

Memorandum

Housing Finance Authority

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TO: Casey Cane, Chairman
And Members of the Housing Finance Authority

FROM: Kathryn Driver, Executive Director

SUBJECT: General Fund FY 2017 Budget Amendment

DATE: August 2, 2017

RECOMMENDATION: Staff recommends that the Authority approve the 2016/2017 Budget, as amended.

BACKGROUND: Staff has worked diligently with the outside accountants to ensure that the 2016/2017 Budget, as amended included up-to-date expectations of revenues and expenses.

The changes to the anticipated Revenues are due in part to the change in how our Home Key Program works – not issuing bonds to fund the mortgages but selling the mortgages on the secondary market through a To Be Announced (TBA) Program. We have reduced the Single Family Program Income as there was not a bond refunding done in conjunction with a single family bond issue and the General Fund Activities were similarly decreased based on revenues received to date. Under the NSP II Program there were a couple of houses that were re-sold which resulted in unanticipated program income.

The largest change to the anticipated Expenses is the Bond Participation (including COI). Since we have switched to a TBA Program we did not issue a single family bond and we did not incur negative arbitrage and costs of issuance that would typically be associated with issuing a bond. Other line items were adjusted to more accurately reflect the expenditures for this fiscal year.