



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC) Fiscal Year (FY) 2022 Proposed Budget (July 1, 2021 - June 30, 2022)

May 18, 2021

Budget in City Format





SDHC FY 2022 Proposed Budget Mission Statement

Mission Statement

To provide affordable, safe and quality homes for low- and moderate-income families and individuals in the City of San Diego and to provide opportunities to improve the quality of life for the families that the San Diego Housing Commission serves.

Fiscal Year 2022 Budget Summary

The San Diego Housing Commission (SDHC) is a public agency that provides affordable housing programs and services for low- and moderate-income individuals and families in the City of San Diego. SDHC assists more than 15,500 low-income households by providing them with federal Section 8 Housing Choice Voucher (HCV) rental assistance. HCV participants pay a predetermined portion of their income toward rent, with the remainder paid by federal funds administered by SDHC. More than half of these households are seniors or individuals with disabilities. SDHC also administers City of San Diego and federal funds for transitional and permanent housing with supportive services to address homelessness among families, seniors, veterans and individuals. In addition, SDHC develops affordable multifamily rental housing and provides loans, Closing Cost Assistance Grants and Mortgage Credit Certificates to help first-time homebuyers.

In Fiscal Year (FY) 2022, SDHC programs will include but are not limited to:

- HOUSING FIRST – SAN DIEGO, SDHC’s homelessness action plan, builds upon the accomplishments of previous years, by providing expanded and additional, multifaceted solutions to address homelessness in the City of San Diego, such as:
 - Collaborating with landlords in the City of San Diego through the Landlord Engagement and Assistance Program (LEAP) to create housing opportunities for individuals and families experiencing homelessness;
 - Providing new Permanent Supportive Housing for individuals experiencing homelessness. SDHC invests federal and local dollars into new construction development, acquisition, and rehabilitation of properties;
 - Expanding SDHC’s “Moving On” rental assistance program, through which federal rental housing vouchers are provided to individuals and families who previously experienced homelessness and are ready to move from permanent supportive housing into a more appropriate housing solution due to achieving housing stability;
 - Continuing specialized programs to assist transition-age youth, individuals experiencing homelessness and veterans experiencing chronic homelessness; and
 - Continuing homelessness prevention and diversion assistance, such as staff to provide mediation or financial assistance to help families who are at risk of becoming homeless; and
 - Continuing coordinated street outreach services to expand support for existing street outreach efforts.





SDHC FY 2022 Proposed Budget Mission Statement (Continued)

- Administering services that align with the City of San Diego's FY 2022 priorities regarding the provision of services to the City of San Diego's homeless population, such as the City's three Bridge Shelters for up to 1,015 individuals, two hotels that provide 332 permanent housing units with supportive services, the City's two Storage Connect Centers with up to 1,000 lockable storage containers, and safe parking; and continuing the City's Homelessness Response Center, which provides on-site intake, assessment, triage and referrals for permanent housing opportunities.
- Expanding SDHC's Choice Communities initiative to increase housing choices for low-income families in the City of San Diego to move toward areas with more options for transportation, school and employment opportunities.
- Continuing a Landlord Partnership Program, similar to LEAP, for landlords participating in the Section 8 HCV rental assistance program.
- Acquiring hotel properties for rapid rehousing efforts.
- Identifying new sites for additional interim bed shelters.

The \$604 million proposed Fiscal Year 2022 Budget would enable SDHC to:

- Assist more than 15,500 low-income households by providing rental assistance through the federal Section 8 HCV program;
- Assist households to become first-time homebuyers;
- Acquire and develop affordable housing units, including units for San Diegans experiencing homelessness;
- Renovate and rehabilitate SDHC-owned units;
- Own and/or manage 4,115 affordable housing units in the City of San Diego, including SDHC's nonprofit affiliate, Housing Development Partners (HDP), and federal public housing units;
- Administer City of San Diego homelessness programs, including: the Homelessness Response Center, which will provide on-site intake and referrals; three Bridge Shelters, which provide shelter for up to 1,015 individuals at a time; two hotels that provide 332 permanent affordable housing units with supportive services; two Storage Connect Centers with up to 1,000 lockable storage containers; safe parking; and Day Center services for approximately 7,500 individuals per year.
- Help 2,000 families that receive federal rental assistance or reside in public housing to become more financially self-reliant through the SDHC Achievement Academy, a learning and resource center and computer lab.





SDHC FY 2022 Proposed Budget Mission Statement (Continued)

The proposed SDHC FY 2022 Budget will be presented to the City Council Budget Review Committee in May 2021, for its review, and will then be forwarded to the Housing Authority of the City of San Diego for its review in June 2021.

SDHC's FY 2022 Budget is composed of four divisions: Rental Assistance, Real Estate, Homeless Housing Innovations and Operations Support:

- Rental Assistance Division (RAD) funding is budgeted at \$313 million. RAD provides federal rental assistance to low-income households in the City of San Diego. RAD program activities provide eligible families with monthly federal rental assistance and opportunities for them to become more financially self-reliant through the SDHC Achievement Academy, a learning and resource center and computer lab with programs that emphasize career planning, job skills and personal financial education—at no cost to HCV participants and public housing residents. In addition, RAD monitors affordable housing developments and homeowners for compliance with federal, state and local occupancy and affordability restrictions.
- Real Estate Division (RED) funding is budgeted at \$103 million. RED creates and preserves affordable housing as a developer, owner, lender, partner, Multifamily Housing Revenue Bond issuer, and administrator of the City of San Diego's affordable housing programs. RED also helps low- and moderate-income families become first-time homebuyers.
- Homeless Housing Innovations Division (HHI) funding is budgeted at \$56 million. HHI administers City of San Diego and federal funds to address homelessness and the housing needs of San Diegans with extremely low incomes. This department administers programs for transitional housing, interim housing, rapid rehousing, and permanent supportive housing and services.
- Operations Support funding is budgeted at \$22 million. Operations Support provides support services to carry out SDHC's mission. Included are: 1) Board & Executive Functions, which provides strategic planning, leadership and management to implement housing programs; 2) Communications & Government Relations, which fosters transparency in government through government relations activities, responds to public records requests, and ensures consistency and accuracy in SDHC communications; 3) Human Resources; 4) Financial Services; 5) Information Technology; 6) Procurement; 7) Compliance and Equity Assurance; 8) Section 3 & Outreach; 9) Compliance and Special Programs; 10) Agency Policy; and 11) City-County Reinvestment Task Force.

Funds allocated for ending reserves are budgeted at \$109 million and are committed for use to create and preserve affordable housing. These funds contain three types of reserves and are restricted by use: 1) Program Restricted Reserves to provide for housing programs; 2) Property Reserves to provide for replacement requirements; and 3) Contingency Reserves, 3.5 percent of annual budgeted new revenue.





SDHC FY 2022 Proposed Budget

A. Budget Summary

Table A - San Diego Housing Commission - Budget Summary

	FY 2020 Budget	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY 2021-2022 Change
Positions (FTE)	341	315	346	346	352	6
Personnel Expense	\$ 38,100,000	\$ 38,438,000	\$ 41,761,000	41,761,000	\$ 44,270,000	\$ 2,509,000
Non-Personnel Expense	414,329,000	439,687,000	483,005,000	688,283,000	559,790,000	\$ 76,785,000
TOTAL	\$ 452,429,000	\$ 478,125,000	\$ 524,766,000	\$ 730,044,000	\$ 604,060,000	\$ 79,294,000



SDHC FY 2022 Proposed Budget

B. Expenditures

Table B - San Diego Housing Commission - Expenditures

	FY 2020 Budget	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY 2021-2022 Change
PERSONNEL						
Salaries & Wages	\$ 28,269,000	\$ 28,902,000	\$ 30,697,000	\$ 30,697,000	\$ 32,430,000	\$ 1,733,000
Fringe Benefits (health)	4,009,000	3,933,000	4,747,000	4,747,000	5,213,000	466,000
Fringe Benefits (pension)	3,844,000	3,747,000	4,170,000	4,170,000	4,381,000	211,000
Fringe Benefits (other--Life, LTD, Medicare, Workers Comp, SUI and 457)	1,978,000	1,856,000	2,147,000	2,147,000	2,246,000	99,000
SUBTOTAL PERSONNEL	\$ 38,100,000	\$ 38,438,000	\$ 41,761,000	\$ 41,761,000	\$ 44,270,000	\$ 2,509,000
NON-PERSONNEL						
Housing Program Expense	\$ 239,473,000	\$ 248,990,000	\$ 326,922,000	\$ 366,618,000	\$ 380,138,000	\$ 53,216,000
Property Expense	11,313,000	13,776,000	9,410,000	9,410,000	11,069,000	1,659,000
Professional Services, Supplies & Other	12,859,000	10,339,000	12,120,000	15,889,000	20,158,000	8,038,000
Debt Payments	8,021,000	8,209,000	7,874,000	7,874,000	10,354,000	2,480,000
Capital Expenditures	41,600,000	4,271,000	30,373,000	128,339,000	28,753,000	(1,620,000)
Reserves	101,063,000	154,102,000	96,306,000	160,153,000	109,318,000	13,012,000
SUBTOTAL NON-PERSONNEL	\$ 414,329,000	\$ 439,687,000	\$ 483,005,000	\$ 688,283,000	\$ 559,790,000	\$ 76,785,000
TOTAL	\$ 452,429,000	\$ 478,125,000	\$ 524,766,000	\$ 730,044,000	\$ 604,060,000	\$ 79,294,000



SDHC FY 2022 Proposed Budget

C. Significant Budget Adjustments

Table C - San Diego Housing Commission - Significant Budget Adjustments			
Significant Budget Adjustments	Position	Revenue	Expenses
Personnel Salaries and Benefits Adjustments			
Salaries & Wages	Primarily due to an increase in proposed headcount for FY2022 as well as COLA of 3.5%		\$ 1,733,000
Fringe Benefits (health)	Primarily due to an increase in proposed headcount for FY2022 as well as a MOU increase of 8%		466,000
Fringe Benefits (pension)	Primarily due to an increase in proposed headcount for FY2022		211,000
Fringe Benefits (Life, LTD, Medicare, Workers Comp, SUI, and 457)	Primarily due to an increase in proposed headcount for FY2022		99,000
Personnel Adjustments			\$ 2,509,000
Non-Personnel Expenditure Adjustments			
Housing Program Expense	Increase due to costs relating to HSAP, Emergency Rental Assistance 2 and Rescue Vouchers, offset by a decrease in anticipated Loans Made and a decrease in anticipated spend on COVID related programs including Rapid Rehousing		\$ 53,216,000
Property Expense	Primarily due to increase in operating expenses relating to properties acquired in FY21		1,659,000
Professional Services, Supplies & Other	Increase due to operating expenses relating to properties acquired in FY21, and expenses relating to HSAP		8,038,000
Debt Payments	Increase due to Debt Payments relating to acquisition of properties in FY21		2,480,000
Capital Expenditures	Decrease in amount of funding allocated for acquisitions and rehabilitation of properties		(1,620,000)
Reserves	Primarily due to increase in Rental Housing Finance funds due to the expected timing to fund multi-family affordable housing loans, offset by a decrease in COVID-19 Reserve		13,012,000
Non-Personnel Expenditure Adjustments			\$ 76,785,000
TOTAL EXPENSE ADJUSTMENTS			\$ 79,294,000
Revenue Adjustments			
Section 8/MTW	Decrease primarily due to reduction in anticipated draw of Federal Funds utilized for Rapid Rehousing programs and property rehabilitation projects, offset by an increase in payment standards and anticipated emergency vouchers	\$ (6,154,000)	
HOME, CDBG & Other Federal	Decrease due to reduction of CDBG Affordable Housing Revolving Loan Funds in FY22	(3,396,000)	
Housing Innovation Funds	Decrease in ESG CARES Act funding in FY22	(1,765,000)	
SDHC Real Estate	Increase due to revenues relating to properties acquired in FY21 and new ground lease (Mariner's Village)	8,065,000	
Affordable Housing Fund	Slight increase in anticipated revenue based on program income	905,000	
Other Local Funds	Decrease in local funding for VVSD Bridge Shelter offset by increase in Bond fee revenue and receipt of funds for Coordinated Street Outreach Program	6,416,000	
STATE	Increase due to inclusion of State HCD LHTF funding awarded for MultiFamily Loans, and an increase in State (HHAP) funded Homeless Programs	6,913,000	
FUND BALANCE FROM PRIOR YEARS	Increase primarily due to funds remaining from HSAP program to be used in FY22 as well as funds received for Emergency Rental Assistance 2, offset by use of CDBG AHRLF funds for Hotel acquisition and the decrease in funds set aside for COVID-19 used in FY21	68,310,000	
TOTAL REVENUE ADJUSTMENTS			\$ 79,294,000



SDHC FY 2022 Proposed Budget

D. Reimbursements to Departments/Entities

Table D - San Diego Housing Commission - Reimbursements to Departments/Entities

Departments/Entities	FY 2020 Budget	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY 2021-2022 Change
Homeless Housing Innovations - Interim Shelter for Homeless Adults	\$ 1,600,000	\$ 1,401,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ -
Homeless Housing Innovations – Veterans Village Bridge Shelter	\$ -		\$ 3,910,886	\$ -	\$ -	\$ (3,910,886)
Homeless Housing Innovations - Prevention and Diversion	\$ -		\$ -	\$ -	\$ -	\$ -
Homeless Housing Innovations - SMART Pilot Program	\$ -		\$ -	\$ -	\$ -	\$ -
Homeless Housing Innovations - Housing Navigation Center (GF)	\$ 300,000	\$ 271,000	\$ -	\$ 65,000	\$ -	\$ -
Homeless Housing Innovations - Housing Navigation Center (LMIFH)	\$ 250,000	\$ 249,000	\$ -	\$ 125,000	\$ -	\$ -
Homeless Housing Innovations - Homelessness Response Center (GF)	\$ -		\$ -	\$ 235,000	\$ 300,000	\$ 300,000
Homeless Housing Innovations - Homelessness Response Center (LMIFH)	\$ -		\$ -	\$ 125,000	\$ 250,000	\$ 250,000
Homeless Housing Innovations - Coordinated Street Outreach	\$ -		\$ -	\$ 1,077,643	\$ 1,000,000	\$ 1,000,000
Homeless Housing Innovations - New Interim Shelter	\$ -		\$ -	\$ -	\$ 6,300,000	\$ 6,300,000
Homeless Housing Innovations - Rapid Rehousing	\$ -		\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Homeless Housing Innovations - PEER Program	\$ -		\$ -	\$ -	\$ 250,000	\$ 250,000
Homeless Housing Innovations - Transitional Storage Center	\$ 56,000	\$ 56,000	\$ -	\$ -	\$ -	\$ -
Homeless Housing Innovations - Connections Interim Housing	\$ 272,000	\$ 272,000	\$ 272,000	\$ 272,000	\$ 272,000	\$ -
Homeless Housing Innovations - Serial Inebriate Program	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ -
TOTAL	\$ 2,768,000	\$ 2,539,000	\$ 6,072,886	\$ 3,789,643	\$ 11,262,000	\$ 5,189,114





SDHC FY 2022 Proposed Budget

E. Revenues

Table E San Diego Housing Commission - Revenues						
Revenue Source	FY 2020 Budget	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY22 Proposed	FY 2021-2022 Change
FEDERAL						
Section 8/MTW	\$ 241,970,000	\$ 208,044,000	\$ 278,779,000	\$ 278,779,000	\$272,625,000	(\$6,154,000)
HOME, CDBG & Other Federal	25,735,000	22,120,000	19,323,000	\$ 174,297,000	15,927,000	(3,396,000)
Housing Innovation Funds	5,734,000	5,762,000	9,768,000	\$ 9,805,000	8,003,000	(1,765,000)
FEDERAL TOTAL	\$ 273,439,000	\$ 235,926,000	\$ 307,870,000	\$ 462,881,000	\$ 296,555,000	\$ (11,315,000)
LOCAL						
SDHC Real Estate	\$ 34,671,000	\$ 51,981,000	\$ 32,766,000	\$ 83,032,000	\$ 40,831,000	\$ 8,065,000
Affordable Housing Fund	7,049,000	23,948,000	6,144,000	\$ 6,144,000	7,049,000	905,000
Other Local Funds	7,633,000	12,503,000	10,528,000	\$ 10,528,000	16,944,000	6,416,000
LOCAL TOTAL	\$ 49,353,000	\$ 88,432,000	\$ 49,438,000	\$ 99,704,000	\$ 64,824,000	\$ 15,386,000
STATE	\$ 7,944,000	\$ 3,299,000	\$ 24,351,000	\$ 24,352,000	\$ 31,264,000	\$ 6,913,000
FUND BALANCE FROM PRIOR YEARS	\$ 121,693,000	\$ 150,468,000	\$ 143,107,000	\$ 143,107,000	\$ 211,417,000	\$ 68,310,000
TOTAL	\$ 452,429,000	\$ 478,125,000	\$ 524,766,000	\$ 730,044,000	\$ 604,060,000	\$ 79,294,000

