



SAN DIEGO  
HOUSING  
COMMISSION

San Diego Housing Commission (SDHC)  
Fiscal Year (FY) 2016 Budget  
(July 1, 2015 - June 30, 2016)  
City of San Diego – Housing Authority Presentation  
June 9, 2015

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Financial Services Department





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# SDHC FY 2016 Budget Presentation

## Section 1 – Overview



# SDHC FY 2016 Budget Overview

## \$325 Million in Total Funding Sources



SDHC Headquarters – 1122 Broadway, Downtown San Diego





# SDHC FY 2016 Budget 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 2016 Budget

## Significant Factors Impacting Budget Development

### Implementation of SDHC Strategic Plan – 2014-2016

- Goal A – Create and Preserve Quality Affordable Housing
- Goal B – Provide Housing Choice Voucher Families with Opportunities for Them to Become More Financially Self-Reliant
- Goal C – Foster a Culture of Excellence and Innovation



# SDHC FY 2016 Budget Detail Schedule of Reserves

	<u>FY 2016</u>	<u>FY 2015</u>	<u>Inc./ (Dec.)</u>
<b>Program Restricted Reserves</b>			
Section 8/MTW	18,000,566	29,047,261	(11,046,695)
Other Programs	17,865,472	26,731,435	(8,865,963)
HOME Administration Reserve	2,500,000	2,500,000	-
	<b>38,366,038</b>	<b>58,278,696</b>	<b>(19,912,658)</b>
<b>Property Reserves</b>			
Replacement Reserve	11,747,339	16,187,600	(4,440,261)
Finance Plan Reserve	5,000,000	5,000,000	-
Smart Corner Reserve	1,696,500	2,000,000	(303,500)
<b>Total Property Reserves</b>	<b>18,443,840</b>	<b>23,187,600</b>	<b>(4,743,761)</b>
<b>Contingency Reserves</b>			
Unobligated Reserves	11,793,358	11,793,358	-
Litigation/Uninsured Losses/Other	600,000	600,000	-
<b>Total Contingency Reserves</b>	<b>12,393,358</b>	<b>12,393,358</b>	-
<b>TOTAL RESERVES</b>	<b>69,203,236</b>	<b>93,859,654</b>	<b>(24,656,419)</b>

**Ending Reserves decreased by \$24,656,418 (26.3 percent) due to the allocation of reserves for Hotel Churchill renovation and property acquisitions.**



# SDHC FY 2016 Budget Procedures for Amending Budget

<b>≤ \$100,000</b>	SDHC CEO authorized to amend the annual budget in the amount of \$100,000 or less.
<b>&gt; \$100,000</b>	All budget amendments in excess of \$100,000 must be approved by the SDHC Board.
<b>&lt; \$500,000</b>	The Housing Authority of the City of San Diego (Housing Authority) has delegated authority to the SDHC Board to amend the annual budget for amounts less than \$500,000
<b>&gt; \$500,000</b>	Budget amendments in excess of \$500,000 must be approved by the Housing Authority

- Budget Amendments are reported as “Approved Variances” to the SDHC Board- and Housing Authority-Approved Budget







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# SDHC FY 2016 Budget Presentation

## Section 2 – Services Provided to San Diegans



# SDHC FY 2016 Budget Deliverables

- Assist approximately 15,000 low-income households by paying a portion of their rent through the federal Housing Choice Voucher-Section 8 (HCV) program. HCV participants typically pay 30 percent of their income toward rent.
- Help 1,500 families that receive federal rental assistance to work toward self-reliance through the SDHC Achievement Academy
- Assist 138 households to become first-time homebuyers
- Support the financing of 542 partnership affordable housing units through Commission loans and the issuance of tax-exempt bonds
- Rehabilitate 50 homes for low-income families
- Operate 2,221 units of SDHC-owned housing



# SDHC FY 2016 Budget Deliverables (Cont.)

- Support programs that provide shelter to more than 3,300 homeless individuals and day services to 3,600 homeless individuals
- Serve as lead organizer of annual Project Homeless Connect – Downtown San Diego, assisting hundreds of homeless individuals with services and support
- Invest \$7.2 million in SDHC-owned housing for enhancements and rehabilitations
- Own and oversee the management of 946 additional affordable housing units through SDHC's nonprofit affiliate, Housing Development Partners



# SDHC FY 2016 Budget Affordable Housing Programs

- Rental Assistance
- Management of SDHC-Owned Housing
- First-Time Homebuyer Assistance
- Home Rehabilitation
- Create and Preserve Affordable Housing Units
- SDHC's Three Year Homelessness Action Plan



First-Time Homebuyer Wendy and  
her daughter Madison





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# SDHC FY 2016 Budget Presentation

## Section 3 – Source and Use of Funds



# SDHC FY 2016 Budget Funding Sources Available

	FY16 Budget			FY15 Budget			Increase/(Decrease)			
	Fund Balance	Revenue	Total	Fund Balance	Revenue	Total	Fund Balance	Revenue	Total	%
<b>FEDERAL</b>										
Section 8/MTW	17,985,056	170,233,517	188,218,573	32,589,037	173,749,115	206,338,151	(14,603,981)	(3,515,597)	(18,119,578)	(8.8%)
HOME	3,840,000	13,334,111	17,174,111	-	12,116,385	12,116,384	3,840,000	1,217,727	5,057,727	41.7%
Housing Innovations	-	4,652,252	4,652,252	-	4,437,277	4,437,277	-	214,975	214,975	4.8%
Rehabilitation	-	-	-	-	2,798,003	2,798,004	-	(2,798,004)	(2,798,004)	(100.0%)
CDBG	966,318	1,380,114	2,346,432	904,118	1,922,232	2,826,350	62,200	(542,118)	(479,918)	(17.0%)
Other	97,877	63,034	160,911	21,444	123,651	145,095	76,433	(60,617)	15,816	10.9%
<b>FEDERAL Total</b>	<b>22,889,251</b>	<b>189,663,028</b>	<b>212,552,279</b>	<b>33,514,599</b>	<b>195,146,663</b>	<b>228,661,261</b>	<b>(10,625,348)</b>	<b>(5,483,634)</b>	<b>(16,108,982)</b>	<b>(7.0%)</b>
<b>LOCAL</b>										
SDHC Real Estate	25,262,305	30,105,555	55,367,860	31,174,898	28,467,551	59,642,447	(5,912,593)	1,638,006	(4,274,587)	(7.2%)
Unrestricted	15,537,676	2,778,808	18,316,483	9,885,920	2,994,218	12,880,138	5,651,756	(215,410)	5,436,345	42.2%
RDA	355,300	1,302,618	1,657,918	738,415	6,892	745,306	(383,115)	1,295,727	912,612	122.4%
AHF	25,449,335	6,669,775	32,119,110	24,611,105	7,958,956	32,570,061	838,230	(1,289,181)	(450,951)	(1.4%)
Other	911,238	2,841,604	3,752,842	1,498,990	1,290,279	2,789,269	(587,752)	1,551,325	963,573	34.5%
<b>LOCAL Total</b>	<b>67,515,854</b>	<b>43,698,359</b>	<b>111,214,213</b>	<b>67,909,328</b>	<b>40,717,896</b>	<b>108,627,220</b>	<b>(393,474)</b>	<b>2,980,467</b>	<b>2,586,993</b>	<b>2.4%</b>
<b>STATE</b>	<b>-</b>	<b>1,185,270</b>	<b>1,185,270</b>	<b>47,098</b>	<b>2,606</b>	<b>49,704</b>	<b>(47,098)</b>	<b>1,182,664</b>	<b>1,135,565</b>	<b>2284.6%</b>
<b>Grand Total</b>	<b>90,405,104</b>	<b>234,546,657</b>	<b>324,951,762</b>	<b>101,471,025</b>	<b>235,867,161</b>	<b>337,338,190</b>	<b>(11,065,920)</b>	<b>(1,320,503)</b>	<b>(12,386,424)</b>	<b>(3.7%)</b>



# SDHC FY 2016 Budget

## Summary of Significant Changes in Source of Funds

### **Revenue from Federal Funding decreased by \$5,483,634 (2.8 percent) mostly due to:**

- The reduction in Housing Choice Voucher-Section 8/Moving to Work (MTW) funds, a decrease of \$3,515,597 (2 percent) relates primarily to reduced expenses which correlates to reduced funding; ultimately, the savings/reduced expenses will be available for use in other MTW programs and innovations in the future; the savings are not recognized as revenue until drawn upon.
- The decrease of \$2,798,004 (100 percent) in grants/revenue for rehabilitation or removal of lead is due to the fact that the agency is no longer actively pursuing this funding source.



# SDHC FY 2016 Budget

## Summary of Significant Changes in Source of Funds (Cont.)

### **Revenue from Local Sources increased by \$2,980,467 (7.3 percent) due to the following:**

- SDHC Real Estate Revenue, an increase of \$1,638,006 (5.8 percent) reflects the growth in rental rates and occupancy.
- Redevelopment Agency (RDA) Revenue, an increase of \$1,295,727 (18,803 percent) due to anticipated utilization of additional funding from the County of San Diego.
- City of San Diego Affordable Housing Fund (AHF) Fee Revenue, a decrease of \$1,289,181 (16.2 percent) due to reduction in Inclusionary Housing In-Lieu Fees and Program Income.





# SDHC FY 2016 Budget Funding Uses by Fiscal Year

	FY 2016	FY 2015	Inc/(Dec)	Inc/(Dec)
	Budget	Budget	\$	%
Salaries and Wages	20,838,076	18,706,551	2,131,525	11.4%
Fringe Benefits	7,409,468	6,746,226	663,242	9.8%
<b>Personnel Costs</b>	<b>28,247,544</b>	<b>25,452,777</b>	<b>2,794,767</b>	<b>11.0%</b>
Housing Program Expense	191,272,448	178,097,752	13,174,696	7.4%
Property Expenses	14,576,416	14,106,278	470,138	3.3%
Professional Services, Supplies & Other	10,211,304	10,153,626	57,678	0.6%
Debt Principal Payments	3,079,445	3,043,019	36,426	1.2%
Capital Expenditures	8,361,368	12,625,084	(4,263,716)	(33.8%)
<b>Non-Personnel Costs</b>	<b>227,500,981</b>	<b>218,025,759</b>	<b>9,475,222</b>	<b>4.3%</b>
<b>Total</b>	<b>255,748,525</b>	<b>243,478,536</b>	<b>12,269,989</b>	<b>5.0%</b>



# SDHC FY 2016 Budget

## Summary of Significant Changes in Use of Funds

- Housing Program Expense increased by \$13,174,696 (7.4 percent) due to increased Rental Housing Factor (RHF) funds and increased Housing Choice Voucher-Section 8 activity with new vouchers as well as assumed 100 percent lease-up.
- Property Expense increased by \$470,138 (3.3 percent) due to increase in utilities and other miscellaneous property costs.
- Capital Expenditures decreased due to reduction in planned major rehabilitations projects with the completion of significant efforts related to State Site conversions; amount includes \$7.2 million towards capital improvements and rehabilitations of SDHC owned property.



# SDHC FY 2016 Budget

## Summary of Significant Changes in Use of Funds (Cont.)

- Salaries and Wages increased by \$2,131,525 (11.4 percent) due to the following:
  - 5 percent Contingency for Classification and Compensation Study
  - New Positions
  - 2.5 percent COLA Increase
- Fringe Benefits increased by \$663,242 (9.8 percent) due to increase in payroll and increase in benefits allowance per employee.



# SDHC FY 2016 Budget

## SDHC's Enhanced Staffing Needs

- Total budgeted staffing by Full Time Equivalent (FTE) comparison by year:

Fiscal Year	2014	2015	2016
# of FTEs	285	275	284
Variance		-10	+9

- In FY 2015, staffing was reduced due to sequestration status and future funding concerns



# SDHC FY 2016 Budget Summary – Staffing by Division

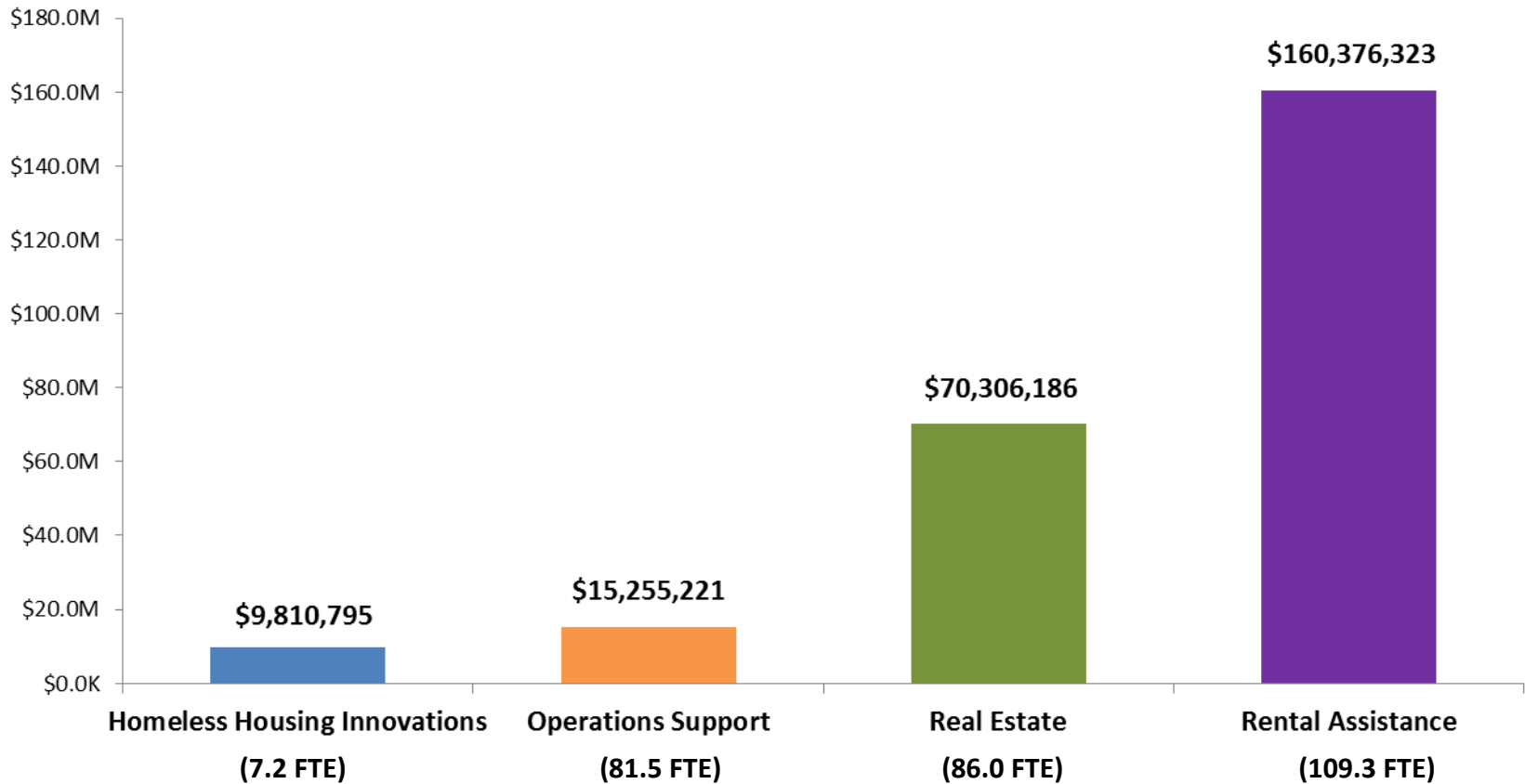
	FY 2014	FY 2015	FY 2016	Change from FY 14 to FY 16
<b>Rental Assistance</b>	107.9	108.7	109.3	1.4
<b>Real Estate</b>	84.7	81.1	86.0	1.3
<b>Homeless Housing Innovations</b>	7.0	7.0	7.2	0.2
<b>Operations Support</b>	85.4	78.2	81.5	(3.9)
<b>TOTAL</b>	<b>285</b>	<b>275</b>	<b>284</b>	<b>(1.0)</b>



# SDHC FY 2016 Budget

## Funding Uses Not Including Reserves by Major Division

### \$255.7M



## Approval Request

**FY 2016 Budget - \$325 Million**



# SDHC FY 2016 Budget



Rental  
Assistance



Creating Affordable  
Housing



Solutions To  
Homelessness

## Thank You

