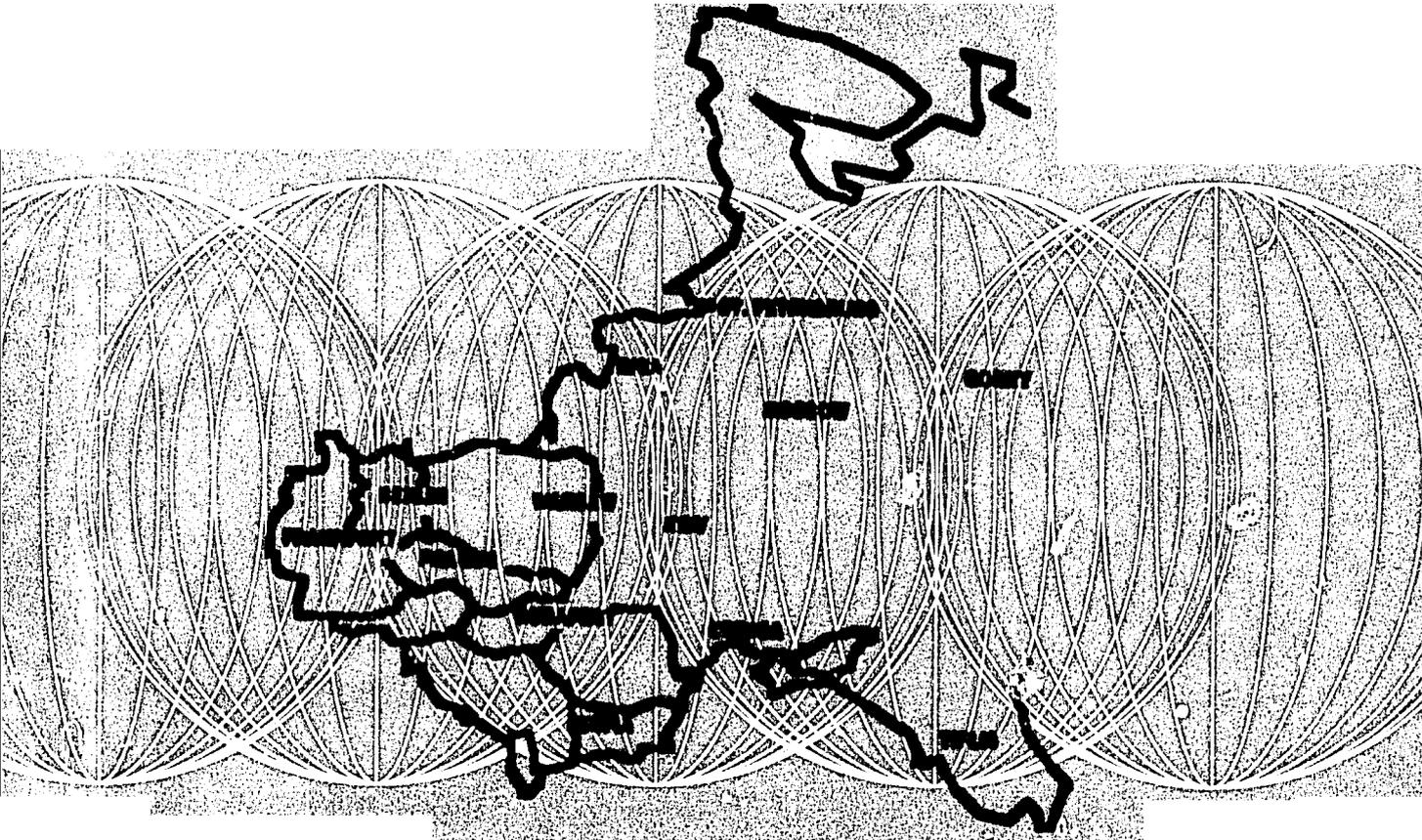


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AN INTERNATIONAL ACTIVITIES PROJECT
FROM PLANNING TO MARKETS
HOUSING IN EASTERN EUROPE



THE URBAN INSTITUTE
Prepared for the Office of Housing and Urban Programs (USAID)

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

QUARTERLY REPORT

JUNE 1993-AUGUST 1993

Prepared by

Raymond J. Struyk
Sheila O'Leary

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

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**QUARTERLY REPORT
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**SHELTER SECTOR REFORM PROJECT
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A. Program Activities — Russian Federation

Legal and Policy Developments

This quarter the team provided significant assistance in drafting and commenting on proposed legislation in the shelter sector.

Gosstroj (State Committee on Construction and Architecture) asked the team to review the draft codex for the Law on Fundamentals of Town Planning. Ray Struyk (SSRP Resident Advisor) read the draft and identified initial concerns. Steve Butler (SSRP Legal Advisor) reviewed the draft codex. Gosstroj also requested Butler review the draft federal regulation on condominiums.

The team received the second draft of the Housing Codex that will implement the Law on Fundamentals of Housing Policy that was passed last December. The draft was prepared by the Committee on Municipal Economy (the former branch ministry on building maintenance). There is little change from the previous draft on which Struyk provided extensive comments. The team believes that this entire version will be killed by other parts of Government and we should wait for the next generation of drafts to become further involved. The germane commission of the Supreme Soviet has met to consider the draft codex. The commission's inclination is to reject it completely, as the document fails to take the concept of the market into account. Formal comments will have to be prepared and the team has been asked to prepare one set.

The Law on Mortgage was blocked from being introduced for the first reading in the Supreme Soviet. The last minute emendations were ultimately excluded; the committee chairman apparently plans to make significant modifications after the law's passage on the first reading. Champions of the agricultural mortgage law, which has provisions highly contrary to the general law on mortgage, were responsible for the mortgage law not being introduced.

The Program HOUSING--the housing policy statement prepared by Gosstroj--was signed by Prime Minister Chernomyrdin and it is now the official policy blueprint of the Government.

The Presidential Decree freezing rents issued in the run-up to the referendum in April remains in effect and is a real constraint to local governments. Meanwhile, the RF Committee on Municipal Economy has prepared a draft of the Federal regulation for implementing the provisions of the Law on Fundamentals of Housing

Policy on raising rents on state rental housing and implementing housing allowances. The document needs a number of revisions, and the team discussed the changes that could be made with Gosstroi and the Moscow's Department of Communal Services, both of which will provide comments to the Committee on its draft. Nadezhda Kosareva (CCN Consultant) prepared comments on the penultimate draft at the request of Andrey Vavilov, First Deputy Minister of Finance, who pressed hard for a final set of changes the team thought appropriate.

The Presidential Decree on Non Budget Sources of Finance and the "Government Procedure" which will govern Sberbank's long-term lending operations (and which has some implications for all banks) were signed by the relevant ministries and sent to the Apparatus of Government for presidential signature. This process will likely take six to eight weeks. First Deputy Minister of Finance Vavilov was instrumental in getting the team's views incorporated into the documents.

The Fundamentals of Land Legislation was passed by the Supreme Soviet. However, President Yeltsin has declined to sign the law. The official reason given was that the law gives excessive powers to local soviets and is too concentrated on agricultural land issues.

On August 6, Gosstroi's Scientific and Technical Council, Committee on Problems and Forecasting of Housing Policy met to review the draft "Interim Condominium Regulations." Nadezhda Kosareva, who is a member of this Committee and the designated reviewer of the draft, made the official presentation. Input from Steve Butler was incorporated into Kosareva's presentation comments. The Committee's resolution was to approve the draft regulations, including the suggested amendments and changes.

Housing Finance

The team's housing finance efforts this quarter concentrated on developing for Sberbank a procedure for long-term housing lending; assisting MOSBUSINESSBANK (MBB) to create a program for loan servicing and underwriting; and meeting with various government officials to assist them in coordinating an overall government program for housing finance.

Preparation continued on the "Procedure" on housing finance which will govern several aspects of long-term housing lending by Sberbank and other commercial banks. The "final draft" contains several highly conservative amendments which were added at the suggestion of Sberbank, amendments that would strongly discourage any bank from voluntarily making mortgage loans. The team remonstrated the drafters that these amendments are highly unpopular with the working level staff at the Ministry of Finance. Gosstroi is also strongly opposed to these changes.

Nadezhda Kosareva attended a meeting with First Deputy Minister of Finance Vavilov and President of Sberbank Yasin at which the Government's policy for housing finance was again discussed. The context was budget funding from the Ministry of Finance for compensatory payments to Sberbank depositors which is mandated by law.

Deputy Prime Minister Feodorov signed the order creating the Interministerial Working Group on Housing Finance, which is to develop additional policy recommendations on long-term housing finance within three months. The Group is chaired by Andrey Vavilov, the First Deputy Minister of Finance, and the co-chairs are Minister Basin and Deputy Governor of the Central Bank Khandruev. Struyk and Kosareva are named as formal members of the group of twenty. Gosstroi pressed for the first meeting of the Working Group on Housing Finance recently approved by Minister Fyodorov. Minister Basin proposes that he personally and Deputy Governor Khandruev be co-chairmen of the committee along with First Deputy Minister of Finance Vavilov. Minister Basin proposes that the Procedure be developed by the Working Group in the broader codex of the overall development of the housing finance system.

The program of work with Mosbusinessbank (MBB) continued this period with the second visit of the loan servicing expert R. Subramaniam who resolved final issues with the bank and completed work on the loan servicing manual. He also gave a full day training session to staff and Sberbank.

After some weeks, the team's program of work with Sberbank is reviving. Struyk and Kosareva met with Sergei Ivanov. Ivanov reported that the bank has made no concrete decisions about its future mortgage lending operations and has no specific time table for introducing general changes in their lending program, including such areas as underwriting. The team responded that when the bank's plans had jelled, we would be glad to work out a corresponding tailored assistance program, within our available resources. In the meantime the team has plans in the near future to provide manuals and expert consultation coincident with our work program with MBB.

The team has established an ongoing relationship with Arkady Ivanov, President of the Joint Stock Mortgage Bank and co-founder of the Association of Mortgage Banks. Urban Institute staff in Washington arranged meetings on June 9-11 for Arkady Ivanov with area mortgage bankers. The team in Moscow met with Ivanov to establish concrete plans for cooperation in developing and presenting a series of training programs for bankers interested in mortgage lending were discussed. The Center for Mortgage Business, in which Ryland Homes and the Joint Stock Mortgage Bank are equal partners. While the Center is a for-profit entity, it is

proposed that the wing of the company conducting training and other "public interest" activities would operate on a non profit basis.

Struyk and Kosareva led a focus group meeting in Samara with eight people on variable rate and indexed mortgage instruments. The objective was to discuss the mortgage instruments with people who were actively in the housing market--meaning that they would have realistic appreciation of current house prices and the difficulty of assembling the cash for purchase.

Struyk spoke to Mikail Gavrilin, Head of the Credit Department at Sberbank, and told him that the team planned to approach Sberbank for the Moscow oblast about working with it on mortgage lending. He said he preferred that the team work with the City of Moscow and that he would set up meeting for the team in September.

Eighteen Russians the team nominated left for the three-week course on housing finance being given by the Fels Center at the University of Pennsylvania. A number of the participants are from the private sector. Among them are Igor Bochkrev, Director of the Povolzhsky Financial and Building Company, Samara; Arkady Ivanov, President, Joint Stock Mortgage Bank, Moscow; and Elena Kazakova President, Invesstrakh Branch (Yaroslav), Director-Designate of Joint Stock Mortgage Bank, Yaroslav.

Housing Allowances

In light of the slowdown in the process of developing the Presidential Decree on implementing allowances, a parallel diminution in activity of working with local governments occurred.

Although proceeding at a slower pace, work on housing allowances continues. Gene Rizer and Roberta Graham of Quadel Consulting have been working with Sasha Puzanov (Institute for Housing Economy - IHE) to review the key elements in an overall workplan for designing and implementing rent increases and housing allowances. Rizer and Puzanov met with IHE staff to demonstrate housing allowance administration software. Also discussed was some further development by Puzanov of procedures for computing administrative costs, staffing level, and start up capital costs for implementing allowances.

Rizer and Puzanov met with representatives of Gosstroj and the Finance Ministry to brief them on the activities related to implementing housing allowances in Moscow, and the applicability of the materials developed for use by other jurisdictions throughout the Federation. Gosstroj is concerned about the ability of other republics and communities to design and implement such a program. Draft Moscow materials were presented, including options for program administration and

organization; how to measure and document income and assets; methods and frequency of reexamining family circumstances; and methods for preventing and acting upon participant fraud.

Puzanov made a presentation on housing allowances to officials from 15 communities around Russia. The presentation was made at a meeting hosted by the Institute for Housing Economy (IHE). The purpose of the meeting was to brief people who could not attend the IHE-UI conference of last April.

The Ministry of Economy has produced a draft of the regulation on raising rents and introducing housing allowances which is to be issued by the Council of Ministers to implement the corresponding provision of the Law on Fundamentals of Housing Policy. This draft will supersede a much weaker version produced recently by the Committee on Municipal Economy. Importantly, the draft gives republican governments significant latitude in designing their own program than had been suggested in the law, but within a framework of a single system of housing allowances. The target date for implementation is January 1, 1994.

The draft Council of Ministers Regulation was sent to the Apparatus of Government, with additional proposed changes from Gosstroi and the Ministry of Finance. The draft was received "positively" by the Apparatus of Government. Based on this, the Prime Minister is expected to sign it.

B. Program Activities — City of Moscow

Housing Maintenance Pilot Project

The team obtained final approval in principle to add about 5,000 units to the management pilot program by September. These are departmental units at a number of sites that the City accepted from enterprises in 1991. The units are provided by the Department of High Rise Buildings (DHRB). September 1 is the tentative target date for getting the second batch of 5,000 units under contract.

Struyk and Olson met with Mrs. Kusnetsova to discuss the Pilot expansion. The meeting yielded several agreements. (1) Matrosov will host a meeting of all Moscow Prefects and Deputy Prefects. The results of the Pilot will be showcased, and Matrosov will ask for city-wide participation in the expansion of the Pilot. (2) For 1994, the concrete targets are: 1st Quarter - 50,000 new units; 2nd Quarter - 75,000 new units; 3rd Quarter - 100,000 new units. This brings the cumulative total to over 250,000 units, and conforms the City targets to the IRAP Work Plan targets. (3) Funding for the expansion of the Pilot will come from the Department of Engineering Provision, at levels equal to RAiU funding (indexed for inflation). This amount is deemed adequate and will remove the potential criticism that Pilot work is funded at

a higher level than the RAIU's. (4) RAIU's that are willing to privatize may enter the competition for the expansion units, however, they must win any contracts strictly on their merits. This interfaces with President Yeltsin's recent decree that RAIU's be converted to stock companies.

The main effort of the Pilot this month was conducting the competition for the second package of five groups of buildings to be put under private management. Fifteen firms attended the pre-bid conference. Ultimately 12 bids were received from five firms. The proposals were reviewed and all firms interviewed. Contracts for the five packages of units will be signed before September 1 with four firms. Among the four winning firms are two that had won contracts in the first round of competition.

Training of the new contractors is proceeding rapidly. Olson completed the lesson plans or teacher's manual for the housing management course he taught last fall. Two new units have been added to the training course, expanding the training from 16 to 18 sessions. This material is being used in the training of the officials from the DHRB who are acting as "owners" of the departmental stock. The training of the DHRB staff commenced on June 4. At the request of the owner, Olson agreed to accelerate the training schedule to teach 4 sessions per week. The training was completed on June 30. Seventeen officials completed the course.

The third monthly review meeting between the owners and contractors in the pilot projects took place this month. The contractors appear to be doing well. At one site, the Kutusovsky, the contractor repainted the entryways which has made a dramatic difference in appearance. While the buildings are all clean, the general lack of funds for any capital repairs really limits the significance of changes in appearance. Numerous tenants expressed their satisfaction with the Pilot results, some even volunteering their time to participate in future beautification projects.

Alexander Matrosov, Chairman of the Department of Communal Services, held a press briefing to announce and explain the City's program for increasing rents and implementing allowances. As part of his statement announced the second round of competition to select management firms for 5,000 units owned by the city. He will release highlights of the evaluation of the first pilot project to underline that the City is taking action to improve maintenance in exchange for higher rents.

Olson completed a draft revision of the Model Management Contract, making improvements drawn from the experiences of the Owners and Contractors in the first round of the Pilot. Revisions include tougher requirements on the Owner to make regular site inspections; more specific reporting requirements for the Manager; and joint Owner-Manager building surveys to determine pre-existing deferred maintenance items.

At their request, Olson briefed members of the Mossoviet Commission on Housing Policies and Reforms (Lev Ivanov, Chairman) on the housing management pilot program. The briefing went well, with the Commission asking to participate more actively in the program.

Housing Allowances

Opposition to introducing rent increases and housing allowances in Moscow continues in certain official circles, but the team is gaining increasing support for its ideas. After a meeting with Kosareva and Shamouzafarov, First Deputy Minister of Finance Vavilov signed a joint letter from himself and Minister Basin to Valery Dolgov, Chairman of the Committee on Municipal Economy of the Russian Federation, strongly supporting the idea of Moscow and Nizhni Novgorod proceeding with the housing allowance demonstrations. It is hoped that this will be sufficient to resolve the issue. Currently, the Committee opposes the implementation of housing allowances in Moscow on an experimental basis and is supported by the Ministry of Finance in this position.

Mayor Luzhkov has appointed a special committee under Deputy Mayor Nikolski to oversee the program of rent increases and introduction of housing allowances and charged it with quick action. At the same time, there is an increasing likelihood that the October 1 target date for beginning the program will be missed by perhaps two or three months.

Drafts of three chapters of a proposed Procedures Manual for the Housing Allowance Program were delivered to Kusnetsova, along with information about the anticipated administrative costs for two of the proposed rent increase scenarios. Angelici, Puzanov, and Rizer met with Kusnetsova to discuss the draft chapters, and to discuss the materials to be presented by Kusnetsova at Maslov's June 17 Housing Committee meeting. Kusnetsova requested some changes to the chapter that summarizes program policy, with revisions to be given to Committee members prior to the meeting. The chapter summarizing key program and organizational policies was revised as requested by Mrs. Kuznetsova, and presented to members of Mr. Maslov's Housing Committee for their consideration.

Rizer, Graham, Puzanov, and Struyk participated in a meeting of the committee that is overseeing the implementation of the housing allowance program in Moscow. The meeting was chaired by Nikolai Maslov. Mrs. Kuznetsova made her proposals related to rent increases, housing allowance program design, and the social standard for housing. Mr. Ivanov of Mossoviet indicated that Mossoviet was preparing its own legislation related to these issues and that their approach was very different from Kuznetsova's. Among the decisions reached at the meeting were that a Scientific Soviet would be held in August to present materials and have discussions with

experts regarding program design, and particularly the schedule for increasing rents, so that full cost coverage is achieved by 1998.

Rizor and Graham continued work on drafting procedures for enrollment, income verification, and recertification for housing allowance program participants. Graham and Puzanov met with Mrs. Medvedeva to discuss issues of documentation that would be available to verify each source of income for participants in a housing allowance program. This is to assist the development of procedures related to verification and to identify what documents families should be instructed to bring to the intake interview. Final drafts of these products are targeted for the end of August. After adoption by City Government, training materials will be developed for the organizations that will operate the program. Training is programmed for December.

Rizor and Puzanov met with Mrs. Kusnetsova to discuss the implications of a new decree from Moscow Government related to Rent Increases and Housing Allowances. This decree assigns basic responsibility for the implementation of rent increases and housing allowances to the Department of Engineering Provision, headed by Matrosov. The decree calls for the creation of a new office—Housing Computations and Subsidies.

Land Policy

Steve Butler completed comments on a draft City regulation on mortgages and property registration, which we had been asked to review by Nikolai Maslov. The part of the regulation on mortgage closely follows the latest Supreme Soviet draft of the Law on Mortgage. The registration section, however, is new. The draft offers a good starting point, but there are a substantial number of improvements that could be easily incorporated. We will get the translated comments to Maslov next week.

Condominium Law and Associations

Maslov's office has produced a draft regulation on condominiums to implement the government decree which was signed in April and he asked the team to review it. His office also began a training class for groups of tenants who want to form condominium associations. The group organizing the training is the Center for the Promotion of Housing Reform under the direction of Deputy Director Viktor Filtchenko. There will be 25 persons in each class. Maslov reported that demand for slots is high. The course is, in part, using materials prepared for the AID Hungarian program which ICMA had translated into Russian for use in Armenia. At Filtchenko's request, Butler and Olson gave half-day lectures as part of the training course.

Butler brought a set of model condominium documents which were prepared on the basis of the Moscow Regulation. The documents have been distributed to various interested parties in and outside of government, including the Municipal Housing Department, the Fund for Privatization of Individual Flats, and the nascent Association of Mortgage Banks.

C. Program Activities — General

Sector Monitoring

The team at the Institute for Economic Forecasting submitted a draft final report on the 1992 housing indicators for Moscow. They are under review by Struyk and Angelici. Daniell and Angelici have begun work on preparing a summary paper on selected indicators which would track changes in Moscow over the 1989-1992 period and compare Moscow with selected cities in Eastern Europe, Germany and the U.S.

Struyk and Angelici have completed an initial draft report on the early experience with private management in the 2,000 units in the pilot program. The evaluation relies upon two waves of household survey data--one wave just before the firms took over and another ten weeks later. The results show a perhaps surprising degree of improvement as perceived by the tenants. They should be instrumental in pushing the expansion of the program.

Struyk, Puzanov and Angelici had a planning meeting with Alla Guzanova about her conducting four additional household surveys for the project by the end of the year. Alla has fielded three surveys to date for us and done a truly excellent job each time.

Dissemination

The paper by Struyk and Kosareva, "The Structure of the Housing Finance System in Russia," has been published by the Economic Reform Working Center of the Russian Federation and reprinted in *Rossikiye Vesti*.

The team completed all of the papers for which we are responsible for the special issues of *Voprosi Ekonomiki* on housing. The issue is on schedule for publication in July. The issue, supported in part by AID, will go to about 25,000 regular subscribers. The issue contains contributions by academics and policy makers, as well as several articles by the Urban Institute team based on research undertaken in the project.

Struyk was the guest on a 30 minute radio show on the Independent Broadcast Network, originating in Moscow Thursday night, about the housing situation in the Russian Federation.

On August 4th, Struyk and Kosareva participated in a panel discussion on Housing Construction that was televised on Moscow Channel 4. The program focused on "How to Overcome Obstacles," with Struyk and Kosareva talking about mortgages. Other participants were Arkady Ivanov, President of the Joint Stock Mortgage Bank; Efim Basin, Minister of Gosstroj; and Vladimir Tarantkov, President of the Mortgage Standard Bank.

The team tabulated the number of papers the project has distributed from September 1992 through June 1993: 18,000, with over 95% of these being in Russian. The team has 17 titles in the Russian series, not counting the new titles in the "Mortgage Handbook Series." The team receives requests daily from across Russia, and even from other NIS countries, by phone and from people visiting our office. In addition we have been informed that our papers are being sold by at least two firms. We are starting to explore options for a distributor, both to institutionalize the availability of the papers and to relieve us of some of the clerical burden.

As part of a continuing housing finance seminar series, Struyk gave a seminar on risks inherent in mortgage lending--and how to cope with them in Russia. We had originally not planned a seminar for July because we thought we would have light attendance due to vacations. But bankers called Arkady Ivanov and asked if something could be arranged. About fifty bankers, officials, and press attended.

Elena Novomlinkaya, a reporter for the influential business journal *Commersant*, has followed the current procurement process for private firms to take over management of 5,000 municipal units. The paper carried a highly positive story on the housing management demonstration project. This sparked a flood of telephone calls to Olson and a request for a briefing on the project from *Mossoviet*.

Work with Peace Corps Volunteers

Struyk met with Jon Darrah, Senior Country Representative for the Peace Corps, about the possibility of working together to reach more Russian cities with the housing reform program. At the conclusion of this constructive meeting, it was agreed that Struyk would prepare a memo outlining a concrete initial program that could be executed this fall. This was done and delivered to Darrah on July 1.

Struyk will attend a day-long planning session in Saratov with the Western Russia Peace Corps contingent on August 18 to plan out a joint program for the fall and winter.

Puzanov and Struyk traveled to Saratov this week to meet with all of the volunteers in the western program who were gathered there for other reasons. The two outlined the proposed program of cooperation in which the volunteers would serve as local housing advisers, building on the materials our project has produced and seminars we would give in the region. The team will be giving two-day seminars in the region during the weeks of September 26, October 17, and October 24. There was demand for more dates and we may add seminars in other cities in December.

World Bank Housing Loan Mission

Struyk had an extensive meeting with Adrienne Nassau in which she asked that our team take on significant responsibility for loan preparation. Struyk expressed willingness in principle, subject to seeing a clear terms of reference and assuming that it can be squared with AID and that it will be possible for short-term people to fill-in for Struyk on the work he should be doing on the housing reform project. In connection with future collaboration with the Bank, Struyk met with a number of mission members during this period, including Solly Angel, David Leibson and John Pikard to finalize details.

Struyk drafted an RFP, absent the Statement of Work, for the acquisition of data collection in the seven cities included in the project and sent it to Urban Institute/Washington for review. The Statement of Work should be developed during Angel's visit to Moscow next week.

Struyk met with Olga Kaganova and her colleagues to discuss the proposal for data collection they are preparing. Letters of Agreement for proposal preparation have been executed with both the Kaganova group and the group at the Institute for Economic Forecasting.

Struyk met with John Picard, who was in Moscow for a couple of days en route from Armenia to Washington, to discuss further the logistics of a World Bank project preparation office that would be largely funded by AID through the Urban Institute contract.

Other

Struyk gave a two hour seminar to a group of 30 graduate students from the Real Estate Department of the University of Wisconsin. The group was led by two faculty members, Kerry Vandell and Rod Matthews.

At Anvar Shamouzafarov's request Struyk and Kosareva met with a group led by the Deputy Mayor of Ryazan. The city is participating in a national experiment

on condominiums under which different models of condominium associations are being tried. Butler met with officials from Ryazan about the city's participation in a condominium demonstration project. Butler will spend several days in Ryazan on his next trip on condominium documentation and planning for the construction of the project.

Struyk attended a working breakfast at the Ambassador Pickering's residence. The guest of honor will be Secretary Bensten. There were be five "outside" guests in addition to Struyk, mostly businessmen, including such persons as the director of McDonalds in Moscow.

Struyk, Rizer, and Daniell met with Timothy King of the World Bank, and Jim Hill, a consultant with the Bank working on means testing for social safety net programs. We discussed the means testing work that has been done for housing allowances and gave them copies of relevant Urban Institute reports.

Olson, Struyk, and Deikun briefed Bryan Atwood, AID Administrator, and Malcolm Butler, head of the NIS Task Force, on the housing program in Russia. Atwood and his entourage visited one of the municipal rental buildings where a private firm is now responsible for management, where Olson and the manager conducted a tour of the site.

Struyk met with Ted Priftis and a team from Research Triangle, Inc. who were making an initial visit to Russia to lay the ground work for implementation of the Public Administration Project, for which RTI won the AID-competition. Topics of discussion included how the housing project initially approached local officials in seeking cooperation and various logistical issues.

D. Notable Developments Concerning the Housing Sector

During the first four months of 1993, 2.55 million State rental units were privatized--on average more than 600,000 units monthly. Since the beginning of the privatization process, ownership of over 5.3 million units have transferred to their occupants. This is about 16 percent of the units eligible; in Moscow the figure 28 percent. For Moscow, if we add the number of units for which applications have been filed, over one-third of the eligible stock could be counted as privatized.

Government of Moscow figures show that for the first time in recent years, the number of families on the municipal waiting list for housing was reduced in 1992, with 65,000 families being provided with improved housing conditions. Nevertheless, some people on the waiting list since before 1981 have not been helped, and even those in preferential categories who registered before 1986 are still waiting.

For 1993 the City plans to produce or renovate 4 million square meters of housing (through both public and private sources), up from 3 million in 1992 and 1991. Next year the City will auction 500,000 square meters of new housing in the open market, up from 300,000 in 1992. Production cost has passed 100,000 rubles per square meter, while auction prices are about 250,000 rubles per square meter.

Alexander Matrosov, Director of the Moscow Department of Engineering Provision, has asked for the Privatization of the Maintenance Pilot Program to be accelerated. The recent positive results of the Tenant Satisfaction Survey prompted Matrosov to praise the privatization program at a press conference, and to solicit bidders for the 5,000 new units included in the offering of the Department of High Rise Buildings. Beyond the 5,000 units, a concrete target of 25,000 additional units for the 4th quarter of 1993 was set. Long range targets were set that will expand the Pilot to a total of more than 250,000 units by the end of 1994.

The Shelter Sector Reform Project will celebrate its first anniversary on September first. The team has prepared a tabulation of accomplishments in sector reforms against the goals set eleven months ago. The record shows that the program with the City of Moscow and the Russian Federation has achieved or surpassed every objective set.

THE URBAN INSTITUTE**QUARTERLY FINANCIAL REPORT IV (JUNE 1993 - AUGUST 1993)**

Shelter Sector Reform Project - Russian Federation/Municipality of Moscow

Contract No. CCS-0008-C-00-2055-00 / UI Project 6306

Period of Performance: September 1, 1992 - August 31, 1994 (Base Period)

26-Oct-93

11:37 AM

Quarters Remaining (QR):	4
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Category	Contract Budget Base Period (a)	Total Approved Task Orders (b)	Total Pending Task Orders (c)	Y-T-D (1992) Expenditures as of 12/31/92 (d1)	Y-T-D (1993) Expenditures as of 8/31/93 (d2)	P-T-D Expenditures as of 8/31/93 (d = d1 + d2)	Accruals [(b+c)-(d)] (e)	Budget Ceiling Balance [(a)-(d+e)] (f)	Estimated Expenditures Next Quarter [(e+f)/QR] (g)	Total Project Costs (Actual/Estimated) (h)
Salaries and Wages	\$837,000	\$413,132	\$114,051	\$93,045	\$217,791	\$310,836	\$216,347	\$309,817	\$85,502	\$612,685
<i>On-site</i>				37,754	80,690	118,445				
<i>Off-site</i>				55,291	137,101	192,392				
Fringe Benefits	359,000	174,960	50,233	37,683	94,957	132,640	92,553	133,807	36,784	261,977
<i>On-site</i>				15,290	35,181	50,471				
<i>Off-site</i>				22,393	59,776	82,169				
Indirect Costs	401,300	188,857	33,921	42,271	96,731	139,002	83,776	178,522	42,623	265,401
<i>On-site</i>				26,734	57,356	84,090				
<i>Off-site</i>				15,537	39,375	54,912				
Consultants	431,900	106,695	94,389	30,646	58,366	89,012	112,072	230,816	55,719	256,803
Subcontracts	168,400	242,696	154,965	42,277	129,369	171,646	226,015	(229,261)	120,000	517,661
Training and Seminars	829,300	0	0	0	0	0	0	829,300	0	0
Equipment	7,300	26,130	0	0	12,405	12,405	13,725	(18,830)	0	26,130
Travel & Logistic Support Costs*	1,544,500	379,866	150,948	83,621	127,247	220,868	309,946	1,013,686	215,090	745,904
<i>Travel</i>				35,287	46,790	82,077				
<i>Consultant Exp. Other</i>				16,304	37,560	53,864				
<i>Allowances</i>		56,932	45,698	42,029	42,897	84,926				
Other Direct Costs**	374,900	232,744	91,789	36,150	108,855	145,005	179,528	50,367	37,358	361,891
<i>Advisory Services</i>				2,691	4,710	7,401				
<i>Computing Services</i>				4,090	9,879	13,968				
<i>Equipment Rental</i>					980	980				
<i>Photocopying</i>				2,274	4,253	6,527				
<i>Repair & Svcs - Furn. & Equip.</i>					134	134				
<i>Expendable Supplies</i>				2,316	(1,324)	992				
<i>Publications</i>				84	0	84				
<i>Telephone</i>				1,804	4,502	6,306				
<i>Books/Periodicals/Library Svc</i>				491	2,106	2,597				
<i>OCLC System</i>				12	6	18				
<i>Temporary Help</i>					1,188	1,188				
<i>Other Insurance</i>				2,535	5,607	8,142				
<i>Translation</i>				5,412	82	5,494				
<i>Purchase Order - Contracts</i>					3,830	3,830				
<i>Field Office ODCs</i>					69,562	69,562				

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THE URBAN INSTITUTE QUARTERLY FINANCIAL REPORT IV (JUNE 1993 - AUGUST 1993) Shelter Sector Reform Project - Russian Federation/Municipality of Moscow Contract No. CCS-0008-C-00-2055-00 / UI Project 6306 Period of Performance: September 1, 1992 - August 31, 1994 (Base Period)										
										26-Oct-93 11:37 AM
										Quarters Remaining (QR): 4
Category	Contract Budget Base Period (a)	Total Approved Task Orders (b)	Total Pending Task Orders (c)	Y-T-D (1992) Expenditures as of 12/31/92 (d1)	Y-T-D (1993) Expenditures as of 8/31/93 (d2)	P-T-D Expenditures as of 8/31/93 (d = d1 + d2)	Accruals [(b+c)-(d)] (e)	Budget Ceiling Balance [(a)-(d+e)] (f)	Estimated Expenditures Next Quarter [(e+f)/QR] (g)	Total Project Costs (Actual/Estimated) (h)
<i>Postage/Delivery</i>				2,992	8,230	11,222				
<i>Other Purchased Services</i>				11,446	(4,889)	6,558				
G&A	569,100	195,372	73,786	41,335	94,252	135,587	133,571	299,942	70,446	339,604
<i>Total Direct and Indirect (excl. subcontracts)</i>				39,010	87,395	126,405				
<i>Subcontracts</i>				2,325	6,857	9,182				
Total Estimated Cost	\$5,522,700	\$1,960,452	\$764,082	\$417,028	\$939,973	1,357,001	1,367,533	2,798,166	\$663,522	\$3,388,056
Fixed Fee	303,748	107,825	42,025	22,937	51,699	74,636	75,214	153,898	36,494	186,344
Total Estimated Cost Plus Fee	\$5,826,448	\$2,068,277	\$806,107	\$439,965	\$991,672	1,431,637	1,442,747	2,952,064	\$700,016	\$3,574,400
									Total Obligated Funds Available	
									Thru This Quarter: \$4,700,000	
									Obligated Funds Balance	
									Thru Next Quarter: \$1,125,600	
Summary			Estimated Expenditures	Expenditures End of Quarter		P-T-D Expenditures				
Quarter ending: 11/30/92				\$249,459		\$249,459				
2/28/93			\$796,713	\$378,571		\$628,030				
5/31/93			\$866,405	\$169,785		\$797,815				
8/31/93			\$1,004,514	\$633,822		\$1,431,637				
11/30/93			\$700,016							

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THE URBAN INSTITUTE**QUARTERLY FINANCIAL REPORT IV (JUNE 1993 - AUGUST 1993)**

Shelter Sector Reform Project - Russian Federation/Municipality of Moscow

Contract No. CCS-0008-C-00-2055-00 / UI Project 6306

Period of Performance: September 1, 1992 - August 31, 1994 (Base Period)

APPROVED TASK ORDERS

Task Order No. Category	1 (A)	2 (A)	3(A)	4(A)	5(B)	6	Total
Salaries and Wages	\$136,096	\$14,171	\$122,579	\$123,961	\$6,559	\$9,766	\$413,132
Fringe Benefits	55,119	5,739	53,444	54,047	2,656	3,955	174,960
Indirect Costs	60,453	10,035	71,208	35,602	4,644	6,915	188,857
Consultants	43,441	3,841	0	44,477	14,936		106,695
Subcontracts	0	83,959	0	0	158,737		242,696
Training and Seminars	0	0	0	0	0		0
Equipment	8,000	0	0	18,130	0		26,130
Travel & Logistic Support Costs*	129,188	52,776	30,455	55,319	41,630	13,566	322,934
Allowances			234	56,698			56,932
Other Direct Costs**	82,455	24,009	32,606	82,081	8,106	3,487	232,744
G&A	60,226	17,555	37,884	57,378	17,919	4,410	195,372
Total Estimated Cost	574,978	212,085	348,410	527,693	255,187	42,099	1,960,452
Fixed Fee	31,624	11,665	19,163	29,023	14,035	2,315	107,825
Total Estimated Cost Plus Fee	\$606,602	\$223,750	\$367,573	\$556,716	\$269,222	\$44,414	\$2,068,277

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THE URBAN INSTITUTE				
QUARTERLY FINANCIAL REPORT IV (JUNE 1993 - AUGUST 1993)				
Shelter Sector Reform Project - Russian Federation/Municipality of Moscow				
Contract No. CCS-0008-C-00-2055-00 / UI Project 6306				
Period of Performance: September 1, 1992 - August 31, 1994 (Base Period)				
PENDING TASK ORDERS				
Task Order No.	4(B)	5(C)	6(A)	Total
Category				
Salaries and Wages	\$103,713	\$4,328	\$6,010	\$114,051
Fringe Benefits	45,219	2,090	2,924	50,233
Indirect Costs	29,786	1,628	2,507	33,921
Consultants	46,764	33,025	14,600	94,389
Subcontracts	0	152,565	2,400	154,965
Training and Seminars	0	0	0	0
Equipment	0	0	0	0
Travel & Logistic Support Costs*	38,133	28,705	38,412	105,250
Overseas Allowances	45,698			45,698
Other Direct Costs**	75,570	5,278	10,941	91,789
G&A	46,956	17,317	9,513	73,786
Total Estimated Cost	<u>431,839</u>	<u>244,936</u>	<u>87,307</u>	<u>764,082</u>
Fixed Fee	23,751	13,472	4,802	42,025
Total Estimated Cost Plus Fee	<u>\$455,590</u>	<u>\$258,408</u>	<u>\$92,109</u>	<u>\$806,107</u>

