



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission (SDHC) Fiscal Year (FY) 2018 Proposed Budget (July 1, 2017 - June 30, 2018) SDHC Board of Commissioners Presentation May 5, 2017

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SDHC FY 2018 Proposed Budget Presentation

Section 1 – Overview

SDHC FY 2018 Proposed Budget Overview

\$433 Million in Total Funding Sources



SDHC Headquarters
1122 Broadway
Downtown San Diego



SDHC FY 2018 Proposed Budget

Significant Factors Impacting Budget Development

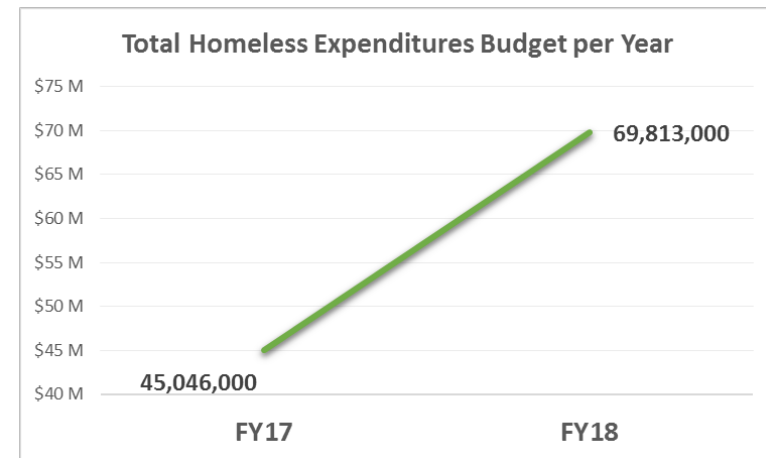
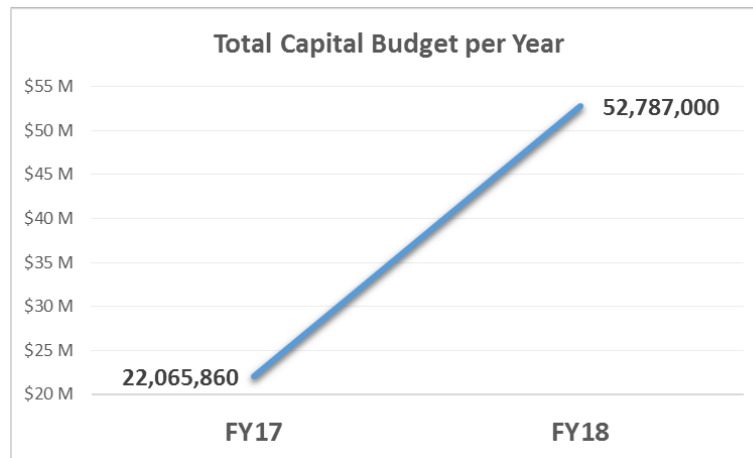
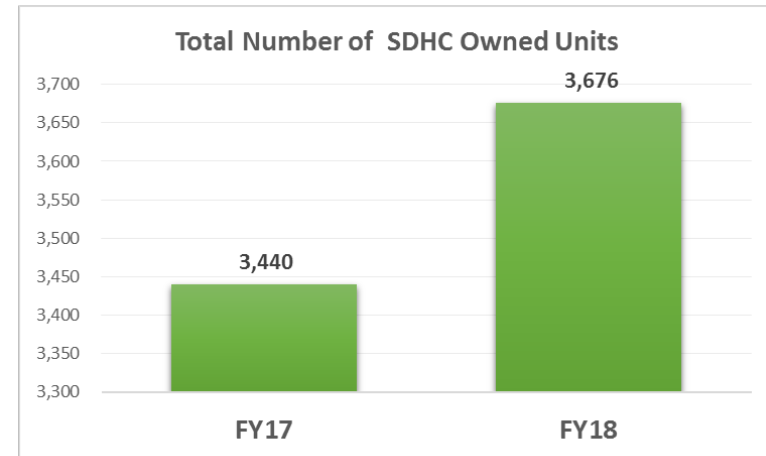
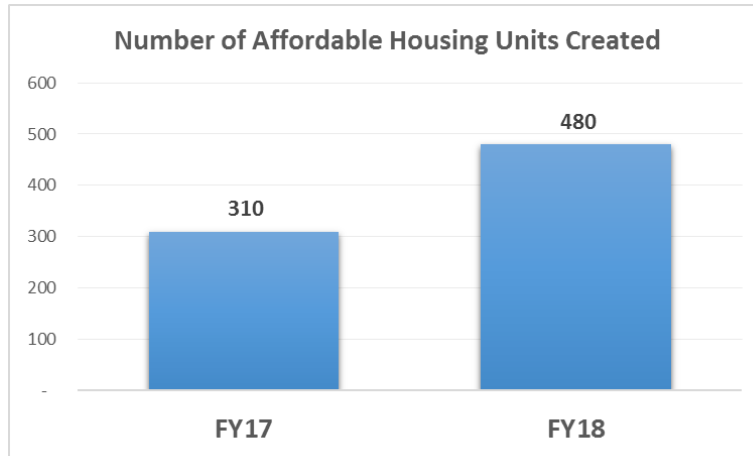
Federal Funding:

- The U.S. Department of Housing and Urban Development (HUD) has indicated potential for 2.5% to 6% cut in funding levels for future Housing Assistance funding.
- SDHC is currently receiving 5% reductions in actual disbursements from HUD for Housing Assistance Programs and has consequently included the cut in the proposed budget.
- HUD held reserves and unspent allocations from prior years will be utilized to increase the number of housing opportunities that serve low-income and homeless individuals and families.



SDHC FY 2018 Proposed Budget

Where we've been and where we're going in 2018



SDHC FY 2018 Proposed Budget Executive Summary

\$433 million balanced budget with 330 full-time equivalents to:

- Provide Rental Assistance to Low-Income Households
- Create and Preserve Affordable Housing
- Address Homelessness
- Maximize Resources
- Advocate and Collaborate





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SDHC FY 2018 Proposed Budget Presentation

Section 2 – Objectives and Deliverables

SDHC FY 2018 Proposed Budget Objectives and Deliverables

We're About People

Mission

Provide affordable, safe and quality homes for low- and moderate-income families and individuals in the City of San Diego and provide opportunities to improve the quality of life for the families that SDHC serves



SDHC FY 2018 Proposed Budget Objectives and Deliverables (Cont.)

Continuation of the SDHC Strategic Plan – 2016-2020

1. Maximize resources through operational efficiencies and technological innovations
2. Increase the number of housing opportunities that serve low-income and homeless individuals and families in the city of San Diego
3. Advocate for more effective affordable housing policies and resources



SDHC FY 2018 Proposed Budget Objectives and Deliverables (Cont.)

- **Provide Rental Assistance to Low-Income Households:**
 - Assist more than 15,400 households.
 - Continue specialized programs: Assist populations, such as transitional age youth, homeless individuals, and chronically homeless Veterans.
 - Expand Choice Communities: Increase housing choice for low-income families in the city of San Diego.
 - SDHC Moving Home: Implement a rapid rehousing program that increases housing choice for low-income, homeless families.
- To support the Rental Assistance Division's (RAD) expansion of housing assistance to more families, homeless individuals, and additional populations, four staff will be added.



SDHC FY 2018 Proposed Budget Objectives and Deliverables (Cont.)

- **Create and Preserve Affordable Housing**
 - Renovate and rehabilitate 577 SDHC-owned units
 - Acquire and develop 190 affordable housing units
 - Award Development funds to create 480 permanent affordable housing units, including units for homelessness
 - Own and/or manage 3,486 affordable housing units in the city of San Diego, including SDHC's nonprofit affiliate, Housing Development Partners
- To support Property and Asset Management's expanding role and oversight of SDHC properties, four staff will be added.
- To support the Housing Development Partners (HDP) team as the number of projects and developments in the pipeline continue to expand, three staff will be added (to be reimbursed by HDP).



SDHC FY 2018 Proposed Budget Objectives and Deliverables (Cont.)

▪ **Address Homelessness**

The next phase of HOUSING FIRST – SAN DIEGO (2017-2020), SDHC's Homelessness Action Plan, will build upon prior accomplishments by providing additional, multifaceted solutions to provide housing opportunities for up to 3,000 homeless individuals in the city of San Diego, such as:

- Homeless Prevention & Diversion Services
- Coordinated Street Outreach for Coordinated Entry
- Expanded Landlord Engagement
- Additional Rapid Rehousing Assistance
- New Permanent Supportive Housing
- Introduction of a "Moving On" Rental Assistance Program



SDHC FY 2018 Proposed Budget Objectives and Deliverables (Cont.)

■ Address Homelessness (Cont.)

- Continue to provide rapid rehousing programs and Federal rental housing vouchers, such as the Monarch School Project and San Diego State University Guardian Scholars Program.
- Administer the City of San Diego's Homeless Shelters and Services Programs.
- To support the expanded homelessness activities: 10 temporary full-time staff will be added, as well as one permanent full-time staff for oversight of all ongoing homelessness initiatives.



SDHC FY 2018 Proposed Budget Objectives and Deliverables (Cont.)

- **Maximize resources**

- To enhance customer service, increase operational efficiencies, and support the growing operations of SDHC, four additional staff are being added to Operational Support departments.

- **Advocate and Collaborate**

- SDHC has set aside approximately \$10 million for a Transit-Oriented Development (TOD) fund that will provide below-market rate financial resources to help secure TOD development sites and increase production of affordable housing located near transit.





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SDHC FY 2018 Budget Proposed Presentation

Section 3 – Sources of Funds

SDHC FY 2018 Proposed Budget Funding

	FY18 Budget	FY17 Budget	\$\$ Change	% Change
Total Funding	\$433M	\$368M	\$65M	18%

- Increase in total sources of \$65 million, primarily due to increases in:
 - Moving to Work funding of about \$24 million due to expected utilization of HUD-held reserves for affordable housing acquisition and rehabilitation of SDHC-owned assets, offset by cut in actual disbursement rates from HUD by 5% for Housing Assistance Programs.
 - Additional \$29 million of City of San Diego Affordable Housing Funds to be used for agency's investment in affordable housing opportunities in FY 2018.
 - SDHC Real Estate funding of \$13M due to increased property replacement reserves.



SDHC FY 2018 Proposed Budget

Funding Sources Available

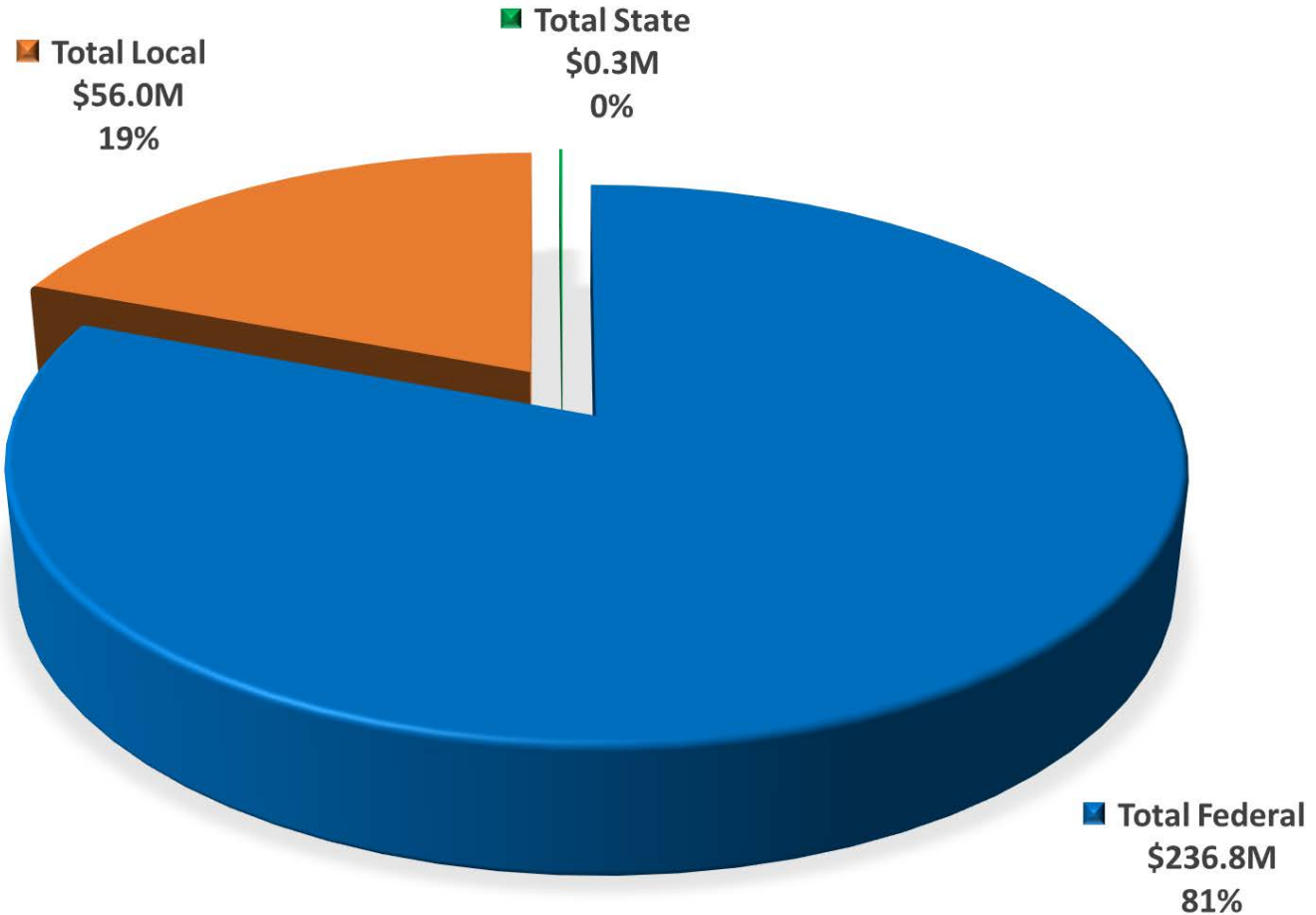
	FY18 Budget			FY17 Budget			FY18 Budget versus FY17 Budget Increase/(Decrease)			
	Beginning Fund Balance	New Revenue	Total Sources	Beginning Fund Balance	New Revenue	Total Sources	Fund Balance \$ Change	Revenue \$ Change	Total \$ Change	% Change
FEDERAL										
Sec 8/MTW	\$12,360,000	\$208,827,000	\$221,187,000	\$12,521,000	\$187,540,000	\$200,061,000	(\$161,000)	\$21,287,000	\$21,126,000	11%
Hsng Innovation	-	5,688,000	5,688,000	-	4,607,000	4,607,000	-	1,081,000	1,081,000	23%
HOME, CDBG & Other Federal	1,760,000	22,241,000	24,001,000	1,488,000	20,900,000	22,388,000	272,000	1,341,000	1,613,000	7%
FEDERAL Total	\$14,120,000	\$236,756,000	\$250,876,000	\$14,009,000	\$213,047,000	\$227,056,000	\$111,000	\$23,709,000	\$23,820,000	10%
LOCAL										
SDHC Real Estate	\$33,443,000	\$37,194,000	\$70,637,000	\$27,046,000	\$30,406,000	\$57,452,000	\$6,397,000	\$6,788,000	\$13,185,000	23%
Contingency Reserves (5%)	14,652,000	-	14,652,000	12,997,000	-	12,997,000	1,655,000	-	1,655,000	13%
Affordable Hsng Fund	62,665,000	11,359,000	74,024,000	34,222,000	10,754,000	44,976,000	28,443,000	605,000	29,048,000	65%
Bond, Lease and Other Local	15,082,000	7,434,000	22,516,000	18,942,000	6,439,000	25,381,000	(3,860,000)	995,000	(2,865,000)	(11%)
LOCAL Total	\$125,842,000	\$55,987,000	\$181,829,000	\$93,207,000	\$47,599,000	\$140,806,000	\$32,635,000	\$8,388,000	\$41,023,000	29%
STATE	-	\$300,000	\$300,000	-	\$142,000	\$142,000	-	\$158,000	\$158,000	111%
Grand Total	\$139,962,000	\$293,043,000	\$433,005,000	\$107,216,000	\$260,788,000	\$368,004,000	\$32,746,000	\$32,255,000	\$65,001,000	18%



SDHC FY 2018 Proposed Budget

New Revenue by Major Category

\$293M (*\$ in Millions*)





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SDHC FY 2018 Budget Proposed Presentation

Section 4 – Uses of Funds

SDHC FY 2018 Proposed Budget

Total Uses

	FY18 Budget	FY17 Budget	\$\$ Change	% Change
Total Uses (not including ending fund balance)	\$349M	\$289M	\$60M	21%

- Increase in total uses of approximately \$60 million, primarily due to increases in:
 - Personnel Expenses of \$4 million due to 26 staff additions and 3.0 percent Cost of Living Adjustment (COLA) increase.
 - Housing Program expenses of \$25 million due loans made to fund the development of affordable housing, as well as the programs of the next phase of HOUSING FIRST - SAN DIEGO.
 - Capital Expenditures of about \$31 million due to expected \$25 million in acquisition of affordable housing, as well as \$6 million increase in capital improvements and rehabilitation of SDHC-owned properties.



SDHC FY 2018 Proposed Budget

Funding Uses by Fiscal Year

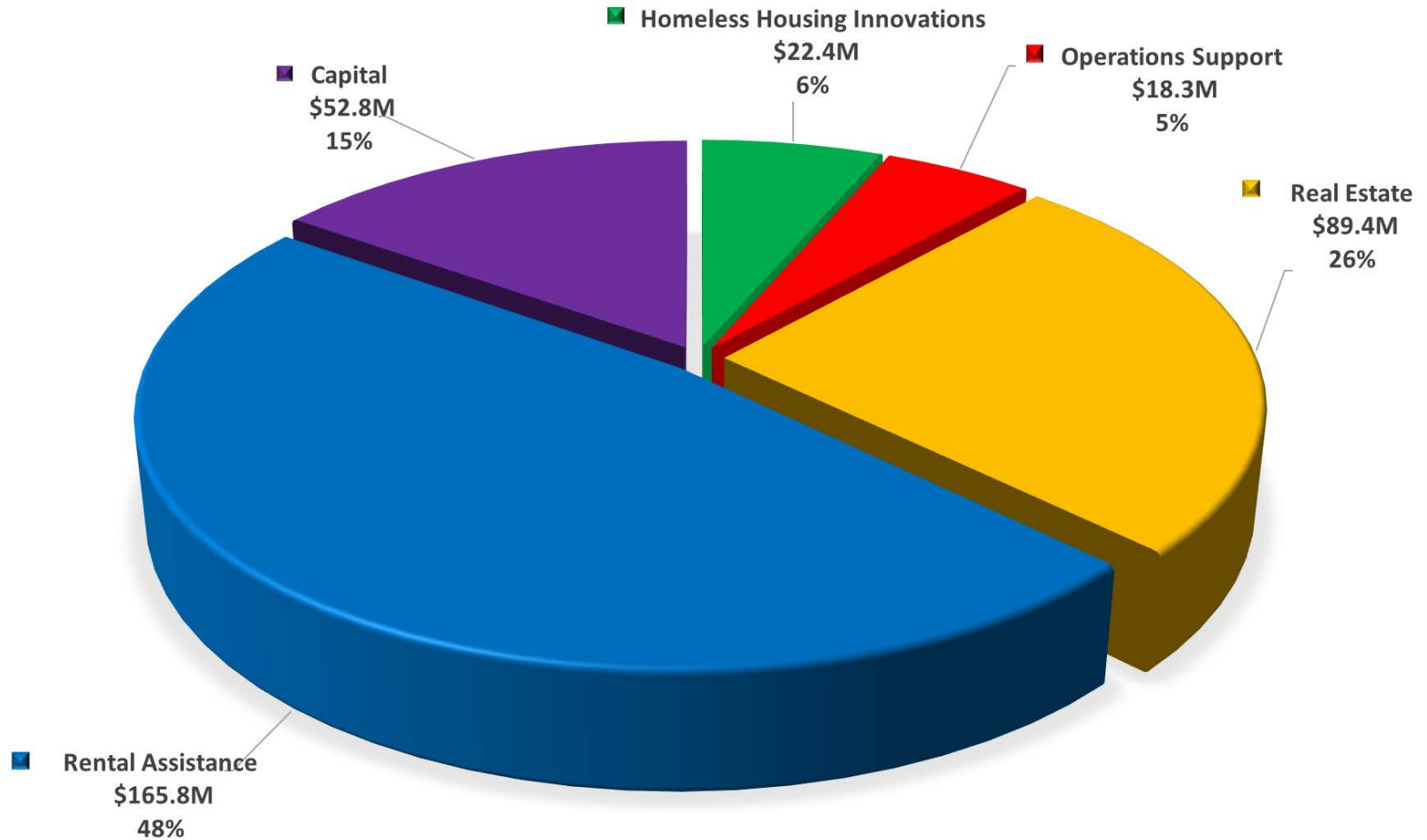
	FY18 Budget	FY17 Budget	\$ Change	% Change
PERSONNEL COSTS	\$34,387,000	\$30,181,000	\$4,206,000	14%
NON-PERSONNEL Costs				
Housing Program Expense	\$233,054,000	\$207,999,000	\$25,055,000	12%
Property Expense, Professional Services, Supplies and Other	28,465,000	28,800,000	(335,000)	(1%)
Capital Expenditures	52,787,000	22,065,000	30,722,000	139%
NON-PERSONNEL Costs Total	\$314,306,000	\$258,864,000	\$55,442,000	21%
Grand Total (Excluding Ending Fund Balance)	\$348,693,000	\$289,045,000	\$59,648,000	21%



SDHC FY 2018 Proposed Budget

Funding Uses by Division (Excluding Ending Reserves)

\$349M (\$ in Millions)



SDHC FY 2018 Proposed Budget

Summary – Staffing by Division

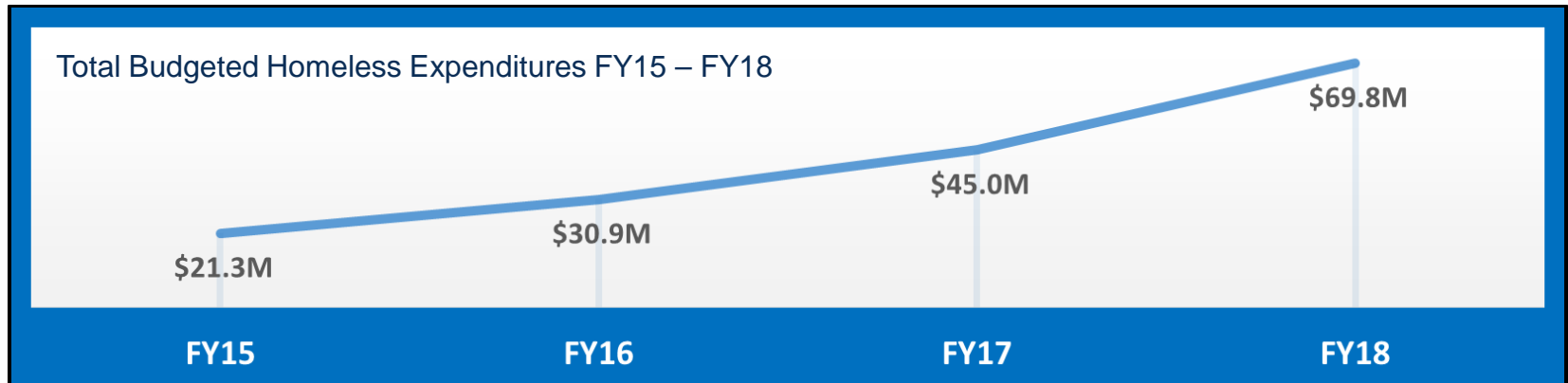
SDHC Divisions	FY 2018 Budget	FY 2017 Budget	Change from FY17 to FY18
Rental Assistance	115	111	4
Real Estate	103	96	7
Homeless Housing Innovations	9	8	1
Housing First San Diego	16	6	10
Operations Support	87	83	4
Total of Full-Time Equivalents	330	304	26



SDHC FY 2018 Proposed Budget

Homeless Programs Expenditures

Homeless Programs	Homeless Housing Innovations	Homeless Initiatives	Total
Permanent Supportive Housing	\$3.5M	\$25.0M	\$28.5M
Federal Housing Voucher Support	22.7M	3.5M	26.2M
Shelters	4.7M	-	4.7M
Supportive Services	5.3M	5.1M	10.4M
Total FY2018 Budgeted Homeless Expenditures	\$36.2M	\$33.6M	\$69.8M



SDHC FY 2018 Proposed Budget

Homeless Programs Expenditures (Cont.)

HOUSING FIRST – SAN DIEGO

Component	Populations Served	Funding Source	FY18 Budgeted Expenditures
Coordinated Outreach	All	Inclusionary	\$100,000
Prevention & Diversion	At-Risk of Homelessness	Inclusionary SDHC Real Estate/Local Funds	637,000
Landlord Engagement	All	Inclusionary SDHC Real Estate/Local Funds	3,188,000
Rapid Re-Housing	Episodic & Short-Term Homeless	MTW Inclusionary SDHC Real Estate/Local Funds	2,548,000
Permanent Supportive Housing	Chronically Homeless	MTW Inclusionary	21,959,000
Moving On	Formerly Chronically Homeless	MTW	263,000
TOTAL			\$28,695,000

The total investment over three years for the next phase of HOUSING FIRST – SAN DIEGO will be \$78.7 million.



Approval Request

FY 2018 Budget - \$433 Million



SDHC FY 2018 Proposed Budget



Rental
Assistance



Creating Affordable
Housing



Solutions To
Homelessness

Thank You

