

# EXECUTIVE SUMMARY

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## OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Date Issued: May 7, 2012

IBA Report Number: 12-18

Budget Review Committee Meeting Date: May 10, 2012

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## IBA REVIEW OF HOUSING COMMISSION BUDGET

The Housing Commission FY 2013 Proposed Budget is scheduled to be heard at the Thursday, May 10<sup>th</sup> Budget Review Committee Meeting. The items of note from our review include:

- The FY 2013 Proposed Operating Budget for the San Diego Housing Commission (SDHC) is \$349.1 million, reflecting a decrease of \$3.8 million from the FY 2012 Current (revised) Budget.
- The FY 2013 Proposed Budget for the San Diego Housing Commission (SDHC) includes total operating revenues of \$349.1 million, including \$216.2 million in new revenues and \$132.9 million in carryover funds, reflecting a reduction of \$4.4 million and an increase of \$621,577 respectively, for a net reduction of \$3.8 million.
- The FY 2013 Proposed Budget includes 266.00 FTE positions, a net decrease of 2.50 positions from the FY 2012 Current Budget. The position adjustments pertain to restructurings, the designation of 3.0 FTE positions to support the Commission's ERP System, and the addition of 1.00 FTE for outreach to small businesses.
  - 3.10 FTEs are moved from the Rental Housing Development and Rental Housing Finance subdivisions to Housing Development Partners (HDP).
- Non-personnel expenditures for supplies and services are budgeted at \$13.2 million, a net decrease of \$2.9 million.
- Housing programs are budgeted at \$233.7 million, a reduction of approximately \$6.0 million over FY 2012. This reduction is primarily related to an \$8.3 million decrease in budgeted mortgage payments with the removal of FY 2012 onetime budget activity pertaining to the \$5.0 million pay down for refinancing the Smart Corner facility and \$2.3 million loan payoff on the Maya Apartments.
- Capital expenditures are budgeted at \$41.9 million, an increase of \$9.6 million from FY 2012. Increases in capital improvements are primarily related to the \$10.3 million rehabilitation of the state sites.
- The FY 2013 Proposed Budget includes \$37.7 million for reserves, a decrease of \$5.1 million from the FY 2012 Current Budget. The net decrease in budgeted reserves is mostly due to the use of reserves for program activities. The Unobligated Reserve is budgeted at 2.2% of the operating budget.
- The Housing Commission has confirmed with our office their commitment to fund \$250,000 of the \$550,000 needed to support the Neil Good Day Center in FY 2013 through the use of Emergency Solutions Grant funding. There is still an outstanding funding need of \$300,000.