



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission Financial Highlights

Fiscal year ended June 30, 2011
2011 Popular Annual Financial Report

San Diego Housing Commission
Finance Department
1122 Broadway, Suite 300
San Diego, CA 92101
www.sdhc.org





Housing Authority

Chairman Tony Young, 4th District,
 Sherri Lightner, 1st District
 Kevin Faulconer, 2nd District
 Todd Gloria, 3rd District
 Carl DeMaio, 5th District
 Lorie Zapf, 6th District
 Marti Emerald, 7th District
 David Alvarez, 8th District

Board of Commissioners

Chairman of the Board Gary Gramling
 Vice Chair Roberta Spoon

Commissioners:

Khadija Basir
 Sam Guillen
 Allen Sims
 James T. Waring
 Ben Moraga

President & CEO

Richard C. Gentry

Visit the Housing Commission’s website at:
www.SDHC.org

Table of Contents

Who We Are	3
Achievements	4
Chief Financial Officer’s Message	5
Financial Summary.....	7
Investments	9
Capital Assets	10
Real Estate Portfolio	11
Federal Funds	14
Moving-To-Work.....	15
Demographic & Economic Info	16



Our Popular Annual Financial Report (“PAFR”) for the fiscal year ended June 30, 2011 was prepared by the Finance Department to provide readers of interest an easy to understand summary of our financial activities.

This report provides a condensed presentation of the significant financial highlights of the San Diego Housing Commission (“Commission”) for the fiscal year 2011. The Comprehensive Annual Financial Report (“CAFR”) is the source of the data for this summary report. The CAFR is a more detailed financial report audited by The Reznick Group and fully conforms to General Accepted Accounting Principles (“GAAP”). The CAFR is available on our website at:

www.sdhc.org/BudgetAndAnnualReports.aspx

The Commission welcomes any questions or comments on any of the information provided in this report. Requests for additional information should be addressed to Nicole DeBerg, Chief Financial Officer and Vice President of Financial Services, San Diego Housing Commission, 1122 Broadway, Suite 300, San Diego, California 92101



The San Diego Housing Commission is a state-chartered government entity. It was created by the City of San Diego (“City”), under ordinance No. 2515 on December 5, 1978, in accordance with the Housing Authority Law of the State of California.



The Housing Commission is an affordable housing developer, a lender and a rental assistance provider through the federal Housing Choice Voucher Program

(Section 8), which serves more than 14,000 low-income households. The agency also plays a major role in San Diego’s campaign to end homelessness.

The Housing Commission is governed by the Housing Authority of the City of San Diego. Comprised of the eight members of the San Diego City Council, the Housing Authority has final authority over the Housing Commission’s budget and major policy decisions.

A seven-member Board of Commissioners, appointed by the Mayor and confirmed by the City Council, oversees Housing Commission operations. Two commissioners must be residents of assisted housing, and one of the resident commissioners must be age 62 or older.

The Housing Commission’s Core Values: Respect, Integrity, Collaboration and Excellence

Mission: We are committed to providing quality housing opportunities to improve the lives of those in need.

Vision: An affordable home for every San Diegan

Strategic Business Goals:

Five goals make-up the Business Plan, which is developed by the Board of Commissioners, management team, and multiple levels of Commission staff.

- Broaden the Housing Commission’s mission to provide affordable housing for a wider San Diego population, from assistance for the homeless to opportunities for workforce housing.
- Model effective application of private sector techniques in a public sector operation.
- Become a national model in initiating and implementing new, progressive ideas to address affordable housing needs across the country.
- Provide a positive customer experience through the seamless, efficient and professional delivery of our programs and services.
- Continue to be an employer of choice in San Diego by offering professional development initiatives and treating staff members in a fair and equitable manner.



Established in 1979, the Commission is an award-winning public agency dedicated to preserving and increasing affordable housing within the City of San Diego.

PAFR Award

The Government Finance Officers Association of the United States and Canada (“GFOA”) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Commission for its Popular Annual Financial Report for the fiscal year ended June 30, 2010. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. The PAFR is available on our website at:

www.sdhc.org/BudgetAndAnnualReports.aspx

Financial Reporting Award

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its CAFR for the fiscal years ended June 30, 2010. This was the third consecutive year that the Commission has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

San Diego Housing Commission
California

for the Fiscal Year Ended

June 30, 2010



Linda C. Dawson
President

Jeffrey L. Evers
Executive Director

Other Awards and Recognition

This year, the Housing Commission was honored with a national Award of Excellence from the National Association of Housing and Redevelopment Officials (“NAHRO”) for its communications strategies to enhance community outreach.

In addition, the agency was also recognized with four NAHRO Awards of Merit: Creative public/private partnerships to create affordable housing; the new facility of the Achievement Academy of the San Diego Housing Commission and its self-sufficiency programs; the Neighborhood Stabilization Program that assisted first-time homebuyers with purchases of foreclosed properties; and the Choice Communities Program of the Rental Assistance Department.

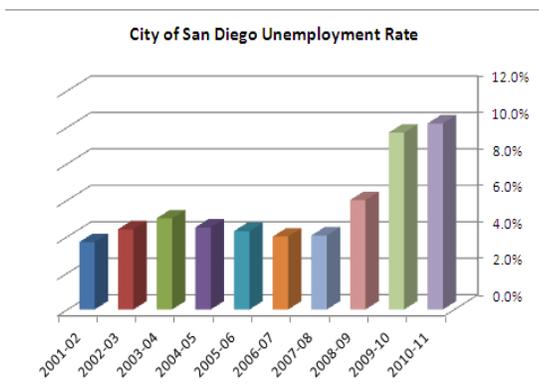
At the regional level, the Pacific Southwest Regional Council of NAHRO recognized Housing Commissioner Khadija A. Basir, a former rental assistant client, with the “Hero of Assisted Housing” award. Nominated by the San Diego Housing Commission, San Diego City Council President Tony Young was honored with the “In Appreciation” award for his efforts to create affordable housing in the City of San Diego.



Fiscal Year 2012 will offer many important challenges to the Commission. A continued business approach to organization management, strategic thinking and entrepreneurial leadership are replacing the “Business as usual” approach of the past years. The President & CEO Richard C. Gentry’s goal is to expand the Commission’s national influence as a leader in the affordable housing development community. To date, the Commission is continuing to work on reducing homelessness and developing additional affordable housing for the San Diego area.

The Commission’s largest funding source is grant income from HUD initiatives. As such, one of the most important economic factors impacting the Commission is the fiscal year 2012 Transportation-HUD bill. The current bill provides for Housing Choice Voucher Housing Assistance Payments equal to or slightly higher than the fiscal year 2011 enacted funding levels.

Even though there is a reasonable possibility that the bill will provide for decreased levels of administrative funding for this program, the Commission believes that it has sufficient Moving to Work (“MTW”) reserves to cover any future potential administrative shortfalls. Additionally, the MTW status enables the Commission to more easily adapt fiscally to future funding constrictions.



Another factor affecting the Commission’s future funding allocations is the local housing market. Reports have shown that vacancy rates are an indicator of the state of the housing market. The rental housing market has stayed steady as San Diego’s vacancy rate ranks the third lowest in U.S. Metropolitan areas. On one hand, this minimizes vacancy rates in Commission owned and operated units; however, on the other hand, low vacancy rates may result in higher rental rates which could result in higher subsidy payments on behalf of the Commission’s clients.

Other factors affecting the County are job growth, home foreclosures and homelessness. Foreclosure and short sales will continue to be part of the market realities for San Diego in the near future. In contrast, local unemployment fell to 9.7% in September 2011. Even though the unemployment rate seems to slowly recover, homelessness is a continuing concern for the Commission. Homelessness increased by 3.3%. The Housing Commission is a key supporter of the “Campaign to End Homelessness” in San Diego, organized by the Downtown San Diego Partnership and the Center City Development Corporations and the Commission allocated 125 rental housing vouchers and will pledge an additional 75 housing vouchers for future years.





In order to address homelessness issues, HUD allocated funds to grantees that are eligible under the Emergency Shelter Grant program. The three year \$5.7 million federal program targets families in danger of becoming homeless as a result of the economic downturn. The goal of the project is to prevent people from becoming homeless, divert those entering the shelter system to permanent housing options, and rapidly re-house those who are already homeless. The Commission is administering the program on behalf of the City of San Diego. To date, the Commission has assisted over 406 households in this program.

Despite slow economic recovery and potential future funding decreases, the Commission will always be strongly committed to serving the needs of low to moderate income residents of San Diego. The need for affordable housing in the San Diego area remains very high in comparison to the rest of the nation. The number of people served and the level of service the Commission provides are constrained only by the amount of resources available for those services. The Commission's Board approved fiscal year 2012 operating budget of \$285.1 million and a \$35.4 million capital budget reflects a steady commitment to continue to provide a high level of services for its clients.

The ultimate goal for the Commission is to continue to strive towards providing the highest quality services to clients and the community, delivered in a rational and fiscally prudent manner, well into the future.

Although the economic, funding and development challenges previously discussed have yet to be fully determined, the financial outlook for the Commission appears sound and we remain hopeful for a strong and affordable housing market for all of San Diego.

Nicole DeBerg

Vice President and Chief Financial Officer



Financial Statements

The abbreviated **Statement of Net Assets** presented in this report is a useful indicator of the Commission's financial position. In fiscal year 2011 the Commission's assets exceeded liabilities by \$404.5 million, an increase of 6% from fiscal year 2010.

Total assets increased \$78.9 million, (17%). The increase is attributed to \$44.8 million in capital assets net of depreciation due to the acquisition and or construction of new affordable housing financed by the Federal Housing Association ("FHA") and Fannie Mae ("FNMA") loan proceeds.

Total liabilities increased \$57.2 million (71%) mostly due to new FHA loans in the amount of \$58.2 million.

Unrestricted net assets increased \$10.3 million to \$224.3 million as of June 30, 2011. Unrestricted net assets include funds that will be spent for future years' contractual, grant and other obligations, funds invested in notes receivable, Public Housing funds, capital funds needed for future property maintenance and improvements, available FHA and Fannie Mae loan proceeds, funds reserved for future MTW program initiatives and unrestricted funds available for operations and contingencies.

Invested in capital assets, net of debt reflects its investment of \$43.1 million in capital assets. This is due to \$152.2 million in capital assets net of depreciation plus \$16 million of unspent loan proceeds less any related outstanding debt used to acquire the capital assets. Following sections in the PAFR review the Capital Assets and the Real Estate Portfolio.

Restricted net assets increased \$8.1 million to \$137.2 million; these funds are subjected to external restrictions on how they may be used.

The Commission's net assets increased 6% due to a \$21.7 million surplus generated during fiscal year 2011.

	2011	2010	Change %
ASSETS			
Current and other assets	\$ 389,701	\$ 355,598	10%
Capital assets net of depreciation	152,013	107,257	42%
Total assets	\$541,714	\$ 462,855	17%
LIABILITIES			
Current liabilities	\$ 34,548	\$ 11,509	200%
Notes Payable and non-current liabilities	102,651	68,508	50%
Total liabilities	137,199	80,017	71%
NET ASSETS			
Invested in capital assets, net of debt	\$ 43,092	\$ 39,788	8%
Restricted	137,162	129,063	6%
Unrestricted	224,261	213,987	5%
Total net assets	404,515	382,838	6%
Total liabilities and net assets	\$ 541,714	\$ 462,855	17%

Key Terms

Here are some definitions of accounting terms that will assist you throughout the financial section of the PAFR and CAFR reports

Assets: What is owned by the Commission.

Liabilities: What the Commission owes.

Net assets: The difference between the Commission's assets and liabilities. It is the net worth of the Commission.

Current and other assets: Cash, restricted cash and equivalents, investments, prepaid items, and accounts receivable.

Capital assets, net of depreciation: Land, building, building improvements, equipment, construction in progress and depreciation.

Current liabilities: Accounts payable, accrued payroll, compensated absences, notes payable and unearned income.

Notes payable and non-current liabilities: Long term notes payable obligations due in the future years.

Investment in capital assets, net of debt: Capital assets less accumulated depreciation and any outstanding debt related to acquire these assets.

Restricted: Funds subject to various external restrictions.

Unrestricted: Funds available for the Commission to use for operations.



Statement of Activities

The abbreviated **Statement of Activities** accounts for all of the Commission’s revenue and expenses and reports the difference between the two as the change in net assets. The statement reflects the results of the Commission’s operations over the year and can be used to determine the Commission’s credit worthiness and its ability to successfully recover all its costs through grants, tenant charges and other income.

Operating revenues increased \$3.6 million in fiscal year 2011 mostly due to \$3.1 million in dwelling rental income.

Operating expenses increased \$191.7 million in fiscal year 2011. This is primarily due to \$3.1 million in asset management expenses, \$1.5 million in administrative expenses and \$1.1 million in housing assistance payments.

Non-operating income and expenses, net decreased \$7.8 million in fiscal year 2011 mainly due to fully utilizing the economic stimulus grants in fiscal year 2010 and increased loan interest expenses.

Fiscal year 2011 overall surplus of \$21.7 million represents a \$10.8 million decrease from fiscal year 2010 mainly due to \$7.8 million in lower other non-operating income and expenses, net and \$5.1 million in higher operating expenditures offset by an increase in operating revenues of \$3.6 million.

	2011	2010	Change %
Operating revenues			
Dwelling rental income	\$ 24,310	\$ 21,193	15%
Land lease and other rental income	1,970	1,234	60%
Fee revenue	2,868	1,813	58%
Shared equity income	158	182	-13%
Other revenue	2,076	3,365	-38%
Total Operating revenues	31,382	27,787	13%
Operating expenses	191,682	186,589	3%
Deficit before depreciation and other non-operating income and expenses	(160,300)	(158,802)	1%
Depreciation	4,048	2,596	56%
Deficit before other non-operating income and expense	(164,348)	(161,398)	2%
Other non-operating income and expenses, net	186,024	193,872	-4%
Change in net assets	\$ 21,676	\$ 32,474	-33%

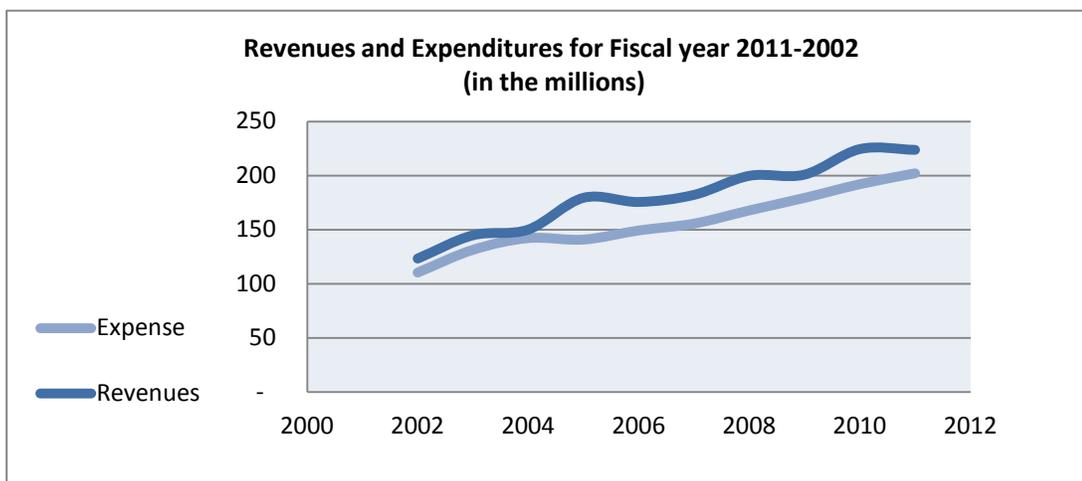
Additional Key Terms

Operating Revenues: Dwelling rent, commercial rent, land leases, management fees and other fees.

Non-Operating Revenues: Grant revenues from state, local and federal agencies and interest income.

Operating Expenses: Expenses related to operations and supportive services to assist the Commission in performing its functions.

Change in Net Assets: The total revenue earned less total expenses.





The Commission invests idle funds in accordance within the provisions of U.S. Department of Housing & Urban Development (“HUD”) Notice PIH 96-33 and California Government Code Sections 5922 and 53601. The Commission’s approved Investment Policy contains provisions concerning the Standard of Care that include Prudence, Ethics, Conflict of Interest and Delegation of Authority.

The overriding investment strategy of the Commission’s investment portfolio is to protect the principle investment. Second to safety of principle is liquidity of investments to meet anticipated cash flow needs. Subordinate to both safety and liquidity is yield. This principle of Safety, Liquidity then Yield, known as SLY, is the overriding principle used to evaluate each investment and the portfolio as a whole.

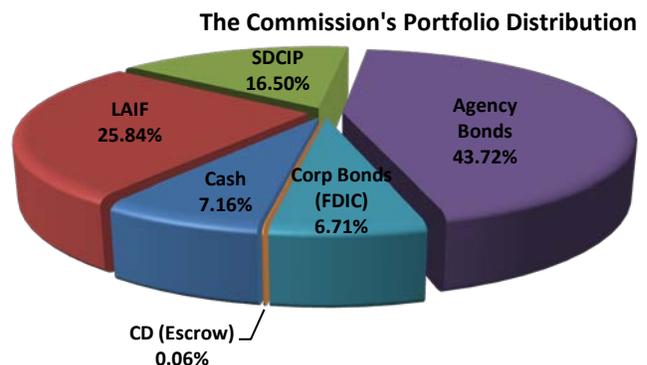
Portfolio Overall Position

The total funds invested on June 30, 2011 increased by 14.04% over the previous year. Virtually all of the increase is proceeds from debt financing activities not yet put to use in acquiring additional local affordable housing. Funds acquired from debt financing are expected to be expended within the next year and therefore reside in liquid investment such as the State of California’s Local Agency Investment Fund (“LAIF”) and the San Diego County Investment Pool (“SDCIP”).

Market Value in Millions			
	06/30/10	06/30/11	Variance
Cash	\$ 4.70	\$ 9.63	\$ 4.93
LAIF	\$ 19.95	\$ 34.79	\$ 14.84
SDCIP	\$ 20.03	\$ 22.22	\$ 2.19
Agency Bonds	\$ 62.12	\$ 58.87	\$ (3.25)
Corp Bonds (FDIC)	\$ 9.08	\$ 9.04	\$ (0.04)
CD (Escrow)	\$ 0.18	\$ 0.09	\$ (0.09)
CD (FDIC)	\$ 2.00	\$ 0.00	\$ (2.00)
Total	\$ 118.06	\$ 134.64	\$ 16.58

The blended rate of return at year-end was 1.21%. This is down from the prior year-ending blended rate of 1.70% but still significantly higher than the 2-yr Treasury benchmark of 0.45%. The reduction in yields are a result of investor concerns over global economic recovery, the European debt crisis and the Federal Reserve’s attempts to boost the sagging economy by purchasing longer-term bonds. Additionally, the Federal Reserve has pledged to keep its benchmark interest rate at a record low at least through mid-2013 to revive a recovery that’s “considerably slower than anticipated”. This has created additional demand for fixed income securities. The added demand continues to lift bond prices, pushing yields lower on all asset classes in the portfolio.

The San Diego Housing Commission’s investment portfolio is presented in detail to the Board appointed Investment Committee on a quarterly basis. After each Investment Committee meeting, the report is officially sent to the San Diego Housing Commission Board as an informational report and posted on the Commission website. Further investment detail and past reports can be view on the Commission’s website at <http://www.sdhc.org/Media-Center/SDHC-Meetings/Housing-Commission-Meetings/>





Capital Assets

At the end of fiscal year 2011, the Housing Commission had over \$152.0 million invested in capital assets, including office furniture and equipment, vehicles, land, building and building improvements. The majority of the Housing Commission’s investment in capital assets is comprised of ownership of land, affordable housing stock, the Smart Corner office building as well as construction-in-progress that represents rehabilitation projects underway.

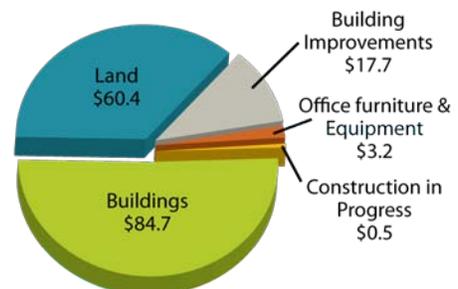


In fiscal year 2011 the Commission utilized the FNMA and FHA loan proceeds for the following acquisitions:

- Courtyard Apartments, a 37-unit complex, which provides affordable housing for low-income families. The acquisition cost of the land and building was \$7.2 million.
- The Mariner’s Village, a 172-unit affordable housing complex. The acquisition cost of the land and building was \$31.5 million.
- Partnered with Wakeland Housing & Development Corp to rehabilitate Vista Grande, a 49-unit (48 affordable housing units) apartment project. As part of the terms, the Commission acquired the 3.1 acre parcel of land for \$850,000 and issued a loan of \$2.9 million to the developing entity will lease the land for annual ground lease payments.
- Partnered with AMCAL Mission Fund L.P to develop Mission Apartments, a 85-unit (84 affordable housing units) project. As part of the project, the Commission acquired the 1.56 acre parcel of land for \$3.4 million and issued a loan of \$2.6 million to the developing entity and will lease the land for annual ground lease payments.
- Partnered with Chelsea Investment Corporation to develop Terramar Apartments, a 21-unit (20 affordable housing units) project. As part of the project, the Commission acquired the 1.17 acre parcel of land for \$100 and issued a loan of \$2.1 million to the developing entity and will lease the land for annual ground lease payments.
- Partnered with Chelsea Development Corporation to develop Mercado del Barrio, 91 affordable units, the Commission acquired the 6.8 acre parcel of land for \$100 and issued a loan of \$7 million to the developing entity and will lease the land for annual ground lease payments.

Utilizing ARRA and Public Housing Funds the Commission acquired Vista Verde Apartments, a 40-unit public housing complex. The acquisition cost of the land and building was \$3.2 million.

Total Fixed Assets Not including Depreciation (in millions)





Real Estate Portfolio

Belden SDHC FNMA LLC, Central SDHC FNMA LLC and Northern SDHC FNMA LLC were created as a requirement of FNMA to obtain financing on the former Public Housing units. On December 30, 2009 the LLC’s obtained financing from FNMA in the amount of \$37.1 million.



Estrella del Mercado Artist Rendering

In fiscal year 2011 the Commission created an additional three LLCs which are Northern SDHC FHA LLC, Southern SDHC FHA LLC, and Central SDHC FHA LLC. The Commission obtained

additional financing from FHA in the amount of \$58.3 million.

The FNMA and FHA loans are the LLC’s not the commission. Each one of these loans are nonrecourse obligations of the LLC’s. The LLC’s are wholly owned by the San Diego Housing Commission.

The American Recovery and Reinvestment Act of 2009 created the new Build America Bond (“BABs”) program. The BABs program provides a 35 percent interest rebate, for the life of the loan, of the interest paid on debt used by a municipality to construct, acquire, or rehabilitate facilities or other qualified capital expenditures. The Belden SDHC FNMA LLC, the Northern SDHC FHA LLC and the Southern SDHC FHA LLC loans have been approved as qualified direct subsidy BAB’s loans. The Commission has received \$781,186 in fiscal year 2011 subsidy payments.

Fiscal Year 2010 Existing Portfolio Equity Withdrawn

Fannie Mae

<p>FNMA North \$10,810,000 6 SDHC properties 138 Units</p>	<p>FNMA Central \$14,010,000 27 SDHC properties 185 Units</p>	<p>FNMA Belden \$12,320,000 1 SDHC property 243 Units</p>
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Fiscal Year 2011 Existing Portfolio Equity Withdrawn

FHA

<p>FHA North \$17,500,200 14 SDHC properties 154 Units</p>	<p>FHA Central \$15,726,100 22 SDHC properties 234 Units</p>	<p>FHA South \$25,017,100 8 SDHC properties 300 Units</p>
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REAL ESTATE

In 2009 the Board of Commissioners and the Housing Authority approved the Finance Plan for Acquisition of New Affordable Housing Units. The Finance Plan was created to structure and monitor the usage of equity from a portion of the Commission’s real estate portfolio for the purpose of acquiring additional affordable housing in the San Diego area. As outlined in the Letter of Transmittal, the Commission leveraged 33 properties in fiscal year 2010, with three Fannie Mae loans generating \$37.1 million. In fiscal year 2011 the Commission leveraged an additional 44 properties under the FHA’s 223(f) program and received three additional loans for \$58.3 million. This resulted in a total borrowing amount for the LLCs of \$95.4 million.

The Commission has acquired (or committed) 741 new units of affordable housing for a total investment of \$79,454,000 as listed below. These acquisitions include to-be-constructed properties as well as the acquisition and rehabilitation of existing properties.

Acquisitions			
Partnerships	# of Units	Investment	Closing Date
Riverwalk Apartments	49	\$4,475,000	04/2010
Arbor Village Apartments	111	7,900,000	04/2010
Vista Grande Apartments	48	3,812,000	10/2010
Mercado del Barrio	91	7,005,000	03/2011
Mission Apartments	84	6,000,000	05/2011
Terramar Apartments	20	2,150,000	07/2011
Sub-total	403	\$31,342,000	
Publicly Owned			
Hotel Sandford	129	\$6,095,000	03/2010
Mariner's Village Apartments	172	34,331,000	10/2010
Courtyard Apartments	37	7,686,000	09/2010
Sub-total	338	\$48,112,000	
Total	741	\$79,454,000	



Mission Apartments Artist Rendering

The amount available as of June 30, 2011 for future acquisition of affordable housing is calculated as follows:

Total loan amount	\$ 95,383,400
Less: financing fees	(2,119,832)
Less: completion/repair reserves	(2,909,573)
Amount available for investment	<u>90,353,995</u>
Less: amount committed/spent to date	(79,454,000)
Less: asset/development fees and legal fees	(2,033,140)
Uncommitted amount available	<u>\$ 8,866,855</u>

The net operating income generated by the LLC owned assets is sufficient and will continue to be used to repay the FNMA and FHA loans.

The Housing Commission’s business plan can be seen at www.sdhc.org/budgetandannualreports.aspx



Terramar Apartments Artist Rendering



Federal Funds

With total budget of \$320.5 million and 262 employees the Housing Commission fuels the region's economy by expanding the supply of affordable housing and overseeing programs that help about 125,000 San Diegans annually.

For more information on our major federally funded programs the annual single audit report can be viewed on website located, <http://www.sdhc.org/BudgetAndAnnualReports.aspx>

The Commission's Rental Assistance Department administers the federally supported **Housing Choice Voucher Program ("HCV")** which provides rent subsidies for over 14,000 San Diego households. The department is dedicated to breaking the cycle of poverty by helping housing-assisted families become economically self-sufficient while providing homes to families in need. With the agency's **MTW** designation, the department has recently engaged in significant administrative streamlining projects and has created new programs and partnerships. Some of the innovative activities undertaken include the Choice Communities program which works toward the de-concentration of poverty in San Diego, a Sponsor-Based Voucher program for the homeless which includes partnerships with several non-profit service providing agencies, and the expansion of our Project-Based Voucher programs allowing the Commission to use project-based vouchers in our own units to increase housing choices for low-income families.

Another innovative initiative made possible with MTW status is the Commission's **Achievement Academy**, a 9,600 square foot state-of-the-art, one-stop center for asset building and workforce development. This facility provides on-site office space for our staff and our partners to offer a variety of resources such as financial skills education classes, career and financial coaching, employment services and job training workshops. The core curriculum program of the Achievement Academy is the **Family Self Sufficiency program ("FSS")**. This HUD funded program allows the implementation of local strategies to help voucher families obtain employment that will lead to economic independence and self-sufficiency.

In addition, the Housing Innovations Department supports initiatives designed to prevent or reduce homelessness in the City of San Diego. Populations served include chronically homeless individuals, families, veterans, and seniors. In fiscal year 2011, the Housing Innovations Department used federal **ARRA funds (via the Homelessness Prevention and Rapid Re-housing Program)** to provide temporary housing assistance to about 500 households. The Commission also utilized HUD's **Shelter Plus Care Grants** to provide permanent supportive housing for 236 client households. With additional federal and local funds, the Housing Innovations Department supported 1,699 seasonal shelter beds for individuals and families, a homeless drop-in center that served 4,200 individuals, 400 beds in transitional housing programs and 56 households in various special programs.

The **HOME** Program was created under Title II (the Home Investment Partnerships Act) of the National Affordable Housing Act of 1990 to provide decent, safe, and affordable housing for all Americans and to alleviate the problems of excessive rent burdens, homelessness and deteriorating housing stock nationwide. HOME funds a broad range of activities, including new construction, rehabilitation and acquisition of standard housing, assistance to new homebuyers, and tenant-based rental assistance. Fiscal year 2011 HOME budget was \$22.3 million.



On January 14, 2009, HUD approved the Amended and Restated Moving to Work Demonstration Agreement. The term of the agreement is from January 2009 to June 30, 2018. Under the agreement, the Housing Commission has the flexibility to design and test various approaches for providing and administering housing assistance. The MTW program has three objectives:

1. Reduce cost and achieve greater cost effectiveness in Federal expenditures
2. Give incentives to families with children whose heads of household are either working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self sufficient; and
3. Increase housing choices for low-income families.

MTW plans and reports are prepared and submitted to HUD on an annual basis. Each annual plan describes initiatives to be implemented over the next fiscal year and the related reports give an accounting of activities put into action over the previous fiscal year. The Commission's fiscal year 2012 MTW plan was approved by HUD on June 16, 2011 and can be viewed at:

<http://www.sdhc.org/Rental-Assistance/Moving-Forward-MTW/>.

Calendar year 2011 HAP funding for the MTW vouchers was \$139.5 million



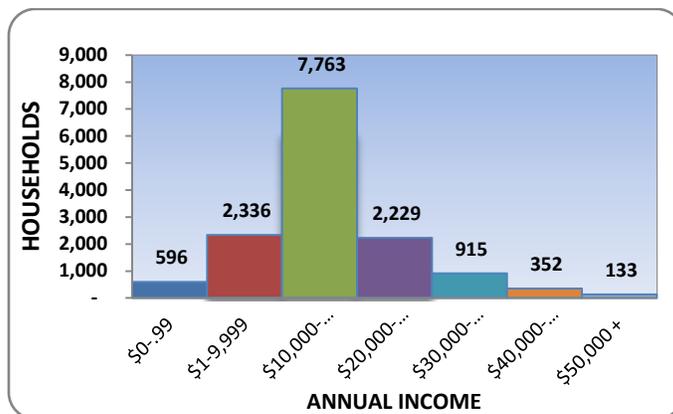


Housing Choice Voucher Program

Funded by HUD and managed by the Housing Commission’s Rental Assistance Department, the Housing Choice Voucher Program (Section 8) serves over 14,000 extremely and very low-income San Diego individuals and families. With Fiscal year 2011 funding of \$146.5 million Housing Choice Voucher is the Housing Commission’s largest program, comprising over 60% of its annual budget.

Income per HCV Household

- 54.2% of Housing Choice Voucher program recipients’ income is between \$10,000 and \$19,999.



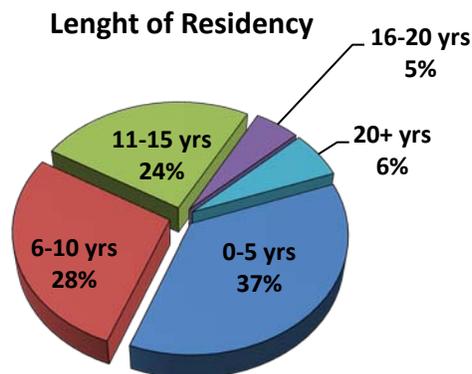
Resident Members per Household

- 37.8% of 14,324 households are single member households.
- Second and third largest groups are two members per household at a total of 3,011, and three members at a total of 2,087.



Years in Housing Choice voucher Program

- 5,213 HCV residents have been in the program 1-5 years.
- 3,980 have been in the program from 6-10 years.
- 3,486 have been in the program from 11-15 years





SAN DIEGO
HOUSING
COMMISSION



“We’re About People”

