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**SHELTER SECTOR REFORM PROJECT  
RUSSIAN FEDERATION/CITY OF MOSCOW**

**QUARTERLY REPORT**

**MARCH 1993-MAY 1993**

Prepared by

Jeff Telgarsky  
Sheila O'Leary

The Urban Institute  
2100 M Street, NW  
Washington, DC 20037

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**A. Program Activities — Russian Federation**

**Legal and Policy Developments**

The Law on Mortgages was introduced in the Supreme Soviet and passed on the first reading. The law would considerably refine the provisions for mortgage lending contained in the Law on Collateral passed in May 1992. The law as drafted before submission for the first reading did not do justice to a number of new concepts introduced. Steve Butler (SSRP Legal Advisor) completed a 13 page critique of the draft which was distributed in Russian to about ten key parties. Butler's suggestions on the Law on Mortgage were incorporated into the final draft under consideration by the working group advising the Supreme Soviet committee that prepared the law.

Butler submitted an annotated outline of the codex (implementing law) for the Law on the Fundamentals of Housing Policy in the Russian Federation which was passed in December. It was sent to Anvar Shamouzafarov (Gosstroi) for his reactions. Butler also met with Shamouzafarov to discuss several topics, including new condominium regulations which the Russian Federation will issue and the codex on guarantees of new construction. At Shamouzafarov's request, Butler drafted a section of the codex on guarantees of new construction, which would give purchasers greater protection.

The meeting of the Russian Federation cabinet devoted to housing policy was held in March. The general result was the approval of the program advanced by Minister Basin. The concrete result of the meeting was an order to Gosstroi for the decrees to be prepared in final within one month. Before the meeting, Sergei Vasilev, head of the Economic Reform Working Center, asked the team to prepare comments on several issues that would be discussed in the meeting, namely issues on the draft Presidential Decrees on housing allowances and housing finance.

Ray Struyk (SSRP Resident Advisor) met with Igor Aristov (Gosstroi), who has been given the lead responsibility by Anvar Shamouzafarov for drafting the Presidential Decree on "nonbudget sources of finance for housing construction," which includes provisions for the development of the housing finance system plus the ear-marking of certain non-budget revenue sources, such as proceeds from privatization sales, to housing finance.

Struyk and Kosareva also discussed with Aristov making changes to the decree on the Joint Resolution of the Government and Supreme Soviet on Housing Allowances that was agreed to in principle in March. The team recommended several

changes to the decree which in its previous form sets a national income limit for receiving allowances. Setting such a limit is not consistent with local program design and could create a situation in which those entitled to receive an allowance payment under the local program are prevented from doing so by the income cutoff. The Decree also mandates a 300 ruble compensatory payment to every person, allowance recipient or not, to offset the cost of the rent increase.

### **Housing Finance**

As part of the team's on-going work with MOSBUSINESSBANK (MBB) Steve Butler worked intensively with staff of MBB on legal aspects of mortgage lending. His report contains working drafts for MBB of all of the principal documents used in loan origination that have significant legal implications, including the application, commitment letter, disclosure form, loan contract, and promissory note. The working group at MBB is now to draft their legal forms, based on models and assistance provided by Butler.

Michael Rosenberg, an expert on loan underwriting, arrived in March for an intensive two week work program with bank staff. Rosenberg will produce loan origination and underwriting manual for use by the bank staff. Rosenberg also gave a seminar to the banking community at large. Also providing technical assistance to the bank in this area was R. Subramaniam, a loan servicing expert from the Housing Development Finance Corporation. Subramaniam introduced some new ideas, beyond those presented by Rosenberg, into the loan origination process, including the regular use of references and guarantors. Subramaniam delivered a seminar to about 50 bankers and government officials on loan origination and underwriting. He also prepared a draft loan servicing manual from HDFC (India) that was the team provided MBB.

Consultant Michael Lea and Urban Institute employee Marisol Ravicz assisted Sberbank and Mosbusinessbank to determine how to price mortgage loans. The particular question being addressed is the size of the spread above the cost of funds that should be charged for credit risk, intermediation risk, administrative costs, profits, and other factors. Lea and Ravicz completed two products in connection with their work. The first will be guidelines for doing pricing that can be used by any bank interested in doing mortgage lending. The second product will be recommendations to both banks for their pricing above the cost of funds.

There have been increasing signs that the pace of assistance to MBB may have been too rapid in the past two months. Struyk met with Galina Sokolovskaya to discuss the next phase of the Mosbusinessbank work program. Based on the discussion, a revised schedule of work was developed. Struyk has formalized it and sent it to MBB for review.

As part of its responsibilities for implementation program of the Law on the Fundamentals of Housing Policy, the Central Bank has ordered Sberbank to prepare proposals for making mortgage lending widely available. AID technical assistance to Sberbank to help it shift to an indexed, non-subsidized mortgage instrument will provide a basis for the bank's proposals. Marisol Ravicz and Struyk have been working intensively with staff at Sberbank on beginning the process to shift to an indexed mortgage instrument. The instrument proposed is the DAIR (Deferred Adjustable Instrument for Russia). The team prepared simplified version of the document Ravicz which was submitted to their board.

Initially, there was concern that the introduction of the DAIR with Sberbank would be hampered by the Central Bank's refusal to approve the program. The Central Bank needs to approve the instrument even after approval by Sberbank's Board of Directors. The concern was that the Central Bank, which still thinks of Sberbank as a state bank despite its being converted to a joint stock bank, would reject such a "high" interest rate. For this reason, Sberbank opted to move cautiously toward a formal proposal to the Ministry of Finance and the Central Bank for shifting to the new mortgage instrument.

Meanwhile, as part of the general readjustment in interest rates which began April 1, Sberbank agreed with the Ministry of Finance and the Central Bank to increase the mortgage interest rate to 100 percent, with no subsidies for most borrowers (there are a few special groups that get interest free loans based on laws passed several years ago). Struyk and Kosareva met with the Sberbank team to discuss a strategy for the gradual introduction of the new instrument.

In March there was suddenly a great deal of action from staff from Sberbank, the Central Bank, and the Ministry of Finance in response to the order which accompanied the major housing reform law in December to these agencies to produce a proposed plan for long-term housing finance. Staff at the Ministry of Finance produced a draft government order which Kosareva and Struyk reviewed. The draft deals nearly exclusively with lending by Sberbank to households on the waiting list for social housing. The draft calls for a program of downpayment subsidies shared equally by local governments and the central government, with separate provisions outlined for each narrow income group. The team's comments suggested a simplification of the subsidy scheme, and elimination of various provisions deleterious to the banking system, such as not counting housing loan assets among those for which reserves must be held.

Struyk and Kosareva participated in several weeks of meetings with government officials to design the draft government "Procedure" that will direct the housing lending of Sberbank (the former state savings bank) and which will give

some guidance to private commercial banks. After initial differences, developments of the Procedure which focuses primarily on Sberbank and the draft Presidential Decree on the broader housing finance system are now in sync. The two documents will proceed together with the Procedure being given precedent because of Sberbank's pivotal role in long-term lending. Struyk and Kosareva participated in an important meeting of Government Ministries of Finance and Economy and Gosstroj), Central Bank, and Sberbank that is preparing the "Procedure" under which Sberbank will make long-term housing loans. With the exception of two issues involving decisions by the Central Bank, a final draft was decided upon. It is supposed to be submitted to Government by June 1. The provisions of the Procedure will have important implications for mortgage lending by commercial banks other than Sberbank, although it is not directly applicable to them. Therefore, it was important for the team to participate energetically in this process.

In May staff of Sberbank expressed reservations that the pace of reform suggested by the team is moving too rapidly. While the work program has been going forward, but it has become increasingly clear that the bank's ardor for change has diminished. Walsh and Deikun met with S. Ivanov and M. Gavrilin of Sberbank to discuss the bank's reform program in mortgage lending and assistance being provided by the Urban Institute team. Gavrilin stated that Sberbank remains highly interested in reforming its mortgage lending operations but expressed reservations and problems with some of the suggestions the team has offered for the reform process. Despite these impediments, the Urban Institute team will continue to work with Sberbank. The next step is for the bank to give Deikun a list of outstanding issues/problems impeding action on reform.

The team has been laying the ground work for a couple of months on the creation of a Government Working Group on Housing Finance. In March Sergei Vasilev gave Deputy Prime Minister Fyodorov his letter recommending the creation of the Working Group on Housing Finance that would be chaired by First Deputy Minister of Finance Andrey Vavilov. Participants in the working group would include both public officials and private sector bankers.

A great deal of interest has been expressed about the creation of the "center for Russian mortgage finance." At a meeting with Sberbank, bank managers there discussed the need for a center to provide training and consulting and would be owned by a consortium of banks. They said that Sberbank was prepared to take a leadership role in creating the center and asked for help from AID in establishing it. Walsh gave a positive response, but indicated that a formal request should be made at the time when at least several banks were formally committed to creating the new center. The tentative plan is for Sberbank to host a meeting of interested banks,, having distributed the concept paper in advance and with Deputy Chairman Barabash having held preliminary meetings with a couple of key bank presidents.

## **Housing Allowances**

Sasha Puzanov (CCN Consultant) and Kosareva began working with staff at the Institute for Housing and Communal Economy (IHE) in early February to review the concept of the allowance program and to teach them how to use the housing allowance simulation model (HASM) developed under the SSRP assistance program to the City of Moscow. IHE's goal is to obtain contracts with other cities and republics to design housing allowance programs for other localities.

Gene Rizer, Quadel Consulting, arrived in April to begin three months of work on housing allowances with the City of Moscow and the Institute for Housing Economy (IHE). In ongoing meetings with IHE Rizer is trying to guide them to formulating a "business plan" covering both technical issues and financial questions for the provision of assistance to local governments with housing allowances. Rizer's presentations to IHE staff have included explanations of the administrative costs of implementing and operating the program and the relationships between the national government and local agencies administering housing allowances programs. Rizer delivered to IHE a simple model of staffing for a housing allowance program and description of considerations for pricing consulting services. IHE will use these in their consulting with local governments on housing allowances.

USAID and the Institute for Housing Economy (Moscow) co-sponsored a two-day conference on reform in the rental housing sector on May 19 and 20 in a Moscow suburb. Over 250 officials from across Russia attended the event. Most participants were from housing departments of local government, i.e., those responsible for actual implementation of the new laws. While a number of issues were discussed, two topics were dominant in the presentations: guidance to "republican" and local governments on strategies for raising rents to cover full operating costs combined with the introduction of housing allowances, and the shift to private management for the municipally owned rental stock. The Urban Institute team made four of the 12 substantive presentations; three of these were on rent increases and housing allowances and the fourth, by Angus Olson, was on the private housing management demonstration. James Norris, AID Mission Director, was among those presenting opening remarks. Others were Valery M. Dolgov, Head of the Committee on Communal Economy (formerly the Ministry for Building Maintenance), and Anvar Shamouzafarov, Head of the Housing Department of the State Committee on Architecture and Construction.

## **Military Housing**

Struyk has been reviewing various documents associated with the AID program. Kosareva developed additional information on the way in which the Ministry of Defense processes relocation of retiring officers and gave this information

to George Deikun, USAID and Duane Kissick, PADCO. A Russian, knowledgeable about the construction industry and fluent in English, has been identified who could serve as the principal counterpart to the team and gave them names of Russians with whom the team may want to meet.

## **B. Program Activities — City of Moscow**

### **General**

Moscow Mayor Luzhkov signed a decree that concentrates responsibility for formation of the City's housing policy in the Department of Municipal Housing, headed by Pyotr Saprykin. In practical terms, this means that Nikolai Maslov, Director of the Office of Housing Privatization and the team's program coordinator, will have the principal policy formulation role. This transfer of responsibilities, particularly from the Department of Communal Services, will be gradual and that the team will continue to work with staff there for the time being on implementation of the housing allowance program.

Struyk and Kosareva met with Yevgeny Spirin, chairman of the committee of Mossoviet dealing with housing finance issues. The committee has completed a draft concept and is trying to garner support for it. The objective is to help middle income and lower income families obtain new housing; obviously numerous subsidies are involved. At the same time, they are trying to help set conditions that would make housing lending more feasible for banks. A short paper, prepared by Jennifer Daniell (UI staff), was presented to Spirin on alternative homeownership subsidies, giving real world examples of three types (interest rate, downpayment, and end-of-term payoff on DIM loans).

### **Housing Maintenance Pilot Project**

The housing maintenance pilot project completed selection of contractors and the pilot became operational this quarter. Contracts with the winning firms were signed on March 1, 1993. This program is exactly on the schedule drafted last July—a significant accomplishment given its complexity. All three private contractors began on March 15 maintaining the buildings in the pilot program. Long term advisor Angus Olson continues to work with the DEZ (the "Office of Unified Customer" at the municipal district level) and the contractors on the initial monitoring of contractor performance. At the two month point the initial judgement of the "owners" and long term advisor Angus Olson about the performance of the three contractors was that two appeared to be doing excellently, and the third rated as fair-to-poor. The main problem with the third firm, OLSO, was that they handled a recent emergency situation badly--the result was that all the units in two entry ways of the

Kutusovsky building were without electricity for 24 hours. OLSO was informed that additional occurrences of problems of this scope would be group for dismissal.

At the suggestion of Mrs. Ludmila Kuznetsova, Deputy Director of the Department of Communal Services, Olson will expand the pilot project to include the several thousand units of former departmental stock. Olson toured the departmental units which have been transferred to the municipal - some of which will be included in the management pilot program. Selection of the buildings to be included will be finalized soon. The fifteen managers to attend the "owners" training course are selected and classes will begin June 4. Olson completed lesson plans for this course based on the identical course he delivered last fall. The Institute for Housing Economy (IHE) is organizing itself to present the training program over an eight week period, concluding the week of July 26.

In response to the request of Nikolai Maslov, Director of the Office of Housing Privatization in the Department of Municipal Housing, Angus Olson provided ideas on how to organize the management of the City's housing responsibilities, in line with the decree signed by Mayor Luzhkov. In order to accomplish this task Olson attended numerous meetings with Maslov's staff. Olson also provided a narrative to accompany the flow chart he had prepared earlier on how to organize the management of the City's housing responsibilities, in line with the decree signed in April month by Mayor Luzhkov.

Olson completed a paper describing the management pilot program. The paper includes as annexes all of the documents used in the bidding process. The paper has been sent to Washington. Olson is developing "lesson plans" for the housing management course that IHE will begin teaching this summer.

### **Housing Allowances**

The team (Kosareva, Struyk, Pusanov, and Daniell) met with Mrs. Ludmilla Kuznetsova (Deputy Head of the Department of Engineering Provision) to discuss proposals on administrative arrangements for implementing the housing allowance program. It was an extremely productive meeting, with tentative agreements reached on nearly all elements.

Struyk and Kosareva participated in a meeting chaired by A.S. Matrosov, Director of the Department of Communal Services and Member of Government, and attended by the City's top housing officials, at which concrete plans for implementing the housing allowance program were first discussed. Matrosov asked the team to take several assignments having to do with detailing the administrative structure, identifying the duties of the housing allowance office, and designing a training program for city officials.

The City's request for approval of its housing allowance program by the Russian Federation was rejected. The Ministry of Finance of the Russian Federation declined to endorse the City's proposal that its housing allowance program be treated as an experiment and therefore be permitted to be implemented prior to Federal guidance being issued. The City will try to appeal this decision. It is likely that the Federal guidance will be issued before October. The strategy is to continue with the implementation program with an October target date.

Rizor and Puzanov have concentrated on dealing with a fundamental issue of implementation of the allowance program: where and how should the calculations of allowance payments be done. The basic options are at the projected 130 housing allowance offices (HAOs) or at the 17 existing computing centers that are part of the Department of Communal Services. The team has assessed the capabilities of the existing centers and analyzed the amount of data transfer that would be involved in each alternative. Rizor prepared an outline of the major steps that had to be accomplished for the implementation of the allowance program and discussed his suggestions with Mrs. Kuznetsova, Deputy Director of the Department of Communal Services. Based on feedback from Mrs. Kuznetsova, Rizor developed the detailed plans for implementation of the housing allowances in Moscow. The workplan must be adjusted for the additional time it will take for approvals within the Moscow government for key products along the way.

Daniell and Angelici completed a new set of estimates of the number of households expected to participate in the Moscow housing allowance program for October 1993. Because incomes have risen so much faster than expected six months ago when the original projections were made, the number of participants is cut by about two-thirds to 80,000. In light of this result, the schedule of planned rent increases may well be adjusted upward.

### **Condominium Law and Associations**

At the end of February, final changes were made to the draft law on condominium regulations. In April Mayor Luzhkov signed the decree on condominiums. Contrary to the team's earlier information, the final version does not reflect the suggestions to the draft made by Steve Butler. The team has not yet seen the final version but were informed that the lawyer in Nicolai Maslov's office (Office of Privatization) handling this did not make the final changes the team suggested. A lawyer in Maslov's office says she agrees with the team's proposals and now hopes to incorporate these points into the foundation agreement and other documents that are now to be prepared.

Maslov's office has decided that it will have a licensing procedure for new condominium associations. In effect, this will be a certification that the housing

community (1) has adopted the proper legal organization, (2) has created a workable financial plan, and (3) has had designated members complete a training course in housing management which will be provided by the office.

The team was informed in April that a "training center" that is part of Maslov's office is now beginning to prepare a course for tenants who want to form a condominium association. Maslov had originally told the team he would like an expert adviser to visit Moscow to work with the new office of condominiums within three weeks after the regulation on condominiums were signed. However, Maslov has decided that at least for the time being his office will prepare the training program for tenants interested in forming a condominium without the team's assistance.

The team continues to provide some assistance to Mrs. Terokina, in the Office of Privatization within the Department of Municipal Housing on condominiums. Butler met with Mrs. Terokina about the implementation of the recently issued condominium regulation. They agreed that Butler would take the lead in preparing the model legal documents for condominiums. There are apparently problems with the formation of associations in new buildings in which the units have been auctioned. Butler will be preparing a memo on revisions to the regulations now covering these buildings for review by Mrs. Kuznetsova.

The team provided Mrs. Terokina with the training materials on condominiums that had been prepared by Carol Rabenhorst and translated into Russian by ICMA for use in Armenia. They should be of tremendous help, as her office has no other background materials for preparing training materials for condominium associations.

### **Housing Finance**

Struyk, Kosareva and Butler met on two occasions with Mr. Mikhail Klimov, Deputy Chairman of the Economic Committee, to continue discussions about the city's role in housing finance. The first meeting was to discuss a draft Moscow Government Decree on housing finance. The team had a number of objections to provisions which the committee had already decided to change or which were accepted by Mr. Klimov. One part of the decree establishes a working group and Klimov asked the team to be formal members of the body. The team agreed. Struyk, Butler, and Kosareva met Klimov to discuss the list of "normative documents" which they believed were necessary for the City to prepare to foster the development of housing finance. The team's position was that many of these regulations were unnecessary and the decisions were better left to the banks with some guidance from a yet-to-be-formed Center for Russian Mortgage Finance. Some of the "normative documents" should be laws or decrees as they will set forth the city's policies on the form and priorities of subsidies to support construction of new, owner-occupied housing for those on the waiting list.

## **C. Program Activities — General**

### **Sector Monitoring**

Butler submitted his report on existing laws and legal developments over the past six months in housing area. (The report is a standard part of the program's monitoring activities.)

Drs. Tanya Belkina and Oleg Pchelintsev, Institute for Economic Forecasting, submitted the final report on housing indicators for 1989-1991. The most striking aspect of these data is the enormous imbalances they show for the housing sector as measured by such indicators as the ratio of house prices to income and long-term housing lending as a share of sector investment. Struyk made final corrections on the report and the final was sent to Washington.

Struyk and Kosareva completed the draft of a major paper, "The Russian Housing Sector in Transition," and sent it to Washington in Monday's DHL.

Daniell, Puzanov, and Struyk completed the paper, "Housing Privatization in Moscow: Who Privatizes and Why?" using data from the survey of 2,000 households completed in December. The results show a strong relationship between the probability of privatization and the value of the unit. Interestingly, however, there is little relation between privatization and household income; this presumably reflects the fact that the distribution of housing by quality level under the old regime was determined primarily by non market factors rather than purchasing power.

As part of the large conference being organized by the European Network for Housing Research in Budapest in September there will a full day devoted to an assessment of the effectiveness of western assistance to Eastern European countries in the shelter area. The team will present its findings at the conference, in a session at which Struyk will describe the overall program and specific project the team elects to assess. Struyk, as a member of the steering committee, has been asked by the conference organizers to enlist two senior Russian analysts to conduct an assessment of parts of our overall program.

The essential elements for evaluating the success of the housing maintenance demonstration project were completed. In particular, the baseline survey of 300 tenant households among the 2,000 occupying units in the buildings included in the demonstration was completed, and the survey of the physical conditions of the buildings was also completed. Alla Guzanova submitted the cleaned data from the baseline survey of 300 units in the buildings included in the housing management pilot project. Basic tabulations of these data have been given to Angus Olson for his review. Struyk negotiated an agreement with Guzanova to do the first follow-up wave

of data collection in the last week of May. Struyk and Guzanova also discussed the changes needed to the questionnaire. Guzanova will prepare a new draft instrument. The team expects to sign a contract for the survey work.

Daniell and Angelici have prepared some initial data analysis for the early evaluation of the housing maintenance pilot program. The tabulations prepared this week compare the units included in the pilot with all units in the municipal housing inventory.

The second wave of household interviews of tenants living in the buildings in the pilot project was completed. The team will take delivery of the data by the first of July. Experts from the Institute for Housing Economy did the second round of physical inspections. All of these data will feed into the evaluation.

The English version of the Khadduri-Struyk paper, "Options for Administering Housing Allowances in Russia," has been completed and it is now being translated into Russian.

Jennie Daniell has completed the paper on Guidelines for Designing Rent Increase-Housing Allowance Programs for use by republican and municipal governments.

### **Dissemination**

Butler gave a seminar on February 9 on existing legal provisions for mortgage lending in Russia and modifications to the law that appear to be appropriate. The seminar was attended by about 50 persons from the banking community, Federal ministries, and the city of Moscow. The seminar was timely because the Supreme Soviet is considering exactly these issues in the context of a new draft mortgage law at this time.

Butler also gave a seminar on legal aspects of housing finance, focusing on amendments needed to existing laws. The seminar was attended by about 40 Russian bankers, attorneys, and government officials. This is another in the series of seminars that short-term experts working intensively with Mosbusinessbank are providing to the wider housing finance community.

The project has now distributed about 6,000 copies of twelve papers to interested persons since August. Our address list is now over 400. Word about the team papers has spread quite widely and on a typical day three or four persons from outside Moscow will visit the office and ask for copies of the papers.

Struyk and Kosareva held their second meeting with a reporter from *Commersant*, the local major business newspaper, to explain mortgage finance in detail. *Commersant* will begin a new real estate publication and this reporter will be responsible for housing finance reporting.

Several of the teams papers were distributed at a conference organized by The Guild of Russian Realtors is held in a suburb of Moscow on March 16-18.

The team has reached final agreement with the editor of the journal, *Problems of Economics* (*Voprosi Ekonomiki*) on the contents and financial arrangements of the special issue on housing. The journal has a circulation of 23,000, extremely large by U.S. standards.

Michael Lea held a seminar at the Joint Stock Mortgage Bank on the pricing of mortgage instruments. The presentation was attended by about 55 bankers and government officials. Staff from at least eight commercial banks were present. The event was held at the Joint Stock Mortgage Bank. Lea also gave an interview to the daily *Commersant* on mortgage pricing that will soon be published. TV channel 1 covered Lea's seminar (arranged by Arkady Ivanov).

Struyk and Kosareva had an article published in economics section of the weekly newspaper VEK (*Century*) on the effects to date of housing reform in Russia.

The Russian periodical, *Construction Economy*, published the article by Struyk and Kosareva, "The Structure of a Housing Finance System for Russia," in its April issue.

#### **D. Notable Developments Concerning the Housing Sector**

The results for housing privatization in 1992 in the Russian Federation show that 2.55 million units were privatized in the year, with 638,000 privatized in December alone. In Moscow 366,000 were privatized by the end of 1992. In mid-February 1993, the City crossed the 500,000 mark.

Alexander Matrosov, Chairman of the Department of Communal Services, Alexei Bryachikhin, Perfect of the West Administrative District, and Nikolai Maslov, Director of the Office of Privatization in the Department of Municipal Housing held a joint press conference on Wednesday to announce formally the initiation of the pilot program of shifting municipal housing to private, competitive management, which has been developed by Angus Olson as part of the USAID technical cooperation program. The conference received widespread attention and there were numerous follow-up stories in the press. The City leadership is clearly very pleased to be able to tell the citizenry about some concrete action aimed at improving the maintenance

of the housing stock. The importance of U.S. assistance was highlighted at several points.

The Supreme Soviet adopted the new law, "On the Status of the Russian Federation Capital," on the second reading, although additional amendments will be made; final passage is expected after the Easter holidays. The statute was drawn up by the Supreme Soviet and among other things abolishes the post of mayor. There would be a new "head of city administration." Many analysts view both the decision of the Constitutional Court and the new law as attacks against the President.

Housing completions in the first quarter of 1993 was 102 percent of activity for the same period in 1992. The amount of individual housing construction was 111 percent compared with 1992, and cooperative housing construction was 123 percent. Overall, the industry constructed about half of the units in 1992 as in 1988.

<b>THE URBAN INSTITUTE</b> <b>QUARTERLY FINANCIAL REPORT III (MARCH 1993 - MAY 1993)</b> Shelter Sector Reform Project - Russian Federation/City of Moscow Contract No. CCS-0008-C-00-2055-00 / UI Project 6306 Period of Performance: September 1, 1992 - August 31, 1994 (Base Period)								29-Jun-93 11:14 AM
							Quarters Remaining (QR):	5
Category	Contract Budget Base Period	Total Approved Task Orders	Total Pending Task Orders	P-T-D Expenditures 5/31/93	Accruals [(b+c)-(d)]	Budget Ceiling Balance [(a)-(d+e)]	Estimated Expenditures Next Quarter [(e+f)/QR]	Total Project Costs (Actual/Estimated)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Salaries and Wages	\$837,000	\$202,690	\$257,992	\$184,322	\$276,360	\$376,318	\$130,536	\$591,218
Fringe Benefits	359,000	82,089	104,486	74,650	111,925	172,425	56,870	243,445
Indirect Costs	401,300	92,900	107,574	81,881	118,593	200,826	63,884	264,358
Consultants	431,900	65,850	57,056	43,763	79,143	308,994	77,627	200,533
Subcontracts	168,400	83,959	158,737	79,214	163,482	(74,296)	17,837	260,533
Training and Seminars	829,300	0	0	0	0	829,300	165,860	165,860
Equipment	7,300	19,900	(4,010)	4,964	10,926	(8,590)	0	15,890
Travel & Logistic Support Costs*	1,544,500	226,190	164,358	156,543	234,005	1,153,952	277,591	668,139
Other Direct Costs**	374,900	140,937	123,212	59,407	204,742	110,751	63,099	327,248
G&A	569,100	101,794	103,579	75,204	130,169	363,727	98,779	304,152
<i>Subtotal</i>				<i>\$759,947</i>				
<i>Indirect cost rate adjustments</i>				<i>(\$3,724)</i>	<i>3,724</i>			
<b>Total Estimated Cost</b>	<b>\$5,522,700</b>	<b>\$1,016,309</b>	<b>\$1,072,984</b>	<b>756,223</b>	<b>\$1,333,069</b>	<b>\$3,433,407</b>	<b>\$952,083</b>	<b>\$3,041,376</b>
Fixed Fee	303,748	55,897	59,014	41,592	73,319	188,837	52,431	167,342
<b>Total Estimated Cost Plus Fee</b>	<b>\$5,826,448</b>	<b>\$1,072,206</b>	<b>\$1,131,998</b>	<b>\$797,815</b>	<b>\$1,406,388</b>	<b>\$3,622,244</b>	<b>\$1,004,514</b>	<b>\$3,208,718</b>
<i>*Travel (incl. per diem), transportation (incl. shipping), and overseas allowances</i> <i>**LTA field costs and home office costs</i>							Total Obligated Funds Available Thru This Quarter: \$2,550,000	
							Obligated Funds Balance Thru Next Quarter: (\$658,718)	
<b>Summary</b>			<b>Estimated Expenditures</b>	<b>Expenditures End of Quarter</b>	<b>P-T-D Expenditures</b>			
Last Quarter ending: February 28, 1993			796,713	\$378,571	\$628,030			
This Quarter ending: May 31, 1993			\$866,405	\$419,244	\$797,815			
Next Quarter ending: August 31, 1993			\$1,004,514					

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<b>THE URBAN INSTITUTE</b> <b>QUARTERLY FINANCIAL REPORT III (MARCH 1993 - MAY 1993)</b> Shelter Sector Reform Project - Russian Federation/City of Moscow Contract No. CCS-0008-C-00-2055-00 / UI Project 6306 Period of Performance: September 1, 1992 - August 31, 1994 (Base Period) <b>APPROVED TASK ORDERS</b>						
Task Order No.	1 (A)	2 (A)	3	4	5	Total
Category						
Salaries and Wages	\$136,096	\$14,171	\$16,306	\$32,154	\$3,963	\$202,690
Fringe Benefits	55,119	5,739	6,604	13,022	1,605	82,089
Indirect Costs	60,453	10,035	10,571	9,035	2,806	92,900
Consultants	43,441	3,841	0	11,930	6,638	65,850
Subcontracts	0	83,959	0	0	0	83,959
Training and Seminars	0	0	0	0	0	0
Equipment	8,000	0	0	11,900	0	19,900
Travel & Logistic Support Costs*	129,188	52,776	7,040	21,178	16,008	226,190
Other Direct Costs**	82,455	24,009	9,065	20,291	5,117	140,937
G&A	60,226	17,555	5,802	13,983	4,228	101,794
Total Estimated Cost	574,978	212,085	55,388	133,493	40,365	1,016,309
Fixed Fee	31,624	11,665	3,046	7,342	2,220	55,897
Total Estimated Cost Plus Fee	\$606,602	\$223,750	\$58,434	\$140,835	\$42,585	\$1,072,206

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<b>THE URBAN INSTITUTE</b> <b>QUARTERLY FINANCIAL REPORT III (MARCH 1993 - MAY 1993)</b> Shelter Sector Reform Project - Russian Federation/City of Moscow Contract No. CCS-0008-C-00-2055-00 / UI Project 6306 Period of Performance: September 1, 1992 - August 31, 1994 (Base Period) <b>PENDING TASK ORDERS</b>					
Task Order No.	3 (A)	4(A)	5(A&B)	6	Total
<b>Category</b>					
Salaries and Wages	\$103,438	\$142,192	\$2,596	\$9,766	\$257,992
Fringe Benefits	41,892	57,588	1,051	3,955	104,486
Indirect Costs	58,865	39,956	1,838	6,915	107,574
Consultants	0	48,758	8,298	0	57,056
Subcontracts	0	0	158,737	0	158,737
Training and Seminars	0	0	0	0	0
Equipment	0	(4,010)	0	0	(4,010)
Travel & Logistic Support Costs*	4,635	120,535	25,622	13,566	164,358
Other Direct Costs**	23,446	93,290	2,989	3,487	123,212
G&A	27,176	58,302	13,691	4,410	103,579
<b>Total Estimated Cost</b>	<b>259,452</b>	<b>556,611</b>	<b>214,822</b>	<b>42,099</b>	<b>1,072,984</b>
<b>Fixed Fee</b>	<b>14,270</b>	<b>30,614</b>	<b>11,815</b>	<b>2,315</b>	<b>59,014</b>
<b>Total Estimated Cost Plus Fee</b>	<b>\$273,722</b>	<b>\$587,225</b>	<b>\$226,637</b>	<b>\$44,414</b>	<b>\$1,131,998</b>

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**THE URBAN INSTITUTE**  
**QUARTERLY FINANCIAL REPORT II: (MARCH 1993 - MAY 1993)**  
 Shelter Sector Reform Project - Russian Federation/City of Moscow  
 Contract No. CCS-0008-C-00-2055-00 / UI Project 6306  
 Period of Performance: September 1, 1992 - August 31, 1994 (Base Period)  
**TASK ORDER LOG**

29-Jun-93  
 11:07 AM

Task Order No.	Period	Title	COMPONENT COSTS:				LEVEL OF EFFORT (person-days)							
			Total Cost	Resident Advisors	Washington Prof. Staff/Mgt.	Short-Term Technical Assistance	Total	Resident Advisors	Consultants	Subcontractors	Washington Prof. Staff	Contract Management	Training	
1A	9/92-2/93	Core Staff	\$606,602	\$401,225	\$154,185	\$51,192	4,203	1,490	703	120	1,300	520	70	
2A	9/92-3/93	Short-Term TA	\$223,750			\$223,750	581	320	0	0	228	33	0	
3A	3/93-12/93	U.S. Prof. Staff	\$332,156		\$332,156		139	0	12	43	84	0	0	
4A	3/93-12/93	LTA	\$728,060	\$728,060			669	0	0	0	589	80	0	
5B	3/93-12/93	STA	\$269,222			\$269,222	688	688	0	0	0	0	0	
6	5/93-12/93	World Bank	\$44,414			\$44,414	217	0	217	0	0	0	0	
<b>Total</b>			<b>\$2,204,204</b>	<b>\$1,129,285</b>	<b>\$486,341</b>	<b>\$588,578</b>	<b>2,341</b>	<b>1,008</b>	<b>229</b>	<b>43</b>	<b>946</b>	<b>115</b>	<b>0</b>	
<b>Budget Ceiling and Funding Summary:</b>							LOE Expended:	55.70%	67.65%	32.57%	35.83%	72.77%	22.12%	0.00%
Base Period Budget: \$5,826,448							LOE Balance:	1,862	482	474	77	354	405	70
Total T.O.s To Date: \$2,204,204														
Ceiling Balance: \$3,622,244														
Total T.O.s To Date: \$2,204,204														
Expenses Next Qtr: \$1,004,514														
Total: \$3,208,718														
Funds Obligated: \$2,550,000														
Funds Needed: (\$658,718)														