



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission (SDHC) Fiscal Year (FY) 2017 Proposed Budget (July 1, 2016 – June 30, 2017)

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SDHC FY 2017 Proposed Budget Mission Statement

San Diego Housing Commission

Mission Statement

To 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 the San Diego Housing Commission serves.

Fiscal Year 2017 Budget Summary

The San Diego Housing Commission (SDHC) is a public agency that provides affordable housing programs and services for low- and moderate-income individuals and families in the city of San Diego (city). SDHC assists approximately 15,400 low-income households by providing them with rental assistance through the Federal Section 8 Housing Choice Voucher (HCV) program. HCV participants typically pay approximately 30 percent of their income toward rent, with the remainder paid by Federal funds. Almost half of these households are seniors or individuals with disabilities. SDHC also administers City of San Diego and Federal funds for transitional and permanent housing with supportive services to address homelessness among families, seniors, Veterans and individuals. In addition, SDHC develops affordable multifamily housing and provides loans, Closing Cost Assistance Grants and Mortgage Credit Certificates to help first-time homebuyers.

In Fiscal Year 2017 (July 1, 2016 – June 30, 2017), SDHC programs will include:

- HOUSING FIRST – SAN DIEGO, SDHC's three-year Homelessness Action Plan (2014-17) - Collaborating with service providers and affordable housing developers to address homelessness for families, seniors, Veterans and other individuals:
 - The 1,000 Homeless Veterans Initiative of HOUSING FIRST – SAN DIEGO to provide a path off the streets for a thousand homeless Veterans within one year;
 - Up to 100 San Diego State University (SDSU) students who have been homeless or at risk of homelessness will receive rental assistance through a first-of-its kind housing collaboration between SDHC and SDSU;
 - SDHC is launching a pilot program that will provide Federal rental housing vouchers for up to 25 families with at least one child enrolled at The Monarch School; and
 - SDHC will award up to \$10 million in City of San Diego and Federal funds to create permanent affordable housing with supportive services for homeless San Diegans.
- Investment in SDHC-owned properties to rehabilitate and preserve affordable rental housing.

The \$364.3 million proposed Fiscal Year 2017 Budget would enable SDHC to:

- Assist approximately 15,400 low-income households by providing rental assistance through the Federal HCV program;



SDHC FY 2017 Proposed Budget Mission Statement (Cont.)

- Assist 40 households to become first-time homebuyers;
- Support the financing of 338 affordable housing units;
- Rehabilitate 70 homes for low-income families;
- Own and/or manage 3,440 affordable housing units in the city of San Diego, including SDHC's nonprofit affiliate, Housing Development Partners (HDP): 2,225 units owned by SDHC; 1,026 units owned directly by HDP or through partnerships; and 189 units of Federal public housing;
- Administer City of San Diego homeless programs that provide shelter for more than 3,300 homeless individuals and day services for 3,600 homeless individuals;
- Help 1,500 families that receive Federal rental assistance or public housing residents to work toward financial self-reliance through the SDHC Achievement Academy

The proposed SDHC Fiscal Year 2017 Budget will be presented to the City Council Budget and Government Efficiency Committee on May 10, 2016, for its review, and will then be forwarded to the Housing Authority of the City of San Diego for its review and approval in June 2016.

SDHC's Fiscal Year 2017 Budget is composed of four divisions: Rental Assistance, Real Estate, Homeless Housing Innovations and Operations Support:

- Rental Assistance Division (RAD) funding is budgeted at \$164.0 million. RAD provides Federal rental assistance to low-income households in the city of San Diego. RAD program activities provide eligible families with monthly Federal rental assistance and opportunities for them to become more financially self-reliant through the SDHC Achievement Academy, a state-of-the-art learning and resource center and computer lab with programs that emphasize career planning, job skills and personal financial education—at no cost to HCV participants and public housing residents. In addition, RAD monitors affordable housing developments and homeowners for compliance with Federal, State and Local occupancy and affordability restrictions.
- Real Estate Division (RED) funding is budgeted at \$86.9 million. RED creates and preserves affordable housing as a developer, owner, lender, partner, bond issuer, and administrator of the City of San Diego's affordable housing programs. RED also helps low- and moderate-income families become first-time homebuyers.
- Homeless Housing Innovations Department (HHI) funding is budgeted at \$17.1 million. HHI administers City of San Diego and Federal funds to address homelessness and the housing needs of San Diegans with extremely low incomes. This department administers funding for transitional housing, interim housing, and permanent supportive housing and services.
- Operations Support funding is budgeted at \$16.5 million. Operations Support provides support services to carry out the SDHC mission. Included are: 1) Board & Executive Functions, which provides strategic planning, leadership and management to





SDHC FY 2017 Proposed Budget Mission Statement (Cont.)

implement housing programs; 2) Communications & Legislative Affairs, which fosters transparency in government through legislative affairs activities, responds to public records requests, and ensures consistency and accuracy in SDHC communications; 3) Human Resources; 4) Project Management Unit; 5) Financial Services; 6) Information Technology; 7) Procurement; 8) Section 3 & Outreach; and 9) Grants & Compliance.

Funds allocated for Reserves are budgeted at \$78.9 million. These funds contain three types of reserves: 1) Program Restricted Reserves to provide for housing programs; 2) Property Reserves to provide for replacement requirements; and 3) Contingency Reserves, which include amounts available for any unanticipated housing purpose.



SDHC FY 2017 Proposed Budget Budget Summary

	FY 2015 Budget	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed Budget	FY 2016-2017 Change
Positions	275.0	266.0	284.0	284.0	304.0	20.0
Personnel Expense	25,452,777	23,785,562	28,247,544	28,367,934	30,181,333	\$ 1,933,789
Non-Personnel Expense	311,885,413	326,843,954	296,704,217	303,668,827	333,223,096	\$ 36,518,878
TOTAL	\$ 337,338,190	\$ 350,629,516	\$ 324,951,762	\$ 332,036,762	\$ 363,404,429	\$ 38,452,667

SDHC FY 2017 Proposed Budget Expenditures

	FY 2015 Budget	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	Proposed Budget	FY 2016-2017 Change
PERSONNEL						
Salaries & Wages	\$ 18,706,551	17,824,633	\$ 20,838,076	\$ 20,926,190	\$ 22,137,974	\$ 1,299,898
Overtime	-	-	-	-	-	-
Fringe Benefits (health)	2,473,404	2,431,431	2,875,664	2,888,703	3,027,160	151,496
Fringe Benefits (pension)	2,659,425	2,205,114	2,831,340	2,843,676	3,488,430	657,090
Fringe Benefits (other-- <i>Life, LTD, Medicare, Workers Comp, SUI and 457</i>)	1,613,396	1,324,384	1,702,464	1,709,365	1,527,769	(174,695)
SUBTOTAL PERSONNEL	\$ 25,452,777	\$ 23,785,562	\$ 28,247,544	\$ 28,367,934	\$ 30,181,333	\$ 1,933,789
NON-PERSONNEL						
Housing Program Expense	\$178,097,752	169,375,110	\$191,272,448	\$199,422,448	\$203,398,744	\$ 12,126,296
Property Expenses	14,106,278	14,652,594	14,576,416	14,576,416	15,315,471	739,055
Professional Services, Supplies & Other	10,153,626	9,053,622	10,211,304	10,340,914	10,417,270	205,966
Debt Principal Payments	3,043,019	3,079,611	3,079,445	3,079,445	3,066,941	(12,504)
Capital Expenditures	12,625,084	16,597,079	8,361,369	7,209,081	22,065,860	13,704,491
Reserves	93,859,654	114,085,938	69,203,236	69,040,524	78,958,809	9,755,574
SUBTOTAL NON-PERSONNEL	\$311,885,413	\$326,843,954	\$296,704,217	\$303,668,827	\$333,223,096	\$ 36,518,878
TOTAL	\$337,338,190	\$350,629,516	\$324,951,762	\$332,036,762	\$363,404,429	\$ 38,452,667





SDHC FY 2017 Proposed Budget Significant Budget Adjustments

Significant Budget Adjustments	Position/Explanation for Change	Positions	Revenue	Expenses
Salaries and Benefits Adjustments				
Personnel				
Salaries & Wages	Due to additional headcount and COLA	20.00		\$ 1,299,898
Overtime	-			-
Fringe Benefits (pension)	Due to additional headcount and COLA			657,090
Fringe Benefits (health)	Due to additional headcount			151,496
Fringe Benefits (Life, LTD, Medicare, Workers Comp, SUI, and 457)	Reduction in Workers Compensation rates			(174,695)
Personnel Adjustments				\$ 1,933,789
Non-Personnel Expenditure Adjustments				
Housing Program Expense	Increase due to increased Inclusionary Rental Housing Factor (RHF) activity and Housing Choice Voucher (HCV) activity, 100% lease up rate, and 1000 Homeless Veterans Initiative			\$ 12,126,296
Property Expenses	Increase in maintenance and repair activity			739,055
Professional Services, Supplies, Other	Increased consultant services			205,966
Debt Principal Payments	No Significant Changes			(12,504)
Capital Expenditures	Increase due to planned major rehabilitation projects			13,704,491
Reserves	Increase in property replacement reserves which reflects the improved long-term strategic reserve management and a commitment to fund rehabilitation projects identified in the Green Physical Needs Assessment			9,755,574
Non-Personnel Expenditure Adjustments				\$ 36,518,878
TOTAL EXPENSE ADJUSTMENTS			\$ -	\$ 38,452,667
Revenue Adjustments				
Section 8 / MTW	Primarily due to funding from HUD held reserves of available Housing Choice Voucher funds for rehabilitation of SDHC owned properties and from VASH for the 1000 Homeless Veterans activity		\$ 17,306,475	
HOME	Anticipate increase in the First Time Home Buyer Program		1,139,886	
Housing Innovation Funds	Due to a reduction in the SPC SVDP Village grant		(45,248)	
Other Federal	New CDBG Homeownership grant		329,931	
SDHC Real Estate	Annual rent adjustments to market rates and anticipated 100% lease up rate		300,600	
RDA	Prior year funding, not utilized in FY16, will be spent in FY17.		(1,302,618)	
Affordable Housing Fund	Primarily due to increased funding expected from Inclusionary RHF and Housing Trust Fund RHF		4,084,525	
Other Local Funds	Year round single adult shelter		871,111	
State	Do not anticipate funding from State Housing Trust Fund to continue		(1,043,109)	
Fund Balance from Prior Years	Reserves committed for programs, projects and activities.		16,811,114	
TOTAL REVENUE ADJUSTMENTS			\$ 38,452,667	\$ -





SDHC FY 2017 Proposed Budget Reimbursements to Departments/Entities

Departments/Entities	FY 2015 Budget	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed Budget	FY 2016-2017 Change
Homeless Housing Innovations - Interim Shelter for Homeless Adults	\$ -	\$ -	\$ 1,470,000	\$ 1,575,000	\$ 1,575,000	\$ 105,000
Homeless Housing Innovations - Single Adult Shelter	541,667	1,030,001	-	-	-	-
Homeless Housing Innovations - Transitional Storage Center	50,000	150,000	150,000	150,000	150,000	-
Homeless Housing Innovations - Veterans Shelter	-	132,982	-	-	-	-
Homeless Housing Innovations - Connections Interim Housing	-	271,558	300,000	300,000	300,000	-
Homeless Housing Innovations - Homeless Triage Beds	-	190,000	-	-	-	-
Homeless Housing Innovations - HMIS CAHP	-	400,000	-	-	-	-
Homeless Housing Innovations - 1000 Homeless Veterans Initiative	-	-	-	4,000,000	-	-
Homeless Housing Innovations - Serial Inebriate Program	-	-	120,000	120,000	120,000	-
TOTAL	\$ 591,667	\$ 2,174,541	\$ 2,040,000	\$ 6,145,000	\$ 2,145,000	\$ 105,000



SDHC FY 2017 Proposed Budget Revenues

Revenue Source	FY 2015 Budget	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed Budget	FY 2016-2017 Change
FEDERAL						
Section 8 / MTW	\$ 173,749,115	\$ 161,534,226	\$ 170,233,517	\$ 170,233,517	\$ 187,539,992	\$ 17,306,475
HOME	12,116,385	7,755,374	13,334,111	13,334,111	14,473,997	1,139,886
Housing Innovation Funds	4,437,277	4,546,914	5,970,331	5,970,331	5,925,083	(45,248)
Rehab Funds	2,798,003	1,550,299	-	-	-	-
CDBG	1,922,232	1,640,337	-	-	-	-
Other Federal	123,651	88,664	125,069	125,069	455,000	329,931
FEDERAL TOTAL	\$ 195,146,663	\$ 177,115,812	\$ 189,663,028	\$ 189,663,028	\$ 208,394,072	\$ 18,731,044
LOCAL						
SDHC Real Estate	28,467,551	29,134,783	30,105,555	33,153,055	30,406,155	300,600
Unrestricted Funds	2,994,218	4,189,157				-
RDA	6,892	891,902	1,302,618	1,302,618	-	(1,302,618)
Affordable Housing Fund	7,958,956	19,470,083	6,669,775	6,669,775	10,754,300	4,084,525
Other Local Funds	1,290,279	3,448,918	5,620,412	9,657,912	6,491,523	871,111
LOCAL TOTAL	\$ 40,717,896	\$ 57,134,843	\$ 43,698,360	\$ 50,783,360	\$ 47,651,978	\$ 3,953,618
STATE	\$ 2,606	\$ 1,606,198	\$ 1,185,270	\$ 1,185,270	\$ 142,160	\$ (1,043,109)
FUND BALANCE FROM PRIOR YEARS	\$ 101,471,025	\$ 114,085,938	\$ 90,405,104	\$ 90,405,104	\$ 107,216,218	\$ 16,811,114
GRAND TOTAL	\$ 337,338,190	\$ 349,942,791	\$ 324,951,762	\$ 332,036,762	\$ 363,404,429	\$ 38,452,667

