant transferred to Rehabilitation and Portfolio Servicing and Occupancy Monitoring to more clearly reflect actual costs.

Services & Supplies: The decrease of $26,198 is primarily due to a decrease of $20,500 in consulting for home loan counseling and temporary employees. In addition, there are decreases of $3,440 for the rate increase and reallocation of office rent and $2,258 in travel and training.

Housing Programs: The increase of $459,369 is primarily due to the $1.4 million increase in HOME funds resulting from the new $908,000 award for American Dream and approximately $492,000 of additional program income from loan payoffs expected in FY05. These increases are offset by $886,450 of decreases due to the expected completion of the CCDC funds for low and moderate income housing, the CDBG MAAC project and the San Diego Association of Realtors project in FY04. Also, $50,541 of Linda Vista Redevelopment funds are being returned to the Redevelopment Agency pending a new program.

ACTIVITY GROUP:	**HOUSING FINANCE & DEVELOPMENT**
ACTIVITY:	**REHABILITATION**
SUBACTIVITY:	**Rental Housing**
Purpose and Description of the Activity:	The provision of technical and financial assistance for the rehabilitation of privately owned housing occupied by low-income renters.
Objectives:	1. Provide lead-based paint reduction grants for 26 rental housing units. (Strategy #6) 2. Provide 5 Accessibility Modification grants to tenants with disabilities. 3. Provide technical assistance (work write-ups, cost estimates and construction monitoring) to support rehabilitation of renter occupied units. (Strategy #6)
Resource Allocation:	

	FY04 Current	FY05 Proposed
Budget	$ 1,280,601	$ 1,217,707
Continuing Appropriations	$ 0	$ 0
Positions	1.10	1.10

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	93,154	94,186	1%
Services & Supplies	95,231	51,374	-46%
Housing Programs			
Loans & Grants	1,054,856	1,019,225	-3%
Other Housing Programs	37,360	52,922	42%
Housing Programs Total	1,092,216	1,072,147	-2%
TOTAL EXPENDITURES	**1,280,601**	**1,217,707**	**-5%**
REVENUES			
Restricted			
Other HUD	1,042,185	648,831	-38%
State	0	439,860	0%
Restricted Total	1,042,185	1,088,691	4%
Unrestricted			
HOME	238,416	129,016	-46%
Unrestricted Total	238,416	129,016	-46%
TOTAL REVENUES	**1,280,601**	**1,217,707**	**-5%**

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

Summary of Major Changes:

Salaries & Benefits: The increase of $1,032 is due to provisions for salary, benefits and employee pay plan increases in FY05.

Services & Supplies: The decrease of $43,857 is primarily due to the decrease of $51,043 in contract/consultants to provide for direct hires to assist with the HUD Lead Hazard Control program in FY05. Also, there is a decrease of $1,000 for legal based on cost history. These decreases were partially offset by increases of $7,686 in office rent for the rate increase and reallocation of office space and $500 for mileage based on cost history.

Housing Programs: The decrease of $20,069 is due to a decrease of $420,069 in loans and grants, primarily resulting from the obligation and/or expenditure of Lead Hazard Control and HOME funds on various projects, resulting in less carryover from FY04 than occurred in FY03. These decreases were partially offset by a $400,000 new award of CAL HOME EAGR funds expected in FY05.

ACTIVITY GROUP:	**HOUSING FINANCE & DEVELOPMENT**
ACTIVITY:	**REHABILITATION**
SUBACTIVITY:	**Owner Occupied**
Purpose and Description of the Activity:	The provision of financial and technical assistance to low-income owners wishing to rehabilitate their owner-occupied housing and to nonprofit entities that assist such owners.
Objectives:	1. Provide financial assistance in the rehabilitation of 259 owner-occupied residences consisting of: • Loans for 43 low-income single family homeowners; • Deferred loans and grants to 107 very-low income single-family homeowners; • Grants for 100 very-low-income mobile home owners; • Lead-based paint reduction grants for 9 single-family owner-occupied homes. (Strategy #6, #13) 2. Monitor CDBG-financed nonprofit rehabilitation for 700 residential units. (Strategy #6)

Resource Allocation:

	FY04 Current	FY05 Proposed
Budget	$ 5,666,456	$ 4,444,115
Continuing Appropriations	$ 229,839	$ 150,000
Positions	8.60	8.20

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	706,027	673,589	-5%
Services & Supplies	299,276	194,438	-35%
Housing Programs			
Loans & Grants	4,650,013	3,570,948	-23%
Other Housing Programs	11,140	5,140	-54%
Housing Programs Total	4,661,153	3,576,088	-23%
TOTAL EXPENDITURES	**5,666,456**	**4,444,115**	**-22%**
REVENUES			
Restricted			
Other HUD	463,951	264,960	-43%
CDBG	1,385,581	1,183,806	-15%
Restricted Local	1,748,080	1,346,951	-23%
Restricted Total	3,597,612	2,795,717	-22%
Unrestricted			
Local	110,056	50,697	-54%
Affordable Housing Fund	400,004	226,871	-43%
HOME	1,558,784	1,370,830	-12%
Unrestricted Total	2,068,844	1,648,398	-20%
TOTAL REVENUES	**5,666,456**	**4,444,115**	**-22%**

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

Summary of Major Changes:

Salaries & Benefits: The decrease of $32,438 is primarily due to the transfer of 0.15 of a Loan Management Supervisor and 0.40 of a Loan Production Specialist to Homeownership. Also, there is a provision for salary, benefits and employee pay plan increases in FY05. This decrease was partially offset by the transfer of 0.10 of a Senior Office Assistant from Portfolio Servicing and Occupancy Monitoring and 0.05 of a Senior Administrative Assistant from Homeownership.

Services & Supplies: The decrease of $104,838 is due to a decrease of $73,980 of contract/consultants to provide for direct hires to assist with the HUD Lead Hazard Control program in FY05. In addition, there are decreases of $25,185 in office equipment as the lead testing equipment will not be purchased; $3,175 in lead based paint training and travel; $3,094 in general liability insurance based on the estimate from the provider; $2,000 in legal and $176 in mileage based on cost history. These decreases are partially offset by an increase of $2,772 in office rent for the rate increase and reallocation of office space.

Housing Programs: The decrease of $1,085,065 is due to the decrease of $1,079,065 resulting from the obligation and/or expenditure of CDBG, HOME, Housing Trust, Lead Hazard Control, and Redevelopment funds on various projects that will lead to less carryover from FY04 than occurred in FY03. In addition, there is a decrease of $6,000 in relocation due to the anticipated use of Lead Hazard Control funds in FY04.

ACTIVITY GROUP:	**HOUSING FINANCE & DEVELOPMENT**
ACTIVITY:	**PORTFOLIO SERVICING & OCCUPANCY MONITORING**
SUBACTIVITY:	**Portfolio Servicing & Occupancy Monitoring**
Purpose and Description of the Activity:	Servicing of the San Diego Housing Commission's $98.6 million loan portfolio and $545 million bond portfolio, and contract monitoring for compliance with loan terms and conditions.
Objectives:	1. Provide servicing for the loans in the San Diego Housing Commission's portfolio to ensure that all loans are in compliance with the loan terms and conditions. 2. Develop and enhance electronic database to provide better external and internal customer service. (Strategy #12) 3. Outsource Occupancy Monitoring Program on bond financed units. (Strategy #7)

Resource Allocation:

	FY04 Current	FY05 Proposed
Budget	$ 2,612,599	$ 2,476,230
Continuing Appropriations	$ 0	$ 0
Positions	8.05	7.85

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	523,276	573,237	10%
Services & Supplies	458,096	265,042	-42%
Housing Programs			
Site Acquisition	1,626,227	1,637,951	1%
Other Housing Programs	5,000	0	-100%
Housing Programs Total	1,631,227	1,637,951	0%
TOTAL EXPENDITURES	**2,612,599**	**2,476,230**	**-5%**
REVENUES			
Restricted			
Section 8	0	175,734	0%
CDBG	1,283,650	1,265,072	-1%
Restricted Local	213,195	156,224	-27%
Restricted Total	1,496,845	1,597,030	7%
Unrestricted			
Local	954,746	720,640	-25%
Affordable Housing Fund	45,000	45,000	0%
HOME	116,008	113,560	-2%
Unrestricted Total	1,115,754	879,200	-21%
TOTAL REVENUES	**2,612,599**	**2,476,230**	**-5%**

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

Summary of Major Changes:

Salaries & Benefits: The increase of $49,961 is due to the transfer of the Reinvestment Task Force Coordinator position from contract/consultant to salaries and benefits. In addition, there is the transfer of 0.25 of a Housing Supervisor position from Rental Assistance, 0.15 of a Senior Administrative Assistant from Homeownership and 0.10 of a Loan Management Supervisor from Rental Housing Production. Also, there is a provision for salary, benefits and employee pay plan increases in FY05. These decreases were partially offset by the transfer of 1.00 Program Analyst to Rental Housing Production and 0.20 of a Senior Office Assistant to Rehabilitation and Homeownership.

Services & Supplies: The decrease of $193,054 is due to the decrease of $196,109 in Reinvestment Task Force resulting from the $121,131 transfer of the Reinvestment Task Force Coordinator position from contract/consultant to salaries and benefits. Also, there was a $74,978 reduction in consulting for venture capital research for small business by the Reinvestment Task Force. In addition, there is a transfer of $21,500 of the Reinvestment Task Force from contract/consultant to legal, training, travel, sundry and office equipment to more clearly reflect costs.

In addition, Portfolio Servicing and Occupancy Monitoring increased by $3,055 primarily due to an increase of $4,450 in legal and mileage based on cost history and $1,108 in office rent for the rate increase and reallocation of office space. These increases are partially offset by decreases of $1,500 for consulting for relocation and tenant assistance and $1,003 in travel, training and office equipment.

Housing Programs: The increase of $6,724 is primarily due to a strong loan portfolio with loans current which results in $11,724 of interest earnings in FY04 and FY05 that enhance the size of the foreclosure fund. This increase was partially offset by a decrease of $5,000 in relocation as alternative funding for this purpose is available in other activities.

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, HIV AIDS, chronic substance abuse and victims of domestic violence.
Objectives:	1. Fund the development of at least one 20-bed special purpose housing facility. 2. Provide a portion of the funding for at least 200 beds in transitional housing programs throughout the City. 3. Provide a minimum of 140 units of permanent supportive housing for 150 homeless, disabled individuals and families.
Resource Allocation:	

	FY04 Current	FY05 Proposed
Budget	$ 2,793,871	$ 3,567,759
Continuing Appropriations	$ 3,359,965	$ 2,593,492
Positions	1.95	2.20

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	158,828	180,306	14%
Services & Supplies	201,346	137,491	-32%
Housing Programs			
Rent to Owners	595,607	639,149	7%
Loans & Grants	1,838,090	2,610,813	42%
Housing Programs Total	2,433,697	3,249,962	34%
TOTAL EXPENDITURES	**2,793,871**	**3,567,759**	**28%**
REVENUES			
Restricted			
Section 8	30,000	15,000	-50%
Other HUD	656,160	720,288	10%
State	0	500,000	0%
CDBG	65,450	40,450	-38%
Restricted Local	106,054	827	-99%
Restricted Total	857,664	1,276,565	49%
Unrestricted			
Rental Rehabilitation	414,502	224,595	-46%
Local	493,206	588,891	19%
Affordable Housing Fund	1,028,499	1,477,708	44%
Unrestricted Total	1,936,207	2,291,194	18%
TOTAL REVENUES	**2,793,871**	**3,567,759**	**28%**

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

Summary of Major Changes:

Salaries & Benefits: The increase of $21,478 is primarily due to provisions for salary, benefits and employee pay plan increases in FY05. Also, there is an increase due to the transfer of 0.25 of a Project Manager from Rental Housing Production.

Services & Supplies: The decrease of $63,855 is due to a decrease of $41,489 as a result of completing the one-time Regional Analysis of Impediments to Fair Housing Choice Study. In addition, there are decreases of $23,000 for Mobility Counseling and audits of selected service providers and $2,005 in travel, advertising, business expenses and office equipment. These decreases are partially offset by an increase of $2,639 in office rent for the rate increase and reallocation of office space.

Housing Programs: The increase of $816,265 is primarily due to the new award of $500,000 of CAL State Housing Trust funds expected in FY05. In addition, there is an increase of $426,057 in Housing Trust funds for this activity primarily from the timing of project approvals resulting in greater carryover from FY04 than occurred in FY03. Also, the renewal of HUD contracts for the Shelter Plus Care program provide an additional $45,435 for rent to owners and the sponsors in FY05. These increases have been partially offset by decreases of $130,227 of CCDC and CDBG funds resulting from the obligation and/or expenditure on various projects. Also, there is the completion of the one-time grant of $25,000 to the ALPHA Project in FY04.

Activity Based Budget Detail

OPERATIONS

ACTIVITY GROUP

ACTIVITY GROUP:	**OPERATIONS**
ACTIVITY:	**BOARD & EXECUTIVE FUNCTIONS**
SUBACTIVITY:	**Board & Executive Functions**
Purpose and Description of the Activity:	Responsible for providing effective policy direction to the agency, developing efficient programs and practices, assuring implementation in a manner that carries out the mission, vision and goals of the agency, and performing periodic evaluation of program effectiveness and efficacy. Provides direct support to the Board of Commissioners. Chief Executive Officer, Chief Operating Officer, immediate support staff, docket support and policy development staff are included.
Objectives:	1. 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. (Strategy #15) 2. Continue to provide analysis, options and recommendations to implement approved recommendations from the Affordable Housing Task Force. 3. Pursue revenue sources to augment the Affordable Housing Fund including updating the housing impact fee and other incentives for affordable housing development. 4. Continue to implement, analyze, inform and suggest revisions to refine policies and procedures regarding recently adopted housing ordinances including SRO, Inclusionary Housing, Density Bonus and Condominium Conversion programs. 5. Continue to provide support to the San Diego Model School Development Agency, an innovative and collaborative approach to urban school and community development. 6. Coordinate with other City agencies and departments regarding programs, legislation, etc., to further affordable housing goals.

Resource Allocation:

		FY04 Current		FY05 Proposed
Budget	$	1,084,555	$	1,137,607
Continuing Appropriations	$	4,178	$	0
Positions		6.95		6.90

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	723,003	751,003	4%
Services & Supplies	361,552	386,604	7%
TOTAL EXPENDITURES	**1,084,555**	**1,137,607**	**5%**
REVENUES			
Restricted			
Section 8	429,759	498,147	16%
Other HUD	294,488	347,409	18%
State	14,133	17,432	23%
CDBG	113,601	84,656	-25%
Restricted Local	31,677	49,400	56%
Restricted Total	883,658	997,044	13%
Unrestricted			
Local	81,532	37,016	-55%
Affordable Housing Fund	25,691	19,481	-24%
HOME	93,674	84,066	-10%
Unrestricted Total	200,897	140,563	-30%
TOTAL REVENUES	**1,084,555**	**1,137,607**	**5%**

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

Summary of Major Changes:

Salaries & Benefits: The increase of $28,000 is primarily due to provisions for salary, benefits and employee pay plan increases in FY05. This increase is partially offset by a transfer of 0.05 of the Chief Operating Officer to Organizational Development and Training.

Services & Supplies: The increase of $25,052 is due in part to the $50,845 increase in legal based on past cost experience. In addition, there are increases of $44,000 for planning consulting services and $15,000 for ConPlan consulting services; $15,017 in the errors and omissions insurance based on an estimate from the provider; $7,136 in sundry based on actual cost history; $3,283 for the rate increase and reallocation of office rent; and $178 for office equipment. These increases were partially offset by decreases of $58,880 for a direct hire consultant to assist with policy and planning; $51,000 for consulting services for revenue studies and meeting facilitation and $527 in training.

Housing Programs: N/A

ACTIVITY GROUP:	**OPERATIONS**
ACTIVITY:	**SUPPORT SERVICES**
SUBACTIVITY:	**Human Resources**
Purpose and Description of the Activity:	Implement a human resources system for the appropriate selection, staffing, classification, and compensation of personnel to support San Diego Housing Commission resource needs in areas of recruitment, selection, classification and pay administration, personnel policy development and implementation, performance management, and employee and labor relations in accordance with employment regulations and practices.
Objectives:	1. Provide human capital management services, in compliance with applicable laws and regulations consistent with best practices to facilitate the organization's vision, mission and goals. (Strategy #7) 2. Conduct specific classification and job compensation studies to enhance operational and staffing resources. (Strategy #9, #11)

Resource Allocation:

	FY04 Current	FY05 Proposed
Budget	$ 853,286	$ 577,970
Continuing Appropriations	$ 22,220	$ 0
Positions	4.00	4.30

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	661,911	365,315	-45%
Services & Supplies	191,375	212,655	11%
TOTAL EXPENDITURES	**853,286**	**577,970**	**-32%**
REVENUES			
Restricted			
Section 8	312,884	264,854	-15%
Other HUD	289,604	218,419	-25%
State	8,367	8,809	5%
CDBG	20,278	23,168	14%
Restricted Local	16,336	22,757	39%
Restricted Total	647,469	538,007	-17%
Unrestricted			
Local	184,508	11,625	-94%
Affordable Housing Fund	4,587	5,332	16%
HOME	16,722	23,006	38%
Unrestricted Total	205,817	39,963	-81%
TOTAL REVENUES	**853,286**	**577,970**	**-32%**

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

Summary of Major Changes:

Salaries & Benefits: The decrease of $296,596 is primarily due to the $308,816 payment for the ten year Worker's Compensation actual loss experience in FY04 that is not expected to repeat in FY05. Also, there is a deletion of 1.00 Human Resources Manager. These decreases were partially offset by the addition of 1.00 Human Resources Officer, the transfer of 0.30 of a Business Services Manager from Organizational Development and Training and provisions for salary, benefits and employee pay plan increases in FY05.

Services & Supplies: The increase of $21,280 is primarily due to the increase of $22,126 in public officials employment practices insurance based on an estimate from the provider. Also, there is an increase of $3,289 for the rate increase and reallocation of office rent and $2,100 in advertising, pre-employment clearances and conference room fees. These increases were partially offset by decreases of $4,971 in consulting services for administration of group benefits, reference checks and applicant expenses; $964 in office equipment and $300 in travel.

Housing Programs: N/A

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, legacy application maintenance, developing and maintaining systems and security policies, database management, custom report development, network and user support, and computer training.
Objectives:	1. Begin planning for a multi-year document-imaging project to reduce paper storage requirements and enhance the ability to search documents such as Section 8 client information. (Strategy #12) 2. Develop IT employee technical skills to enhance performance and customer service capabilities. (Strategy #12) 3. Partner with other departments to achieve a higher degree of organizational effectiveness through identification and implementation of technological solutions to accomplish Housing Commission objectives. (Strategy #9)
Resource Allocation:	

		FY04 Current		FY05 Proposed
Budget	$	1,509,927	$	1,542,201
Continuing Appropriations	$	176,449	$	160,468
Positions		8.00		7.30

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	613,218	571,351	-7%
Services & Supplies	896,709	970,850	8%
TOTAL EXPENDITURES	**1,509,927**	**1,542,201**	**2%**
REVENUES			
Restricted			
Section 8	880,128	658,379	-25%
Other HUD	349,580	676,055	93%
State	26,094	22,570	-14%
CDBG	62,659	47,271	-25%
Restricted Local	52,521	55,385	5%
Restricted Total	1,370,982	1,459,660	6%
Unrestricted			
Local	73,107	24,721	-66%
Affordable Housing Fund	14,170	10,879	-23%
HOME	51,668	46,941	-9%
Unrestricted Total	138,945	82,541	-41%
TOTAL REVENUES	**1,509,927**	**1,542,201**	**2%**

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

Summary of Major Changes:

Salaries & Benefits: The decrease of $41,867 is primarily due to the deletion of 1.00 Senior Administrative Assistant and 1.00 of an Information Systems Manager. These decreases were partially offset by the addition of 1.00 Information Technology Officer; the transfer of 0.30 of a Business Services Manager from Organizational Development and Training; the reclass of a Senior Systems/Database Administrator to an Information Technology Officer; and provisions for salary, benefits and employee pay plan increases in FY05.

Services & Supplies: The increase of $74,141 is primarily due to an increase of $54,988 for ECS software support and additional licenses for Microsoft Exchange. Also, there is an increase of $21,700 for computer equipment; $13,765 in consulting primarily for database design services; $4,000 in travel for the ECS User Conference; and $1,078 for the rate increase and reallocation of office rent and computer insurance. These increases were partially offset by a decrease of $21,390 primarily in training, telephone, maintenance contracts on personal computers and office supplies.

Housing Programs: N/A

ACTIVITY GROUP:	**OPERATIONS**
ACTIVITY:	**SUPPORT SERVICES**
SUBACTIVITY:	**Financial Services**
Purpose and Description of the Activity:	Provide financial services to stakeholders of the San Diego Housing Commission. Includes accounting services such as payroll, accounts payable, accounts receivable, revenue and expense analysis, budget development, monitoring, enforcement and financial reporting, audit, cash management and investment, financial systems and internal control. Also provide procurement services including contract monitoring, inventory control, disposition management, and postal services management.
Objectives:	1. Provide timely, accurate and relevant financial information, reporting tools and services to Housing Commission program areas to assist in the successful administration of agency programs and overall mission. 2. Develop an annual activity based budget that includes internal budget planning strategies designed to meet organizational goals and objectives. 3. Develop an Internal Audit function to analyze processing and internal control systems to ensure optimal effectiveness with minimal expense. (Strategy #10)

Resource Allocation:

	FY04 Current	FY05 Proposed
Budget	$ 2,350,093	$ 2,023,669
Continuing Appropriations	$ 0	$ 0
Positions	27.00	24.00

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	1,727,390	1,556,261	-10%
Services & Supplies	622,703	467,408	-25%
TOTAL EXPENDITURES	**2,350,093**	**2,023,669**	**-14%**
REVENUES			
Restricted			
Section 8	941,613	838,867	-11%
Other HUD	813,460	741,014	-9%
State	54,235	53,524	-1%
CDBG	147,120	94,343	-36%
Restricted Local	104,141	133,891	29%
Restricted Total	2,060,569	1,861,639	-10%
Unrestricted			
Local	143,347	46,637	-67%
Affordable Housing Fund	31,463	21,711	-31%
HOME	114,714	93,682	-18%
Unrestricted Total	289,524	162,030	-44%
TOTAL REVENUES	**2,350,093**	**2,023,669**	**-14%**

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

Summary of Major Changes:

Salaries & Benefits: The decrease of $171,129 is due primarily to the deletion of 2.00 Contract Analysts and 1.00 Accounting Assistant. These decreases were partially offset by the reclass of an Administrative Assistant to a Financial Services Specialist, the reclass of an Accounting Assistant to an Accounting Technician and provisions for salary, benefits and employee pay plan increases in FY05.

Services & Supplies: The decrease of $155,295 is primarily due to the decrease of $143,800 in contract/consultants for an operations efficiency study, temporary employees, PeopleSoft report development and administration of the safety program. In addition, there is a decrease of $12,786 in travel and training due to the completion of the Section 8 ECS software implementation and the PeopleSoft software upgrade; $1,822 in office equipment due to purchases in FY04; and $1,500 in legal based on cost history. These decreases are partially offset by an increase of $3,396 in audit based on the contract terms; and small increases of $275 for fidelity bond insurance and $942 for the rate increase and reallocation of office rent

Housing Programs: N/A

ACTIVITY GROUP:	**OPERATIONS**
ACTIVITY:	**SUPPORT SERVICES**
SUBACTIVITY:	**Facilities Management**
Purpose and Description of the Activity:	Maintain a safe, secure and healthy operational environment for staff, clients and visitors of the San Diego Housing Commission.
Objectives:	1. Maintain Housing Commission offices through the completion of routine and preventive maintenance. 2. Contract for sale of Newton Avenue offices. 3. Implement development plan for central office facility at 12th and 'C' Street.
Resource Allocation:	

	FY04 Current	FY05 Proposed
Budget	$ 2,476,497	$ 1,884,330
Continuing Appropriations	$ 703	$ 50,000
Positions	1.17	1.22

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	94,983	113,888	20%
Services & Supplies	2,381,514	1,310,844	-45%
Housing Programs			
Other Housing Programs	0	459,598	0%
Housing Programs Total	0	459,598	0%
TOTAL EXPENDITURES	**2,476,497**	**1,884,330**	**-24%**
REVENUES			
Unrestricted			
Local	2,476,497	1,884,330	-24%
Unrestricted Total	2,476,497	1,884,330	-24%
TOTAL REVENUES	**2,476,497**	**1,884,330**	**-24%**

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

Summary of Major Changes:

Salaries & Benefits: The increase of $18,905 is primarily due to a provision for salary, benefits and employee pay plan increases in FY05. In addition, there was an increase of 0.15 of a Manager position to more clearly reflect actual costs. This increase was offset by the transfer of 0.05 of a Contracts Analyst position and 0.05 of a Senior Administrative Assistant position to Asset Management.

Services & Supplies: The decrease of $1,070,670 is due to the decrease of $986,735 for funds placed in escrow in FY04 for the purchase of the new office facility. In addition, $502,260 of maintenance contracts, materials, utilities, protective services and extraordinary maintenance have been transferred from Services and Supplies to appropriate line items in Housing Programs to more clearly reflect costs. Also, there are decreases of $123,000 in consulting related to the purchase of the new office facility and the sale of the existing facility as some costs for these items are expected in FY04; and $1,010 in moving costs at the Gateway and Ridgehaven facilities. These decreases are partially offset by increases of $516,496 to provide for a possible cost of renting the Newton facility from the buyer in the event a sale/lease back arrangement proves advantageous; $25,000 in legal for the sale of the Newton facility; and $839 for property insurance.

Housing Programs: The $459,598 increase is due primarily to the transfer of $502,260 of maintenance contracts, materials, utilities, protective services and extraordinary maintenance from Services and Supplies to appropriate line items in Housing Programs to more clearly reflect costs. In addition, there are increases of $21,960 in maintenance contracts and $1,278 for utilities based on cost history. These increases are partially offset by a decrease of $65,900 in extraordinary maintenance at the Newton office facility due to the impending sale.

ACTIVITY GROUP:	**OPERATIONS**
ACTIVITY:	**SUPPORT SERVICES**
SUBACTIVITY:	**Organizational Development & Training**
Purpose and Description of the Activity:	Responsible for providing effective organizational development for the agency, developing and implementing programs and resources to provide management and staff with the tools necessary to carry out the vision, mission and goals of the agency. Administers the Agency's equal opportunity programs.
Objectives:	1. Strengthen agency's performance through focused training, coaching and improved communications to maximize individual and departmental performance. (Strategy #9) 2. Create a Succession Plan for the San Diego Housing Commission that addresses agency key staffing needs during the next five years. (Strategy #11) 3. Ensure complete integration of the principles of equal opportunity in the agency's contracting process and increase the participation of diverse small businesses. (Strategy #9)

Resource Allocation:

		FY04 Current		FY05 Proposed
Budget	$	373,138	$	308,166
Continuing Appropriations	$	12,723	$	0
Positions		3.05		2.50

FY05 BUDGET
San Diego Housing Commission

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	233,761	191,288	-18%
Services & Supplies	139,377	116,878	-16%
TOTAL EXPENDITURES	**373,138**	**308,166**	**-17%**
REVENUES			
Restricted			
Section 8	202,018	161,555	-20%
Other HUD	102,530	98,332	-4%
State	7,031	4,557	-35%
CDBG	14,116	11,613	-18%
Restricted Local	12,268	12,005	-2%
Restricted Total	337,963	288,062	-15%
Unrestricted			
Local	20,344	5,899	-71%
Affordable Housing Fund	3,191	2,673	-16%
HOME	11,640	11,532	-1%
Unrestricted Total	35,175	20,104	-43%
TOTAL REVENUES	**373,138**	**308,166**	**-17%**

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

Summary of Major Changes:

Salaries & Benefits: The decrease of $42,473 is primarily due to the transfer of 0.60 of a Business Services Manager to Information Technology and Human Resources. This decrease was partially offset by provisions for salary, benefits and employee pay plan increases in FY05 and the transfer of 0.05 of the Chief Operating Officer from Board and Executive Functions to reflect the increased participation of the Chief Operating Officer in this activity.

Services & Supplies: The decrease of $22,499 is primarily due to a decrease of $16,000 in consulting for organizational development. In addition, there are decreases of $10,000 for agency computer and internal training; $2,000 for conference sponsorships; $792 for the rate increase and reallocation of office rent and $662 in office equipment. These decreases are partially offset by increases of $4,400 in business expense for the annual employee awards ceremony transferred from Board and Executive Functions, $1,195 for travel for CALPERA; $1,000 for diversity and cultural events; and $360 for car allowance transferred from Board and Executive Functions.

Housing Programs: N/A

ACTIVITY GROUP:	**OPERATIONS**
ACTIVITY:	**COMMUNICATION & STRATEGY**
SUBACTIVITY:	**Communication & Strategy**
Purpose and Description of the Activity:	Helps open channels of communication between the Housing Commission and its internal and external publics – including clients, Commissioners, government officials, the media, the community at large, and agency staff. Activities include issues management, media relations, production of printed and multimedia materials, ombudsmanship, supervision of the reception function, advertising, marketing, and assistance in developing housing related policies and communication around those policies as well as responding to requests for public information.
Objectives:	1. Inform the agency's internal and external publics of affordable housing issues and Housing Commission programs and roles, building support for new initiatives. Media relations; creation of newsletters, brochures, displays, articles, speeches, presentations; speaking engagements. (Strategy #15) 2. Market agency services to help achieve financial self-sufficiency. (Strategy #6) 3. Assist customers with problems or concerns; work with community groups on affordable housing and neighborhood issues. (Strategy #9)

Resource Allocation:

		FY04 Current		FY05 Proposed
Budget	$	429,670	$	417,031
Continuing Appropriations	$	13,317		0
Positions		3.85		3.85

ACTIVITY GROUP: **OPERATIONS**
ACTIVITY: **COMMUNICATION & STRATEGY**
SUBACTIVITY: **Communications & Strategy**

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Salaries & Benefits	353,011	346,097	-2%
Services & Supplies	76,659	70,934	-7%
TOTAL EXPENDITURES	**429,670**	**417,031**	**-3%**
REVENUES			
Restricted			
Section 8	214,835	200,000	-7%
Restricted Total	214,835	200,000	-7%
Unrestricted			
Local	214,835	217,031	1%
Unrestricted Total	214,835	217,031	1%
TOTAL REVENUES	**429,670**	**417,031**	**-3%**

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

Summary of Major Changes:

Salaries & Benefits: In past years, benefits were budgeted at a standard percentage for all positions. In the proposed budget, a specific rate for each type of benefit is applied to each position. This change has resulted in a net decrease of $6,914 in this activity's budget for flex benefits and Worker Compensation.

Services & Supplies: The decrease of $5,725 is due to the decrease of $3,294 in printing, postage, pagers and mileage based on actual cost history. In addition, there are decreases of $2,000 for graphic artists; $1,930 for travel and training; and $450 in legal. These decreases were partially offset by an increase of $1,949 for the rate increase and reallocation of office rent.

Housing Programs: N/A

Activity Based Budget Detail

PROGRAM, CONTINGENCY & AGENCY

RESERVES

ACTIVITY GROUP:	**PROGRAM, CONTINGENCY & AGENCY RESERVES**
ACTIVITY:	**PROGRAM, CONTINGENCY & AGENCY RESERVES**
SUBACTIVITY:	**Program, Contingency & Agency Reserves**
Purpose and Description of the Activity:	The Program, Contingency & Agency Reserves are funds budgeted in the current year to provide for a future event. • The Program Reserves provide for future administration, housing programs or capital improvements for specific multiyear housing programs, and decrease unless new resources are awarded. • The Contingency Reserves include amounts to provide for potential litigation, uninsured losses and building reserves. • The Agency Reserves include amounts that are available for all housing purposes. A detailed list of these Reserves and uses is at the end of Addendum 1.

Resource Allocation:

	FY04 Current	FY05 Proposed
Budget	$ 14,896,393	$ 13,550,715
Continuing Appropriations	$ 0	$ 0
Positions	0.00	0.00

ACTIVITY GROUP: PROGRAM, CONTINGENCY & AGENCY RESERVES

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

	FY04 Current Budget	FY05 Proposed Budget	% Change
EXPENDITURES			
Reserves	14,896,393	13,550,715	-9%
TOTAL EXPENDITURES	**14,896,393**	**13,550,715**	**-9%**
REVENUES			
Restricted			
Section 8	794,799	579,410	-27%
Other HUD	7,004,220	5,274,294	-25%
State	189,138	279,530	48%
Restricted Local	1,240,399	1,124,450	-9%
Restricted Total	9,228,556	7,257,684	-21%
Unrestricted			
Local	4,581,247	5,199,316	13%
Affordable Housing Fund	0	110,000	0%
HOME	1,086,590	983,715	-9%
Unrestricted Total	5,667,837	6,293,031	11%
TOTAL REVENUES	**14,896,393**	**13,550,715**	**-9%**

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

Summary of Major Changes:

Salaries & Benefits: N/A

Services & Supplies: N/A

Housing Programs: N/A

Reserves: The decrease in total Reserves is $1,345,678. This is due to the decrease in Program Reserves of $1,969,747, from $11,474,013 in FY04 to $9,504,266 in FY05. This decrease in Program Reserves is primarily due to the draw down of $1,013,804 of Conventional reserves to provide for substantial extraordinary maintenance on units in FY05. In addition, there is the expected $460,551 drawdown of the multiyear Capital Fund reserves for administration and resident services in FY05; a decrease of $187,055 in Section 8 Surplus Administrative Fees as HUD has not published next year's fee levels and staff has incorporated Administrative Fees at the FY04 level; and HOME funds decline by $131,980 leaving the planned two thirds of FY05's administrative funds and one third of FY04's administrative funds available for this multiyear program.

It is expected that new awards will replenish some of this decrease in Program Reserves during FY05. 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. Again in FY05, staff is proposing that $1.153 million of Local funds be set aside in FY05 for proposed HUD rule changes to the Voucher program that may cause unexpected program costs of rent to owners and/or a significant decrease in administrative funds.

FY05 Contingency Reserves are not recommended for change by staff. They 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 from the sale of the Newton office facility.

The Agency Reserves include amounts that are available for all housing purposes. The Agency Reserves has increased by $624,069 from $1,306,707 in FY04 to $1,930,776 in FY05 due to one-time revenues in FY04 including the substitution of Section 8 Voucher reserves for Local funds and a litigation settlement. This amount is less than one percent of the FY05 Agency Budget and staff recommends that the Agency Reserves be retained to provide for supplemental funding of federal, state and local programs that do not provide sufficient administration.

FY05 BUDGET
San Diego Housing Commission

Addendum 1

Type of Reserve	FY05 Proposed Use	FY04 Amount	FY05 Amount	Change
I Program Reserves				
The Program Reserves provide for future salaries and benefits, services and supplies, and/or housing programs on specific multiyear housing programs and decrease over time unless new resources are awarded. These funds are restricted and must be used in support of each program or returned to the funding source.				
CAL HOME Program	Administration for FY05	2,427	-	(2,427)
CAL HOME EAGR Program	Administration for FY06	-	50,000	50,000
Capital Fund	Admin & Hsg Prg for FY06 & FY07	727,252	266,701	(460,551)
CCDC L&MIH Set Aside - HO	Administration for FY06	57,063	46,000	(11,063)
City Heights Redevelopment	Administration for FY06	135,000	75,109	(59,891)
City Properties Mgmt	Administration for FY05	2,062	-	(2,062)
Conventional Operating Mgmt	Future Extraordinary Maintenance	5,806,890	4,793,086	(1,013,804)
FSS Coordinator - Section 8	Administration for FY06	130,145	116,444	(13,701)
HOME	Administration for FY06 & FY07	1,086,590	954,610	(131,980)
HOME American Dream	Administration for FY06	-	29,105	29,105
HTF - Inclusionary Housing	Administration for FY06	-	110,000	110,000
Lead Hazard Control Grant	Admin & Hsg Prg for FY06	279,323	81,068	(198,255)
Market Street Redevelopment	Administration for FY06	44,872	14,380	(30,492)
Maya Apartments	Future Extraordinary Maintenance	393,040	450,005	56,965
ROSS Neighborhood Networks	Administration for FY06	16,584	20,000	3,416
ROSS RSDM	Administration for FY06	90,625	86,584	(4,041)
ROSS PH Service Coordinator	Administration for FY05	37,599	-	(37,599)
SD Association of Realtors	Administration for FY05	3,550	-	(3,550)
Section 8 Surplus Admin Fees	Admin & Hsg Prg for FY06 & FY07	650,021	462,966	(187,055)
Local Section 8 Support	Admin & Hsg Prg for FY06 & FY07	1,152,867	1,152,867	-
SEDC Mt Hope Rehabilitation	Admin & Hsg Prg for FY06	23,356	15,466	(7,890)
SEDC Southcrest Redevelopment	Admin & Hsg Prg for FY06	19,284	10,494	(8,790)
Shelter Plus Care	Admin for FY05 to FY07	66,580	26,855	(39,725)
State Rental	Future Extraordinary Maintenance	170,642	213,282	42,640
State REO	Admin & Hsg Prg for FY06	16,069	16,248	179
University Canyon Management	Future Extraordinary Maintenance	562,172	512,996	(49,176)
	Subtotal	11,474,013	9,504,266	(1,969,747)
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	1,515,673	1,515,673	0
	Subtotal	2,115,673	2,115,673	0
III Agency Reserves				
The Agency Reserves include amounts that are available for all housing purposes. Staff recommends that this amount be retained to provide for supplemental funding of programs that do not provide sufficient administration.				
Local Funds	Administration for FY06 & FY07	1,306,707	1,930,776	624,069
	Total Program, Contingency & Agency Reserves	**14,896,393**	**13,550,715**	**(1,345,678)**

Revenues

The proposed FY05 Budget includes $197,183,418 in estimated revenue sources identified to date, representing an increase of $17.6 million from the current FY04 revenues. This increase in revenues is due primarily to the Section 8 Voucher Program that is increasing by $12.4 million to provide for rent increases through FY05. Also, there is an additional $3.7 million due to the anticipated sale of 35 Conventional units to the San Diego Unified School District. In addition, there is a $3.5 million increase in HOME funds primarily due to carryover funds from FY04 resulting from the timing of Rental Housing Production project approvals. Finally, there is $5.2 million of new CAL State Housing Trust funds, CAL HOME EAGR, Capital Funds, HOME American Dream and Inclusionary Housing fees in FY05.

These increases are partially offset by a substantial decline of $5.4 million in the type of San Diego-generated revenue called "Local" funds in FY05. This is due primarily to the one-time use of approximately $2 million that was expended on the De Anza Harbor Resort and $1 million for the new office facility escrow; this reduced the amount of carryover funds from FY04. There was a one-time substitution of Voucher funds for Local funds and the receipt of a litigation settlement in FY04; this is not expected to repeat in FY04. In addition to the Local fund decrease, there is a decline in CalHFA HELP, City Heights Redevelopment and HUD Lead Hazard Control funds due to the expected obligation and/or completion in the current fiscal year of a number of housing projects or programs. This will cause $1.8 million less in carryover funds from FY04 than occurred in FY03. Finally, staff will continue to refine revenue estimates and advise the Commission through budget status reports and revisions.

Of the $197.2 million in identified revenues in FY05, $162.7 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 FY05 Budget includes $34.4 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.

	FY04 Current	FY05 Proposed	Change
Restricted Revenues			
Section 8	$ 108,471,292	$ 120,866,098	11%
Other HUD	21,784,337	25,901,815	19%
State	3,838,702	7,102,095	85%
CDBG	3,847,449	3,602,558	-6%
Restricted Local	6,617,474	5,266,384	-20%
Subtotal	$ 144,559,254	$ 162,738,950	13%
Unrestricted Revenues			
Rental Rehab	$ 414,502	$ 224,595	-46%
Local	16,914,842	11,505,840	-32%
Affordable Housing Fund	3,093,400	3,654,749	+18%
HOME	14,656,622	19,059,284	+30%
Subtotal	$ 35,079,366	$ 34,444,468	-2%
Total Revenues	$ 179,638,620	$ 197,183,418	10%

Revenues

Although funding for Federal Fiscal Year 2005 is not yet established, it is expected that there will be an 11% increase in Section 8 revenues. This will provide for anticipated rent increases to landlords through FY05. Also, this budget assumes that the support evidenced by the House and Senate Appropriations Committees is sufficient to result in full funding for the Section 8 program's authorized units.

The 19% increase in Other HUD funds is due to the sale of several Conventional complexes in FY04 and the additional $3.7 million will be utilized to provide replacement units. Also, there is approximately $1.2 million of additional funds available on the Conventional program due to increases in resident rent in FY04 and FY05 and an additional new award of $745,000 of Capital Funds. This increase is partially offset by the anticipated expenditure and/or commitments on the Lead Hazard Control Grant and ROSS housing programs in FY04. In addition, several one-time multiyear programs, including Moving to Work and Drug Elimination, will utilize their remaining balances in FY04.

State funds increase by 85% primarily due to the anticipated new awards of $2.5 million for the CAL HOME EAGR and CAL State Housing Trust Fund in FY05. In addition, staff will request $1.4 million of increased annuity funds for extraordinary maintenance to provide for substantial rehabilitation of the two State Rental housing projects. This increase is partially offset by a decrease of $700,000 of CalHFA HELP funds due to the purchase of Casa Colina in FY04.

Community Development Block Grant (CDBG) funds decrease by 6% as new funds from the FY05 application to be submitted to the City for Housing Commission activities are expected to be less than the amount received from the award in FY04. Carryover and new funds for district projects are expected to remain stable from FY04 to FY05. 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 to compensate for the reduction in the Housing Impact Linkage fee. It should be noted that the actual CDBG allocation was unknown at the time of budget preparation and may result in a revision based on the actual funding level.

Restricted Local funds are expected to decrease by 20% primarily due to the anticipated expenditure and/or commitments of approximately $1.6 million of CCDC, Redevelopment and Shea Homes funds in FY04. In addition, several one-time programs, including RTF Contracts, San Diego Association of Realtors and SDCC ICAN, will utilize their remaining balances of approximately $100,000 in FY04. These decreases have been partially offset by $153,000 of loan payoffs for the Housing Rehabilitation Trust Fund and $178,000 of higher rents on the City Properties, Maya and University Canyon projects.

Rental Rehabilitation funds are expected to decrease by 46% due to the decreasing size of the loan portfolio. This will result in fewer funds received from loan payments. In addition, carryover of funds from FY04 will not occur due to the expected expenditure and/or obligation of funds in FY04. As has been addressed in previous budgets, Local funds included one-time sources with the substitution of Voucher funds and a litigation settlement in FY04 and these are not expected to repeat leading to a 32% decline in new Local funds.

Revenues

The Affordable Housing Fund is expected to increase by 18% because of the $1.0 million of new Inclusionary Housing fees and because the new Housing Trust Fund Linkage Fees are expected to be approximately $400,000 greater than FY04 levels. Due to the expected obligation and/or expenditure of Housing Trust Funds for Rental Housing Production, Homeownership, Rehabilitation and Special Purpose Housing activities in FY04, there will be approximately $900,000 less carryover in FY04 than occurred in FY03. HOME funds are expected to increase by 30% as a result of $2.6 million of additional carryover from FY04 than occurred in FY03 because of the timing of approvals of various housing projects during FY04. In addition, it is expected there will be $1.5 million of new HOME funds for Homeownership and other activities and $300,000 of additional HOME program income from loan payoffs.

FY05 BUDGET
San Diego Housing Commission

Addendum 2

Agency Summary of Revenues

	FY04 Current			FY05 Proposed			% of Chg
	Carryover	New	Total	Carryover	New	Total	Curr/Prop
REVENUES							
CAL HOME EAGR Program	0	0	0	0	500,000	500,000	0%
CAL HOME Program	4,387	0	4,387	0	0	0	-100%
CAL State Housing Trust Fund	0	0	0	0	2,000,000	2,000,000	0%
CalHFA HELP Program	0	2,964,000	2,964,000	2,264,000	0	2,264,000	-24%
Capital Fund	1,566,993	1,794,696	3,361,689	1,374,180	2,539,879	3,914,059	16%
CCDC	1,054	105,000	106,054	827	0	827	-99%
CCDC Low/Moderate Income Hsg Set Aside	417	0	417	0	0	0	-100%
CCDC L&M IHSA - Homeownership	827,063	0	827,063	57,063	0	57,063	-93%
CDBG	1,265,973	2,581,476	3,847,449	1,222,721	2,379,837	3,602,558	-6%
City Heights Redevelopment	0	1,035,000	1,035,000	286,271	402,649	688,920	-33%
City Properties Management	3,212	97,344	100,556	2,139	82,620	84,759	-16%
Conventional Operating Management	5,949,015	7,586,140	13,535,155	6,549,586	8,177,436	14,727,022	9%
County CDBG RTF	0	150,000	150,000	56,224	50,000	106,224	-29%
Family Health Centers of SD	25,765	0	25,765	23,293	0	23,293	-10%
HOME	5,121,622	9,535,000	14,656,622	7,768,279	10,339,241	18,107,520	24%
HOME American Dream	0	0	0	0	951,764	951,764	0%
Housing Rehabilitation Trust Fund	206,880	219,871	426,751	287,639	291,719	579,358	36%
HTF - CDBG	177,817	238,258	416,075	2,900	230,523	233,423	-44%
HTF - Inclusionary Fees	0	0	0	0	1,000,000	1,000,000	0%
HTF - Linkage Fees	1,194,273	1,321,753	2,516,026	687,945	1,733,381	2,421,326	-4%
HTF - Redevelopment Agency	117,826	22,174	140,000	0	0	0	-100%
HTF - Transient Occupancy Tax	21,299	0	21,299	0	0	0	-100%
HUD Development	780,093	0	780,093	345,000	4,202,000	4,547,000	483%
HUD Lead Hazard Control Grant	1,830,810	0	1,830,810	1,024,076	0	1,024,076	-44%
Local Funds	10,106,397	6,808,445	16,914,842	7,837,178	3,668,662	11,505,840	-32%
Market Street Redevelopment	120,231	4,441	124,672	86,629	5,699	92,328	-26%
Maya Apartments	393,040	1,282,434	1,675,474	342,667	1,370,741	1,713,408	2%
Moving to Work Tech Asst 0631	11,763	0	11,763	0	0	0	-100%
Mt Hope Rehabilitation Project	106,750	116,731	223,481	53,114	44,289	97,403	-56%
National City CDBG - RTF	0	50,000	50,000	50,000	0	50,000	0%
Public Housing Drug Elimination	244,329	0	244,329	0	0	0	-100%
Redevelopment Agency - Linda Vista	49,794	747	50,541	0	0	0	-100%
Rental Rehabilitation	93,139	321,363	414,502	0	224,595	224,595	-46%
ROSS Neighborhood Networks	99,490	0	99,490	60,781	100,000	160,781	62%
ROSS RSDM	1,020,746	0	1,020,746	351,557	350,000	701,557	-31%
ROSS PH Service Coordinator	99,730	60,094	159,824	40,012	26,000	66,012	-59%
RTF Contracts	13,195	0	13,195	0	0	0	-100%
SD Association of Realtors	0	30,000	30,000	0	0	0	-100%
SDCCDAO ICAN Welfare to Work	26,161	0	26,161	0	0	0	-100%
SDCCD ICAN Implementation	3,196	0	3,196	0	0	0	-100%
Section 8 Programs	577,473	107,893,819	108,471,292	219,801	120,646,297	120,866,098	11%
Shea Homes	14,783	1,661	16,444	2,480	2,666	5,146	-69%
Shelter Plus Care	86,528	647,400	733,928	66,580	694,728	761,308	4%
Southcrest Redevelopment Agency	92,276	78,827	171,103	19,293	30,416	49,709	-71%
State Rental Housing	170,642	683,604	854,246	191,510	2,130,337	2,321,847	172%
State REO	15,830	239	16,069	16,008	240	16,248	1%
University Canyon Drug Elimination	6,510	0	6,510	0	0	0	-100%
University Canyon Management	564,672	996,929	1,561,601	560,089	1,157,857	1,717,946	10%
Total Budget	33,011,174	146,627,446	179,638,620	31,849,842	165,333,576	197,183,418	10%
Less: Interfund Transfers							
a) University Canyon			(644,016)			(681,816)	6%
b) Data Processing			(173,208)			(174,252)	1%
c) Facilities Management			(852,930)			(947,700)	11%
Net Total Budget			177,968,466			195,379,650	10%
Continuing Appropriations			9,537,288			9,400,534	-1%

Summary of Housing Commission Revenue Changes

CAL HOME EAGR Program	The increase is due to a recent award of funds from the State of California for Rehabilitation and is expected to commence in early FY05.
CAL HOME Program	The decrease of 100% is due to the expected obligation and/or completion of Homeownership activities in FY04.
CAL State Housing Trust Fund	The increase is due to a recent award of funds from the State of California for Rental Housing Production and Special Purpose Housing and is expected to commence in early FY05.
CalHFA HELP Program	The decrease of 24% is due to the purchase of the Casa Colina site in FY04.
Capital Fund	The increase of 16% is primarily due to $745,000 of additional new funds expected to be awarded in FY05 on this multiyear program and $200,000 less carryover funds from FY04 than occurred in FY03.
CCDC	The decrease of 99% is due to the expected obligation/expenditure of most funds in FY04 for the Homeless Senior program. A small amount of interest earnings expected in FY04 will carryover and will be combined with any additional funds received for the same purpose in FY05.
CCDC Low & Moderate Income Housing Set Aside	The decrease of 100% is due to the expected obligation/expenditure of the remaining balance of funds in FY04 to supplement a Rental Housing Production project. No new funds are expected in FY05.
CCDC L&M IHSA - Homeownership	The decrease of 93% is due to the expected obligation and/or completion of Homeownership activities in FY04 of most of this one-time restricted local source.
CDBG	The decrease of 6% is primarily due to less new funds expected from the FY05 application submitted to the City for Housing Commission activities than the award amount in FY04. Carryover of district projects funds from FY04 are slightly less than the amount that occurred in FY03.
City Heights Redevelopment	The decrease of 33% is primarily due to the expected obligation/expenditure of most of the funds awarded in FY04. It is expected that a new award of $400,000 will occur during FY05.
City Properties Management	The decrease of 16% reflects a correction for the actual rents charged on the 11 City-owned units managed by the Housing Commission. The rental income estimate for FY04 was overstated. Also, there is less carryover of funds from FY04 than occurred in FY03.

Summary of Housing Commission Revenue Changes

Conventional Operating Management	The increase of 9% is due to an increase in resident rent that will lead to approximately $600,000 of additional carryover from FY04 than occurred in FY03. Also, it is expected that the higher resident rent will provide $600,000 of additional new income in FY05 for this Property Management program.
County CDBG RTF	The decrease of 29% reflects the expectation that the additional new award of $100,000 in FY04 will not reoccur in FY05 for the Reinvestment Task Force
Family Health Centers of SD	The decrease of 10% reflects that most of the funding from FY04 is expected to carryover in FY05 for resident services.
HOME	The increase of 24% is primarily due to an increase of approximately $2.6 million in carryover from FY04 than occurred from FY03 and reflects the timing of project approvals. New funds include approximately $600,000 of additional award funds expected in FY05 and $200,000 in additional program income from loan payoffs than occurred in FY04.
Housing Rehabilitation Trust Fund	The increase of 36% is due primarily to the $80,000 of higher loan payoffs in FY04, resulting in greater carryover funding than occurred in FY03. Also, new funds in FY05 are anticipated to be approximately $70,000 above the same level in FY04 due to increased loan payoffs.
HTF-CDBG	The decrease of 44% is due primarily to the expected completion/obligation of various housing rehabilitation projects during FY04, resulting in less carryover funding than occurred in FY03. New funds in FY05 are anticipated to be at approximately the same level in FY04.
HTF – Inclusionary Fees	The increase is due to the expected receipt of these new fees from the City of San Diego in FY05.
HTF-Linkage Fees	The decrease of 4% is due primarily to the expected completion/obligation of various Special Purpose Housing projects during FY04, resulting in less carryover funding than occurred in FY03. New funds in FY05 are anticipated to be greater than the amount received in FY04.
HTF-Redevelopment Agency	The decrease of 100% reflects the final expenditure in FY04 of this one-time only source from the Redevelopment Agency.
HTF-TOT	The decrease of 100% reflects the final expenditure in FY03 of this one-time only source of funds from the City of San Diego.
HUD Development	The 483% increase is due primarily to the sale of several Conventional complexes in FY04 and these funds will be utilized to provide replacement units.

Summary of Housing Commission Revenue Changes

HUD Lead Hazard Control Grant	The decrease of 44% reflects the expected obligation and/or completion of Rehabilitation activities in FY04 of this one-time source resulting in less carryover funding than occurred in FY03.
Local Funds	The decrease of 33% is due primarily to the one-time receipt of litigation settlement funds and the substitution of Voucher funds in FY04; this is not expected to repeat in FY05. Also, carryover funds are lower due to the obligation/expenditure of funds on the new office facility and the De Anza Harbor Resort in FY04.
Market Street Redevelopment	The decrease of 26% is due primarily to the expected completion/obligation of various rehabilitation projects during FY04, resulting in far less carryover of funds from FY04 than occurred in FY03. Also, with the expenditure of funds in FY04, new interest earnings are expected to decline in FY05.
Maya Apartments	The increase of 2% is due to new funds in FY05 from resident rent, while income from legal, maintenance and late charges are expected to be approximately the same as in FY04.
Moving to Work Tech Asst	The decrease of 100% is due to the expected final completion/obligation of funds in FY04 of this one-time source.
Mt Hope Rehabilitation	The decrease of 56% reflects the expected completion/obligation of various rehabilitation projects during FY04 that will result in far less carryover of funds from FY04 than occurred in FY03. Also, the new award of funds in FY05 for housing rehabilitation is less than the award of new funds received in FY04.
National City CDBG – RTF	There is no change in the estimated funds to be received in FY05.
North County Future Urbanizing Area	The decrease of 17% is due primarily to the expected completion/obligation of various Rental Housing Production projects during FY04, resulting in less carryover funding than occurred in FY03. It is expected there will be interest earnings on these funds in FY05.
Public Housing Drug Elimination	The decrease of 100% is due to the expected final completion/obligation of funds in FY04 of this one-time source. No new funds are expected in FY05.
Redevelopment Agency-Linda Vista	The decrease of 100% is due to the expected return of the minimal remaining funds to the Redevelopment Agency in FY04. No new funds are expected in FY05.

Summary of Housing Commission Revenue Changes

Rental Rehabilitation	The 46% decrease reflects less carryover of funds from FY04 than occurred in FY03, due to the expenditure and/or obligation funds in FY04. Also, new funds anticipated in FY05 from loan payments and interest income is expected to be lower than in FY04 due to a decreasing size of the loan portfolio.
ROSS Neighborhood Networks	The 62% increase is primarily due to the expected new award of funds for FY05. Also, there is less carryover of funds from FY04 than occurred in FY03, due to the expenditure and/or obligation of funds in FY04.
ROSS RSDM	The decrease of 31% is due primarily to less carryover of funds from FY04 than occurred in FY03, due to the expenditure and/or obligation of funds in FY04. In addition, there is an increase in new funds due to the expected award in FY05.
ROSS PH Service Coordinator	The decrease of 59% is due primarily to a decrease in carryover of funds from FY04 than occurred in FY03 due to the expenditure and/or obligation of funds in FY04. Also, staff is not incorporating the same level of new funds in the FY05 Budget at this time. It is expected that new awards to replenish this decrease will occur during FY05. Specific applications for funds will be presented at future Housing Commission meetings for approval as HUD notifies staff concerning the availability of resources.
RTF Contracts	The decrease of 100% is due to the expected final completion/obligation of funds in FY04 of this source. No new funds are expected in FY05.
SD Association of Realtors	The decrease of 100% is due to the expected final completion/obligation of funds in FY04 of this one-time source. No new funds are expected in FY05.
SDCCDAO ICAN Welfare to Work	The decrease of 100% is due to the expected final completion/obligation of funds in FY04 of this source. No new funds are expected in FY05.
SDCCD ICAN Implementation	The decrease of 100% is due to the expected final completion/obligation of funds in FY04 of this source. No new funds are expected in FY05.
Section 8 Programs	The 11% increase is will provide for rent increases on units through FY05.
Shea Homes	The decrease of 69% reflects the expenditure and/or obligation of funds for Homeownership in FY04, leading to significantly less carryover funding in FY04 than occurred in FY03. New funds from interest earnings are expected in FY05.

Summary of Housing Commission Revenue Changes

Shelter Plus Care	The small increase of 4% is primarily due to the anticipated award of new funds to extend this program in FY05. This is partially offset by a decrease in carryover funds due to the expenditure of funds for administration in FY04 on older projects leading to less carryover funding in FY04 than occurred in FY03.
Southcrest Redevelopment Agency	The decrease of 71% is due to the expenditure and/or obligation of funds for rehabilitation in FY04, leading to significantly less carryover funding in FY04 than occurred in FY03. Also, there is a decrease in the anticipated award of new funds in FY05.
State Rental Housing	The increase of 172% is primarily due to the anticipated approval and funding of a significant amount of extraordinary maintenance on the Otay Villas and Scattered Site projects in FY05.
State REO	The increase of 1% is primarily due to a small amount of interest earnings expected in FY05 on loan repayments. Loan repayments have been placed in Reserves pending the State's determination of uses.
University Canyon Drug Elimination	The decrease of 100% is due to the expected completion/obligation of all funds in FY04 and no new funds are expected in FY05.
University Canyon Management	The increase of 10% is primarily due to an expected increase in contract rents by HUD in FY05 that will provide for additional housing assistance payments for residents in occupancy at this complex. Also, interest, maintenance and legal charges are expected to be slightly higher than in FY04.

Expenditures

The proposed FY05 Budget shows a 10% increase in proposed expenditures and reserves reflecting a decrease in salaries and benefits primarily from the net reduction of seven positions. Also, Services and Supplies decrease primarily due to a transfer of facility expenses to more appropriate line items. Housing Programs increased mostly to provide for anticipated rent increases to landlords through FY05 in Rental Assistance. In addition, the increase includes additional loans and grants from new awards of funds for Rental Housing Production and Homeownership. Also, loans and grants increase in Rental Housing Production due to the timing of project approvals leading to greater carryover of funds from FY04 than occurred in FY03. Housing Programs include an increase in Rental Housing Production due to the sale of the Conventional units to the San Diego Unified School District and there is a substantial increase in extraordinary maintenance in Asset Management for a variety of significant work items in FY05.

	FY04 Current	FY05 Proposed	Change
Salaries & Benefits	$ 16,274,991	$ 16,194,604	$ (80,387)
Services & Supplies	8,809,279	7,377,978	(1,431,301)
Housing Programs	139,657,957	160,060,121	20,402,164
Program, Contingency & Agency Reserves	14,896,393	13,550,715	(1,345,678)
Total	$ 179,638,620	$ 197,183,418	$ 17,544,798
Continuing Appropriations	$ 9,537,288	$ 9,400,534	$ (136,754)

The FY05 Budget proposal includes a net decrease of seven positions. This is the result of deleting sixteen positions and adding nine positions. These changes reflect the declining availability of Federal and Local sources of administrative funding and the CEO's commitment to responding to this decline by restructuring and reassigning staff as necessary.

FY05 budgeted salaries reflect the implementation of the classification and compensation study approved in FY99, as well as a provision for employee progression on the seven-step merit pay range. A salary reserve for FY05 is also included in the salaries and benefits line item to accommodate salary adjustments that might result from the meet and confer process. These negotiations are currently underway and any tentative agreements would require ratification by the Housing Commission and Housing Authority. Estimated benefits are included and decline from FY04 as the Worker's Compensation premium based on actual loss experience paid in FY04 is not expected to repeat in FY05. Addendum 7 describes the changes in salary and benefit costs in detail (Section III, Addendum 7).

Supplies and Services have decreased by 16%, due primarily to the transfer of $1,394,779 of facility expenses to appropriate line items in salaries and benefits, supplies and services and housing programs to more clearly reflect costs in FY05. In addition, there is a decrease of $986,735 for funds placed in escrow in FY04 for the purchase of the new office facility. Also, the decrease includes the transfer of $219,109 of the cost of the Reinvestment Task Force budget from contract/consultant to more appropriate line items including salaries and benefits and supplies and services in FY05. All activities were reviewed and this led to the $50,527 reduction in training, travel and office equipment. Audit decreased by $3,404 as the annual University Canyon audit is no longer required by HUD.

Expenditures

These decreases were partially offset by increases in office rent that provides $516,496 for the possible cost of renting the Newton facility from the buyer in the event a sale/lease back arrangement proves advantageous. Also, the rental rate charged programs occupying office space was increased from $1.35/sq ft to $1.50/sq ft for FY05. The $224,535 increase in legal reflects actual experience and is primarily due to the $184,845 increase for extensive legal assistance for numerous Rental Housing Production housing projects; unexpected projects such as De Anza Harbor Resort and Lucera; and the expected sale of the Newton office facility in FY05. Most insurance is expected to increase in FY05 based on the estimates from the provider and sundry increases primarily due to the transfer of facility expenses.

Housing Programs expenses increase by 15% primarily due to providing for anticipated rent increases to landlords through FY05 in Rental Assistance. In addition, this increase includes new awards of CAL State EAGR, CAL State Housing Trust, American Dream funds for Rental Housing production and Homeownership. Also, there are additional HOME funds in Rental Housing Production due to the timing of project approvals leading to greater carryover of funds from FY04 than occurred in FY03. Other increases in Housing Programs include an increase in Rental Housing Production due to the sale of the Conventional units; a substantial increase in extraordinary maintenance in Asset Management for a variety of significant work items in FY05; and the transfer of facility expenses to appropriate line items in Housing Programs to more clearly reflect costs.

Continuing Appropriations of $9.4 million are funds that were committed in FY04 or earlier for multiyear projects or programs. While funds are not available for reallocation in this FY05 budget process, they are shown to fully reveal activity and workload during FY05.

FY05 BUDGET
San Diego Housing Commission

Addendum 3

Agency Summary of Expenditures

	FY04 Current	FY05 Proposed	% of Chg Curr/Prop
Staffing	245.50	238.50	-3%
EXPENDITURES			
Salaries & Benefits	16,274,991	16,194,604	0%
Services & Supplies			
Legal	409,765	634,300	55%
Training	224,734	194,789	-13%
Travel	107,259	99,443	-7%
Audit	51,644	48,240	-7%
Contract/Consultant	2,395,560	2,215,516	-8%
Office & Building Rent	852,930	1,625,217	91%
Facility Expenses	2,381,514	0	-100%
Data Processing	173,208	174,252	1%
Sundry	1,482,892	1,612,666	9%
Insurance	345,167	401,715	16%
Office Equipment	384,606	371,840	-3%
Total Services & Supplies	8,809,279	7,377,978	-16%
Housing Programs			
Resident Services Expenses	1,216,770	758,566	-38%
Maintenance Expenses	2,313,108	2,436,965	5%
Utilities	1,287,764	1,571,019	22%
PILOT & Property Taxes	20,432	23,031	13%
Collection Loss	46,205	46,205	0%
Mortgage Payments	784,620	731,953	-7%
Protective Services	210,679	284,132	35%
Rent to Owners	98,850,977	111,591,963	13%
Loans & Grants	24,492,449	29,120,680	19%
Relocation	1,897,704	237,300	-87%
Site Acquisition & Housing Development	5,132,416	7,184,951	40%
Extraordinary Maintenance	3,164,547	6,005,906	90%
Dwelling Equipment	240,286	67,450	-72%
Total Housing Programs	139,657,957	160,060,121	15%
Program, Contingency & Agency Reserves	14,896,393	13,550,715	-9%
Total Budget	179,638,620	197,183,418	10%
Less: Interfund Transfers			
a) University Canyon	(644,016)	(681,816)	6%
b) Data Processing	(173,208)	(174,252)	1%
c) Facilities Management	(852,930)	(947,700)	11%
Net Total Budget	177,968,466	195,379,650	10%
Continuing Appropriations	9,537,288	9,400,534	-1%

Summary of Housing Commission Expenditure Changes

Salaries & Benefits	The $80,387 decrease in salaries and benefits is a result of deleting 16.00 positions, adding 9.00 positions; reclassifying 5.00 positions, providing for employees' pay plan increases in FY05 and a salary reserve should the Housing Commission approve staff salary increases. A detailed explanation of staffing changes and the decrease in salaries and benefits is included in Section III, Addenda 4 and 7.
Legal	The $224,535 increase in legal reflects actual experience and is primarily due to the $184,845 increase for extensive legal assistance for numerous Rental Housing Production housing projects; unexpected projects such as De Anza Harbor Resort and Lucera; and the expected sale of the Newton office facility in FY05. In addition, there is an increase of $19,640 in legal due to mold issues and for resident related services based on cost history. The remaining increase of $20,050 is for Asset Management, Reinvestment Task Force and Portfolio Servicing and Occupancy Monitoring and is based on actual cost experience. A reserve of $300,000 continues to be proposed to provide for potential litigation expenses.
Training	There is a decrease of $29,945 in training due primarily to a $10,000 decrease for agency computer and internal training in Organizational Development and Training. In addition, there are decreases of $7,786 in Financial Services due to the completion of the upgrade of PeopleSoft and $5,143 in Rental Assistance due to the implementation of ECS. The balance of the decrease of $7,016 occurs as small decreases in most other activities.
Travel	The decrease of $7,816 in travel is primarily due to the reduction of $10,127 in Financial Services, Asset Management and Property Management resulting from one-time travel completed in FY04. This decrease was partially offset by a $4,000 increase in Information Technology in travel for the ECS user conference and $2,750 of contract/ consultant for the Reinvestment Task Force was transferred to travel to more clearly reflect costs. The balance of the decrease of $4,439 occurs as small decreases in most other activities.
Audit	There is a $3,404 decrease that is due to the new five year contract for auditing services and the annual University Canyon audit is no longer required by HUD.

Summary of Housing Commission Expenditure Changes

Contract/Consultant	The decrease of $180,044 in contract/consultant is primarily due to a variety of increases/decreases in most activities. The decreases include the transfer of $219,109 of the cost of the Reinvestment Task Force budget from contract/consultant to more appropriate line items including salaries and benefits; $143,800 in Financial Services for an operations efficiency study, temporary employees, PeopleSoft report development and administration of the safety program; $125,023 in Rehabilitation for direct hires to assist with the HUD Lead Hazard Control program; $64,489 in Special Purpose Housing for the Regional Analysis of Impediments to Fair Housing Choice Study, Mobility Counseling and audits of selected service providers; $50,880 in Board and Executive Functions for assistance with policy and planning, revenue studies and meeting facilitation; $43,500 in asset Management for construction defect issues and engineering; $39,312 for direct hires in Rental Assistance; $34,841 in Resident Services for temporary employees and direct hires; and $20,500 in Homeownership for consulting for home loan counseling and temporary employees. These decreases were partially offset by a transfer of $490,265 from facility expenses to contract/consultant in FY05 for the new office facility and $80,421 in Rental Housing Production for specialized services beyond the scope of staff, to assist during peak workload periods, bond compliance administration and for the Model Schools program. Increases/decreases in other activities account for the remaining decrease of $9,276.
Office & Building Rent	The $772,287 increase in office rent is the result of providing $516,496 for the possible cost of renting the Newton facility from the buyer in the event a sale/lease back arrangement proves advantageous. Also, the rental rate charged programs occupying office space was increased from $1.35/sq ft to $1.50/sq ft for FY05.
Facility Expenses	The decrease of $2,381,514 is primarily due to the transfer of $1,394,779 of facility expenses to appropriate line items in salaries and benefits, supplies and services and housing programs to more clearly reflect costs in FY05. In addition, there is a decrease of $986,735 for funds placed in escrow in FY04 for the purchase of the new office facility.
Data Processing	The modest $1,044 increase is due to charges for the annualizing of additional units expected to be under lease in FY05 in Rental Assistance and reflects the decrease of Conventional units. The charges are for the maintenance of records for residents and landlords.

Summary of Housing Commission Expenditure Changes

Sundry	The $129,774 increase in sundry is primarily due to the transfer of $83,160 from facility expenses to sundry in FY05 to more clearly reflect actual costs. In addition, there is an increase of $34,718 in Information Technology to provide for technical support for the new ECS software and additional licenses for Exchange. Also, there is an increase of $13,787 for Property Management for additional advertising of vacant units at the Maya complex and increases in office supplies, collection agent fees and records storage based on cost history. Small increases/decreases in most other activities account for the remaining decrease of $1,891.
Insurance	The increase of $56,548 is primarily due to an increase of $19,153 for property insurance; $19,011 for public officials errors and omissions and employment practices; $9,172 for liability insurance; and $4,000 for lead based paint insurance. In addition, there is a transfer of $5,185 from facility expenses to insurance in FY05 to more clearly reflect actual costs. Other insurance including vehicles, computer equipment, fidelity bond and flood insurance show modest increases and decreases, netting an increase of $27. A reserve of $300,000 has been proposed to cover potential uninsured losses.
Office Equipment	The decrease of $12,766 is primarily due to the transfer of $25,480 to purchase lead based paint testing equipment to consulting to minimize agency potential liability. In addition, there is a decrease of $14,772 in Rental Assistance due to the one-time purchase of guest chairs and handsets in FY04. These decreases are partially offset by a $21,700 increase in computers and software in Information Technology; and $7,888 is transferred from facility expenses and contract/consultant for the Redevelopment Task Force to Office Equipment in FY05 to more clearly reflect actual costs. The other activities show modest increases/decreases in office equipment, accounting for the balance of the decrease of $2,102.
Resident Services Expenses	The decrease of $458,204 is primarily due to the decrease in recreation and contract resulting from the obligation and/or expenditure of significant amounts of funding in FY04 for the ROSS, Capital Fund, and Move to Work programs. In addition, several programs will be completed in FY04 including Moving to Work Technical Assistance, Drug Elimination, SDCCDAO ICAN Welfare to Work and SDCCD ICAN Implementation. It is expected that additional new awards to replenish these decreases will occur during FY05. 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.
Maintenance Expenses	The increase of $123,857 is primarily due to the transfer of $116,121 from facility expenses to more clearly reflect costs. The balance of the increase is because of aging buildings and expected increases in costs for maintenance materials and various maintenance contracts for the 1,745 units managed.

Summary of Housing Commission Expenditure Changes

Utilities	The increase of $283,255 is primarily due to the expected blended increase in FY05 rates for water, sewer, gas and electric utilities. In addition, there is a transfer of $137,392 from facility expenses to more clearly reflect costs.
PILOT & Property Tax	The increase of $2,599 is due to expected increases in special maintenance district charges on the Conventional units and possessory interest tax on the Maya Apartments in FY05. This line item provides for special maintenance district charges by the City of San Diego on certain units owned and managed by the Housing Commission and a possessory interest tax on the Maya Apartments. There was a determination by the County Assessor's Office that only possessory interest taxes, not property taxes, can be charged on the Maya Apartments.
Collection Loss	There is no change in this line based on FY04 cost experience.
Mortgage Payments	The decrease of $52,667 is due to the refinancing of the University Canyon project mortgage in FY94. At that time, the interest on the note decreased from 10.2% to 6.2%. The Housing Commission was required to provide the mortgage savings from the rate reduction to the bond trustee for a period of ten years and was entitled to one half of the savings for eligible work items identified in a Financial Adjustment Factor Agreement. In FY05, the Housing Commission is no longer required to provide the $73,667 of mortgage savings from the rate reduction to the bond trustee. This decrease is partially offset by $21,000 in interest due to the State CalHFA HELP program for the purchase of Casa Colina in FY04. There is no change expected in FY05 for the Maya Apartment mortgage.
Protective Services	The increase of $73,453 is primarily due to the transfer of $73,847 from facility expenses to more clearly reflect costs. This increase is partially offset by a modest decrease of $394 anticipated in contract cost for services at various Learning Opportunity Centers in FY05.
Rent to Owners	The increase of $12,740,986 is primarily due to providing for rent increases to landlords that will increase housing assistance payment by $12,697,444 through FY05. Also, the renewal of HUD contracts for the Shelter Plus Care program will provide an additional $43,542 for rent to owners.

Summary of Housing Commission Expenditure Changes

Loans & Grants	The increase of $4,628,231 is primarily due to new awards of funding from HUD and the State including $2.0 million of CAL State Housing Trust, $908,000 for HOME American Dream, $600,000 HOME and $400,000 of CAL HOME EAGR funds. In addition, it is expected there will be $890,000 of new Inclusionary Housing fees and $492,000 of additional program income from loan payoffs expected in FY05. Also, there is a $2.1 million of additional carryover of HOME and Housing Trust funds primarily in Rental Housing Production due to the timing of project approvals and the transfer of $1.0 million of HOME funds from site acquisition. These increases are offset by decreases due to the completion of the $2.0 million De Anza Harbor Resort. In addition, there is a decrease resulting from the obligation and/or completion of CCDC, CDBG, HUD Lead Hazard Control, Redevelopment and San Diego association of Realtors funds on various Rental Housing Production, Homeownership, Rehabilitation and Special Purpose Housing projects in FY04. This will provide $1.7 million less carryover of funds from these activities in FY05 than occurred in FY04. Also, $50,541 of Linda Vista Redevelopment funds are being returned to the Redevelopment Agency pending a new program.
Relocation	The decrease of $1,660,404 is due primarily to the expected completion of the $1,765,626 relocation effort in Rental Housing Production on the Lucera settlement in FY04. In addition, there is a small decrease of $5,000 in Occupancy Monitoring due to the availability of alternative funds in other activities. These decreases are partially offset by an increase of $100,660 in Asset Management for temporary relocation of tenants in occupancy during the completion of specific Capital Fund work improvements at the Conventional units. Also there is an increase of $9,562 for the new HUD Lead Hazard Control program to provide for temporary relocation during lead paint abatement in Rehabilitation.
Site Acquisition & Housing Development	The increase of $2,052,535 is due primarily to an increase of $4.202 million resulting from the sale of 35 Conventional units. Also, with the strong loan portfolio, it is expected that $11,724 of interest earnings to be earned in FY04 and FY05 will enhance the size of the foreclosure fund. These increases are partially offset by decreases of $1 million by transferring HOME funds to loans and grants in FY05; completing the $700,000 purchase of the Casa Colina site in FY04; and the expenditure of $26,096 of Capital Funds on the Boston Avenue project. Also, there is a reduction of $435,093 of HUD funds on the Boston Avenue project that is not being pursued due to high cost.

Summary of Housing Commission Expenditure Changes

Extraordinary Maintenance	The increase of $2,841,359 is primarily due to the significant increase of $4,090,489 in extraordinary maintenance to provide for bath, cabinets, counters, kitchens, landings, landscaping and irrigation, lighting, painting, playgrounds, seal parking lots, site retaining walls and stairways at the Conventional, Maya Apartments, two State projects and University Canyon. In addition, there is a transfer of $174,900 from facility expenses to more clearly reflect costs. These increases are partially offset by a decrease of $1,358,130 in construction defect extraordinary maintenance as contracts are executed in FY04 resulting in less carryover from FY04 than occurred in FY03. Also, there is a reduction of $65,900 in Facilities Management due to the pending sale of the Newton Office facility.
Dwelling Equipment	The decrease of $172,836 is the result of one-time purchases of refrigerators for the Conventional units in FY04.
Program, Contingency & Agency Reserves	The decrease in total Reserves is $1,345,678. This is due to the decrease in Program Reserves of $1,969,747, from $11,474,013 in FY04 to $9,504,266 in FY05. This decrease in Program Reserves is primarily due to the draw down of $1,013,804 of Conventional reserves to provide for a variety of substantial extraordinary maintenance on units in FY05. In addition, there is the expected $460,551 drawdown of the multiyear Capital Fund reserves for administration and resident services in FY05; a decrease of $187,055 in Section 8 Surplus Administrative Fees as HUD has not published next year's fee levels and staff has incorporated Administrative Fees at the FY04 level; and HOME funds decline by $131,980 leaving the planned two thirds of FY05's administrative funds and one third of FY04's administrative funds available for this multiyear program. It is expected that new awards will replenish some of this decrease in Program Reserves during FY05. 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. Again in FY05, staff is proposing that $1.153 million of Local funds be set aside in FY05 for proposed HUD rule changes to the Voucher program that may cause a significant decrease in administrative funds and/or program costs of rent to owners. FY05 Contingency Reserves are not recommended for change by staff. They 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 from the sale of the Newton office facility. The Agency Reserves include amounts that are available for all housing purposes. The Agency Reserves has increased by $624,069 from $1,306,707 in FY04 to $1,930,776 in FY05 due to the substitution of Section 8 Voucher reserves for Local funds and a litigation settlement. This amount is less than 1% of the FY05 Agency Budget and staff recommends that the Agency Reserves be retained to provide for supplemental funding of federal, state and local programs that do not provide sufficient administration.

FY05 BUDGET
San Diego Housing Commission

Addendum 4

Summary of Staffing Changes From FY04 TO FY05

	Housing Services	Housing Finance & Development	Operations	Total
FY04 Staff	**157.33**	**34.15**	**54.02**	**245.50**
Proposed FY05 Changes:				
Adds	**6.00**	**1.00**	**2.00**	9.00
Deletes	**(9.50)**	**(0.50)**	**(6.00)**	(16.00)
Annualize	**0.00**	**0.00**	**0.00**	0.00
Transfers	**(0.30)**	**0.25**	**0.05**	0.00
Change	**(3.80)**	**0.75**	**(3.95)**	**(7.00)**
Upgrades	0.00	0.00	3.00	3.00
Downgrades	2.00	0.00	0.00	2.00
Proposed FY05 Staff	**153.53**	**34.90**	**50.07**	**238.50**

Classification and Pay Plan

Effective July 1, 2003 (Start of Pay Period)

This FY04 Pay Plan will be replaced by a new FY05 Pay Plan following Board Action expected in the next two months.

"M" SCHEDULE

Range	OC	OT/BU	Classification	Type	Minimum	Maximum
M 50	A	Ex/M	Chief Executive Officer	Base/Mo.	9,056.00	13,510.00
				Hrly. Equiv.	52.2462	77.9423
				BiWk. Pay	4,179.69	6,235.38
				Ann. Equiv.	108,672.00	162,120.00
M48	A	Ex/M	Chief of Staff	Base/Mo.	8,173.00	11,548.00
				Hrly. Equiv.	47.1519	66.6231
				BiWk. Pay	3,772.15	5,329.85
				Ann. Equiv.	98,076.00	138,576.00
M47	A	Ex/M	Director Housing Programs	Base/Mo.	7,291.00	9,796.00
	A	Ex/M	Director Operations	Hrly. Equiv.	42.0635	57.9288
				BiWk. Pay	3,365.08	4,634.31
				Ann. Equiv.	87,492.00	120,492.00
M44	A	Ex/M	Budget Manager	Base/Mo.	5,459.00	8,370.00
	A	Ex/M	Community Relations Manager	Hrly. Equiv.	31.4942	48.2885
	A	Ex/M	Equal Opportunity & Compliance Manager	BiWk. Pay	2,519.54	3,863.08
	A	Ex/M	Accounting & Financial Services Manager	Ann. Equiv.	65,508.00	100,440.00
	A	Ex/M	Housing Finance & Development Manager			
	A	Ex/M	Human Resources Manager			
	A	Ex/M	Information Systems Manager			
	A	Ex/M	Policy & Planning Manager			
	A	Ex/M	Rental Assistance Manager			
	A	Ex/M	Asset Management Program Manager			
M 39	- -	- -	- -	Base/Mo.	4,506.00	5,483.00
				Hrly. Equiv.	25.9962	31.6327
				BiWk. Pay	2,079.69	2,530.62
				Ann. Equiv.	54,072.00	65,796.00
M 34	C	Ex/M	Secretary to the CEO	Base/Mo.	3,530.00	5,054.00
				Hrly. Equiv.	20.3654	29.1577
				BiWk. Pay	1,629.23	2,332.62
				Ann. Equiv.	42,360.00	60,648.00

"S" SCHEDULE

Range	OC	OT/BU	Classification	Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
S42	B	Ex/S	Supervising Project Manager	Base/Mo.	5,217.00	5,478.00	5,752.00	5,896.00	6,043.00	6,194.00	6,349.00
				Hrly. Equiv.	30.0981	31.6038	33.1846	34.0154	34.8635	35.7346	36.6288
				BiWk. Pay	2,407.85	2,528.31	2,654.77	2,721.23	2,789.08	2,858.77	2,930.31
				Ann. Equiv.	62,604.00	65,736.00	69,024.00	70,752.00	72,516.00	74,328.00	76,188.00
S41	B	Ex/S	Asst Rental Assistance Mgr.	Base/Mo.	4,969.00	5,217.00	5,478.00	5,615.00	5,755.00	5,899.00	6,046.00
	B	Ex/S	Asst Resident Initiatives Mgr	Hrly. Equiv.	28.6673	30.0981	31.6038	32.3942	33.2019	34.0327	34.8808
	B	Ex/A	Financial Specialist	BiWk. Pay	2,293.38	2,407.85	2,528.31	2,591.54	2,656.15	2,722.62	2,790.46
	D	Ex/S	Housing Construction Supv.	Ann. Equiv.	59,628.00	62,604.00	65,736.00	67,380.00	69,060.00	70,788.00	72,552.00
	B	Ex/A	Project Manager *								
	B	Ex/A	Loan Management Supv.								
	B	Ex/A	Sr. Systems/Database Administrator								
S40	- -	- -	- -	Base/Mo.	4,732.00	4,968.00	5,217.00	5,347.00	5,481.00	5,618.00	5,758.00
				Hrly. Equiv.	27.3000	28.6615	30.0981	30.8481	31.6212	32.4115	33.2192
				BiWk. Pay	2,184.00	2,292.92	2,407.85	2,467.85	2,529.69	2,592.92	2,657.54
				Ann. Equiv.	56,784.00	59,616.00	62,604.00	64,164.00	65,772.00	67,416.00	69,096.00
S39	B	Ex/S	Accounting Supervisor	Base/Mo.	4,505.00	4,731.00	4,967.00	5,091.00	5,219.00	5,349.00	5,483.00
	B	Ex/A	Associate Project Manager	Hrly. Equiv.	25.9904	27.2942	28.6558	29.3712	30.1096	30.8596	31.6327
	B	Ex/A	Community Liaison	BiWk. Pay	2,079.23	2,183.54	2,292.46	2,349.69	2,408.77	2,468.77	2,530.62
	B	Ex/A	Organizational Training Spec.	Ann. Equiv.	54,060.00	56,772.00	59,604.00	61,092.00	62,628.00	64,188.00	65,796.00
	B	Ex/A	Principal Accountant								
	B	Ex/A	Principal HR Analyst								
	B	Ex/A	Senior Budget Analyst								
	B	Ex/A	Senior Program Analyst								
S38	D	PreO	Housing Construction Spec.	Base/Mo.	4,291.00	4,506.00	4,731.00	4,849.00	4,971.00	5,095.00	5,222.00
	B	Ex/A	Sr. HR Analyst	Hrly. Equiv.	24.7558	25.9962	27.2942	27.9750	28.6788	29.3942	30.1269
	T	Ex/A	Sr. Info Systems Analyst	BiWk. Pay	1,980.46	2,079.69	2,183.54	2,238.00	2,294.31	2,351.54	2,410.15
	B	Ex/S	Supv Resident Initiatives Coord.	Ann. Equiv.	51,492.00	54,072.00	56,772.00	58,188.00	59,652.00	61,140.00	62,664.00
S37	B	Ex/A	Community Relations Spec.	Base/Mo.	4,087.00	4,291.00	4,506.00	4,618.00	4,734.00	4,852.00	4,973.00
	B	Ex/S	Housing Supervisor	Hrly. Equiv.	23.5788	24.7558	25.9962	26.6423	27.3115	27.9923	28.6904
	T	Ex/A	Information Systems Analyst	BiWk. Pay	1,886.31	1,980.46	2,079.69	2,131.38	2,184.92	2,239.38	2,295.23
	B	Ex/S	Purchasing Supervisor	Ann. Equiv.	49,044.00	51,492.00	54,072.00	55,416.00	56,808.00	58,224.00	59,676.00
	B	Ex/A	Senior Accountant								
	B	Ex/A	Sr. Resident Initiatives Coord.								

FY05 BUDGET
San Diego Housing Commission
Addendum 5

Range	OC	OT/BU	Classification	Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
S36	B	Ex/A	Contracts Analyst	Base/Mo.	3,892.00	4,087.00	4,291.00	4,398.00	4,508.00	4,621.00	4,737.00
	B	Ex/A	Human Resources Analyst	Hrly. Equiv.	22.4538	23.5788	24.7558	25.3731	26.0077	26.6596	27.3288
	B	Ex/A	Program Analyst	BiWk. Pay	1,796.31	1,886.31	1,980.46	2,029.85	2,080.62	2,132.77	2,186.31
				Ann. Equiv.	46,704.00	49,044.00	51,492.00	52,776.00	54,096.00	55,452.00	56,844.00
S35	- -	- -	- -	Base/Mo.	3,708.00	3,893.00	4,088.00	4,190.00	4,295.00	4,402.00	4,512.00
				Hrly. Equiv.	21.3923	22.4596	23.5846	24.1731	24.7788	25.3962	26.0308
				BiWk. Pay	1,711.38	1,796.77	1,886.77	1,933.85	1,982.31	2,031.69	2,082.46
				Ann. Equiv.	44,496.00	46,716.00	49,056.00	50,280.00	51,540.00	52,824.00	54,144.00
S34	B	Ex/A	Accountant	Base/Mo.	3,531.00	3,707.00	3,893.00	3,990.00	4,090.00	4,192.00	4,297.00
	B	Ex/A	Budget Analyst	Hrly. Equiv.	20.3712	21.3865	22.4596	23.0192	23.5962	24.1846	24.7904
	B	Ex/M	Docket Coordinator	BiWk. Pay	1,629.69	1,710.92	1,796.77	1,841.54	1,887.69	1,934.77	1,983.23
	T	Ex/O	Loan Servicing Specialist	Ann. Equiv.	42,372.00	44,484.00	46,716.00	47,880.00	49,080.00	50,304.00	51,564.00
	T	Ex/A	PIU Hearing Coordinator								
S33	B	Ex/S	Asst. Hsg. Property Supv.	Base/Mo.	3,363.00	3,531.00	3,708.00	3,801.00	3,896.00	3,993.00	4,093.00
	B	Ex/A	Housing Specialist	Hrly. Equiv.	19.4019	20.3712	21.3923	21.9288	22.4769	23.0365	23.6135
				BiWk. Pay	1,552.15	1,629.69	1,711.38	1,754.31	1,798.15	1,842.92	1,889.08
				Ann. Equiv.	40,356.00	42,372.00	44,496.00	45,612.00	46,752.00	47,916.00	49,116.00
S32	P	Pre/A	Contracts Compliance Asst.	Base/Mo.	3,204.00	3,364.00	3,532.00	3,621.00	3,711.00	3,804.00	3,899.00
	T	Pre/O	Housing Inspector	Hrly. Equiv.	18.4846	19.4077	20.3769	20.8904	21.4096	21.9462	22.4942
	T	Ex/O	Loan Production Specialist	BiWk. Pay	1,478.77	1,552.62	1,630.15	1,671.23	1,712.77	1,755.69	1,799.54
	D	Pre/S	Maintenance Supervisor	Ann. Equiv.	38,448.00	40,368.00	42,384.00	43,452.00	44,532.00	45,648.00	46,788.00
	B	Pre/O	Resident Initiatives Coord.								
	P	Pre/A	Senior Administrative Assistant								
	P	Pre/M	Senior Human Resources Tech.								
S31	C	Pre/M	Wage Services Technician	Base/Mo.	3,052.00	3,204.00	3,364.00	3,448.00	3,535.00	3,623.00	3,714.00
	C	Pre/O	Senior Accounting Technician	Hrly. Equiv.	17.6077	18.4846	19.4077	19.8923	20.3942	20.9019	21.4269
	T	Pre/O	Senior Housing Assistant	BiWk. Pay	1,408.62	1,478.77	1,552.62	1,591.38	1,631.54	1,672.15	1,714.15
				Ann. Equiv.	36,624.00	38,448.00	40,368.00	41,376.00	42,420.00	43,476.00	44,568.00
S30	C	Pre/M	Executive Secretary	Base/Mo.	2,905.00	3,050.00	3,203.00	3,283.00	3,365.00	3,449.00	3,535.00
				Hrly. Equiv.	16.7596	17.5962	18.4788	18.9404	19.4135	19.8981	20.3942
				BiWk. Pay	1,340.77	1,407.69	1,478.31	1,515.23	1,553.08	1,591.85	1,631.54
				Ann. Equiv.	34,860.00	36,600.00	38,436.00	39,396.00	40,380.00	41,388.00	42,420.00

FY05 BUDGET
San Diego Housing Commission
Addendum 5

Range	OC	OT/BU	Classification	Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
S29	C	Pre/O	Administrative Assistant	Base/Mo.	2,768.00	2,906.00	3,051.00	3,128.00	3,206.00	3,286.00	3,368.00
	T	Pre/O	Housing Assistant II	Hrly. Equiv.	15.9692	16.7654	17.6019	18.0462	18.4962	18.9577	19.4308
	C	Pre/M	Human Resources Technician	BiWk. Pay	1,277.54	1,341.23	1,408.15	1,443.69	1,479.69	1,516.62	1,554.46
	C	Pre/S	Office Supervisor	Ann. Equiv.	33,216.00	34,872.00	36,612.00	37,536.00	38,472.00	39,432.00	40,416.00
S28	C	Pre/O	Accounting Technician	Base/Mo.	2,634.00	2,765.00	2,904.00	2,976.00	3,051.00	3,127.00	3,205.00
	D	Pre/O	Senior Maintenance Technician	Hrly. Equiv.	15.1962	15.9519	16.7538	17.1692	17.6019	18.0404	18.4904
				BiWk. Pay	1,215.69	1,276.15	1,340.31	1,373.54	1,408.15	1,443.23	1,479.23
				Ann. Equiv.	31,608.00	33,180.00	34,848.00	35,712.00	36,612.00	37,524.00	38,460.00
Z27	D	Pre/O	Maintenance Technician II	Base/Mo.	2,631.00	2,763.00	2,901.00	2,973.00	3,048.00	3,124.00	3,202.00
				Hrly. Equiv.	15.1788	15.9404	16.7365	17.1519	17.5846	18.0231	18.4731
				BiWk. Pay	1,214.31	1,275.23	1,338.92	1,372.15	1,406.77	1,441.85	1,477.85
				Ann. Equiv.	31,572.00	33,156.00	34,812.00	35,676.00	36,576.00	37,488.00	38,424.00
S27	C	Pre/O	Information Systems Technician	Base/Mo.	2,510.00	2,635.00	2,767.00	2,836.00	2,907.00	2,980.00	3,055.00
	D	Pre/O	Maintenance Technician II	Hrly. Equiv.	14.4808	15.2019	15.9635	16.3615	16.7712	17.1923	17.6250
	C	Pre/O	Senior Storekeeper	BiWk. Pay	1,158.46	1,216.15	1,277.08	1,308.92	1,341.69	1,375.38	1,410.00
				Ann. Equiv.	30,120.00	31,620.00	33,204.00	34,032.00	34,884.00	35,760.00	36,660.00
S26	C	Pre/O	Senior Office Assistant	Base/Mo.	2,390.00	2,509.00	2,634.00	2,700.00	2,768.00	2,837.00	2,908.00
				Hrly. Equiv.	13.7885	14.4750	15.1962	15.5769	15.9692	16.3673	16.7769
				BiWk. Pay	1,103.08	1,158.00	1,215.69	1,246.15	1,277.54	1,309.38	1,342.15
				Ann. Equiv.	28,680.00	30,108.00	31,608.00	32,400.00	33,216.00	34,044.00	34,896.00
Z25	C	Pre/O	Accounting Assistant	Base/Mo.	2,388.00	2,507.00	2,633.00	2,698.00	2,766.00	2,835.00	2,906.00
				Hrly. Equiv.	13.7769	14.4635	15.1904	15.5654	15.9577	16.3558	16.7654
				BiWk. Pay	1,102.15	1,157.08	1,215.23	1,245.23	1,276.62	1,308.46	1,341.23
				Ann. Equiv.	28,656.00	30,084.00	31,596.00	32,376.00	33,192.00	34,020.00	34,872.00
S25	C	Pre/O	Accounting Assistant	Base/Mo.	2,277.00	2,390.00	2,510.00	2,573.00	2,637.00	2,703.00	2,771.00
	T	Pre/O	Housing Assistant I	Hrly. Equiv.	13.1365	13.7885	14.4808	14.8442	15.2135	15.5942	15.9865
	C	Pre/O	Resident Manager II	BiWk. Pay	1,050.92	1,103.08	1,158.46	1,187.54	1,217.08	1,247.54	1,278.92
				Ann. Equiv.	27,324.00	28,680.00	30,120.00	30,876.00	31,644.00	32,436.00	33,252.00

FY05 BUDGET
San Diego Housing Commission
Addendum 5

Range	OC	OT/BU	Classification	Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
S24	C	Pre/O	Client Services Receptionist	Base/Mo.	2,167.00	2,276.00	2,389.00	2,449.00	2,510.00	2,573.00	2,637.00
	C	Pre/O	Office Assistant II	Hrly. Equiv.	12.5019	13.1308	13.7827	14.1288	14.4808	14.8442	15.2135
	C	Pre/O	Storekeeper	BiWk. Pay	1,000.15	1,050.46	1,102.62	1,130.31	1,158.46	1,187.54	1,217.08
				Ann. Equiv.	26,004.00	27,312.00	28,668.00	29,388.00	30,120.00	30,876.00	31,644.00
S23	C	Pre/O	Information Systems Assistant	Base/Mo.	2,064.00	2,168.00	2,276.00	2,333.00	2,391.00	2,451.00	2,512.00
	D	Pre/O	Maintenance Technician I	Hrly. Equiv.	11.9077	12.5077	13.1308	13.4596	13.7942	14.1404	14.4923
	C	Pre/O	Office Assistant I	BiWk. Pay	952.62	1,000.62	1,050.46	1,076.77	1,103.54	1,131.23	1,159.38
				Ann. Equiv.	24,768.00	26,016.00	27,312.00	27,996.00	28,692.00	29,412.00	30,144.00
S22	C	Pre/O	Courier-Driver	Base/Mo.	1,966.00	2,064.00	2,167.00	2,222.00	2,277.00	2,334.00	2,392.00
	C	Pre/O	Resident Manager I	Hrly. Equiv.	11.3423	11.9077	12.5019	12.8192	13.1365	13.4654	13.8000
	C	Pre/O	Stores Assistant	BiWk. Pay	907.38	952.62	1,000.15	1,025.54	1,050.92	1,077.23	1,104.00
				Ann. Equiv.	23,592.00	24,768.00	26,004.00	26,664.00	27,324.00	28,008.00	28,704.00
S21		- -	- -	Base/Mo.	1,873.00	1,967.00	2,065.00	2,117.00	2,170.00	2,224.00	2,280.00
				Hrly. Equiv.	10.8058	11.3481	11.9135	12.2135	12.5192	12.8308	13.1538
				BiWk. Pay	864.46	907.85	953.08	977.08	1,001.54	1,026.46	1,052.31
				Ann. Equiv.	22,476.00	23,604.00	24,780.00	25,404.00	26,040.00	26,688.00	27,360.00
S20	C	Pre/O	Housing Aide II	Base/Mo.	1,656.00	1,739.00	1,826.00	1,871.00	1,918.00	1,966.00	2,015.00
				Hrly. Equiv.	9.5538	10.0327	10.5346	10.7942	11.0654	11.3423	11.6250
				BiWk. Pay	764.31	802.62	842.77	863.54	885.23	907.38	930.00
				Ann. Equiv.	19,872.00	20,868.00	21,912.00	22,452.00	23,016.00	23,592.00	24,180.00
S19	- -	- -	- -	Base/Mo.	1,490.00	1,564.00	1,643.00	1,684.00	1,726.00	1,769.00	1,813.00
				Hrly. Equiv.	8.5962	9.0231	9.4788	9.7154	9.9577	10.2058	10.4596
				BiWk. Pay	687.69	721.85	758.31	777.23	796.62	816.46	836.77
				Ann. Equiv.	17,880.00	18,768.00	19,716.00	20,208.00	20,712.00	21,228.00	21,756.00
S18	C	Pre/O	Housing Aide I	Base/Mo.	1,407.00	1,478.00	1,552.00	1,590.00	1,630.00	1,671.00	1,713.00
				Hrly. Equiv.	8.1173	8.5269	8.9538	9.1731	9.4038	9.6404	9.8827
				BiWk. Pay	649.38	682.15	716.31	733.85	752.31	771.23	790.62
				Ann. Equiv.	16,884.00	17,736.00	18,624.00	19,080.00	19,560.00	20,052.00	20,556.00

FY05 BUDGET
San Diego Housing Commission
Addendum 5

HOURLY RATE CLASSIFICATIONS

Range	OC	OT/BU	Classification	Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
HSR	B	Ex/T	Scholar in Residence	Hourly	23.4600	24.6300	25.8600	26.5100	27.1700	27.8500	28.5500
HSI	C	Pre/T	Student Intern	Hourly	10.2200	10.7300	11.2600	11.5500	11.8300	12.1300	12.4300
HMT	G	Pre/T	Maintenance Tech. Trainee	Hourly	8.5900	9.0200	9.4700	9.7100	9.9500	10.2000	10.4600
HHA	O	Pre/T	Housing Services Aide	Hourly	7.1400	7.5000	7.8700	8.0700	8.2700	8.4800	8.6900
HAT	O	Pre/T	Housing Aide Trainee	Hourly	7.1400	7.5000	7.8700	8.0700	8.2700	8.4800	8.6900

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

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

OT - Overtime Designation:
Pre - Premium Overtime Compensation
Ex - Exempt from Overtime Compensation

* Employees hired into this class prior to July 1, 1992, are eligible for additional Flex Benefits Credits of $1,500 per year.

1. There shall be a mandatory four-day work furlough between December 26, 2003 and December 31, 2003.

2. A "Trainee" position as referenced in Personnel Policies is paid at a rate 15% below the entry level of the classification. Trainees will advance to Step 1 of the targeted classification upon meeting the minimum requirements.

Note: Incumbents in the Maintenance Technician II and Accounting Assistant classifications as of September 30, 1998 shall be paid according to the Z range for the classification. Z range is defined as a special range for incumbents effective January 1, 1999 pursuant to negotiated Memorandum of Understanding. After September 30, 1998 newly hired or appointed incumbents to those classes will be paid according to the S range.

Note: S Schedule salary ranges are developed from highest to lowest step. Biweekly rate is derived from annual salary divided by 26 paychecks. Hourly equivalent is derived from annual salary divided by 2,080.

Note: H description designates hourly range.

Addendum 6

Schedule of Average/Actual Salaries by Classification

CLASSIFICATION	# of POSITIONS	AVERAGE/ACTUAL SALARY
ACCOUNTANT	3.00	50,935
ACCOUNTING ASSISTANT	2.00	32,874
ACCOUNTING SUPERVISOR	2.00	61,171
ACCOUNTING TECHNICIAN	5.00	36,884
ADMINISTRATIVE ASSISTANT	2.00	40,427
ASSISTANT HOUSING PROPERTY SUPERVISOR	2.00	49,116
ASSISTANT MANAGER FOR RESIDENT SERVICES	1.00	62,108
ASSISTANT PROGRAM MANAGER FOR POLICY/PLANNING	1.00	69,060
ASSISTANT RENTAL ASSISTANCE HOUSING MANAGER	2.00	72,552
BUDGET ANALYST	1.00	52,848
BUDGET OFFICER	1.00	79,992
CHIEF EXECUTIVE OFFICER	1.00	150,000
CHIEF OPERATING OFFICER	1.00	129,204
CLIENT SERVICES RECEPTIONIST	2.00	29,931
COMMUNITY RELATIONS LIAISON	1.00	71,772
COMMUNITY RELATIONS SPECIALIST	1.00	60,720
CONTRACTS ANALYST	1.00	52,777
FINANCIAL SERVICES SPECIALIST	1.00	47,880
FINANCIAL SPECIALIST	2.00	72,552
HOUSING AIDE II	2.00	22,593
HOUSING ASSISTANT II	38.00	39,076
HOUSING CONSTRUCTION SPECIALIST	10.00	63,606
HOUSING CONSTRUCTION SUPERVISOR	2.00	74,363
HOUSING INSPECTOR	9.00	46,971
HOUSING SPECIALIST	8.00	48,735
HOUSING SUPERVISOR	9.00	60,225
HUMAN RESOURCES OFFICER	1.00	85,224
INFORMATION TECHNOLOGY ANALYST	1.00	54,856
INFORMATION TECHNOLOGY OFFICER	2.00	82,608
INFORMATION TECHNOLOGY TECHNICIAN	2.00	35,733
LOAN MANAGEMENT SUPERVISOR	1.00	72,552
LOAN PRODUCTION SPECIALIST	2.00	46,788
LOAN SERVICING SPECIALIST	2.00	51,984

Addendum 6

Schedule of Average/Actual Salaries by Classification

CLASSIFICATION	# of POSITIONS	AVERAGE/ACTUAL SALARY
MAINTENANCE SUPERVISOR	2.00	46,646
MAINTENANCE TECHNICIAN II	13.00	38,008
MANAGER	6.00	89,622
OFFICE ASSISTANT II	9.00	30,427
OFFICE SUPERVISOR	1.00	40,416
PIU HEARING COORDINATOR	1.00	55,428
PRINCIPAL HUMAN RESOURCES ANALYST	1.00	65,796
PROGRAM ANALYST	7.00	56,371
PROJECT MANAGER	5.00	70,336
REINVESTMENT COORDINATOR	1.00	92,040
RESIDENT INITIATIVES COORDINATOR	2.00	47,310
RESIDENT MANAGER II	8.00	31,109
SECRETARY TO THE CHIEF EXECUTIVE OFFICER	1.00	57,600
SENIOR ACCOUNTANT	1.00	61,164
SENIOR ACCOUNTING TECHNICIAN	1.00	45,684
SENIOR ADMINISTRATIVE ASSISTANT	7.00	46,489
SENIOR BUDGET ANALYST	1.00	67,440
SENIOR HOUSING ASSISTANT	17.00	44,277
SENIOR HUMAN RESOURCES ANALYST	1.00	58,188
SENIOR HUMAN RESOURCES TECHNICIAN	1.00	43,363
SENIOR INFORMATION TECHNOLOGY ANALYST	2.00	58,188
SENIOR MAINTENANCE TECHNICIAN	4.00	38,177
SENIOR OFFICE ASSISTANT	8.50	34,332
SENIOR PROGRAM ANALYST	5.00	61,576
SENIOR RESIDENT INITIATIVES COORDINATOR	4.00	58,598
SENIOR STOREKEEPER	2.00	36,660
STOREKEEPER	1.00	31,644
SUPERVISING PROJECT MANAGER	2.00	76,188
SUPERVISING RESIDENT INITIATIVES COORDINATOR	2.00	59,565
WAGE SERVICES TECHNICIAN	1.00	44,568
	238.50	

Addendum 7

Explanation of the Change in the Housing Commission Salaries and Benefits Costs from FY04 to FY05

The FY05 salaries and benefits budget totals $16,194,604. This is a decrease of $80,387 or approximately one-half percent from the current FY04 budget. The following factors contribute to this decrease:

FY04 Current Salaries & Benefits Budget	$16,274,991
FY05 Recalculation of Salaries Included in the FY05 budget are current employees' actual salaries reflecting the FY04 2.50% salary increases approved by the Housing Commission and any step increases due in FY05.	351,377
FY05 Adding Positions The FY05 budget includes the addition of 9.00 positions. The new positions are: 5.00 Resident Manager II's, 1.00 Project Manager, 1.00 Reinvestment Coordinator, 1.00 Human Resources Officer, and 1.00 Information Technology Officer.	484,248
FY05 Deleting Positions The FY05 budget includes the deletion of 16.00 positions. The deleted positions are: 8.50 Resident Manager I's, 1.00 Program Analyst, .50 Office Assistant, 1.00 Human Resources Manager, 1.00 Information Systems Manager, 1.00 Sr. Administrative Assistant, 1.00 Accounting Assistant, and 2.00 Contract Analysts.	-676,193
FY05 Reclassification of Positions The FY05 budget reclassifies 5.00 positions. The changes reclassify a Housing Supervisor to a Housing Inspector, a Housing Specialist to a Sr. Housing Assistant, a Sr. Systems/ Database Administrator to an Information Technology Officer, an Accounting Assistant to an Accounting Technician, and a Sr. Administrative Assistant to a Financial Services Specialist.	-4,536
FY05 Salary Reserves The FY05 budget contains a contingency reserve for salary increases, which may be approved by the Housing Commission.	124,632
FY05 Overtime Provision The FY05 budget contains a provision for overtime expenses. This will provide for the salaries of Maintenance staff who respond to after-hours emergency maintenance calls at the SDHC residential sites as well as salaries for staff during peak periods.	-2,000
FY05 Vacancy Factor The FY05 vacancy factor of 0.5%, which is the same level as FY04, has been incorporated into the budget to provide for vacant positions during FY05.	-761
FY05 Benefits Employee benefits provided include pension, flex plan, Worker's Comp, Medicare, long-term disability, State Unemployment Insurance and life insurance. Benefits decline due to a net reduction of seven staff and the $312,816 payment for the ten year Worker's Comp actual loss experience in FY04 is not expected to repeat in FY05. In FY05, benefits are budgeted at an average agency rate of 30.54%, down from 31.60% in FY04.	-357,154
FY05 Salaries and Benefits Budget	$16,194,604

Estimated Continuing Appropriations as of June 30, 2004

Division / Activity / Project	Funding Source	Amount
1. Housing Services		
Rental Assistance		
Employment Development Information Services	Section 8	5,000
Credit Check Services	Section 8	10,000
Total Rental Assistance		$ 15,000
Property Management		
Credit Check Services	Conventional, State Rental, University Canyon	5,680
Total Property Management		$ 5,680
Resident Services		
Grant Writing Services	Section 8	500
Learning Opportunity Center Educational Services	Capital Funds, ROSS Programs	200,875
Public Housing Residents Employment Related Services	ROSS Programs	49,845
Youth Recreation & Diversionary Services	Capital Funds	4,170
Total Resident Services		$ 255,390
2. Housing Finance & Development		
Rental Housing Production		
Acquisition - Black Contractors Association	CDBG	18,801
Acquisition & Development - Bayview Legacy Residences	HTF Linkage	54,000
Acquisition & Development - Beyer Courtyard Apartments	HOME, HTF Linkage	2,999,022
Acquisition & Development - Metro Villas	HOME	10,000
Acquisition & Development - Special Needs Housing	HTF Linkage	50,000
Acquisition & Rehab - Bayview CDC	HOME, HTF Linkage	196,000
Acquisition & Rehab - Casa Colina del Sol	HOME	1,000
Acquisition & Rehab - Mason Hotel	HTF Linkage	100,000
New Construction (Seniors) - Renaissance	HTF Linkage	10,000
New Construction (Seniors) - St. Stephens	HOME	927,158
NTC Homeless Assistance Grant	HOME	1,000
Total Rental Housing Production		$ 4,366,981
Homeownership		
CA. Debt Allocation Committee Bond Deposit	Local Funds	100,000
Develop Homebuyer Assistance Complex - 6370 Akins Ave.	CDBG	21,023
First Time Homebuyer Assistance	CCDC, HTF Linkage	950,000
Shared Equity Loan Program	HOME	732,500
Total Homeownership		$ 1,803,523

Estimated Continuing Appropriations as of June 30, 2004

Division / Activity / Project	Funding Source	Amount
2. Housing Finance & Development (continued)		
Rehabilitation		
Owner Occupied		
Black Contractors Assoc. - Home Independence for Seniors	CDBG	10,000
Homeworks Program	HOME	100,000
Latino Builders - Rehabilitation	CDBG	40,000
Total Rehabilitation Owner Occupied		$ 150,000
Special Purpose Housing		
Analysis of Impediments to Fair Housing Choice	Local Funds	20,000
Shared Housing Assistance Program	Local Funds	40,000
Shelter Plus Care Sponsor Admin & Rent	Shelter Plus Care	2,417,699
Special Needs Housing	HTF Linkage, SD County HOPWA, CDBG	115,793
Total Special Purpose Housing		$ 2,593,492
3. Operations		
Support Services		
Information Technology		
Implementation of Housing Services Software	Capital Funds	65,068
Implementation of HR & Payroll Software	Conventional, Section 8	62,788
Implementation of Internet Based Data Access	Conventional	8,239
Implementation of Voice Response System	Local Funds	24,373
Total Information Technology		$ 160,468
Facilities Management		
Consulting Services	Local Funds	50,000
Total Facilities Management		$ 50,000
AGENCY TOTAL		$ 9,400,534

Addendum 9

Non-Budgeted Restricted Cash

In addition to the amounts of revenue shown in the FY05 Budget document, there are the following restricted cash amounts that are not available for inclusion in the FY05 Budget for the reasons noted. Below is a detailed listing of these cash amounts and an explanation is provided that describes each amount.

	PROGRAM	AMOUNT	DESCRIPTION
1.	Security Deposits	$ 473,923	Residents who occupy units owned/managed by the Housing Commission are required to provide security deposits. This deposit is returned to the resident if the resident vacates the unit with no past due rent or excessive wear and tear damage to the unit. The amount shown is the balance at 6/30/03.
2.	Family Self-Sufficiency Escrow Accounts	$1,501,509	Residents who participate in the Family Self-Sufficiency Program and experience an increase in earned income would normally pay a higher rent payment. In order to encourage self-sufficiency, part of the increase in the rent payment is set aside in an escrow account for the benefit of the resident. At the end of the five-year program, a successful resident who has achieved self-sufficiency would be able to withdraw the escrow balance that has accumulated. The amount shown is the balance at 6/30/03.
3.	Condo Conversion Deposits	$ 54,360	The City Council passed Ordinance No. 0-15206 requiring applicants to provide deposits for each unit proposed to be converted to a condominium that is occupied by a specified person. The amount shown is the balance at 6/30/03.
4.	Rehabilitation Line of Credit Deposit	$ 76,458	The Housing Commission has previously entered into Line of Credit Agreements with Wells Fargo Bank. The Agreements require the deposit of these funds as collateral at Wells Fargo Bank to sustain the leveraging of bank funds. The amount shown is the balance at 6/30/03.

Non-Budgeted Restricted Cash

PROGRAM	AMOUNT	DESCRIPTION
5. Bond Program Performance Deposits	$ 330,721	The State of California requires that the Housing Commission collect a performance deposit from each developer who applies for State tax credits. These funds are held by the Housing Commission and returned to the developer upon written authorization from the State of California that the developer has performed satisfactorily. If the developer fails to perform, these funds are remitted to the State of California. The amount shown is the balance at 6/30/03.

SAN DIEGO HOUSING COMMISSION INCOME AND RENT CALCULATIONS

U.S. Department of Housing and Urban Development 2004 SAN DIEGO MEDIAN INCOME: $63,400

Note: The table contains income limits for extremely low, very low and low income, as adjusted for family size and other factors adopted and amended from time to time by the U.S. Department of Housing and Urban Development (HUD). In 2004, HUD adjusted San Diego Very Low Income limits for a "high housing cost area" factor.

		Extremely Low Income								Very Low Income		
		30% AMI (Adjusted by HUD)		**35% AMI** (Adjusted by HUD)			**40% AMI** (Adjusted by HUD)			**50% AMI** (Adjusted by HUD)		
Family Size	**Unit Size**	**ANNUAL INCOME[1]**	**GROSS RENT**	**ANNUAL INCOME[1]**	**GROSS RENT**	**TCAC[2]**	**ANNUAL INCOME[1]**	**GROSS RENT**	**TCAC[2]**	**ANNUAL INCOME[1]**	**GROSS RENT**	**TCAC*/ "Low HOME"[2]**
ONE	STUDIO	$14,400	$360	$16,800	$420		$19,200	$480		$24,000	$600	
TWO	1-BR	$16,450	$411	$19,200	$480	$449	$21,900	$548	514	$27,400	$685	$642
THREE	2-BR	$18,500	$463	$21,600	$540	$539	$24,650	$616		$30,850	$771	$771
FOUR	3-BR	$20,550	$514	$24,000	$600		$27,400	$685		$34,250	$856	
FIVE	4-BR	$22,200	$555	$25,900	$648		$29,600	$740		$37,000	$925	
SIX	5-BR	$23,850	$596	$27,800	$695		$31,800	$795		$39,750	$994	
SEVEN	6-BR	$25,500	$638	$29,750	$744		$34,000	$850		$42,450	$1,061	
EIGHT		$27,150		$31,650			$36,150			$45,200		

		60% AMI (Adjusted by HUD)			**65% AMI** (Adjusted by HUD)			**70% AMI** (Adjusted by HUD)		Low Income **80% AMI** (Adjusted by HUD)	
Family Size	**Unit Size**	**ANNUAL INCOME[1]**	**GROSS RENT**	**TCAC[2]**	**ANNUAL INCOME[1]**	**GROSS RENT**	**"High HOME"[2]**	**ANNUAL INCOME[1]**	**GROSS RENT**	**ANNUAL INCOME[1]**	**GROSS RENT**
ONE	STUDIO	$28,800	$720		$31,150	$779	$758	$33,550	$839	$38,350	$959
TWO	1-BR	$32,880	$822	$771	$35,600	$890	$814	$38,350	$959	$43,850	$1,096
THREE	2-BR	$37,020	$926	$925	$40,050	$1,001	$979	$43,150	$1,079	$49,300	$1,233
FOUR	3-BR	$41,100	$1,028		$44,550	$1,114		$47,950	$1,199	$54,800	$1,370
FIVE	4-BR	$44,400	$1,110		$48,100	$1,203		$51,800	$1,295	$59,200	$1,480
SIX	5-BR	$47,700	$1,193		$51,650	$1,291		$55,600	$1,390	$63,550	$1,589
SEVEN	6-BR	$50,940	$1,274		$55,200	$1,380		$59,450	$1,486	$67,950	$1,699
EIGHT		$54,240			$58,750			$63,300		$72,350	

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

* TCAC = Tax Credit Allocation Committee

1. Annual Income = Gross annual income adjusted by family size for Area Median Income (AMI) level. May contain additional adjustments as determined annually by HUD
2. For projects with multiple funding sources, use the lowest rents applicable. "Low HOME" and "High HOME" rents effective March 15, 2004.

This general income and rental rate information is derived from the U.S. Department of Housing and Urban Development (HUD) very low income figures published on January 29, 2004 and TCAC Maximum Rents published February 9, 2004.

Use of Unrestricted Funds

The proposed FY05 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 ($35.1 million and $34.4 million in FY04 and FY05 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 FY05 Budget, the allocation of the Unrestricted and Restricted Revenues is as follows:

Activity	Proposed FY05 Unrestricted Revenues		Proposed FY05 Restricted Revenues		Proposed FY05 Total Revenues	
Rental Assistance	0	0.0%	103,210,792	75.6%	103,210,792	63.5%
Rental Hsg. Production	15,979,213	46.4%	9,133,179	5.6%	25,112,392	12.7%
Reserves	6,293,031	18.3%	7,257,684	4.5%	13,550,715	6.9%
Homeownership	4,213,741	12.2%	42,844	0.0%	4,256,585	2.1%
Operations	2,546,562	7.4%	5,344,412	3.3%	7,890,974	4.0%
Special Purpose Housing	2,291,194	6.7%	1,276,565	0.8%	3,567,759	1.8%
Rehabilitation	1,777,414	5.2%	3,884,408	2.4%	5,661,822	2.9%
Portfolio Servicing	879,200	2.5%	1,597,030	1.0%	2,476,230	1.3%
Property Management	464,113	1.3%	15,064,381	9.2%	2,903,731	7.9%
Resident Services	0	0.0%	2,124,840	1.3%	2,124,840	1.1%
Total Proposed Budget	34,444,468	100.0%	162,738,950	100.0%	197,183,418	100.0%

Use of Unrestricted Funds

This allocation of Unrestricted Revenues is similar to previous fiscal years. As the chart demonstrates, the majority of unrestricted funding is provided to Rental Housing Production with significant allocations for Homeownership, Rehabilitation and Special Purpose Housing. Most reserves are earmarked to provide for the future costs associated with multiyear programs, litigation, insurance claims, and a provision for the office building acquisition. A small amount (1.0% of the budget) is set aside for unanticipated purposes and to provide for future years administration for programs that provide insufficient administrative funding.

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

Addendum 12

Glossary of Budget Terms

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

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

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

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

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

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

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

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

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

EXPENDITURE - Anticipated costs for a fiscal year.

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

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

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

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

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

Addendum 12

Glossary of Budget Terms

LOCAL FUNDS - Funds resulting from Housing Commission actions which are available for local discretionary usage. Sources include bond monitoring fees, surplus administrative fees from Section 8 programs, leases on local sites, repayments of previous loans, sites sales, rents, and interest.

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

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

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

OPERATING FUND - Provides operating subsidy for public housing programs.

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

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

RESERVES - ***Program, Contingency & Agency Reserves*** are funds budgeted in the current year to provide for a future event. ***Program Reserves*** provide for future administration, housing programs or capital improvements for specific multiyear housing programs, and decrease unless new resources are awarded. ***Contingency Reserves*** include amounts to provide for potential litigation, uninsured losses and building reserves. ***Agency Reserves*** include amounts that are available for all housing purposes.

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

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

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

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

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

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

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