



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

DATE: April 11, 2019

HCR 19-024

SUBJECT: Affordable Housing Fund Annual Plan for Fiscal Year 2020

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Procurement and Compliance

CONTACT/PHONE NUMBER: Julia Sauer, 619-578-7593

REQUESTED ACTION:

That the San Diego Housing Commission recommend approval of the proposed Fiscal Year 2020 Affordable Housing Fund Annual Plan as presented in this report.

EXECUTIVE SUMMARY OF KEY FACTORS:

- This is a request to approve the Proposed Fiscal Year 2020 (FY 2020) Affordable Housing Fund (AHF) Annual Plan (Annual Plan) Program Activity Allocation of \$72,683,923 in anticipated funds (also included in the FY 2020 Housing Commission Proposed Budget) and the proposed Model Programs. The San Diego Municipal Code requires the Housing Commission to present the AHF Annual Plan to the Housing Commission and City Council for approval by June 30 of each year.
- Proposed changes to the Model Programs include: addition of the Companion Unit Finance Program and the Family Reunification Program; removal of the Clean & Green Housing Rehabilitation program; updates to the scope and/or terms of the Closing Cost Assistance program, the City of San Diego Temporary Bridge Shelter programs the City of San Diego Interim Housing programs; Transitional Housing programs; Transitional Project-Based Rental Assistance program; Rapid Rehousing programs; Day Center program; Landlord Engagement and Assistance Program; Coordinated Outreach program; SDHC Moving On Rental Assistance program; and Technical Assistance and Capacity Building program.
- The estimated affordable housing production impact would be: 1) Gap financing for approximately 588 rental units created for very low-income households; 2) 42 low- to median-income first-time homebuyers assisted; 3) creation of up to five Companion Units; 4) 216 transitional housing beds provided for very low-income, formerly homeless individuals and families; 5) 156 Interim Housing Beds for extremely low- to low-income households; 6) 180 households served and 150 households housed through rapid rehousing; 7) 850 households housed through the Landlord Engagement and Assistance Program (LEAP); 8) 300 households prevented from entering homelessness/diverted from the homeless system through the Prevention and Diversion Program; and 9) 732 households served through the Family Reunification Program.

REPORT

DATE ISSUED: April 4, 2019

REPORT NO: HCR19-024

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of April 11, 2019

SUBJECT: Proposed Fiscal Year 2020 Affordable Housing Fund Annual Plan

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

That the San Diego Housing Commission recommend approval of the proposed Fiscal Year 2020 Affordable Housing Fund Annual Plan as presented in this report.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) take the following actions:

1. Recommend that the San Diego City Council (City Council) approve the Proposed Fiscal Year 2020 (FY 2020) Affordable Housing Fund (AHF) Annual Plan (Annual Plan) Program Activity Allocation of \$72,683,923 in anticipated funds (also included in the FY 2020 Housing Commission Proposed Budget) and the proposed Model Programs; and
2. Authorize the President & Chief Executive Officer (President & CEO) of the Housing Commission to reallocate funds among the proposed Model Programs included in the FY 2020 AHF Annual Plan in response to market demands and opportunities.

SUMMARY

On June 3, 2003, the City Council amended San Diego Municipal Code Chapter 9, Article 8, Division 5 (Code) to create an Affordable Housing Fund. It was created to meet, in part, the housing needs of the City of San Diego's (City) very low-, low-, and median-income households and has two permanent, annually renewable funding sources:

1. Inclusionary Housing Fund (IHF), which is funded from fees charged to residential development; and
2. Housing Trust Fund (HTF), which is funded from fees charged to commercial development.

The Municipal Code requires the Housing Commission to adopt an Annual Plan for the use of the AHF revenues and prescribes parameters for the distribution of those projected revenues. The AHF Annual Plan must include a description of all proposed programs to be funded, intended beneficiaries and the allocation of anticipated funds. The AHF Annual Plan must be presented to the Housing Commission and City Council for approval by June 30 of each year.

The proposed AHF Annual Plan (Attachment 1) describes the purpose and intent of the AHF, restrictions on the uses of the two sources of funds, fund allocations and production. It also describes FY 2020 Model Programs. Each year the Model Programs are reviewed and updated in response to community needs and past performance. Model Programs reflect programs to which the investment of AHF funds is permitted, but is not required. In addition, they are not intended to preclude investment in an opportunity that is not specifically described in the Model Programs section.

Staff has proposed the FY 2020 (July 1, 2019 – June 30, 2020) allocations in accordance with estimated available resources and previously approved policy objectives. All proposed allocations are estimates. Attachment 2 details the FY 2020 projected revenue and fund balances and provides descriptions of AHF revenue sources. Attachment 3 shows the proposed allocation of funds by activity, as well as production estimates. Actual allocations will depend on Housing Commission and City Council final approvals, the timing of project applications, funding commitments and expenditure deadlines of other available funding sources. Attachment 4 shows approved and pending projects using Affordable Housing Funds.

Proposed Changes in the Model Programs

Housing Commission staff is recommending the following changes and clarifications to the Model Programs:

1. Rental Housing Production:
 - a. Companion Unit Finance Pilot Program:
 - New program activity focusing on financing the construction of companion units.
 - Financing options would be available to both Low-to-Moderate Income (LMI) and non-LMI homeowners who meet program eligibility and underwriting guidelines.
 - b. Clean & Green Housing Rehabilitation Program
 - Activity removed.
2. Homeownership Programs:
 - a. Closing Cost Assistance Program
 - Updates to scope.
3. Homeless Housing Initiatives:
 - a. City of San Diego Temporary Bridge Shelter Programs
 - Updates to scope and terms.
 - b. City of San Diego Interim Housing Programs
 - Updates to terms.
 - c. Transitional Housing Programs
 - Updates to scope.
 - d. Transitional Project-Based Rental Assistance Program
 - Updates to terms.
 - e. Rapid Rehousing Programs
 - Updates to scope and target population.
 - f. City of San Diego's Year-Round Day Center Services
 - Updates to scope.
 - g. Landlord Engagement and Assistance Program (LEAP)
 - Updates to scope.

- h. Family Reunification Program
 - New program activity focusing on housing relocation assistance to individuals experiencing homelessness or at risk of becoming homeless.
- i. Coordinated Outreach Program
 - Updates to target population.
- j. Moving On Rental Assistance Program
 - Updates to target population.
- 4. Capacity Building program
 - a. Technical Assistance and Capacity Building Program
 - Updates to target population and terms.

AFFORDABLE HOUSING IMPACT

If all anticipated FY 2020 funds are collected and allocated as proposed, the estimated affordable housing production impact would be: 1) Gap financing for approximately 588 rental units created for very low-income households; 2) 42 low- to median-income first-time homebuyers assisted; 3) creation of up to five Companion Units; 4) 216 transitional housing beds provided for very low-income, formerly homeless individuals and families; 5) 156 Interim Housing Beds for extremely low- to low-income households; 6) 180 households served and 150 households housed through rapid rehousing; 7) 850 households housed through the Landlord Engagement and Assistance Program (LEAP); 8) 300 households prevented from entering homelessness/diverted from the homeless system through the Homelessness Prevention and Diversion Program; and 9) 732 households served through the Family Reunification Program.

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action are included in the proposed FY 2020 Housing Commission budget. Approving this action will not change the FY 2020 Total Budget, but will allocate funding sources among uses as shown in the following table:

April 11, 2019

Proposed Fiscal Year 2020 Affordable Housing Fund Annual Plan

Page 4

| Program | Budget | Production |
|--|--|---|
| Rental Housing Finance Affordable Rental Housing Production Companion Unit Loans | \$62,016,394 \$500,000 | 588 units (represents new closings in FY 2020 and 588 units in development and for which funds were committed in a previous year Up to five units |
| Homeownership Deferred-Payment Loans Closing Cost Assistance Grants | \$500,000 | 42 homes |
| Homeless Housing Innovations Transitional Housing Interim Housing Rapid Rehousing Landlord Engagement and Assistance Program (LEAP) Homelessness Prevention & Shelter Diversion Family Reunification Program | \$558,588 \$439,000 \$1,518,464 \$1,914,954 \$1,053,006 \$399,586 | 216 transitional housing beds 156 interim housing beds 180 households served, of which 150 households will be housed 850 households housed 300 households prevented from entering homelessness/diverted from the homeless system 732 households served |
| Capacity Building | \$125,000 | Four to eight trainings |
| Administration | \$3,639,261 | Personnel, overhead, MOU expense |
| Administration - Legal | \$19,670 | |
| Fund Balances To be determined. | \$0 | Unallocated Fund Balances may be allocated during the fiscal year in accordance with the code and subject to appropriate approval process. |
| TOTAL | \$72,683,923 | |

PREVIOUS COUNCIL and/or COMMITTEE ACTION

The San Diego City Council has adopted an AHF Annual Plan each year in accordance with the Municipal Code.

On March 8, 2016, the City Council voted 9-0 to approve Municipal Code amendments that would allow the payment of the Housing Impact Fees, which are charged to commercial developments, to be deferred from building permit issuance to final inspection through the use of a Fee Deferral Agreement. The Municipal Code revision implements one of the requested changes in the Memorandum of Understanding between the Housing Commission and the Jobs Coalition, and is based on the existing City of San Diego fee deferral program for Facilities Benefit Assessments and Development Impact Fees.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

Housing Commission staff attended community planning group meetings in Southeastern, Rancho Penasquitos and Kensington-Talmadge. Staff gave a brief overview of the AHF, annual plan process and FY 2020 funding projections, with instructions on how to provide written comments. The public was able to submit written comments through March 29, 2019. The Housing Commission received four written comments, which are in Attachment 5.

KEY STAKEHOLDERS and PROJECTED IMPACTS

The beneficiaries of AHF programs are extremely low- to median-income households in the City of San Diego. Residential developers, nonprofit housing providers, and financial institutions may also be impacted by program changes.

ENVIRONMENTAL REVIEW

Approval of the FY 2020 AHF Annual Plan is not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Section 15378(b)(4), as it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. Approval of the Annual Plan is also exempt under the National Environmental Policy Act pursuant to Section 58.34(a)(2) and (3) of Title 24 of the Code of Federal Regulations.

Respectfully submitted,



Jasmine Kotlarz
Special Programs Manager
Compliance/Grants/Special Programs Department

Approved by,



Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Attachments:

- 1) San Diego Affordable Housing Fund Annual Plan Fiscal Year 2020
- 2) Projected Funding Sources FY 2020 Affordable Housing Fund Annual Plan
- 3) Proposed Allocation of FY 2020 AHF Revenues – Activity Detail
- 4) Summary of Approved and Pending Multifamily Development Loan Commitments
- 5) Public Comment

April 11, 2019

Proposed Fiscal Year 2020 Affordable Housing Fund Annual Plan

Page 6

Hard copies are available for review during business hours at the security information desk in the main lobby 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 “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org



SAN DIEGO
HOUSING
COMMISSION

Attachment 1

San Diego Affordable Housing Fund Annual Plan



Vista del Puente
1436 South 40th Street – City Council District 9
51 Affordable Housing Units
\$400,000 Affordable Housing Fund
Grand Opening: December 18, 2018

Fiscal Year 2020
(July 1, 2019 – June 30, 2020)

PAGE INTENTIONALLY LEFT BLANK

Table of Contents

| | |
|--|----|
| SAN DIEGO AFFORDABLE HOUSING FUND (AHF) | 1 |
| Introduction..... | 1 |
| Use | 1 |
| Housing Trust Fund | 1 |
| Inclusionary Housing Fund..... | 1 |
| FY 2020 AHF ANNUAL PLAN | 2 |
| Revenue Forecast..... | 2 |
| Fund Allocation and Production | 2 |
| San Diego Housing Commission (SDHC) Model Programs Overview | 4 |
| Rental Housing Finance..... | 6 |
| Permanent Supportive Rental Housing..... | 4 |
| Preservation and Anti-Displacement | 4 |
| Middle-Income Housing – Mixed-Income Projects | 4 |
| Affordable Housing Transit-Oriented Development (TOD) Revolving Loan Fund-Seed Money Investment | 4 |
| Companion Unit Finance Pilot Program..... | 4 |
| First-Time Homeownership..... | 4 |
| Homeless Housing Initiatives | 5 |
| Capacity Building | 5 |
| Administration | 5 |
| Legal | 5 |
| RENTAL HOUSING PRODUCTION..... | 6 |
| Rental Housing Finance – 100% Affordable Projects | 6 |
| Rental Housing Finance – Permanent Supportive Housing..... | 7 |
| Rental Housing Finance – Preservation and Anti-Displacement..... | 7 |
| Middle Income Housing – Mixed-Income Projects | 8 |
| Rental Housing Finance – Affordable Housing Transit-Oriented Development (TOD) Revolving Loan Fund..... | 9 |
| Companion Unit Finance Pilot Program..... | 10 |
| HOMEOWNERSHIP PROGRAMS | 11 |
| 3% Interest, Deferred-Payment Loan Program..... | 11 |
| Closing Cost Assistance Program..... | 11 |
| HOMELESS HOUSING INITIATIVES..... | 12 |
| City of San Diego’s Emergency Shelter | 12 |
| City of San Diego Temporary Bridge Shelters | 12 |
| City of San Diego Interim Housing Programs | 12 |
| Transitional Housing..... | 13 |
| Transitional Project-Based Rental Assistance for Homeless San Diegans | 13 |

| | |
|--|----|
| Rapid Rehousing..... | 13 |
| Federal Sponsor-Based Housing Voucher Program | 14 |
| City of San Diego Year-Round Day Center Services | 14 |
| Regional Task Force on the Homeless (RTFH) Support | 14 |
| Landlord Engagement..... | 15 |
| Homeless Prevention and Diversion..... | 15 |
| Family Reunification Program..... | 15 |
| Coordinated Outreach | 16 |
| SDHC Moving On Rental Assistance Program | 16 |
| CAPACITY BUILDING PROGRAM | 17 |
| Technical Assistance and Capacity Building Program | 17 |
| SDHC Income and Rent Calculations | 18 |

SAN DIEGO AFFORDABLE HOUSING FUND

Introduction

The San Diego Affordable Housing Fund (AHF) was created by the San Diego City Council (City Council) on June 3, 2003, as a permanent and annually renewable source of revenue to help meet the housing needs of the City of San Diego's (City) lower-income households. The City Council expressed the purposes of the AHF in San Diego Municipal Code Chapter 9, Article 8, Division 5 (Code):

- Meet a portion of the need for housing that is affordable to households with very low, low, and median incomes;
- Leverage every \$1 of City funds with \$2 of non-City capital funds;
- Support the City's Balanced Communities Policy by fostering a mix of family incomes in AHF-assisted developments and dispersing affordable housing developments throughout the City;
- Preserve and maintain affordable rental and ownership housing; and
- Encourage private sector activities that advance these goals.

The AHF Annual Plan (Annual Plan) implements the City Council's intent by adopting an overall strategy for use of the AHF. Development of the Annual Plan is guided by the San Diego Housing Commission's (SDHC) annual budget process.

The Annual Plan provides revenue forecasts, a suggested Fiscal Year (FY) 2020 fund allocation, and production estimates. Proposed fund allocation takes into consideration policy parameters set by the Code, availability and requirements of other affordable housing funding sources, and the goals and objectives set forth in SDHC's FY 2020 Budget and FY 2016-2020 Strategic Plan.

The FY 2020 Annual Plan also includes a description of SDHC's Model Programs. Model Programs reflect programs to which the investment of AHF funds is permitted, but is not required. In addition, they are not intended to preclude investment in an opportunity that is not specifically described in the Model Programs section.

Use

The AHF is composed of two permanent, annually renewable funding sources:

The Housing Trust Fund (HTF):

HTF is funded from fees charged to commercial development. Per Section 98.0504 of the Code, HTF funds may be used in any manner, through loans, grants or indirect assistance for the production and maintenance of assisted units and related facilities.

Inclusionary Housing Fund (IHF):

IHF is funded from fees charged to residential development. The expenditure of IHF is governed by Section 98.0505 of the Code. Priority is given to the construction of new affordable housing stock. Funds may also be used for other programs if approved by City Council in the Annual Plan. SDHC monitors the revenue collected and is responsible for reinvesting the funds.

IHF also allows for funds to be expended on other programs administered by SDHC with City Council approval. Recognizing the significant need for affordable housing, including housing and services for homeless individuals, SDHC will invest the funds in the following activities:

➤ Rental Housing Production

- New construction
- Acquisition and acquisition with rehabilitation
- Preservation of existing affordable rental housing
- TOD revolving loan fund initial investment for raising capital

Rental units shall be affordable at or below 65 percent of San Diego Area Median Income (AMI) for a minimum of 55 years, unless otherwise approved in the activities listed in the Model Programs. Some activities require that developers apply for funding via SDHC's Notice of Funding Availability (NOFA).

➤ Homeownership Opportunities

Financing programs to encourage and increase homeownership opportunities for low- to median-income households at or below 100 percent of AMI. First-time homebuyers apply through participating lenders.

➤ Homeless Activities

Homeless Activities include funding for construction of permanent affordable housing units with supportive services, capitalized operating reserves for permanent supportive housing developments, transitional housing operations support grants, and rapid rehousing. Funds may also be spent on activities to provide housing for homeless individuals, should SDHC receive direction to increase spending in this area, or opportunities arise for which other funds are unavailable.

FY 2020 AHF ANNUAL PLAN

Revenue Forecast

\$72.7 million is expected to be available in FY 2020, consisting of \$8.1 million in new revenue and loan repayments and \$64.6 million in estimated fund balances. Of the fund balances, \$62 million is committed to affordable housing production through loans; the FY 2017 and FY 2019 AHF NOFA; and the FY 2018, FY 2019, FY 2020 Permanent Supportive Housing NOFA. The remaining fund balance is available to fund additional projects and activities. New revenue includes HTF Housing Impact Fees (also known as Commercial Linkage Fees) and IHF Fees.

Fund Allocation and Production

Funding recommendations are made in accordance with established SDHC policies and require approval of specific projects and activities by the SDHC Board of Commissioners and/or the Housing Authority of the City of San Diego (Housing Authority). Some discretionary transfer of funds between eligible activities is permitted, but all funding

recommendations must be consistent with the Annual Plan and SDHC's budget process.

The proposed allocation of AHF funds for FY 2020 is as follows:

| Program | Budget | Production |
|--|--|---|
| Rental Housing Finance –Affordable Rental Housing Production | \$62,016,394 | 588 units (represents new closings in FY 2020) and 588 units in development and for which funds were committed in a previous year |
| Companion Unit Loans | \$500,000 | Up to five units |
| Homeownership Deferred-Payment Loans Closing Cost Assistance Grants | \$500,000 | 42 homes |
| Homeless Housing Innovations Transitional Housing Interim Housing Rapid Rehousing Landlord Engagement and Assistance Program (LEAP) Homelessness Prevention & Diversion Family Reunification | \$558,588 \$439,000 \$1,518,464 \$1,914,954 \$1,053,006 \$399,586 | 216 transitional housing beds 156 interim housing beds 180 households served, of which 150 households will be housed 850 households housed 300 households prevented from entering homelessness/diverted from the homeless system 732 households served |
| Capacity Building | \$125,000 | Four to eight trainings |
| Administration | \$3,639,261 | Personnel, overhead, MOU expense |
| Administration - Legal | \$19,670 | |
| Fund Balances To be determined. | \$0 | Unallocated Fund Balances may be allocated during the fiscal year in accordance with the code and subject to appropriate approval process. |
| TOTAL | \$72,683,923 | |

SAN DIEGO HOUSING COMMISSION MODEL PROGRAMS OVERVIEW

SDHC allocates funding on an annual basis among the various activities authorized by the San Diego Municipal Code. Model Programs change from time to time; they are not intended to preclude investment in an opportunity that is not specifically described in the Model Programs section.

The following is a general description of the possible investment activities planned for Fiscal Year (FY) 2020. These activities are described more fully in Model Programs below.

Rental Housing Finance

Financing for developers of affordable housing units with below-market rents. This includes deferred loans, below-market interest rates, and matching funds for State, Federal, and private financing. SDHC's Affordable Housing Notice of Funding Availability (NOFA) contains additional information regarding SDHC's financial participation in affordable rental housing development, including new construction or acquisition with rehabilitation.

Financing for developers of affordable housing units nearing the end of the last regulatory term imposing affordable housing restrictions. Provides opportunities to assist in securing affordability covenants for up to an additional 15 years.

Permanent Supportive Rental Housing

Financing for developers of permanent affordable rental housing with supportive services that serve homeless populations. This program includes deferred loans, below-market interest rates, revocable grants, and matching funds for State, Federal and private financing. SDHC's current Permanent Supportive Housing NOFA contains additional information regarding the SDHC's financial participation in housing development.

Preservation & Anti-displacement

One time assistance to owners of rental housing nearing the end of the last regulatory term imposing affordability restrictions. Assistance granted will be provided to preserve the affordability of units for up to 15 years alleviating the displacement of low-income individuals and families.

Middle-Income Housing – Mixed-Income Projects

A pilot program authorized by California State Assembly Bill 1637, signed into law on October 14, 2017, that is similar to the Rental Housing Finance program targeted to middle-income households.

Affordable Housing Transit-Oriented Development (TOD) Revolving Loan Fund - Seed Money Investment

An SDHC public investment of \$10 million to support the creation of a San Diego Affordable Housing TOD revolving loan fund as approved by the San Diego City Council in its final form.

Companion Unit Finance Pilot Program

An amortized second trust deed loan program that would finance the construction of Companion Units. Financing may be achieved various loan products. By including both LMI and non-LMI homeowners, the intent is to increase housing production, improve financial self-sufficiency, avoid resident displacement, as well as to increase rental housing in high-opportunity neighborhoods.

First-Time Homeownership

Deferred loan and closing cost grant programs to help first-time homebuyers with the purchase of a home in the City of San Diego.

Homeless Housing Initiatives

SDHC's Homeless Housing Innovations Division administers and operates multiple housing initiatives that serve homeless individuals and families who are at risk of or experiencing homelessness throughout the City of San Diego. This division also oversees the City of San Diego's Homeless Shelters and Services Programs, as well as SDHC's strategic homeless initiatives, such as the homelessness action plan HOUSING FIRST – SAN DIEGO. Examples of project-types this Division is responsible for include: capacity building, homelessness prevention and shelter diversion, emergency shelters, transitional housing, supportive service only programs, interim bed programs, housing location, permanent supportive housing and rapid rehousing services.

Capacity Building

Technical assistance focused on increasing the capacity for service providers and development partners for permanent supportive housing.

Administration

Funds to provide reasonable compensation to the City of San Diego and SDHC for services related to the administration of the AHF and associated housing programs.

Legal

Expenses to obtain legal services and prepare loan and grant agreements and related documents.

SAN DIEGO HOUSING COMMISSION
MODEL PROGRAMS

| | | |
|----------------|-------------|---|
| Legend: | HTF | Housing Trust Fund (local funding) |
| | INCL | Inclusionary Housing Fund (local funding) |
| | HOME | HOME Investment Partnerships Program(Federal funding – U.S. Department of Housing and Urban Development (HUD) grants to the City of San Diego, administered by SDHC |
| | • | Represents eligible funding sources for each activity |

RENTAL HOUSING PRODUCTION

| Rental Housing Finance – 100% Affordable Projects | | HTF | INCL | HOME | Other |
|--|--|------------|-------------|-------------|--------------|
| Scope | Below-market interest rate, subordinate loan program to increase the supply of affordable rental housing units in the City of San Diego, to include new construction, acquisition, and acquisition with rehabilitation. Projects must provide 100 percent of the units affordable to households at or below 60 percent of the San Diego Area Median Income (AMI) (manager units are excluded). Preference will be given to projects the meet at least one of the following criteria: 60 or more units, qualified as Transit-Oriented Development (TOD) located within an average 2,000-foot walking distance of a transit facility; located in a census tract with low-income concentrations of less than 41 percent; located north of Interstate 8; or a preservation project. | • | • | • | • |
| Target Population | Extremely low-very low- and low-income households. | | | | |
| Loan Terms | Maximum term to maturity is 55 years. Principal and interest may be fully deferred for the term of the loan or repaid annually through either fixed payments and/or residual receipts. All unpaid principal and interest are due and payable as a balloon payment at maturity. Loan may be originated as a construction loan and converted into permanent financing. | | | | |
| Loan Underwriting | Subject to loan policies of SDHC unless specific exceptions as authorization by SDHC. | | | | |
| Application Method | Funds for program to be made available through Notice of Funding Availability (NOFA). | | | | |

| Rental Housing Finance – Permanent Supportive Housing | | HTF | INCL | HOME | Other |
|--|--|-----|------|------|-------|
| Scope | A loan program for permanent housing with supportive services, which will maximize the ability of residents to live independently. Loans may be used for the development, acquisition or long-term leasing of housing facilities, improvements to existing facilities, and capitalized operating reserves. | • | • | • | • |
| Target Population | Extremely low-very low- and low-income homeless individuals and families identified as needing permanent housing in a service-enhanced environment; selection of individuals to be generally compatible with requirements of federal funding sources. | | | | |
| Loan Terms | Maximum term to maturity is 55 years. Principal and interest may be fully deferred for the term of the loan or repaid annually through either fixed payments and/or residual receipts. All unpaid principal and interest are due and payable as a balloon payment at maturity. | | | | |
| Loan Underwriting | Loan may be originated as a construction or rehabilitation loan and converted into permanent financing. Subject to loan policies of SDHC unless specific exceptions as authorized by SDHC. | | | | |
| Application Method | Funds for program to be made available through NOFA. | | | | |
| Rental Housing Finance – Preservation and Anti-Displacement | | HTF | INCL | HOME | Other |
| Scope | One time assistance to owners of rental housing nearing the end of the last regulatory term imposing affordability restrictions. Assistance granted will be provided to preserve the affordability of units for up to 15 years alleviating the displacement of low-income individuals and families. | • | • | | • |
| Target Population | Individuals and families residing at properties with units converting from affordable to market rate at the end of a term of affordability restrictions. Households up to 80 percent of AMI. | | | | |
| Terms | Variable based on project underwriting (third party financial evaluation) up to 15 years. | | | | |
| Application Method | Funds may be used as a loan or grant to owners of rental units in the City of San Diego, requiring approvals from the SDHC Board and Housing Authority for each project site. | | | | |

| Middle-Income Housing – Mixed-Income Projects | | HTF | INCL | HOME | Other |
|--|---|-----|------|------|-------|
| Scope | <p>Below-market interest rate, subordinate loan program to increase the supply of affordable rental units in the City of San Diego, to include new construction, acquisition and acquisition with rehabilitation. Loans to developments wherein at least 40 percent of the units, excluding units available for managers, are affordable to and will be occupied by persons of low-income (up to 80 percent of AMI), as well as at least 10 percent of the units affordable and occupied by persons of middle-income (up to 150 percent of AMI).</p> <p>Developments must meet at least one of the following criteria: qualified middle-income housing project is located in a “Promise Zone” or “Market Opportunity Area” identified in the Market Assessments submitted to SDHC and Civic San Diego, dated November 17, 2016.</p> | • | • | | • |
| Target Population | Low-income households as well as middle-income households in mixed-income developments. | | | | |
| Loan Terms | Maximum term to maturity is 55 years unless otherwise approved by SDHC. Principal and interest may be fully deferred for the term of the loan or repaid annually through either fixed payments and/or residual receipts. All unpaid principal and interest are due and payable as balloon payment at maturity. | | | | |
| Loan Underwriting | Loan may be originated as a construction loans and converted into permanent financing. Subject to SDHC loan policies unless specific exception as authorized by SDHC. | | | | |
| Application Method | Funds for program to be made available through Request For Proposals (RFP) or NOFA. | | | | |
| Affordable Housing Transit-Oriented Development (TOD) Revolving Loan Fund – Seed Money Investment | | HTF | INCL | HOME | Other |
| Scope | An SDHC contribution of \$10 million that will be matched by Civic San Diego (Civic SD)/City of San Diego, for a total public investment of \$20 million to support the creation of a San Diego Affordable Housing TOD revolving loan fund (San Diego TOD Fund), as further approved by the San Diego City Council in its final form. The public investment will serve as seed money to attract investment from commercial and nonprofit financial institutions, program-related investments provided by foundations, and additional potential sources, such as area employers, corporate philanthropists and individuals. The Public Sponsors will affect which products the San Diego TOD Fund will offer, which development opportunity types will be prioritized, and which specific projects will receive a credit enhancement or guarantee. Day-to-day operations and | • | • | | • |

| | | | | | |
|---|---|-----|------|------|-------|
| | comprehensive fund management services will be handled by a fund consultant. | | | | |
| Target Population | Very low-, low-, and middle-income households in mixed-income housing developments. | | | | |
| Loan Terms | Loan terms will be structured once all investors are identified. The initial set of loan products to be offered by the fund may include but are not limited to: 1) Loans for acquisition and predevelopment of project-ready TOD sites that can be developed as a affordable housing in short-to mid-term; 2) Loans for the acquisition and predevelopment of strategic TOD sites located near existing and planned transit that can be developed into affordable housing over the mid- to long-term; 3) Loans for the rehabilitation of small- to mid-size (10-50 unit properties) that will retain and incorporate new affordable rental housing in transit-rich areas. | | | | |
| Loan Underwriting | Subject to loan policies of the individual partner investors, which will be guided by the Public Sponsors. | | | | |
| Application Method | Funds are anticipated to be made available through a TOD Fund NOFA loan application process, submitted to individual partner investors for underwriting and loan approval, followed by a credit enhancement/guarantee approval from the Public Sponsors. | | | | |
| Companion Unit Finance Pilot Program | | HTF | INCL | HOME | Other |
| Scope | <p>An amortized second trust deed loan program that would finance the construction of Companion Units. Financing maybe achieved through:</p> <ol style="list-style-type: none"> 1. Short-term construction loans from SDHC with permanent take-out financing from a bank 2. Permanent loan financing from SDHC 3. Long-term financing from a bank with SDHC as the Guarantor, in a sufficient amount to assure the lenders that in the event of a default, SDHC would cure the default and proceed with its own non-judicial foreclosure and make the bank whole 4. Or other to be identified loan product. | • | • | | • |

| | | | | | |
|--------------------|--|--|--|--|--|
| Target Population | <p>Financing options would be available to both Low-to-Moderate Income (LMI) and non-LMI homeowners who meet program eligibility and underwriting guidelines. Household AMIs and affordability terms are determined by the available funding source.</p> <p>Completed Companion Units may meet the following affordability criteria:</p> <ol style="list-style-type: none"> 1. Rent-restricted to tenants with 30 percent, 60 percent, 80 percent, and/or 100 percent of AMI for the duration of a defined affordability period (potentially 15 – 30 years) if homeowner is non-LMI 2. Non-rent restricted Companion Units if homeowner is LMI (as CU may be considered to be naturally affordable) <p>By including both LMI and non-LMI homeowners, the intent is to increase housing production, improve financial self-sufficiency, avoid resident displacement, as well as to increase rental housing in high-opportunity neighborhoods.</p> | | | | |
| Loan Terms | Loans would be amortized with principal paid in equal payments throughout the loan term, which corresponds to the affordability term (potentially 5 – 30 years) and is determined by the funding source. | | | | |
| Loan Underwriting | Subject to loan policies of SDHC unless specific exceptions as authorized by SDHC. | | | | |
| Application Method | Homeowners apply directly to SDHC. Applications are underwritten and approved by SDHC staff. | | | | |

HOMEOWNERSHIP PROGRAMS

| 3% Interest, Deferred-Payment Loan Program | | HTF | INCL | HOME | Other |
|--|---|-----|------|------|-------|
| Scope | A deferred-payment second trust deed loan program for low- and moderate-income first-time homebuyers that bridges the gap between what households can afford and the actual cost of acquiring a home. The deferred-payment loan program provides up to 17 percent of the purchase price to be used toward down payment. | • | • | • | • |
| Target Population | The loan program targets households earning up to 100 percent of AMI that meet program eligibility and | | | | |

| | | | | | |
|--|---|-----|------|------|-------|
| | underwriting guidelines. The household AMI is determined by the available funding source. | | | | |
| Loan Terms | Loans are 3 percent simple interest and require no monthly payments. The loan term is 30 years. Principal and accrued interest are due as a balloon payment upon sale, cash-out refinance, non-owner occupancy, or upon maturity. | | | | |
| Loan Underwriting | Subject to loan policies and guidelines of SDHC unless specific exception as authorized by SDHC. | | | | |
| Application Method | Purchasers apply through participating lenders. Applications are underwritten and approved by SDHC staff. | | | | |
| Closing Cost Assistance Program | | HTF | INCL | HOME | Other |
| Scope | A grant program for first-time homebuyers provides up to 4 percent of the purchase price – not to exceed \$10,000 Grants are to be used toward the closing costs related to the purchase of a home in the City of San Diego. | • | • | • | • |
| Target Population | Households earning up to 100 percent of AMI that meet program eligibility and underwriting guidelines. The household AMI limit is determined by the available funding source. | | | | |
| Terms | This is a grant forgiven at the close of escrow. No repayment is required. | | | | |

HOMELESSNESS HOUSING INITIATIVES

| | | | | | |
|---|---|-----|------|------|-------|
| City of San Diego's Emergency Shelters | | HTF | INCL | HOME | Other |
| Scope | SDHC administers, on behalf of the City of San Diego, emergency shelter programs that provide temporary shelter with supportive services for persons experiencing homelessness. | • | • | | • |
| Target Population | Individuals, families, and Veterans experiencing homelessness | | | | |
| Terms | Average length of stay goal; 90 days. | | | | |
| Application Method | If partnering with a third-party operator, funds will be made available through an RFP. | | | | |

| City of San Diego Temporary Bridge Shelters | | HTF | INCL | HOME | Other |
|--|--|-----|------|------|-------|
| Scope | SDHC administers, on behalf of the City of San Diego, temporary bridge shelters that provide temporary housing and appropriate services needed to expedite placement into permanent housing using the principles of Housing First, contributing to the regional goals of ensuring instances of homelessness are rare, brief, and non-recurring | • | • | | • |
| Target Population | Individuals, families, and Veterans experiencing homelessness. | | | | |
| Terms | Average length of stay goal; 90 days | | | | |
| Application Method | If partnering with a third-party operator, funds will be made available through an RFP. | | | | |
| City of San Diego Interim Housing Programs | | HTF | INCL | HOME | Other |
| Scope | SDHC administers, on behalf of the City of San Diego, interim housing programs with supportive services for individuals and families experiencing homelessness, including but not limited to the City's Year-Round Interim Housing Program at the Paul Mirabile Center on Father Joe's Villages' campus, Cortez Hill Family Center, and the City's Interim Housing Program at Connections Housing Downtown | • | • | | • |
| Target Population | Individuals, families, and Veterans experiencing homelessness | | | | |
| Terms | Average length of stay goal; 90 days. | | | | |
| Application Method | If partnering with a third-party operator, funds will be made available through an RFP. | | | | |
| Transitional Housing | | HTF | INCL | HOME | Other |
| Scope | A grant and loan program for nonprofit operators of transitional housing. Grants and loans may be used for the leasing or operating of transitional housing facilities, as well as improvements to existing leased facilities. | • | • | | • |
| Target Population | Families and individuals experiencing homelessness | | | | |
| Terms | Up to 24 months | | | | |
| Application Method | Funds for program to be made available through RFP or NOFA. | | | | |

| Transitional Project-Based Rental Assistance for San Diegans Experiencing Homelessness | | HTF | INCL | HOME | Other |
|---|--|-----|------|------|-------|
| Scope | Rental assistance funds are issued to a partnering agency providing supportive services to individuals experiencing homelessness while appropriate housing solutions are identified | | | | • |
| Target Population | Families and individuals experiencing homelessness | | | | |
| Terms | Assistance can range from three month to 24 months. | | | | |
| Application Method | If partnering with a third-party operator, funds will be made available through an RFP. | | | | |
| Rapid Rehousing | | HTF | INCL | HOME | Other |
| Scope | <ul style="list-style-type: none"> Short- and medium-term assistance to help individuals and families experiencing homelessness to obtain and maintain permanent housing. Assistance may include rental assistance, security deposits, move-in assistance, utility assistance, and case management. | • | • | | • |
| Target Population | Individuals and families experiencing homelessness. At enrollment to program, at or below 80 percent of AMI for Inclusionary, Moving to Work (MTW) and SDHC Real Estate funding sources. Below 50 percent for HTF (Linkage). | | | | |
| Terms | Assistance up to two years. Can be three years depending on the funding source. | | | | |
| Application Method | If partnering with a third-party operator, funds will be made available through an RFP. | | | | |
| Federal Sponsor-Based Housing Voucher Program | | HTF | INCL | HOME | Other |
| Scope | A rental assistance program for individuals experiencing homelessness with diagnosed mental health or drug and alcohol disorders | | | | • |
| Target Population | Families and individuals experiencing homelessness | | | | |
| Terms | Indefinite (Permanent Supportive Housing) | | | | |
| Application Method | Federal Sponsor-Based Housing Vouchers are awarded to nonprofit or for-profit organizations, or “sponsors” – chosen through a competitive RFP process – to provide rental assistance to help San Diegans experiencing homelessness to help pay for their housing | | | | |

| | | | | | |
|---|--|-----|------|------|-------|
| | | | | | |
| City of San Diego's Year-Round Day Center Services | | HTF | INCL | HOME | Other |
| Scope | Individuals experiencing homelessness are provided with basic needs assistance, such as laundry facilities, showers, mail, case management, storage, and referral services. Funds may be allocated toward capital repair expenses and building/site improvements at Day Center facilities. Locations include but are not limited to the Day Center Facility for Homeless Adults, formerly known as Neil Good Day Center | • | • | | • |
| Target Population | Individuals experiencing homelessness | | | | |
| Terms | Day-time, Year-Round. | | | | |
| Application Method | If partnering with a third-party operator, funds will be made available through an RFP. | | | | |
| Regional Task Force on the Homeless (RTFH) Support | | HTF | INCL | HOME | Other |
| Scope | SDHC is a member of the RTFH, San Diego's lead organization on addressing homelessness, which consists of service providers, government agencies, the private sector, and other stakeholders key to achieving the mission. RTFH oversees Federal Continuum of Care homeless assistance funds awarded by HUD for the region. SDHC supports RTFH, such as support for the region's Homeless management Information System (HMIS), a critical component of the community's service delivery system. | | • | | • |
| Target Population | Programs and services for San Diegans experiencing homelessness | | | | |
| Application Method | If partnering with a third-party operator, funds will be made available through an RFP. | | | | |
| Landlord Engagement and Assistance Program (LEAP) | | HTF | INCL | HOME | Other |
| Scope | LEAP, as part of HOUSING FIRST – SAN DIEGO, SDHC's homelessness action plan, provides incentives and benefits to landlords with rental properties in the City of San Diego (ZIP codes that begin with 921 and ZIP code 92037, excluding 92118 and 92178) who rent to individuals and families experiencing homelessness. In addition, landlords with rental properties in the City of National City (ZIP Code 91950) can rent to Veterans who received federal rental housing vouchers through the Veterans Affairs Supportive Housing (VASH) program and participate in LEAP. | • | • | | • |
| Target Population | Individuals and families who are either imminently at-risk of homelessness or experiencing homelessness who are at or below 80 percent AML. | | | | |

| | | | | | |
|--|--|-----|------|------|-------|
| Application Method | If partnering with a third-party operator, funds will be made available through an RFP. | | | | |
| Homelessness Prevention & Diversion | | HTF | INCL | HOME | Other |
| Scope | Homelessness Prevention and Diversion assistance, which also is part of HOUSING FIRST – SAN DIEGO, will help individuals and families who are at risk of or are newly experiencing homelessness in the City of San Diego avoid becoming or remaining homeless and prevent shelter stays. The program includes short-term financial assistance and light-touch case management. | • | • | | • |
| Target Population | Prevention targets those who are at imminent risk of homelessness, while diversion targets individuals who are newly homeless and as they may be applying for entry into a homeless shelter. Prevention helps individuals and families maintain their current housing situation or move into a new housing situation. Diversion helps individuals and families stay out of the shelter system by identifying alternative housing. Both populations must be at or below 80 percent AMI. | | | | |
| Application Method | If partnering with a third-party operator, funds will be made available through an RFP. | | | | |
| Family Reunification Program | | HTF | INCL | HOME | Other |
| Scope | The program’s objective is to provide housing relocation assistance to individuals experiencing homelessness or at-risk of becoming homeless in the City by connecting those individuals with family or other support systems, contributing to the regional goals of ensuring instances of homelessness are rare, brief and non-recurring. The program provides one-way, one-time transportation assistance services to participations who wish to reunify with family or other support systems in a distant part of the continental United States. Households must be at or below 80% AMI | | • | | • |
| Target Population | Family Reunification targets those individuals who are experiencing homelessness in the downtown area of the City whose homelessness can be resolved through reunification with family or other support systems. | | | | |
| Application Method | If partnering with a third-party operator, funds will be made available through an RFP. | | | | |

| Coordinated Outreach | | HTF | INCL | HOME | Other |
|---|--|-----|------|-----------|-------|
| Scope | <p>HOUSING FIRST – SAN DIEGO also includes Coordinated Outreach, which expands support and coordination among street outreach efforts to:</p> <ul style="list-style-type: none"> • Connect individuals and families experiencing unsheltered homelessness to available housing resources; • Incorporate data-driven strategies into existing outreach efforts; • Track accepted and declined offers of shelter or other assistance; • Connect those performing outreach with information on real-time opportunities and availability; • Work directly and strategically with those who have been known to “turn down” services. | • | • | | • |
| Target Population | Individuals and families experiencing homelessness. At or below 80 percent of AMI for Inclusionary; below 50 percent for HTF (Linkage). | | | | |
| Application Method | If partnering with a third-party operator, funds will be made available through an RFP. | | | | |
| SDHC Moving On Rental Assistance Program | | HTF | INCL | HOME | Other |
| Scope | <p>The SDHC Moving On Rental Assistance Program, one of the programs of HOUSING FIRST – SAN DIEGO, provides affordable housing solutions to formerly homeless families and individuals who are ready to transition out of permanent supportive housing, but who still need rental assistance. Rental assistance is provided through a federal MTW initiative for approximately 25 individuals in the first year and up to 50 individuals by the third year. SDHC Moving On Rental Assistance provides assistance for formerly homeless individuals who have successfully stabilized and are able to live more independently while accessing community-based resources, as needed. Limited permanent supportive housing resources become available for vulnerable homeless individuals with greater needs. SDHC Moving On Rental Assistance is an SDHC partnership with the County of San Diego Behavioral Health Service Division.</p> | • | • | • TBRA | • |
| Target Population | Formerly homeless low-income households with income at or below 80 percent of AMI | | | | |

| | | | | | |
|--------------------|---|--|--|--|--|
| Terms | Permanent. | | | | |
| Application Method | Memorandum of Understanding between the County of San Diego Behavioral Health Services and SDHC | | | | |

CAPACITY BUILDING PROGRAM

| Technical Assistance and Capacity Building Program | | HTF | INCL | HOME | Other |
|--|---|-----|------|------|-------|
| Scope | <p>A technical assistance and capacity building program that will:</p> <ul style="list-style-type: none"> Assist corporations and limited equity cooperatives in increasing the capacity to develop affordable housing and partner with service providers Program to provide “hands on” technical assistance in such areas as concept development, site assessment and acquisition, feasibility analysis, specification writing, bid packaging and review, permit procedures, construction oversight, grants and application preparation, service delivery plan preparation, record keeping and developer capacity assessments required b funding sources. Assist homelessness service providers to increase capacity to provide effective, efficient, and high quality programs to address homelessness. | • | • | | • |
| Target Population | Corporations and limited equity cooperatives with limited housing experience. Homeless service providers. | | | | |
| Terms | Grant is for the delivery of technical assistance and capacity building services to housing developers and homelessness service providers. Scope of work will be articulated in contract documents. | | | | |
| Application Method | Funds to be made available through RFP or SDHC contract policy | | | | |

SAN DIEGO HOUSING COMMISSION INCOME AND RENT CALCULATIONS

U.S. Department of Housing and Urban Development **2018** SAN DIEGO MEDIAN INCOME:

\$81,800

Note: The table contains income limits for **2018** 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 | \$20,450 | \$511 | \$511 | \$23,850 | \$596 | \$596 | \$27,250 | \$681 | \$682 |
| TWO | 1-BR | \$23,400 | \$585 | \$547 | \$27,250 | \$681 | \$639 | \$31,150 | \$779 | \$730 |
| THREE | 2-BR | \$26,300 | \$658 | \$657 | \$30,650 | \$766 | \$766 | \$35,050 | \$876 | \$876 |
| FOUR | 3-BR | \$29,200 | \$730 | \$759 | \$34,050 | \$851 | \$885 | \$38,900 | \$973 | \$1,012 |
| FIVE | 4-BR | \$31,550 | \$789 | \$846 | \$36,800 | \$920 | \$987 | \$42,050 | \$1,051 | \$1,129 |
| SIX | 5-BR | \$33,900 | \$848 | \$934 | \$39,500 | \$988 | \$1,090 | \$45,150 | \$1,129 | \$1,246 |
| SEVEN | 6-BR | \$38,060 | \$952 | | \$42,250 | \$1,056 | | \$48,250 | \$1,206 | |
| EIGHT | | \$42,380 | | | \$44,950 | | | \$51,350 | | |

| 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 | \$34,100 | \$853 | \$852 | \$852 | \$40,920 | \$1,023 | \$1,023 | \$44,300 | \$1,108 | \$1,088 |
| TWO | 1-BR | \$38,950 | \$974 | \$913 | \$913 | \$46,740 | \$1,169 | \$1,095 | \$50,600 | \$1,265 | \$1,166 |
| THREE | 2-BR | \$43,800 | \$1,095 | \$1,095 | \$1,095 | \$52,560 | \$1,314 | \$1,314 | \$56,950 | \$1,424 | \$1,402 |
| FOUR | 3-BR | \$48,650 | \$1,216 | \$1,265 | \$1,265 | \$58,380 | \$1,460 | \$1,518 | \$63,250 | \$1,581 | \$1,611 |
| FIVE | 4-BR | \$52,550 | \$1,314 | \$1,411 | \$1,411 | \$63,060 | \$1,577 | \$1,693 | \$68,300 | \$1,708 | \$1,778 |
| SIX | 5-BR | \$56,450 | \$1,411 | \$1,557 | \$1,557 | \$67,740 | \$1,694 | \$1,869 | \$73,350 | \$1,834 | \$1,942 |
| SEVEN | 6-BR | \$60,350 | \$1,509 | | \$1,702 | \$72,420 | \$1,811 | | \$78,450 | \$1,961 | \$2,108 |
| EIGHT | | \$64,250 | | | | \$77,100 | | | \$83,500 | | |

| Family Size | Unit Size | 70% AMI (Adjusted by HUD) | | 80% AMI (Adjusted by HUD) | | 100% Area Median Income (No HUD adjustment) | | 120% AMI (No HUD adjustment) | | 150% 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 | ANNUAL INCOME ¹ | GROSS RENT ² |
| ONE | STUDIO | \$47,650 | \$1,191 | \$54,500 | \$1,363 | \$57,250 | \$1,431 | \$68,700 | \$1,718 | \$85,875 | \$2,147 |
| TWO | 1-BR | \$54,500 | \$1,363 | \$62,300 | \$1,558 | \$65,450 | \$1,636 | \$78,500 | \$1,963 | \$98,175 | \$2,454 |
| THREE | 2-BR | \$61,300 | \$1,533 | \$70,100 | \$1,753 | \$73,600 | \$1,840 | \$88,350 | \$2,209 | \$110,400 | \$2,760 |
| FOUR | 3-BR | \$68,100 | \$1,703 | \$77,850 | \$1,946 | \$81,800 | \$2,045 | \$98,150 | \$2,454 | \$122,700 | \$3,068 |
| FIVE | 4-BR | \$73,550 | \$1,839 | \$84,100 | \$2,103 | \$88,350 | \$2,209 | \$106,000 | \$2,650 | \$132,525 | \$3,313 |
| SIX | 5-BR | \$79,000 | \$1,975 | \$90,350 | \$2,259 | \$94,900 | \$2,373 | \$113,850 | \$2,846 | \$142,350 | \$3,559 |
| SEVEN | 6-BR | \$84,450 | \$2,111 | \$96,550 | \$2,414 | \$101,450 | \$2,536 | \$121,700 | \$3,043 | \$152,175 | \$3,804 |
| EIGHT | | \$89,900 | | \$102,800 | | \$108,000 | | \$129,550 | | \$162,000 | |

* 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 HUD's MTSP "Hold Harmless" policy. "Low HOME" and "High HOME" rents effective **June 1, 2018**.

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 Rent & Income limits, please contact Irma Betancourt at irmab@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 effective **April 1, 2018**. HOME Rents effective **June 1, 2018**.

Revised:05/17/2018:ib

Projected Funding Sources
FY 2020 Affordable Housing Fund Annual Plan

The Housing Trust Fund (HTF)The Inclusionary Housing Fund

- Housing Impact Fee
 - Loan Repayments:
 - HTF;
 - Community Development Block Grants (CDBG) HTF;
 - Housing Rehabilitation HTF;
 - Redevelopment Funds;
 - Transient Occupant Tax (TOT); and
 - State Local Housing Trust Fund Program (LHTFP)
- Affordable Housing Fees (Reside Development)
 - Loan Repayments

| | rojected Fund Balances | Projected FY20 New Funding | Total FY20 Funds |
|--|---------------------------|-------------------------------|------------------------|
| HTF - Housing Impact Fees and Repayments | \$11,490,972 | \$899,689 | \$12,390,661 |
| HTF - Other HTF Funds (loan repayments) | \$4,076,845 | \$50,490 | \$4,127,335 |
| Inclusionary Housing Fund - Inclusionary Fees and Repayments | \$50,067,240 | \$6,098,687 | \$56,165,927 |
| TOTAL, ALL FUNDS | \$65,635,057 | \$7,048,866 | \$72,683,923 |

Description of HTF Funds:

Housing Impact Fees: Sole source of new HTF funds: Commercial Impact Fees.

Other HTF Funds:

Local Housing Trust Fund Program (LHTFP): Initial source was a State match grant, which was expended. A new awarded and included in FY16 funding. Fund balance consists of loan repayments and interest.

CDBG HTF: Repayments of CDBG-funded affordable housing loans were permitted to be allocated to the HTF for Rehabilitation activity. Repayments of loans are recycled into the HTF for Rehabilitation activity.

Proposed Allocation of FY2020 AHF Revenues - Activity Detail

| Program/Activity/Funding Source* | | Fund Amounts | Estimated Production | Household AMIs Served |
|----------------------------------|---|--------------|--|--|
| Rental Housing Finance | <i>Affordable Rental Housing Production</i> | | | |
| | Inclusionary | \$47,502,728 | 588 Rental Housing Units (represents new closings in FY 2020.) 588 units in development and for which funds were committed in a previous year. | Inclusionary-funded units are 65% AMI or lower. AHF-funded units are typically 50% AMI or lower. |
| | HTF Housing Impact | \$10,386,331 | | |
| | Program Funds | \$4,127,335 | | |
| | <i>Companion Unit Loans</i> | | | |
| | Inclusionary | \$500,000 | Up to 5 units | Up to 100% AMI |
| | <i>Capacity Building</i> | | | |
| | HTF Housing Impact | \$50,000 | 2-4 trainings | Training and education for developers of affordable housing |
| | TOTAL | \$62,566,394 | | |
| Homeownership | <i>Deferred Payment loans; Closing Cost Assistance grants</i> | | | |
| | Inclusionary | \$500,000 | 42 homebuyers | Serves AMIs up to 100% , subject to the model programs |
| Housing Innovations | <i>Transitional Housing Grants</i> | | | |
| | HTF Housing Impact | \$279,294 | 216 Transitional Housing beds | On average participants are extremely low to low income. |
| | Inclusionary | \$279,294 | | |
| | <i>Interim Housing Grants</i> | | | |
| | HTF Housing Impact | \$219,500 | 156 Interim Housing Beds | Extremely low to low income. |
| | Inclusionary | \$219,500 | | |
| Housing First San Diego 3.0 | <i>Rapid Rehousing Grants</i> | | | |
| | HTF Housing Impact | \$570,043 | 180 Households served; 150 Households housed | Participants are extremely low to low income. Serve AMI up to 80% |
| | Inclusionary | \$948,421 | | |
| | <i>Landlord Engagement</i> | | | |
| | Inclusionary | \$1,914,954 | 850 Households housed | On average participants are extremely low to low income. |
| | <i>Prevention & Diversion</i> | | | |
| | Inclusionary | \$1,053,006 | 300 Households prevented from entering homelessness/diverted from the homeless system | Serves AMI up to 80% |
| | <i>Family Reunification</i> | | | |
| | Inclusionary | \$399,586 | 732 Households served | Serve AMI up to 80% |
| | <i>Capacity Building</i> | | | |
| | Inclusionary | \$75,000 | Funding to provide 2-4 trainings and to secure a consultant to develop workshops and toolkits | Training and education for service providers to improve service delivery to homeless households |
| | TOTAL | \$5,958,598 | | |
| Administration | Inclusionary | \$2,758,188 | Personnel, overhead, & MOU expense | |
| | HTF Housing Impact | \$881,073 | | |
| | | \$3,639,261 | | |
| Administration - Legal | Inclusionary | \$15,250 | | |
| | HTF Housing Impact | \$4,420 | | |
| | | \$19,670 | | |
| Fund Balances | | \$0 | Unallocated Fund Balances may be allocated during the fiscal year in accordance with the Code and subject to appropriate approval process. | |
| TOTAL | | \$72,683,923 | | |

ATTACHMENT 4

Summary of Approved Multifamily Development In Process

| Project | Council District | Affordable Rental Units | FY20 Budget Housing Impact Fees | FY20 Budget Inclusionary Fees | FY20 Budget Program Funds |
|---|-------------------------|--------------------------------|--|--------------------------------------|----------------------------------|
| Fairmount Family Housing | 7 | 79 | | \$ 937,500 | |
| Paseo La Paz (San Ysidro Family TOD) | 8 | 137 | | \$ 1,471,875 | |
| San Ysidro Senior Village | 8 | 50 | | \$ 15,000 | |
| The Beacon | 3 | 43 | | \$ 300,000 | |
| The Lofts at Normal Heights | 3 | 52 | | \$ 400,000 | |
| The Zephyr | 7 | 83 | \$ 50,000 | \$ - | |
| Twain Veterans Housing | 7 | 79 | | \$ 687,500 | |
| Encanto Village | 4 | 65 | | \$ 25,000 | |

| | | | | | |
|-----------|--|-----|-------------|--|--|
| Sub-Total | | 588 | \$3,886,875 | | |
|-----------|--|-----|-------------|--|--|

Summary of Pending Multifamily Development Loan Commitments

| | | | | | |
|---------------|--|--|--------------|---------------|--------------|
| FY17 NOFA | | | | \$ 5,502,184 | |
| FY18 PSH NOFA | | | | \$ 1,700,000 | |
| FY19 NOFA | | | \$ 7,836,331 | \$ 11,463,669 | |
| FY19 PSH NOFA | | | \$ 2,500,000 | \$ 15,000,000 | |
| FY20 PSH NOFA | | | | \$ 10,000,000 | |
| Program Funds | | | | | \$ 4,127,335 |

| | | | | | |
|-----------|--|--|--------------|--|--|
| Sub-Total | | | \$58,129,519 | | |
|-----------|--|--|--------------|--|--|

| | | | | | |
|--------------|--|--|---------------------|--|--|
| TOTAL | | | \$62,016,394 | | |
|--------------|--|--|---------------------|--|--|



SAN DIEGO
HOUSING
COMMISSION

AFFORDABLE HOUSING FUND ANNUAL PLAN

Community Group: Rancho Penasquitos Planning Board Date: 2/6/19

Comments: Please increase funding for preservation and homelessness initiatives and bring more affordable housing to 92129. We are in a housing crisis and this is very urgent. -Jonathan Palinkas

OPTIONAL:

What's the best method to contact you?

☒ Phone 858 922 7258 ☐ E-mail jipalinkas@gmail.com



SAN DIEGO
HOUSING
COMMISSION

AFFORDABLE HOUSING FUND ANNUAL PLAN

Community Group: Rancho Penasquitos Date: 2/6

Comments: do more to preserve at-risk affordable/^{low income} housing & to create low income housing opportunities in Rancho Penasquitos. promote creation of housing that will reduce Section 8 wait time.

OPTIONAL:

What's the best method to contact you?

☒ Phone 858 342 3939 ☐ E-mail _____



SAN DIEGO
HOUSING
COMMISSION

AFFORDABLE HOUSING FUND ANNUAL PLAN

Community Group:

Southeastern

Date:

2/11/19

Comments:

Homeless initiatives need to be higher than 6%.
This is a huge issue for our region. We can expect more
local homelessness as rents go through the roof and local
people are doubling up. It's the most serious issue facing us.

OPTIONAL:

LOUISE TORIO

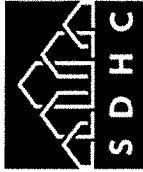
V

What's the best method to contact you?

☐ Phone

☐ E-mail

historicsandiego@AOL.com



SAN DIEGO
HOUSING
COMMISSION

AFFORDABLE HOUSING FUND ANNUAL PLAN

Community Group: Southeast San Diego Date: 2/11/19

Comments: Please double the inclusionary
housing fees, or get rid of them all
together and force builders to make more
affordable housing.

OPTIONAL:

What's the best method to contact you? Phone Huntington

☐ Phone 619 966 6530 ☒ E-mail dale@citylife.sandiego.org