The San Diego Housing Commission’s (SDHC) Popular Annual Financial Report (PAFR) for the Fiscal Year that ended on June 30, 2015, was prepared by the Financial Services Department to provide readers an easy-to-understand summary of SDHC’s financial activities.

This report provides a condensed presentation of SDHC’s significant financial highlights for Fiscal Year 2015. 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 CohnReznick, LLP and fully conforms to Generally Accepted Accounting Principles (GAAP). The CAFR is available on SDHC’s website at:

www.sdhc.org/SDHCBudget/

SDHC welcomes any questions or comments on any of the information provided in this report. Requests for additional information should be addressed to Tracey McDermott, Interim Chief Financial Officer and Vice President of Financial Services, San Diego Housing Commission, 1122 Broadway, Suite 300, San Diego, California 92101.
SDHC is a state-chartered government entity. It was created by the City of San Diego (City), on April 23, 1979, in accordance with the Housing Authority Law of the State of California.

SDHC is an affordable housing developer, a lender and a rental assistance provider through the Federal Section 8 Housing Choice Voucher Program, which can serve more than 15,000 low-income households. In Fiscal Year 2015, 14,698 households rented housing units with these Federal housing vouchers. SDHC also plays a major role in addressing homelessness in the city of San Diego.

SDHC is governed by the Housing Authority of the City of San Diego (Housing Authority). Composed of the nine members of the San Diego City Council, the Housing Authority has final authority over SDHC’s budget and major policy decisions.

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

**SDHC Mission**

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

**SDHC Strategic Plan**

SDHC’s agency-wide, two-year Strategic Plan provides SDHC with a framework to identify how it can have the greatest possible impact with limited financial resources in the years ahead.

SDHC’s 2014 – 2016 Strategic Plan identifies three major Goals:

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

The Strategic Plan was approved by the SDHC Board of Commissioners on January 17, 2014.
HOUSING FIRST – SAN DIEGO

On November 12, 2014, SDHC announced HOUSING FIRST – SAN DIEGO, SDHC’s three-year Homelessness Action Plan, to create additional affordable housing with permanent supportive services that will impact the lives of up to 1,500 homeless San Diegans.

HOUSING FIRST – SAN DIEGO builds on Goal A in SDHC’s Strategic Plan to Create and Preserve Quality Affordable Housing. One of the key Objectives under Goal A is to “define SDHC’s leadership role in the effort to reduce homelessness in the city of San Diego.”

In the first year since the launch of HOUSING FIRST - SAN DIEGO, achievements included:

1. Invested $8,250,000 in City, State and Federal funds toward the construction of:
   - Cypress Apartments in East Village, developed by the Affirmed Housing Group, which will provide 62 units for homeless individuals.
   - Talmadge Gateway in City Heights, developed by Wakeland Housing & Development Corp. and City Heights Community Development Corp., which will provide 59 units for homeless seniors.
   - These funds are part of the $30 million SDHC has committed over the next three years to build permanent affordable housing with supportive services.

2. Awarded 180 new Federal rental housing vouchers to assist homeless and formerly homeless San Diegans. These vouchers will provide rental assistance for residents at:
   - Cypress Apartments;
   - Talmadge Gateway; as well as
   - Alpha Square, a new construction development in the East Village neighborhood of Downtown San Diego that held its grand opening on November 18.

3. Kicked off the rehabilitation of Hotel Churchill, which will provide 72 units for homeless Veterans, youth aging out of foster care and adults exiting the corrections system. SDHC is working with its nonprofit affiliate, Housing Development Partners, to rehabilitate Hotel Churchill.

4. Invested $15 million from the Federal “Moving to Work” rental assistance program to purchase the 120-unit Village North Senior Garden Apartments in Clairemont Mesa, setting aside 20 percent of the units, totaling 24 apartments, for homeless seniors.

5. Dedicated 25 SDHC-owned apartments to be used by homeless families. Between Jan. 1 and Oct. 31, this rapid rehousing component of HOUSING FIRST – SAN DIEGO assisted 31 families, including five that became financially self-reliant and were able to move to permanent housing.
Established in 1979, SDHC 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 SDHC for its Popular Annual Financial Report for the Fiscal Year ended June 30, 2014. 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.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose content conforms to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. SDHC has received the Popular Award for the last five consecutive years (Fiscal Years ended 2010-2014). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements and we are submitting it to GFOA.

The PAFR is available on our website at: www.sdhc.org/SDHCBudget/

CAFR Award

SDHC’s comprehensive annual financial reports (CAFR) for the years ended 2008-2014, from which information on pages 7-8 has been drawn, were awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such CAFR 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 CAFR continues to meet the Certificate of Achievement program requirements and we are submitting our CAFR for the current year to the GFOA.
Chief Financial Officer’s Message

The San Diego Housing Commission’s Fiscal Year 2015 was filled with many accomplishments that will continue to be built upon as a Federal “Moving to Work” (MTW) agency. We will continue with a business approach to organizational management, strategic thinking and entrepreneurial leadership. President & CEO Richard C. Gentry’s goal is to expand SDHC’s national influence as a leader in affordable housing development. SDHC continues to work on reducing homelessness and developing additional affordable housing for the City of San Diego.

The majority of SDHC’s programs depend on federal financial assistance from the U.S. Department of Housing and Urban Development (HUD) to continue operations. In Fiscal Year 2015, SDHC received 77 percent of its revenue from HUD, most of which was awarded to SDHC for MTW initiatives. SDHC’s budget and financial condition are greatly affected by the financial condition of the federal government and Congress’s annual appropriation to HUD.

HUD grants for housing programs and program administration funding may decrease due to the national economic and political climate. As good stewards of the taxpayers’ money, it is our responsibility to strive to do more with less. Through a combination of reducing expenses and prudently using available programmatic reserves, SDHC was able to maintain a balanced budget in Fiscal Year 2015 and projects a balanced budget in Fiscal Year 2016.

Annually, SDHC submits an MTW Plan to HUD that describes initiatives to be implemented over HUD’s next Fiscal Year, which runs from October 1 to September 30. Following each year, SDHC issues an MTW Report that gives an accounting of activities put into action during the Fiscal Year. HUD approved SDHC’s Fiscal Year 2015 MTW Plan on January 26, 2015. HUD approved the 2016 MTW Plan on August 24, 2015. The plans can be viewed at http://www.sdhc.org/Rental-Assistance.aspx?id=5424.

Economic conditions in the city of San Diego have shown solid improvements over the past year as indicated by the increase in local housing market values, low inflation rates, low rental vacancies, increasing rents, and improvement in the labor market. Low inflation rates and an improved job market should benefit the low- and moderate-income population that SDHC serves. However, some of the other economic conditions, such as increased housing costs, may have an adverse effect on low- and moderate-income individuals.

Local residential real estate prices continue to increase with higher home values and low mortgage rates. July 2015 saw home prices increase 5.6 percent more than prices of a year earlier. Additionally, over the same time period, home sales increased 22.4 percent in San Diego County. (“San Diego County Home Prices Increase in July,” City News Service, August 18, 2015) Nationally, inflation is expected to remain low for the foreseeable future, with economists forecasting the core consumer price index for inflation to be at approximately 1.8 percent for calendar year 2015 and 1.9 percent for 2016. (Wells Fargo Securities Economic Forecast, 2015)

The continued increase in San Diego residential real estate purchases is due to the combination of high housing demand and low mortgage rates. The low mortgage rates may continue to provide additional opportunities in Fiscal Year 2016 for low- and moderate-income homebuyers to purchase a home with assistance from SDHC’s First-Time Homebuyer Program.

At the same time that the local economy is improving, the challenge is growing for low-income families to find an apartment they can afford in the city. The city will need an additional 38,680 affordable housing units for low-income residents by 2020, according to the 2011 San Diego Association of Governments’ Regional Housing Needs Assessment Plan.
Chief Financial Officer’s Message

In addition, HUD’s 2014 Annual Homeless Assessment Report to Congress showed that San Diego County had the fifth-largest homeless population in the nation.

SDHC has awarded more than 1,900 federal housing vouchers since 2010 to address homelessness in the city of San Diego. In addition, SDHC administers the City of San Diego’s Homeless Shelters and Services Programs.

SDHC is committed to providing affordable, safe and quality homes for low- and moderate-income families and individuals in the city 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 SDHC provides are constrained only by the amount of resources available for those services.

With SDHC’s Board-approved Fiscal Year 2016 budget of $325.0 million, we will continue to provide a high level of services for SDHC’s clients, delivered in a fiscally prudent manner.

Tracey McDermott
Interim Vice President and Chief Financial Officer
The abbreviated **Statement of Net Position** presented in this report (in thousands) is a useful indicator of SDHC’s financial position. In Fiscal Year 2015, SDHC’s assets exceeded liabilities by $483.7 million, an increase of 6 percent from Fiscal Year 2014.

Total assets increased by $23.8 million. The increase is primarily attributed to an increase in loans made as notes receivable. In addition, capital assets net of depreciation increased $11.7 million primarily due to the acquisition of Village North Senior Garden Apartments (Village North) for $14.8 million.

Total liabilities decreased by $3.0 million, or 2 percent. This is primarily due to SDHC electing to pay down $1.1 million of the loan on the Smart Corner building. In addition, SDHC made payments on current debt.

SDHC’s total net position increased 6 percent due to a $13.9 million surplus generated during Fiscal Year 2015.

Net investment in capital assets increased $14.0 million as a result of the acquisition of Village North referenced above.

Restricted net position increased $9.7 million to $170.2 million primarily due to a $9.0 million increase in reserves from HUD’s HOME program. These funds are subject to external restrictions on how they may be used.

Unrestricted net position increased $3.1 million to $244.6 million. This balance includes 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, funds reserved for future MTW program initiatives, and unrestricted funds.

### Key Terms

- **Assets**: What is owned by SDHC.
- **Liabilities**: What SDHC owes.
- **Net position**: The difference between SDHC’s assets and liabilities. It is the net worth of SDHC.
- **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.
- **Net investment in capital assets**: Capital assets less accumulated depreciation and any outstanding debt related to acquiring these assets.
- **Restricted**: Funds subject to various external restrictions.
- **Unrestricted**: Funds available for SDHC to use for operations.
Statement of Revenue, Expenses and Change in Net Position

The abbreviated *Statement of Revenue, Expenses and Change in Net Position* (in thousands) accounts for all of SDHC’s revenue and expenses and reports the difference between the two as the change in net position. The statement reflects the results of SDHC’s operations over the year and can be used to determine SDHC’s creditworthiness and its ability to successfully recover all its costs through grants, tenant charges, and other income.

This year’s overall surplus of $26.8 million represents an increase of 108 percent, or $13.9 million, from Fiscal Year 2014, mainly due to a $7.3 million decrease in operating expense explained below and a $5.5 million increase in other non-operating income and expenses, net.

Operating revenues increased by $1.2 million in Fiscal Year 2015, in part due to an increase in dwelling rental income and fee revenue.

Operating expenses decreased by $7.3 million, from $208.8 million in fiscal year 2014 to $198.5 million in Fiscal Year 2015. This decrease is primarily due to $8.3 million in grant expense for the lease and rehabilitation of the Hotel Churchill in Fiscal Year 2014.

### 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 SDHC in performing its functions.
- **Change in Net Position:** The total revenue earned less total expenses.
SDHC invests funds in accordance with the provisions of U.S. Department of Housing & Urban Development (HUD) Notice PIH 96-33 and California Government Code Sections 5922 and 53601. SDHC’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 SDHC’s investment portfolio is to protect the principal investment. Second to safety of principal 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 cash and investments on June 30, 2015, decreased by 7.4 percent from the previous year. Virtually all of the decrease is from the use of proceeds from debt-financing activities to acquire additional local affordable housing. Cash generated from scheduled principal and interest payments along with bond maturities were retained in cash to complete the aforementioned acquisition.

<table>
<thead>
<tr>
<th>Fair Value in Millions</th>
<th>6/30/2014</th>
<th>6/30/2015</th>
<th>Variance</th>
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<tbody>
<tr>
<td>Cash</td>
<td>$14.12</td>
<td>$30.00</td>
<td>$15.88</td>
</tr>
<tr>
<td>LAIF</td>
<td>16.92</td>
<td>2.04</td>
<td>(14.88)</td>
</tr>
<tr>
<td>SDCP</td>
<td>10.01</td>
<td>7.05</td>
<td>(2.96)</td>
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<tr>
<td>Agency Bonds</td>
<td>74.90</td>
<td>68.78</td>
<td>(6.12)</td>
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<tr>
<td>Certificates of Deposit</td>
<td>3.19</td>
<td>2.45</td>
<td>(0.74)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$119.14</td>
<td>$110.32</td>
<td>($8.82)</td>
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The blended rate of return at year-end was 1.13 percent. This is slightly higher from the prior year-ending blended rate of 1.07 percent but significantly higher than the two-year Treasury benchmark of 0.56 percent. Investment returns remain low as interest rates continue to remain relatively unchanged despite market expectations of an interest rate increase. This continues to offer investment opportunities in bond prices due to the increased demand, which matches well with our investment strategy. We continue to look for investments that maintain the short effective duration, due to expectations of a rate increase.

SDHC’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 SDHC Board as an informational report and posted on SDHC website.
At the end of Fiscal Year 2015, SDHC had nearly $207.0 million (net of depreciation) invested in capital assets, including office furniture and equipment, construction in progress, land, building, and building improvements. This was an increase of $11.7 million, or 7.2 percent, from the previous year. The majority of SDHC’s investment in capital assets is composed of ownership of land, affordable housing stock, the Smart Corner office building, and construction-in-progress, which represents rehabilitation projects underway.

There was an increase of $9.7 million in buildings and $5.2 in land related to the purchase of Village North. In addition, there was a $1.5 million dollar increase in construction-in-progress as a result of projects at the Scattered Sites, which are five affordable housing rental properties developed 32 years ago under a State program that are being converted to Federal public housing operated by SDHC, as well as Picador and Park Crest properties.

The increase in total capital assets, net, is offset by depreciation. Depreciation expense for the Fiscal Year that ended on June 30, 2015 was $4,916,809.

Village North Senior Garden Apartments

120 one-bedroom apartments
Acquired – 5.1.2015

Total Capital Assets

<table>
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<tr>
<th>In thousands of dollars (does not include depreciation)</th>
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</thead>
<tbody>
<tr>
<td>Construction in progress $2,267</td>
</tr>
<tr>
<td>Office furniture and equipment $4,347</td>
</tr>
<tr>
<td>Building improvements $33,581</td>
</tr>
<tr>
<td>Land $68,369</td>
</tr>
<tr>
<td>Buildings $98,468</td>
</tr>
</tbody>
</table>
Real Estate Portfolio

SDHC, including its nonprofit affiliate, Housing Development Partners (HDP), owns and/or manages 3,360 affordable housing units in the city of San Diego. These units include 154 Federal public housing units, as well as 302 units owned by HDP, and 644 units for which HDP serves as the nonprofit management partner and part owner.

SDHC is an active and innovative developer of new affordable housing and is rapidly moving forward on buying additional multifamily properties. The agency’s hallmark has been its ability to foster affordable housing projects by forging partnerships both with the City of San Diego’s redevelopment agencies and non-profit/for-profit developers.

SDHC completed several affordable housing partnership developments in 2015 throughout the city of San Diego:

- Mesa Commons, College Area, 77 apartments for low-income families.
- Fairbanks Square, Black Mountain Ranch, 98 apartments for seniors.
- City Heights Ten, rehabilitation of 129 apartments for low- and very low-income households.
- Celadon at 9th and Broadway, Downtown San Diego, 248 apartments for low- to extremely low-income renters.
- COMM 22, Logan Heights, 200 apartments for seniors and families.

By March 31, 2016, 35 apartments at five locations in City Heights, Old Town and Point Loma are expected to become part of SDHC’s Federal public housing after renovations with an estimated cost of $3.9 million are completed. The California Department of Housing and Community Development is deferring payments due on loans for the original construction of these apartments for an additional 55 years.

Celadon at Ninth and Broadway

248 affordable apartments
Grand Opening – 5.1.2015
Beginning with Fiscal Year 2012, SDHC included the consolidated financial statements of its nonprofit affiliate, Housing Development Partners (HDP), as a discretely presented component unit. They are reported in a separate column in the financial statements to emphasize that HDP is legally separate from SDHC.

HDP develops and preserves affordable housing for low-income San Diegans through the rehabilitation of existing buildings and new construction.

Rental housing for seniors, families, veterans, workers, and tenants with special needs are among the developments in HDP’s real estate portfolio.

Since its inception, HDP has developed 1,053 apartments, townhomes and single-room occupancy units, including 302 units that are owned by HDP, 107 SDHC-owned units that are leased by HDP, and 644 units through partnership developments.

The abbreviated financial statements are for the period ending December 31, 2014, and are presented in thousands of dollars.

### The Churchill – SDHC-HDP Partnership

72 Affordable Studio Apartments
Estimated completion – June 2016

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<tr>
<td>Current and other assets</td>
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</tr>
<tr>
<td>Capital assets net of depreciation</td>
<td>25,008</td>
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<tr>
<td>Total assets</td>
<td>47,513</td>
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<table>
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<tr>
<th>LIABILITIES</th>
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<tbody>
<tr>
<td>Current liabilities</td>
<td>915</td>
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<tr>
<td>Notes Payable and non-current liabilities</td>
<td>42,253</td>
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<td>Total liabilities</td>
<td>43,168</td>
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<table>
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<tr>
<td>Unrestricted</td>
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<tr>
<td>Total liabilities and net assets</td>
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<table>
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<tr>
<th>OPERATING REVENUES</th>
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<tbody>
<tr>
<td>Dwelling rental income</td>
<td>$3,853</td>
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<tr>
<td>Fee revenue</td>
<td>108</td>
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<tr>
<td>Other revenue</td>
<td>159</td>
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<tr>
<td>Total Operating revenues</td>
<td>4,120</td>
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<table>
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<tr>
<th>OPERATING EXPENSES</th>
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<tbody>
<tr>
<td>Deficit before depreciation and other non-operating income and expenses</td>
<td>967</td>
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<tr>
<td>Depreciation</td>
<td>952</td>
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<tr>
<td>Deficit before other non-operating income and expense</td>
<td>15</td>
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<tr>
<td>Other non-operating income and expenses, net</td>
<td>(1,038)</td>
</tr>
<tr>
<td>Change in net assets before capital transactions</td>
<td>(1,023)</td>
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<tr>
<td>Capital distributions</td>
<td>3,754</td>
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<tr>
<td>Change in net assets</td>
<td>$2,731</td>
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</table>
Addressing Homelessness

SDHC also supports programs to address homelessness in the city of San Diego. These programs serve single adults, families, youth, Veterans, and seniors. The 2015 Point-in-Time Count conducted the morning of January 23, 2015, by the Regional Task Force on the Homeless identified 8,742 homeless individuals in San Diego County, including 5,538 homeless individuals in the city of San Diego. About 49 percent of the homeless residents in the city of San Diego, or 2,765 individuals, lacked shelter, living on the streets or in canyons, riverbeds, parks, and beaches. About 51 percent, or 2,773 individuals, had roofs over their heads temporarily at emergency shelters, hotels and motels, safe havens or transitional housing.

In addition to the Federal Sponsor-Based and Project-Based Housing Voucher Programs that are part of MTW, SDHC administers HUD-Veterans Affairs Supportive Housing (VASH) Vouchers, which help chronically homeless veterans rebuild their lives.

SDHC also supports Connections Housing Downtown, the City of San Diego’s first-ever collaborative venture into the Housing First model for addressing homelessness. During Fiscal Year 2015, 350 formerly homeless individuals who received help in stabilizing their lives at Connections Housing Downtown had moved into permanent or longer-term housing. SDHC supports Connections Housing Downtown with Federal Project-Based Housing Vouchers that provide rental assistance for 73 studio apartments and 16 interim special needs units.

In addition, the City of San Diego’s Single Adult Emergency Winter Shelter tent and Veterans Emergency Winter Shelter tent, which opened in November 2014, both closed for the final time on April 1, 2015. They have been replaced by the City’s new 350-bed year-round interim housing program for homeless adults operated by St. Vincent de Paul Village. The emergency winter shelters provided homeless San Diegans with a warm, safe place to sleep during the coldest and rainiest months of the year. The year-round interim housing will assist as many as 2,835 homeless individuals – three times the minimum of 800 individuals served annually by the City’s winter tents. There will be a minimum of 350 beds for homeless men and women (ages 18 and up), which is equal to the number of beds that were provided by the City’s Single Adult and Veterans Emergency Shelter tents.

In Fiscal Year 2015, SDHC also supported more than 600 transitional housing beds with City of San Diego Housing Trust Funds. With Federal Emergency Solutions Grant and Continuum of Care funds, SDHC partnered with several local nonprofit agencies to provide Rapid Rehousing Programs. The programs help to pay security deposits and short-term rents. Additionally, the programs provide services to help clients find housing and not return to homelessness.
SDHC is one of only 39 public housing authorities nationwide, out of 3,400, to receive a “Moving to Work” (MTW) designation from HUD. As an MTW agency, SDHC designs innovative, cost-effective ways of providing housing assistance to low-income families, using a combination of federal funding allocated to SDHC for public housing and Federal Section 8 Housing Choice Voucher (HCV) rental assistance. SDHC’s MTW operating budget in FY 2015 was $161,034,808.

The three statutory objectives for MTW are:

- Use federal dollars more efficiently
- Help residents on their path to economic independence
- Improve housing choices for low-income families

Examples of MTW initiatives implemented by SDHC are:

- **Choice Communities.** Since SDHC’s Choice Communities program began on January 1, 2010, approximately 264 low-income families in the city of San Diego have been able to move to areas with better transportation, schools, and employment opportunities. This MTW program helps HCV participants move to low-poverty neighborhoods in the city of San Diego and allows participating families to increase the percentage of monthly adjusted income they pay toward rent so they can move to these communities of enhanced opportunities.

- **Sponsor-Based Housing Voucher Program.** SDHC awards Federal Sponsor-Based Housing Vouchers to nonprofit organizations, or “sponsors,” that provide supportive services to homeless San Diegans. Since 2010, SDHC has awarded 460 Federal Sponsor-Based Housing Vouchers to nonprofit organizations. These vouchers have an annual value of $5,199,840.

- **SDHC Achievement Academy.** Located at SDHC’s Downtown San Diego headquarters, the 9,600 square-foot SDHC Achievement Academy is a state-of-the-art learning and resource center and computer lab with programs that emphasize career planning, job skills, and personal financial education—available at no charge to Federal HCV recipients and SDHC public housing residents. During Fiscal Year 2015, 1,667 individuals attended the SDHC Achievement Academy.

- **Path to Success.** Implemented on July 1, 2013, Path to Success sets minimum monthly rent payment amounts for HCV and public housing participants who are able to work (Work-Able). The initial minimum monthly rent payment amounts were based on California’s minimum wage standards—$8 per hour at the time the program was implemented. As this Work-Able population contributes more toward their rents, SDHC will be able to expand the program and provide more HCV assistance to others on the waiting list.
Demographics of the HCV Program

Funded by HUD and managed by SDHC’s Rental Assistance Department, the HCV Program serves more than 15,000 low-income San Diego individuals and families. With fiscal year 2015 funding of $161.0 million, HCV is SDHC’s largest program.

Income per HCV Household

- 54.4 percent of HCV recipients’ income is between $10,000 and $19,999.

Resident Members per Household

- 5,657 (36.4 percent) of 14,729 households are single-member households.
- 3,443 (23.4 percent) are households with two members.

Years in HCV Program

- 4,452 have been in the program from 6-10 years.
- 4,248 HCV recipients have been in the program 0-5 years.
- 3,572 have been in the program from 11-15 years.
We’re About People