

RESOLUTION 76-41

RESOLUTION ADOPTING 1976-1977
FISCAL YEAR BUDGET

WHEREAS, the Agency fiscal year begins July 1, 1976; and

WHEREAS, Section 41312 of the Health and Safety Code directs that the President shall prepare an annual budget to be reviewed by the Secretary of the Business and Transportation Agency and the Director of Finance at least 90 days prior to the close of the fiscal year; and

WHEREAS, in January 1976, the Acting President presented to the Board of Directors and the Secretary of the Business and Transportation Agency a Budget projection for the period including FY 1976-1977; and

WHEREAS, at a meeting of the Board of Directors of the Agency on August 17, 1976, a more formal budget for the period FY 1976-1977 was presented to the Board of Directors; and

WHEREAS, Section 41312 also directs that the Chairperson shall present a budget for adoption by the Board of Directors with their comments.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors:

- (1) The proposed budget for FY 1976-1977 as presented to the Board of Directors at their meeting on August 17, 1976, and reviewed on September 28, 1976, is hereby adopted.

*Deferred 9/28/76
Quart House*

Memorandum

: Donald E. Burns, Secretary
Business & Transportation Agency

Date: August 6, 1976

A. Alan Post
Legislative Analyst

Roy M. Bell, Director
Department of Finance

From : CALIFORNIA HOUSING FINANCE AGENCY

Subject: CHFA Budget for Fiscal Year 76-77

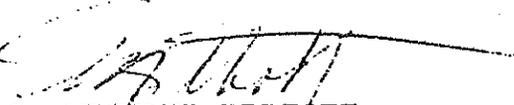
It has been my feeling that the budget projections submitted to Secretary Burns and the Board in January fulfilled our statutory obligation requiring a submission 90 days prior to the close of the fiscal year. As I am sure it was clear to you, however, the extent to which we could be bound to these projections was in large measure determined at the time it was conditioned upon the results of our validation test as presented to the California Supreme Court in the case HFA v. Elliott. Our caution, in light of the opinion that was handed down this last week, appears to have been well advised.

As I am writing this, bond counsel is considering, on a program-by-program basis, the impact of the Supreme Court decision in terms of the extent to which Article XXXIV considerations will be relevant. In other words, we are not certain as yet as to which of our programs, including those for home ownership under neighborhood preservation, will be financeable absent further clarification from the Court. Accordingly, the attachment should be regarded more as a draft than a final document. Its main presupposition is that bond counsel will be able to render opinions making possible bonding programs to finance the following:-

1. Direct lending on projects (principally elderly) for which there is pre-existing Article XXXIV local referendum authority.
2. A rehab program having the benefit of FHA Title I insurance (second deed of trust).
3. An FHA/VA single-family mortgage purchase program.
4. A mortgage-backed bond program involving what amounts to a virtual private placement of HFA securities to savings and loan associations.

5. Insurance and/or co-insurance of loans for acquisition and rehabilitation in HFA-designated neighborhood preservation areas.
6. Construction loan notes for individual residences and projects, which have FHA or Farmers Home Administration long-term takeout commitments.

Obviously, program, personnel, and budget emphasis will be directly affected by the final determination of bond counsel as to which of these programs survive under terms of the HFA v. Elliott decision. Our final submission, hopefully to be completed this month, will reflect these considerations.


S. MICHAEL ELLIOTT
Chairman and Acting President

Attachment

cc: HFA Board Members
✓ Pat Goeters
Gary Kane
Bernie Mikell
Stuart Honse

CALIFORNIA HOUSING FINANCE AGENCY

BUDGET

Fiscal Year 1976 - 1977

SUMMARY OF EXPENSES AND REVENUES

Summary of Expenses

Personal Services	\$1,605,260
General Expense	148,050
Communication	35,420
Travel-In-State	192,200
Travel-Out-Of-State	18,400
Consultant and Professional	264,200
Data Processing	15,000
Facilities Operations	86,000
Expendable Equipment	27,514
Equipment	<u>82,556</u>

Total Expense

(\$2,474,600)

Summary of Revenues

Direct Lending	\$1,749,600
Neighborhood Preservation	<u>725,000</u>

Total Revenues

\$2,474,600

Summary of Employees

Number of Employees

Man-Years

Administration	28	24.42
Direct Lending	31	26.67
Neighborhood Preservation	<u>16</u>	<u>13.08</u>
Total	75	64.17

EXPENSES BREAKDOWN

Salaries

Staff

Administration	\$502,269
Direct Lending	569,260
Neighborhood Preservation	<u>264,320</u>

Total \$1,335,848

Benefits at 19% 253,811

Total-Salaries and Benefits \$1,589,660

Board of Directors

Board Meetings (11 x 50 x 12)	\$ 6,600
Loan Committee (5 x 50 x 24)	6,000
Local Government Committee (5 x 50 x 12)	<u>3,000</u>

Total Per Diem \$ 15,600

Total Salaries and Per Diem \$1,605,260

General Expense

Administration	\$ 56,259
Direct Lending	62,181
Neighborhood Preservation	<u>29,610</u>

Total \$ 148,050

Communications

Administration	\$ 13,460
Direct Lending	14,876
Neighborhood Preservation	<u>7,084</u>

Total \$ 35,420

EXPENSES BREAKDOWN (CONT'D)

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Travel-In-State

Staff

Administration	\$25,400
Direct Lending	85,600
Neighborhood Preservation	<u>66,800</u>

\$177,800

Board of Directors

(8 x 60 x 12)	\$ 5,760
(4 x 60 x 24)	5,760
(4 x 60 x 12)	<u>2,880</u>

\$ 14,400

Total

\$192,000

Out-Of-State

Administration	\$12,800
Direct Lending	3,200
Neighborhood Preservation	<u>2,400</u>

Total

\$ 18,400

EXPENSES BREAKDOWN (CONT'D)

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Consultant & Professional Serv.

Bond Validation Action

Orrick, Herrington	\$ 30,000	
Hawkins, Delafield	<u>7,500</u>	
		\$ 37,500

Accounting & Monitoring Sys.

Accounting System	\$ 20,000	
Monitoring System	<u>10,000</u>	
		\$ 30,000

Annual Audit

1975 - 1976	\$ 1,700	
1976 - 1977	<u>10,000</u>	
		\$ 11,700

Note & Bond Issues

Orrick, Herrington	\$ 75,000	
Hawkins, Delafield	75,000	
Coopers & Lybrand	<u>25,000</u>	
		\$175,000
Other		<u>10,000</u>

Total

\$264,000

Data Processing

Develop Programs & Computer Time		<u>\$ 15,000</u>
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Facilities Operation*

Administration	\$ 32,680	
Direct Lending	36,120	
Neighborhood Preservation	<u>17,200</u>	

Total

\$ 86,000

* Expenses attributable to Agency's offices in Sacramento, San Francisco, and Los Angeles

EXPENSES BREAKDOWN (CONT'D)

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Expendable Equipment

Administration	\$10,455
Direct Lending	11,555
Neighborhood Preservation	<u>5,504</u>

Total

\$27,514

Equipment

Administration	\$31,372
Direct Lending	34,674
Neighborhood Preservation	<u>16,510</u>

Total

\$82,556

REVENUE BREAKDOWN

Revenues

Direct Lending

Application Fees \$ 31,200
(156 apps x \$200)

Loan Origination Fees \$1,500,000
(1.5% x \$100m)

Interest on Loans \$ 218,400
(0.5% x 15 x 9/12)
(0.5% x 15 x 8/12)
(0.5% x 15 x 7/12)
(0.5% x 55 x 3/12)

Total \$1,749,600

Neighborhood Preservation

Interest Income \$ 300,000
(\$5m x 6%)

Mortgage Backed Bond Program \$ 187,500
(\$50m x 3/8%)

Title I Program \$ 50,000
(\$10m x 0.5% x 6/12)

Loans to Lenders
(\$25m x 0.5%) \$125,000
(\$25m x 0.5 x 6/12) 62,500

Total \$ 187,500

\$ 725,000

Total

\$2,474,600

ADMINISTRATION

POSITION	NUMBER	LOCATION	MONTHS	SALARY	TOTAL	TRAVEL
President	1	Sacto	12	\$3,617	\$43,404	400
Administrative Assistant	1	Sacto	12	2,250	27,000	100
Executive Officer	1	Sacto	12	2,250	27,000	200
Associate Governmental Program Analyst	1	Sacto	12	1,744	20,928	0
Secretary II	1	Sacto	12	1,232	14,784	0
Secretary I	1	Sacto	10	1,025	10,250	0
Executive Vice President	1	Sacto	12	3,125	37,500	400
Staff Services Analyst	1	Sacto	12	1,447	17,364	200
Investment Officer	1	Sacto	10	2,426	24,260	0
Comptroller	1	Sacto	12	2,755	33,060	200
Accounting Officer III	1	Sacto	12	1,744	20,928	0
Accountant	1	Sacto	12	1,097	13,164	0
Accountant Trainee	1	Sacto	6	1,101	6,606	0
Account Clerk	1	Sacto	10	804	8,040	0
Secretary I	1	Sacto	6	1,124	6,744	0
Stenographer	2	Sacto	1-9	1,025	9,225	0
Clerk Typist	1	Sacto	1-6			
Vice President and General Counsel	1	Sacto	12	1,003	12,036	0
Staff Counsel II	1	Sacto	12	2,917	35,004	400
Staff Counsel I	1	Sacto	1-8	2,484	19,872	200
Legal Counsel	1	Sacto	1-10	2,261	22,610	100
Legislative Specialist	1	Sacto	1-10	1,705	17,050	0
Secretary I	1	Sacto	12	1,250	15,000	0
Legal Stenographer	3	Sacto	10	1,124	11,240	0
		Sacto	10	1,025	30,750	0
		Sacto	10			0
Stenographer	1	Sacto	10			0
		Sacto	12	1,025	12,300	0

TOTAL 28 293 months \$502,269

= 12.42 man-
Years

DIRECT LENDING

POSITION	NUMBER	LOCATION	MONTHS	SALARY	TOTAL	TRAVEL
Senior Vice President	1		12	\$3125	\$37,500	400
Assistant Vice President and Chief Mortgage Finance	2		1-12	2666	53,320	200
Junior Staff Analyst	1		1-8			200
Mortgage Officer	2		12	1203	14,436	200
Associate Mortgage Officer	1		20	2426	48,520	400
Field Services Officer	1		11	2034	22,374	200
Appraisers	1		12	2426	29,112	200
Mortgage Subsidy Administrator	2		22	1744	38,368	400
Design Officer	1		12	1510	18,120	400
Associate Design Officer	2		24	2105	50,520	400
Cost Estimator	2		24	1744	41,856	400
Field Inspector	3		24	1744	41,856	400
Affirmative Action Officer	1		9	1674	15,066	200
Development Control Officer	1		12	2083	24,996	400
Property Management Officer	1		6	2083	12,498	200
Associate Property Management Officer	1		4	1744	6,976	200
Marketing Officer	1		6	2083	12,498	200
Secretary I	1		12	1124	13,488	0
Stenographer	3		36	850	30,600	0
Clerk Typist	2		18	850	15,300	0

TOTAL 31

320 months
= 26.67 man-
years

\$569,260

NEIGHBORHOOD PRESERVATION

<u>POSITION</u>	<u>NUMBER</u>	<u>LOCATION</u>	<u>MONTHS</u>	<u>SALARY</u>	<u>TOTAL</u>	<u>TRAVEL</u>
Local Government Liason Officer	4		1-12	\$2,333	\$93,320	400
and Lender Liason Officer			2-10			
Assistant Lender Liason Officer	2		1-28	1,714	34,280	200
Planner	2		20	1,447	28,950	200
Associate Relocation Officer	1		12	1,510	18,120	400
Rehabilitation Officer	2		20	1,510	30,200	400
Affirmative Action Officer	1		10	1,674	16,740	200
Construction Monitor	2		15	1,714	25,710	400
Stenographer	2		20	850	17,000	0
TOTAL	16		157 months		264,320	

= 13.08 man-
years