

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO				CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY)	
TO: CITY COUNCIL		FROM (ORIGINATING DEPARTMENT): Housing Commission		DATE: 9/6/2016	
SUBJECT: City of San Diego Affordable Housing Fund Fiscal Year 2016 Annual Report					
PRIMARY CONTACT (NAME, PHONE): Ann Kern,619-578-7550			SECONDARY CONTACT (NAME, PHONE): ,		
COMPLETE FOR ACCOUNTING PURPOSES					
FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00
FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00
COST SUMMARY (IF APPLICABLE): N/A					
ROUTING AND APPROVALS					
CONTRIBUTORS/REVIEWERS:		APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	
Liaison Office		ORIG DEPT.	Davis, Jeff	09/07/2016	
		CFO			
		DEPUTY CHIEF	Graham, David	09/14/2016	
		COO			
		CITY ATTORNEY	Halsey, Keely	09/14/2016	
		COUNCIL PRESIDENTS OFFICE	Jurado-Sainz, Diana	09/15/2016	
PREPARATION OF:	<input type="checkbox"/> RESOLUTIONS	<input type="checkbox"/> ORDINANCE(S)	<input type="checkbox"/> AGREEMENT(S)	<input type="checkbox"/> DEED(S)	
N/A. Informational item only. No action is necessary.					
STAFF RECOMMENDATIONS: N/A. Informational item only. No action necessary.					
SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)					
COUNCIL DISTRICT(S):	Citywide				
COMMUNITY AREA(S):					
ENVIRONMENTAL IMPACT:	This item does not constitute a "project" as defined in California Environmental Quality Act Guidelines Section 15378.78.				

	Informational item only.
CITY CLERK INSTRUCTIONS:	Please docket item for the Regular City Council meeting of September 27,2016.

**COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO**

DATE: 9/6/2016

ORIGINATING DEPARTMENT: Housing Commission

SUBJECT: City of San Diego Affordable Housing Fund Fiscal Year 2016 Annual Report

COUNCIL DISTRICT(S): Citywide

CONTACT/PHONE NUMBER: Ann Kern/619-578-7550

DESCRIPTIVE SUMMARY OF ITEM:

The City of San Diego Affordable Housing Fund Fiscal Year (FY) 2016 Annual Report (Attachment 1) covers the period of July 1, 2015, through June 30, 2016, which reflects the Fiscal Year of the City of San Diego and the San Diego Housing Commission. It is issued following closeout of the Fiscal Year and includes unaudited data.

STAFF RECOMMENDATION:

N/A. Informational item only. No action necessary.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

The Affordable Housing Fund Ordinance (San Diego Municipal Code Section 98.0513) requires an annual report on activities undertaken with funds from the Affordable Housing Fund.

The City of San Diego Affordable Housing Fund Fiscal Year (FY) 2016 Annual Report (Attachment 1) covers the period of July 1, 2015, through June 30, 2016, which reflects the Fiscal Year of the City of San Diego and the San Diego Housing Commission. It is issued following closeout of the Fiscal Year and includes unaudited data. The report includes:

- Revenue collections and investments;
- Performance in meeting the goals of the previous year's Affordable Housing Fund Annual Plan;
- Information regarding the number and types of units assisted;
- Rents and sales prices of units assisted; and
- The amount of other funds leveraged.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S): N/A

FISCAL CONSIDERATIONS: N/A

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE): N/A

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee): N/A

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS: N/A

Davis, Jeff

Originating Department

Graham, David

Deputy Chief/Chief Operating Officer



INFORMATIONAL REPORT TO THE CITY COUNCIL

DATE ISSUED: September 6, 2016 **REPORT NO:** CCR16-010

ATTENTION: Council President and Members of the San Diego City Council
For the Agenda of September 27, 2016

SUBJECT: City of San Diego Affordable Housing Fund Fiscal Year 2016 Annual Report

COUNCIL DISTRICT: Citywide

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING AUTHORITY

SUMMARY

The City of San Diego Affordable Housing Fund Fiscal Year (FY) 2016 Annual Report (Attachment 1) covers the period of July 1, 2015, through June 30, 2016, which reflects the Fiscal Year of the City of San Diego and the San Diego Housing Commission. It is issued following closeout of the Fiscal Year and includes unaudited data. The report includes:

- Revenue collections and investments;
- Performance in meeting the goals of the previous year's Affordable Housing Fund Annual Plan;
- Information regarding the number and types of units assisted;
- Rents and sales prices of units assisted; and
- The amount of other funds leveraged.

BACKGROUND

The Affordable Housing Fund Ordinance (San Diego Municipal Code Section 98.0513) requires an annual report on activities undertaken with funds from the Affordable Housing Fund.

Respectfully submitted,

Liliana Caracoza

Liliana Caracoza
Senior Program Analyst
Real Estate Division

Approved by,

Deborah N. Ruane

Deborah N. Ruane
Executive Vice President & Chief Strategy Officer
San Diego Housing Commission

Attachments: 1) San Diego Affordable Housing Fund FY 2016 Annual Report

Hard copies are available for review during business hours at the security information desk in the main lobby and at the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Public Meetings" section of the San Diego Housing Commission website at www.sdhc.org

San Diego Affordable Housing Fund FY2016 Annual Report

Fiscal Year 2016
(July 1, 2015 – June 30, 2016)



**Independence Point – San Diego Housing Commission (SDHC) Partnership
Lincoln Park, City Council District 4
31 Affordable Rental Housing Units and 1 Manager’s Unit
Completed: December 10, 2015**

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EXHIBITS

- Exhibit 1 – Housing Trust Fund Fiscal Year (FY) 2016 Ordinance Tests
- Exhibit 2 – Affordable Housing Fund FY 2016 Detail of Funded Projects
- Exhibit 3 – Affordable Housing Fund FY2016 Summary of Funding & Leverage
- Exhibit 4– Inclusionary Housing Fund Affordable Housing Fee Collections & Commitments by Community Plan Area
- Exhibit 5 – San Diego Housing Commission Income and Rent Calculations

SAN DIEGO AFFORDABLE HOUSING FUND
FISCAL YEAR 2016 ANNUAL REPORT

EXECUTIVE SUMMARY

In Fiscal Year (FY) 2016 (July 1, 2015 – June 30, 2016), the Affordable Housing Fund (AHF), which is composed of the Housing Trust Fund (HTF) and the Inclusionary Housing Fund (IHF), contributed funding for 141 new affordable rental housing units, 23 first-time homebuyers, 836 transitional housing beds, and 8 repair grants to low-income mobile home owners.

Overall, the AHF exceeded its goals in the areas of homeownership and transitional housing, and fell short of its goals to finance 322 affordable rental housing units. The rental housing development goal was not met due to delays in project timelines and funding approvals. Three permanent supportive housing developments totaling 185 affordable rental housing units were received in FY 2016 and are in various stages of review and funding approvals.

Apartment development continued at a robust pace, resulting in higher Inclusionary Housing revenues than budgeted.

Each AHF dollar leveraged \$2.50 in additional funding. The AHF has helped create 18,921 affordable housing opportunities for San Diego families since its inception.

INTRODUCTION

On April 16, 1990, the San Diego City Council (City Council) passed the HTF Ordinance. Funded through impact fees assessed on nonresidential development, the HTF was enacted to finance affordable housing for low-income workers. On June 3, 2003, the HTF Ordinance was amended to incorporate the IHF, which was a new affordable housing funding source adopted by Ordinance O-19189. The IHF provides additional affordable housing resources from fees charged to residential development.

The City of San Diego's (City) AHF is a permanent, annually renewable source of funds to help meet the housing needs of the City's very low- to moderate-income households. The City Council expressed this intent in Municipal Code Sections 98.0501-98.0518. In general, the AHF's purposes are to:

- 1) Meet a portion of the need for housing that is affordable to households with very low to moderate incomes;
- 2) Leverage every \$1 of City funds with \$2 of non-City subsidy capital funds;
- 3) Support the Balanced Communities Policy by fostering a mix of household incomes in projects assisted by the AHF and dispersing affordable housing developments throughout the city;
- 4) Preserve and maintain renter and ownership affordable housing; and
- 5) Encourage private sector activities that advance these goals.

Municipal Code Section 98.0513 states that the San Diego Housing Commission (Housing Commission) shall prepare and submit an annual report to the City Council on the activities undertaken with funds from the AHF following the close of each fiscal year. The reporting requirements of the Inclusionary Affordable Housing Ordinance (Municipal Code Section 142.1311) are also addressed in this report.

This report describes the activities undertaken with funds from the AHF and specifies:

- the number and types of units assisted;
- the geographic distribution of units;
- a summary of statistical data relative to the incomes of assisted households;
- the monthly rent charged;
- the amount of state, federal and private funds leveraged; and
- the sales prices of ownership units assisted.

This report discusses how well the goals of the previous year's AHF Annual Plan were met. Allocation of AHF resources takes into consideration the policy parameters set by the AHF Ordinance, the availability and requirements of other funding sources (such as federal HOME funds), and the goals and objectives set forth in the Housing Commission's Budget.

HOUSING TRUST FUND

Purpose and Use

Funds from the HTF may be used for loans, grants, or indirect assistance to produce and maintain affordable units and related facilities.

The HTF Ordinance requires that funds be allocated as follows:

- At least 10 percent to transitional housing;
- At least 60 percent to *very low-income* households (defined as households with incomes at or below 50 percent of area median income (AMI));
- No more than 20 percent to housing for *low-income* households (defined as households with incomes between 50 percent and 80 percent of AMI); and
- No more than 10 percent to *median income* first-time homebuyers (defined as households with incomes over 80 percent of AMI).

The allocation of HTF funds is shown in **Exhibit 1**.

HTF Revenues

HTF revenues for FY 2016 totaled \$5,942,528, nearly one and a half times over budgeted revenues of \$2,385,000. When more funds are collected than budgeted, and they are not committed to a project or activity, they are put into a fund reserve for future year investment.

FY2016 HTF Revenue			
	Revenue	Budget	Change
Housing Impact Fees (Commercial Development)	\$ 1,675,073	\$2,385,000	149% Increase
Other Revenue (loan repayments & interest)	\$ 4,267,455		
TOTAL	\$ 5,942,528		

Fund Allocation

In FY 2016, \$1,385,385 was committed to programs and projects. The funds were allocated among several housing activities, owner-occupied housing rehabilitation, transitional housing, technical assistance reviews, and Naval Training Center Grants.

Administrative expenses of \$387,605 provided partial reimbursement for costs associated with investing the funds through loans and grants, such as project solicitation/marketing, underwriting, preparation of legal documents, account setup, management, program administration and overhead expenses. Uncommitted program funds will be utilized for future HTF activities.

Exhibit 2, “Affordable Housing Fund FY 2016 Detail of Funded Projects” provides project details for each funding award made in FY 2016.

HTF Loan Portfolio Status

As of June 30, 2016, all previously funded HTF loans were in good standing. The following are the outstanding loan principal and interest amounts:

Program	Principal	Interest	Total
Multifamily Rental	\$ 27,851,005.08	\$ 6,830,990.59	\$ 34,681,995.67
Rehabilitation	\$ 1,956,976.32	\$ 46,827.22	\$ 2,003,803.54
First-Time Homebuyers	\$ 1,249,298.91	\$ 20,877.17	\$ 1,270,176.08
TOTAL			\$ 37,955,975.29

INCLUSIONARY HOUSING FUND

Purpose and Use

On June 3, 2003, the City Council adopted an Inclusionary Affordable Housing Program pursuant to Ordinance O-19189, which requires developers of two or more residential units to pay an affordable housing fee unless they qualify for exemption under the Ordinance. Fees are deposited into the IHF and may be used for rental housing development, first-time homebuyer assistance and related programs. They may not be used for rental assistance.

Revenues

IHF revenues for FY 2016 totaled \$17,727,889, and were significantly higher than budgeted revenues of \$4,115,480. Apartment construction remained very strong, which resulted in the increased revenue collections. When more funds are collected than budgeted, and they are not committed to a project or activity, they are put into a fund reserve for future year investment.

FY2015 IHF Revenue			
	Revenue	Budget	Change
Inclusionary Housing Fees (Residential Development)	\$15,478,557	\$4,115,480	331% Increase
Other Revenue (loan repayments & interest)	\$ 2,249,332		
TOTAL	\$17,727,889		

Exhibit 4 shows the net IHF Fees collected and committed in each Community Plan Area (CPA), minus administrative fees. The Inclusionary Housing Ordinance prioritizes spending IHF revenues in the CPA of origin, resulting in 42 separate accounts. Funds may be invested citywide when there is no match between the area of collection and investment opportunities.

Fund Allocation

The following table summarizes FY 2016 expenditures of IHF funds.

Activity	Expenditures
Rental Housing Development	\$ 6,164,059
First-Time Homebuyers	\$ 969,128
Transitional Housing	\$ 609,047
Administration & Legal	\$ 688,487
TOTAL	\$ 8,430,721

IHF Loan Portfolio Status

As of June 30, 2016, all previously funded IHF loans were in good standing. The following are the outstanding loan principal and interest amounts:

Program	Principal	Interest	Total
Multifamily Rental	\$ 24,642,118.00	\$2,167,786.78	\$ 26,809,904.78
First-Time Homebuyer	\$ 15,059,054.27	\$533,272.76	\$ 15,592,327.03
		TOTAL	\$ 42,402,231.81

AFFORDABLE HOUSING FUND PERFORMANCE

During FY 2016, the AHF committed nearly \$13 million to affordable housing activities that will assist 1,010 households and individuals. The table below compares FY 2016 goals to actual production, and is followed by details regarding each program.

PROGRAM	GOAL	ACTUAL
Rental Housing Development Units – Gap Financing		
New Construction		141
Existing Rental Housing		<u>0</u>
Total	332	141
Homeownership Units		
Shared Appreciation Loan		0
Shared Appreciation Loan with Closing Cost Assistance Grant		20
Closing Cost Assistance Grant		<u>3</u>
Total	19-24	23
Total Transitional Housing Operations	810	838
Assisted Beds		
Rehabilitation Units		
Mobile Home Repair Grant	0	8
Total	0	8
Total Assisted Units/Beds	1,166	1,010
Capacity Building Programs		
Technical Assistance Program	2-4	2
Total	2-4	2

Rental Housing Production:

Current Year's Activities include projects that received financing approvals in FY 2016. These two projects have AHF commitments totaling \$10,740,000 that will produce 141 affordable rental housing units in the city of San Diego.

Current Year's Activities

Project Name Address	Restricted Unit Mix	Number of Federal Vouchers	AMI Range	Rent Range	Target Population
North Park Senior Apts 4200 Texas Street	7 studio 65 one-bedroom <u>3 two-bedroom</u> 75 units	8 Project- Based Housing Vouchers	50%-60%	\$678 - \$1,048	Seniors
Villa Encantada 505 & 537 62 nd Street 504 & 528 63 rd Street	44 two-bedroom <u>22 three-bedroom</u> 66 units	0 vouchers	30%-60%	\$533 - \$1,231	Families

- North Park Senior Apartments: This development will include 75 affordable studio, one-, and two-bedroom apartments restricted to households with incomes between 50 – 60 percent of AMI. The Housing Commission awarded eight Federal Project-Based Housing Vouchers to provide rental assistance to formerly homeless seniors at North Park Senior Apartments. The developer is partnering with the San Diego Lesbian, Gay, Bisexual, and Transgender Community Center Inc. to provide services that address the needs of a senior population with sensitivity awareness to LGBT senior's issues. Construction is underway and estimated to be complete in the fall of 2017.
- Villa Encantada Apartments: The new Villa Encantada Apartments will include 66 affordable two- and three-bedroom affordable rental housing units for families earning between 30 – 60 percent of AMI. This development is a transit-oriented development partnership with the Metropolitan Transit System. Construction is estimated to start in the fall of 2016.

Project Completions

During FY 2016, two developments were completed and occupied. These two completed developments added 31 affordable rental housing units and 18 transitional housing beds for homeless Veterans, as described below:

- Veterans Village Phase 5: The Veterans Village campus is now complete. Phase 5 work completed on August 20, 2015, constructing a two-story building with 9 units (18

transitional housing beds) on the second floor. These units are designed specifically to provide transitional housing for female Veterans returning from Iraq and Afghanistan.

- Independence Point (formerly known as Willie James Jones Apartments): Construction completed on December 10, 2015, for this first-of-its-kind development in San Diego. Independence Point is a special needs affordable housing development, with 31 three- and four-bedroom units. Twenty-five of the units are set aside for households that include a member who has a developmental disability. Rents for all units will be restricted between 30 – 60 percent AMI.

Project Name Address	Restricted Unit Mix	Project Completion Date	AHF Investment	Target Population
Veterans Village Phase 5 4141 Pacific Highway	9 two-bedroom units (18 beds)	08/20/2015	\$10,000	Women Veterans
Independence Pointe 327 S. Willie James Jones Ave.	30 three- bedroom <u>1 four-bedroom</u> 31 units	12/10/2015	\$300,000	Families

Updates of Prior Years’ Activities

The AHF currently has \$26,172,740 previously committed to six rental housing developments that are under construction, with units anticipated to be complete within the next 12 to 18 months. These six developments are further described below. Upon completion, these developments will add a total of 535 affordable housing rental units in the city of San Diego.

- Atmosphere I: The Atmosphere development will provide 202 affordable housing rental units in Downtown San Diego. To maximize financing sources, the development is being financed as two separate projects—Atmosphere I and II. The 100-unit Atmosphere I development will include 51 studio and one-bedroom units set aside for homeless individuals or individuals at risk of becoming homeless. Atmosphere II consists of 102 affordable studio, one-, two-, and three-bedroom units will be set aside for low-income individuals and families earning up to 60 percent of AMI, as well as three managers’ units. The entire Atmosphere development is estimated to be completed in February 2017.
- Cypress Apartments: The Cypress Apartments, formerly known as 14th & Imperial, is the first project funded as a part of HOUSING FIRST-SAN DIEGO, the Housing Commission’s landmark three-year Homelessness Action Plan (2014-17) to create permanent supportive housing with supportive services. Cypress Apartments will increase permanent supportive housing inventory in Downtown San Diego by creating 62 new studio units with services for the tenants. Completion is estimated for April 2017.

- Hotel Churchill: The Housing Commission, working with its nonprofit affiliate, Housing Development Partners, renovated the historical Hotel Churchill to create 72 permanent supportive housing studios for homeless San Diegans. The renovation of Hotel Churchill is one of the five key components of HOUSING FIRST–SAN DIEGO. Hotel Churchill sets aside 56 units for homeless Veterans, 8 units for youth aging out of foster care, and 8 units for adults exiting the corrections system who will also need supportive services. Construction was completed on August 1, 2016.
- Mesa Verde: The Mesa Verde Apartments development is planned as an affordable housing complex for families in the Navajo community. Rents for nine units will be restricted at 50 percent of AMI, with the remaining 80 units restricted at 60 percent of AMI. This development will expand affordable housing opportunities north of Interstate 8, providing a mix of studio, one-, two-, and three-bedroom units. Construction is underway and estimated to be complete August 2017.
- Trolley Park Terrace: The new Trolley Park Terrace, formerly known as Trolley Residential, is a transit-oriented development in the Encanto area that will increase affordable housing inventory for families with incomes between 30 – 60 percent of AMI. This development includes the construction of 51 new affordable one-, two-, and three-bedroom apartment units. Construction completion is estimated for September 2016.
- Talmadge Gateway: This is the second permanent supportive housing development that received funding through HOUSING FIRST-SAN DIEGO. Talmadge Gateway is located in the Talmadge neighborhood and is currently under construction. It will create 59 living units for homeless San Diegans, with rents restricted to individuals earning up to 50 percent of AMI. Construction completion is estimated for May 2017.

Rents

Maximum rents are calculated according to HUD standards of affordability: Housing costs (including utilities) must not exceed 30 percent of income, adjusted for household size and designated income levels. All AHF projects are required to use this standard as a maximum for setting rents. In general, target rents are also at least 10 percent below market rate.

Homeownership: In FY 2016 the AHF provided \$969,128 for the Housing Commission’s First-Time Homebuyer Program. These funds provided loans and grants to 23 households and leveraged more than \$7.8 million in funding from private lenders and additional sources. Home prices ranged from \$180,000 to \$390,000 for both attached and detached units. The average sales price for the assisted units was \$323,200, up from an average of \$315,016 in FY2015.

Sales Prices

In FY 2016 the maximum home price for Housing Commission loans and grants was \$390,000 for both attached and detached units. These limits are based on the HUD-approved maximum purchase price for single-family homes.

The borrower’s monthly housing expenses, including principal and interest, property taxes, property insurance and if applicable, mortgage insurance and homeowner’s association dues, cannot be less than 30 percent of the household’s gross income. The ratio of monthly housing expenses, plus all other household monthly debt (including credit cards, automobile payments, etc.), cannot exceed 45 percent of the borrower’s gross income.

The following table summarizes the First-Time Homebuyer Inclusionary Housing programs.

First-Time Homebuyer Inclusionary Housing Program			
Program	AMI	Loan/Grant Amount	Maximum Purchase Price Effective 04/13/2015
3% Interest Deferred Payment Loan	100%	17% of purchase price or appraised value; whichever is less. The minimum loan amount is \$1,000	Attached/Detached: \$390,000
Closing Cost Assistance Grant	100%	Up to 4% of purchase price or appraised value, whichever is less, not to exceed \$10,000 Grant can be used for all closing costs not covered by seller or lender credits. Forgiven at the close of escrow.	Attached/Detached: \$390,000

Transitional Housing: Seven social services agencies provided one year of shelter and services in 11 transitional housing programs for up to 838 extremely low- to very low-income adults and children, using \$1,218,453 of HTF and IHF assistance. Ancillary services include job preparation, life skills training, financial counseling, and health services.

In most of the transitional housing programs, clients initially pay no rent. As they find employment, clients pay 30 percent of their income in rent or a rental fee, some of which is put aside in a savings plan to help pay the cost of moving to permanent housing when they leave the transitional housing program.

Housing Rehabilitation: With \$39,735 of HTF assistance, the Housing Commission’s housing rehabilitation program provided 8 grants to extremely low- to low-income households to repair hazardous conditions in mobile homes.

Capacity Building Program: During the FY 2016 program year, there were two Developer Capacity Reviews completed under the Technical Assistance Program for a total of \$14,356. These grants paid for third-party analysis of developer’s financial and operational capacity, which is required by the Federal HOME Investment Partnerships Program.

Naval Training Center Grant: As a part of the Naval Training Center (NTC) Reuse Plan, the Housing Commission provided \$1,000,000 of the total \$7,500,000 in funding to homeless service providers in San Diego. In FY 2016, the remaining balance of \$221,887 was funded to three projects, and all rehabilitation work was completed in accordance with their respective grant agreements. The table below summarizes the funding for each project.

Agency	Project	Amount
Catholic Charities	House of Rachel Independent Living Program – Electrical Upgrades	\$ 50,000
San Diego Youth Services	Take Wing – Solar Car Port	\$ 161,887
St. Vincent de Paul Village	Toussaint Academy – Painting	\$ 10,000
Remaining Balance Expended in FY 2016		\$ 221,887

Income Levels of Assisted Households

AMI is defined as the area median income in the San Diego Standard Metropolitan Statistical Area, adjusted for family size, as published by the U.S. Department of Housing and Urban Development (HUD). In FY 2016, the AMI for a family of four increased from \$73,000 to \$73,500. The AHF uses HUD’s income level definitions: “Extremely Low” refers to households earning 30 percent or less of AMI; “Very Low” refers to households earning 31 percent to 50 percent of AMI; “Low” refers to households earning between 51 percent and 80 percent of AMI; “Median” refers to households earning between 81 percent and 100 percent of AMI, and “Moderate” refers to households earning between 101 percent and 120 percent of AMI. The current AMIs and affordable rents for San Diego County are shown on **Exhibit 5**.

Leverage

Per Municipal Code Section 98.0501(c), an AHF goal is to attract \$2 of non-City capital funds for every AHF dollar invested. For FY 2016, total AHF commitments of \$12.9 million leveraged more than \$33 million, surpassing the 2-1 goal. **Exhibit 3** provides an overview of AHF leverage.

HOUSING TRUST FUND FY16 ORDINANCE TESTS

Housing Program Funds (below):	\$1,149,142
Admin/Legal:	\$387,605
Reserves/Targets of Opportunity:	\$0
Capacity Building Reviews	\$14,356
Naval Training Center Grants	\$221,887
Total HTF:	\$1,772,990

PROGRAM	PROJECT	Income Level / Percentage of Area Median Income			
		Very Low -Transitional 0-50% AMI	Very Low -Permanent 0-50% AMI	Low 51%-80% AMI	Med.-Mod. 81%-120% AMI
Rental Housing Production Development Loan:	Villa Encantada		\$430,000	\$70,000	
First Time Homebuyers	Shared Appreciation Loans Closing Cost Grants				
Rehabilitation	Mobile Home Repair Grants		\$39,735		
Transitional Housing Operations	MHS- Serial Inebriate Program Salvation Army - STEPS Salvation Army- Transitional Living Center SDYS- Foster Care Graduate Housing SVDP-Family Living Center SVDP-Single Men VVSD- Welcome Home Family Program YMCA- Turning Point YWCA- Becky's House YWCA - Cortez Hill Family Center YWCA - Passages	\$34,650 \$44,008 \$27,500 \$26,345 \$89,786 \$61,146 \$37,673 \$14,777 \$94,959 \$100,000 \$78,563			
TOTAL HOUSING PROGRAM FUNDS		\$609,407	\$469,735	\$70,000	\$0

Ordinance Tests		
Required Percent	Actual Percent	Pass
Transitional Housing 10% minimum	34.37%	✓
Very Low Permanent Housing	<u>26.49%</u>	✓
Total Trans & Very Low Perm 60% min.	60.87%	✓
Low Income 20% maximum	3.95%	✓
Med/Mod Inc. Homebuyers 10% max.	0.00%	✓

Program	Allocation	Percent of HTF
Very Low Income - Transitional	\$609,407	34.37%
Very Low-Income - Permanent		
Rental Hsg Development	\$430,000	
Homebuyers	\$0	
Rehabilitation	\$39,735	
	<u>\$469,735</u>	26.49%
Low-Income		
Rental Hsg Development	\$70,000	
Homebuyers	\$0	
Rehabilitation	\$0	
	<u>\$70,000</u>	3.95%
Median/Moderate Income		
First Time Homebuyers	\$0	0.0%
Housing Programs Total	\$1,149,142	64.81%
Other Grants	\$236,243	13.32%
Administration	\$387,605	21.86%

AFFORDABLE HOUSING FUND FY2016 DETAIL OF FUNDED PROJECTS

Activity/Sponsor	Project	Community Area	Contract Amount	Assisted Units/ Beds	Council District	Income Level
Rental Housing Development						
Community Housing Works	North Park Senior Apartments (Inc)	North Park	\$5,240,000	75	3	46 VL and 29 LI
AMCAL Multi-Housing, Inc.	Villa Encantada (Inc and HTF)	Encanto	\$5,500,000	66	4	7 ELI, 43 VLI and 16 LI
			<u>\$10,740,000</u>	141		
First Time Homebuyers						
Inclusionary Housing Fund	Loans/Closing Cost Grants	Citywide	\$969,128	23	Citywide	6 LI 17 Moderate
Transitional Housing (HTF & Inclusionary)						
Mental Health Systems	Serial Inebriate Program	City Heights	\$74,000	32	3	Very low
The Salvation Army	STEPS	East Village	\$85,644	42	3	Very low
The Salvation Army	Transitional Living Center	Kearny Mesa	\$55,000	78	6	Very low
San Diego Youth Services	Foster Care Graduate Hsg	Normal Heights	\$50,000	18	3	Very low
St. Vincent de Paul	Family Living Center	East Village	\$179,572	112	3	Very low
St. Vincent de Paul	Single Men	East Village	\$122,292	150	3	Very low
Veterans Village of San Diego	Welcome Home Family Program	Midway	\$75,347	22	2	Very low
YMCA	Turning Point	City Heights	\$29,554	24	3	Very low
YWCA	Becky's House	Confidential	\$195,185	148	N/A	Very low
YWCA	Cortez Hill Family Center	Cortez Hill	\$200,000	150	3	Very low
YWCA	Passages	East Village	\$151,859	62	3	Very low
			<u>\$1,218,453</u>	838		
Rehabilitation (HTF)						
Mobile Home Repair Grants		Citywide	\$39,735	8	Citywide	4 ELI 4 VLI
Total, Housing Programs			\$12,967,316	1,010		
Other Grants (HTF)						
Capacity Building Reviews			\$ 14,356.00	2 Grants		
Naval Training Center Grant						
Catholic Charities	House of Rachel - Independent Living	Downtown	\$ 50,000.00		3	
St. Vincent de Paul Village	Toussaint Academy	Downtown	\$ 10,000.00		3	
San Diego Youth Services	Wing Street	Midway- Pacific Hwy	\$ 171,887.00		2	
			<u>\$ 246,243.00</u>			
Administration & Legal						
	Housing Trust Fund (HTF)		\$387,605			
	Inclusionary Housing Fund (IHF)		\$688,487			
TOTAL, PROGRAMS AND ADMINISTRATION			\$14,289,651			

AFFORDABLE HOUSING FUND FY2016 SUMMARY OF FUNDING & LEVERAGE

ACTIVITY	Contract Amount	Assisted Units/ Beds	LEVERAGE			
			Private	County	State	Federal
Rental Housing Development	\$ 10,740,000	141	\$12,790,245	\$0	\$3,050,575	\$4,510,000
First Time Homebuyers	\$969,128	23	\$7,819,130			
Transitional Housing	\$ 1,218,453	838	\$839,412	\$868,995	\$102,932	\$3,510,423
Rehabilitation	39,735	8				
Total Housing Programs	\$12,967,316	1,010	\$21,448,787	\$868,995	\$3,153,507	\$8,020,423
Total Leverage			\$33,491,712			

Inclusionary Fee Collections and Commitments by Community Plan Area
Net After Administration

EXHIBIT 4

CD	COMMUNITY PLAN AREA	FY04-FY15	FY2016	TOTAL COLLECTIONS (after admin)	Balance
8	Barrio Logan	51,135.40	-	51,135.40	51,135.40
5	Carmel Mountain Ranch	199,827.25	-	199,827.25	199,827.25
1	Carmel Valley	2,382,166.73	-	2,382,166.73	2,232,166.73
2	Centre City	17,590,979.41	6,984,220.85	24,575,200.27	1,461,548.88
3 & 9	City Heights	36,954.14	-	36,954.14	-
6	Clairemont Mesa	3,233,775.15	-	3,233,775.15	2,344,952.35
9	College	2,258,433.89	-	2,258,433.89	-
7	Eastern Area	13,880.44	-	13,880.44	-
4	Encanto	-	-	-	-
3 & 8	Golden Hill	513,757.64	118,955.67	632,713.31	118,955.67
6	Kearny Mesa	-	1,875,819.54	1,875,819.54	1,875,819.54
3 & 9	Kensington-Talmadge	2,717.84	-	2,717.84	-
1	La Jolla	1,493,138.94	769,231.98	2,262,370.91	2,262,370.91
6	Linda Vista	3,400,521.86	114,821.64	3,515,343.50	158,018.50
3 & 7	Mid-City	4,394,395.11	415,138.81	4,809,533.92	463,315.34
2	Midway/Pacific Hwy Corr.	550,966.53	-	550,966.53	550,966.53
6	Miramar Ranch North	-	-	-	-
5	Mira Mesa	206,113.45	554,788.57	760,902.02	760,902.02
2	Mission Beach	475,158.91	82,065.35	557,224.27	557,224.27
6	Mission Valley	3,770,413.49	(15.33)	3,770,398.16	-
7 & 9	Navajo	631,208.91	-	631,208.91	-
3	Normal Heights	36,872.71	-	36,872.71	-
3	North Park	668,062.96	192,167.13	860,230.09	-
2	Ocean Beach	316,273.75	13,273.73	329,547.47	329,547.47
2	Old Town	2,159.14	-	2,159.14	2,159.14
8	Otay Mesa	108,662.98	427,009.39	535,672.37	535,672.37
8	Otay Mesa/Nestor	206,684.64	-	206,684.64	34,591.10
2	Pacific Beach	1,215,684.94	330,575.17	1,546,260.11	1,546,260.11
1	Pacific Highlands Ranch	-	-	-	-
2	Peninsula	1,065,983.95	240,908.34	1,306,892.29	1,306,892.29
5	Rancho Bernardo	-	-	-	-
5 & 6	Rancho Penasquitos	7,676.25	-	7,676.25	7,676.25
5	Sabre Springs	109,229.70	-	109,229.70	109,229.70
8	San Ysidro	97,906.46	27,130.32	125,036.78	-
5	Scripps Miramar Ranch	222,500.00	-	222,500.00	222,500.00
6	Serra Mesa	89,964.80	239,956.05	329,920.85	329,920.85
4	Skyline/Paradise Hills	676,987.97	-	676,987.97	644,425.65
4 & 8	Southeastern San Diego	434,509.68	4,523.10	439,032.78	-
7	Tierrasanta	2,120,776.91	-	2,120,776.91	-
1	Torrey Pines	3,972.96	6,195.15	10,168.11	10,168.11
1	University City	3,334,804.35	1,268,901.11	4,603,705.46	4,603,705.46
2 & 3	Uptown	1,354,831.86	107,043.68	1,461,875.54	115,088.03
3	Ballpark Village contribution to 16th & Market in Centre City	20,244,757.00	-	20,244,757.00	-
	Interest*	291,730.45	14,784.77	306,515.22	(7,762,010.78)
	FY16 Adjustments & Refunds	-	(11,578.94)	(11,578.94)	(11,578.94)
Total Fees & Interest Collected		\$73,815,578.54	\$13,775,916.06	\$87,591,494.60	\$15,061,450.20

SAN DIEGO HOUSING COMMISSION INCOME AND RENT CALCULATIONS

U.S. Department of Housing and Urban Development **2016 SAN DIEGO MEDIAN INCOME:**

\$73,500

Note: The table contains income limits for 2016 extremely low, very low and low income, as adjusted for family size and other factors adopted and amended from time to time by the U.S. Department of Housing and Urban Development (HUD). HUD adjusted San Diego Very Low Income limits for a "high housing cost area" factor.

Family Size	Unit Size	Extremely Low Income 30% AMI (Adjusted by HUD)			35% AMI (Adjusted by HUD)			40% AMI (Adjusted by HUD)		
		ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³
ONE	STUDIO	\$17,850	\$446	\$446	\$20,800	\$520	\$520	\$23,800	\$595	\$595
TWO	1-BR	\$20,400	\$510	\$478	\$23,800	\$595	\$557	\$27,200	\$680	\$637
THREE	2-BR	\$22,950	\$574	\$573	\$26,750	\$669	\$669	\$30,600	\$765	\$765
FOUR	3-BR	\$25,500	\$638	\$663	\$29,750	\$744	\$773	\$34,000	\$850	\$884
FIVE	4-BR	\$28,440	\$711	\$739	\$32,600	\$815	\$862	\$36,750	\$919	\$986
SIX	5-BR	\$32,580	\$815	\$816	\$36,000	\$900	\$952	\$39,450	\$986	\$1,088
SEVEN	6-BR	\$36,730	\$918		\$39,450	\$986		\$42,200	\$1,055	
EIGHT		\$40,890			\$42,900			\$44,900		

Family Size	Unit Size	Very Low Income 50% AMI (Adjusted by HUD)				60% AMI (Adjusted by HUD)			65% AMI (Adjusted by HUD)		
		ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	"Low HOME" ³	ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	ANNUAL INCOME ¹	GROSS RENT ²	"High HOME" ³
ONE	STUDIO	\$29,750	\$744	\$743	\$743	\$35,700	\$893	\$892	\$38,700	\$968	\$979
TWO	1-BR	\$34,000	\$850	\$796	\$796	\$40,800	\$1,020	\$956	\$44,200	\$1,105	\$1,050
THREE	2-BR	\$38,250	\$956	\$956	\$956	\$45,900	\$1,148	\$1,147	\$49,750	\$1,244	\$1,262
FOUR	3-BR	\$42,500	\$1,063	\$1,105	\$1,105	\$51,000	\$1,275	\$1,326	\$55,250	\$1,381	\$1,450
FIVE	4-BR	\$45,900	\$1,148	\$1,232	\$1,232	\$55,080	\$1,377	\$1,479	\$59,650	\$1,491	\$1,598
SIX	5-BR	\$49,300	\$1,233	\$1,360	\$1,360	\$59,160	\$1,479	\$1,632	\$64,100	\$1,603	\$1,744
SEVEN	6-BR	\$52,700	\$1,318		\$1,487	\$63,240	\$1,581		\$68,500	\$1,713	\$1,891
EIGHT		\$56,100				\$67,320			\$72,950		

Family Size	Unit Size	70% AMI (Adjusted by HUD)		Low Income 80% AMI (Adjusted by HUD)		100% Area Median Income (No HUD adjustment)		120% AMI (No HUD adjustment)	
		ANNUAL INCOME ¹	GROSS RENT ²	ANNUAL INCOME ¹	GROSS RENT ²	ANNUAL INCOME ¹	GROSS RENT ²	ANNUAL INCOME ¹	GROSS RENT ²
ONE	STUDIO	\$41,650	\$1,041	\$47,600	\$1,190	\$51,450	\$1,286	\$61,750	\$1,544
TWO	1-BR	\$47,600	\$1,190	\$54,400	\$1,360	\$58,800	\$1,470	\$70,550	\$1,764
THREE	2-BR	\$53,550	\$1,339	\$61,200	\$1,530	\$66,150	\$1,654	\$79,400	\$1,985
FOUR	3-BR	\$59,500	\$1,488	\$68,000	\$1,700	\$73,500	\$1,838	\$88,200	\$2,205
FIVE	4-BR	\$64,250	\$1,606	\$73,450	\$1,836	\$79,400	\$1,985	\$95,250	\$2,381
SIX	5-BR	\$69,000	\$1,725	\$78,900	\$1,973	\$85,250	\$2,131	\$102,300	\$2,558
SEVEN	6-BR	\$73,800	\$1,845	\$84,350	\$2,109	\$91,150	\$2,279	\$109,350	\$2,734
EIGHT		\$78,550		\$89,800		\$97,000		\$116,400	

* TCAC = Tax Credit Allocation Committee

1. Annual Income = Gross annual income adjusted by family size for Area Median Income (AMI) level. May contain additional adjustments as determined annually by HUD.
2. Gross rent minus utility allowance = maximum cash rent. See the "San Diego Housing Commission Utility Allowance Schedule" to calculate the utility allowance based on the project's actual utility mix.
3. For projects with multiple funding sources, use the lowest rents applicable and/or apply HUDs MTSP "Hold Harmless" policy. "Low HOME" and "High HOME" rents effective **June 6, 2016**.

Note: Due to the Housing and Economic Recovery Act of 2008 the data presented in this chart may not be applicable to projects financed with Section 42 Low Income Housing Tax Credits (LIHTC) or section 142 tax exempt private equity bonds (MTSP). If you believe your affordable housing project is affected by this change and have questions regarding the 2014 Rent & Income limits, please contact Irma Betancourt at irma@sdhc.org.

This general income and rental rate information is derived from the U.S. Department of Housing and Urban Development very low income figures published March 28, 2016. HOME Rents effective June 6, 2016.