



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC) Fiscal Year (FY) 2023 Proposed Budget (July 1, 2022 – June 30, 2023)

May 5, 2022

Budget in City Format





SDHC – FY 2023 Proposed Budget Mission Statement

Mission Statement

The San Diego Housing Commission (SDHC) fosters social and economic stability for vulnerable populations in the City of San Diego through:

- Quality, affordable housing
- Opportunities for financial self-reliance
- Homelessness solutions

Fiscal Year 2023 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 16,000 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.

The \$595 million proposed Fiscal Year 2023 Budget would enable SDHC to:

- Assist more than 16,000 low-income households by providing rental assistance through the federal Section 8 HCV program;
- Continue to administer the City of San Diego COVID-19 Housing Stability Assistance Program;
- Continue a Landlord Partnership Program, similar to LEAP, for landlords participating in the Section 8 HCV rental assistance program.
- 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.
- Acquire and develop affordable housing units, including units for San Diegans experiencing homelessness;
- Assist households to become first-time homebuyers;
- Facilitate the construction of Accessory Dwelling Units (ADUs) through the issuance of loans.



SDHC – FY 2023 Proposed Budget Mission Statement (Continued)

- Renovate and rehabilitate SDHC-owned units;
- Own and/or manage 4,120 affordable housing units in the City of San Diego, including SDHC’s nonprofit affiliate, Housing Development Partners (HDP), and federal public housing units;
- Increase future cash flows by reducing debt on SDHC’s Affordable Housing portfolio;
- Continue the HOUSING FIRST – SAN DIEGO, SDHC’s homelessness action plan, 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;
- Directly Operate Programs through Housing First San Diego and Administer and provide oversight for over 55 contracted programs that align with the Community Action Plan for the City of San Diego and the City of San Diego’s FY 2023 priorities regarding the provision of services to the persons experiencing homelessness in the City of San Diego’s, such as the City’s three Bridge Shelters, and shelters targeted to specific populations such as the Harm Reduction Shelter and the Shelter for Women with higher care needs; two permanent housing properties that provide 332 permanent housing units with supportive services, the City’s three Storage Centers with up to 1,100 storage containers; a variety of rapid rehousing and permanent supportive housing programs funded through HUD’s Continuum of Care grants, continuing the City’s Homelessness Response Center, which provides on-site intake, assessment, triage and system navigation for housing interventions, linkages to community resources and access to shelter beds throughout the Cities shelter system; and providing project management, support for partnership collaboration and detailed reporting for the Community Action Plan on Homelessness for the City of San Diego.



SDHC – FY 2023 Proposed Budget Mission Statement (Continued)

The proposed SDHC FY 2023 Budget will be presented to the City Council Budget Review Committee in May 2022, for its review, and will then be forwarded to the Housing Authority of the City of San Diego for its review in June 2022.

SDHC's FY 2023 Budget is composed of four divisions: Rental Assistance, Real Estate, Homeless Housing Innovations and Operations Support:

- Rental Assistance Division (RAD) funding is budgeted at \$286 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 \$115 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 \$55 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 \$23 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 \$116 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 2023 Proposed Budget

A. Budget Summary

Table A - San Diego Housing Commission - Budget Summary						
	FY 2021 Budget	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	FY 2022-2023 Change
Positions (FTE)	346	319	352	352	366	14
Personnel Expense	\$ 41,761,000	\$ 42,314,000	\$ 44,270,000	55,279,000	\$ 47,460,000	\$ 3,190,000
Non-Personnel Expense	483,005,000	632,939,000	559,790,000	635,245,000	547,295,000	\$ (12,495,000)
TOTAL	\$ 524,766,000	\$ 675,253,000	\$ 604,060,000	\$ 690,524,000	\$ 594,755,000	\$ (9,305,000)



SDHC – FY 2023 Proposed Budget

B. Expenditures

Table B - San Diego Housing Commission - Expenditures						
	FY 2021 Budget	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	FY 2022-2023 Change
PERSONNEL						
Salaries & Wages	\$ 30,697,000	\$ 31,781,000	\$ 32,430,000	\$ 43,439,000	\$ 34,523,000	\$ 2,093,000
Fringe Benefits (health)	4,747,000	4,362,000	5,213,000	5,213,000	5,851,000	638,000
Fringe Benefits (pension)	4,170,000	4,092,000	4,381,000	4,381,000	4,686,000	305,000
Fringe Benefits (other--Life, LTD, Medicare, Workers Comp, SUI and 457)	2,147,000	2,079,000	2,246,000	2,246,000	2,400,000	154,000
SUBTOTAL PERSONNEL	\$ 41,761,000	\$ 42,314,000	\$ 44,270,000	\$ 55,279,000	\$ 47,460,000	\$ 3,190,000
NON-PERSONNEL						
Housing Program Expense	\$ 326,922,000	\$ 299,730,000	\$ 380,138,000	\$ 452,494,000	\$ 341,932,000	\$ (38,206,000)
Property Expense	9,410,000	17,376,000	11,069,000	11,069,000	13,373,000	2,304,000
Professional Services, Supplies & Other	12,120,000	17,735,000	20,158,000	21,362,000	18,475,000	(1,683,000)
Debt Payments	7,874,000	10,161,000	10,354,000	10,354,000	34,377,000	24,023,000
Capital Expenditures	30,373,000	121,129,000	28,753,000	28,753,000	23,506,000	(5,247,000)
Reserves	96,306,000	166,808,000	109,318,000	111,213,000	115,632,000	6,314,000
SUBTOTAL NON-PERSONNEL	\$ 483,005,000	\$ 632,939,000	\$ 559,790,000	\$ 635,245,000	\$ 547,295,000	\$ (12,495,000)
TOTAL	\$ 524,766,000	\$ 675,253,000	\$ 604,060,000	\$ 690,524,000	\$ 594,755,000	\$ (9,305,000)



SDHC – FY 2023 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 FY2023 as well as COLA of 3.5%		\$ 2,093,000
Fringe Benefits (health)	Primarily due to an increase in proposed headcount for FY2023 as well as a MOU increase of 8%		638,000
Fringe Benefits (pension)	Primarily due to an increase in proposed headcount for FY2023		305,000
Fringe Benefits (Life, LTD, Medicare, Workers Comp, SUI, and 457)	Primarily due to an increase in proposed headcount for FY2023		154,000
Personnel Adjustments			\$ 3,190,000
Non-Personnel Expenditure Adjustments			
Housing Program Expense	Decrease due to HSAP related costs and Preservation NOFA included in FY22 and a reduction in anticipated loan payments, offset by an increase in Housing Assistance Payments related to new vouchers (primarily Emergency Housing Vouchers and VASH Vouchers) in FY23.		\$ (38,206,000)
Property Expense	Increase due to increase in operating expenses of properties, particularly related to properties acquired in FY21		2,304,000
Professional Services, Supplies & Other	Decrease primarily due to costs relating to HSAP included in FY22		(1,683,000)
Debt Payments	Increase due to payoffs/paydowns of Notes on Affordable Housing Properties		24,023,000
Capital Expenditures	Decrease due to reduction in amount of discretionary funding allocated to property acquisitions in FY23		(5,247,000)
Reserves	Increase in reserves relating to recently acquired properties and an increase in the agency contingency reserve.		6,314,000
Non-Personnel Expenditure Adjustments			\$ (12,495,000)
TOTAL EXPENSE ADJUSTMENTS			\$ (9,305,000)
Revenue Adjustments			
Section 8/MTW	Increase primarily due to higher use of HUD Held Reserve funds in FY23 to fund Loan Payoffs/paydowns, offset by a decrease in spend on Acquisitions, Rehabilitation works and Preservation NOFA. The inclusion of EHV funds as well as an increase in the MTW Budget Authority have also impacted the variance.	\$ 33,937,000	
HOME, CDBG & Other Federal	Increase due to revenues relating to HOME income due to the timing of loans to be funded.	7,102,000	
Housing Innovation Funds	Decrease in ESG as CARES Act funding expected to be spent down in FY22	(1,320,000)	
SDHC Real Estate	Slight increase in rental revenues in FY23	596,000	
Affordable Housing Fund	Slight increase in anticipated revenue	410,000	
Other Local Funds	Decrease primarily due to reduction of City GF funding used to fund Homelessness programs	(1,967,000)	
STATE	Increase due to additional funding for homelessness programs and additional CalHome revenue, offset by a reduction in State HCD LHTF funds (one-time funding in FY22).	358,000	
FUND BALANCE FROM PRIOR YEARS	Decrease primarily due to lower HSAP expenditures anticipated in FY23 as well as a reduction in Rental Housing Finance Funds due to the expected timing to fund multi-family affordable housing loans.	(48,421,000)	
TOTAL REVENUE ADJUSTMENTS			\$ (9,305,000)



SDHC – FY 2023 Proposed Budget

D. Reimbursements to Departments/Entities

Table D - San Diego Housing Commission - Reimbursements to Departments/Entities						
Departments/Entities	FY 2021 Budget	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	FY 2022-2023 Change
Homeless Housing Innovations - Interim Shelter for Homeless Adults	\$ 1,600,000	\$ 1,473,307	\$ 1,600,000	\$ 1,600,000	\$ 1,823,404	\$ 223,404
Homeless Housing Innovations – Veterans Village Bridge Shelter	\$ 3,910,886	\$ 1,233,907	\$ -	\$ -	\$ -	\$ -
Homeless Housing Innovations - Housing Navigation Center (GF)	\$ -	\$ 65,077	\$ -	\$ -	\$ -	\$ -
Homeless Housing Innovations - Housing Navigation Center (LMIFH)	\$ -	\$ 124,732	\$ -	\$ -	\$ -	\$ -
Homeless Housing Innovations - Homelessness Response Center (GF)	\$ -	\$ 188,590	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Homeless Housing Innovations - Homelessness Response Center (LMIFH)	\$ -	\$ 70,523	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Homeless Housing Innovations - Coordinated Street Outreach	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ (1,000,000)
Homeless Housing Innovations - New Interim Shelters	\$ -	\$ -	\$ 6,300,000	\$ 4,250,467	\$ -	\$ (6,300,000)
Homeless Housing Innovations - Bishop Shelter	\$ -	\$ -	\$ -	\$ -	\$ 622,900	\$ 622,900
Homeless Housing Innovations - Harm Reduction Shelter	\$ -	\$ -	\$ -	\$ 1,709,832	\$ 2,149,237	\$ 2,149,237
Homeless Housing Innovations - Women Shelter	\$ -	\$ -	\$ -	\$ 339,701	\$ -	\$ -
Homeless Housing Innovations - Bridge Shelter	\$ -	\$ -	\$ -	\$ -	\$ 3,190,909	\$ 3,190,909
Homeless Housing Innovations - HMIS	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -
Homeless Housing Innovations - Rapid Rehousing	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ (1,000,000)
Homeless Housing Innovations - PEER Program	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Homeless Housing Innovations - Day Center	\$ -	\$ -	\$ -	\$ 425,000	\$ -	\$ -
Homeless Housing Innovations - Hotels Supportive Services	\$ -	\$ -	\$ -	\$ 1,218,594	\$ -	\$ -
Homeless Housing Innovations - Connections Interim Housing	\$ 272,000	\$ 272,106	\$ 272,000	\$ 272,000	\$ 404,528	\$ 132,528
Homeless Housing Innovations - Serial Inebriate Program	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ -
TOTAL	\$ 6,072,886	\$ 3,718,242	\$ 11,262,000	\$ 12,955,594	\$ 9,280,978	\$ (1,981,022)



SDHC – FY 2023 Proposed Budget

E. Revenues

Table E San Diego Housing Commission - Revenues						
Revenue Source	FY 2021 Budget	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	FY 2022-2023 Change
FEDERAL						
Section 8/MTW	\$ 278,779,000	\$ 252,647,000	\$ 272,625,000	\$ 272,625,000	\$306,562,000	\$33,937,000
HOME, CDBG & Other Federal	19,286,000	123,074,000	15,927,000	\$ 102,968,000	23,029,000	7,102,000
Housing Innovation Funds	9,805,000	17,869,000	8,003,000	\$ 7,426,000	6,683,000	(1,320,000)
FEDERAL TOTAL	\$ 307,870,000	\$ 393,590,000	\$ 296,555,000	\$ 383,019,000	\$ 336,274,000	\$ 39,719,000
LOCAL						
SDHC Real Estate	\$ 32,766,000	\$ 86,625,000	\$ 40,831,000	\$ 40,831,000	\$ 41,427,000	\$ 596,000
Affordable Housing Fund	6,144,000	15,040,000	7,049,000	\$ 7,049,000	7,459,000	410,000
Other Local Funds	10,528,000	15,973,000	16,944,000	\$ 16,944,000	14,977,000	(1,967,000)
LOCAL TOTAL	\$ 49,438,000	\$ 117,638,000	\$ 64,824,000	\$ 64,824,000	\$ 63,863,000	\$ (961,000)
STATE	\$ 24,351,000	\$ 9,951,000	\$ 31,264,000	\$ 31,264,000	\$ 31,622,000	\$ 358,000
FUND BALANCE FROM PRIOR YEARS	\$ 143,107,000	\$ 154,074,000	\$ 211,417,000	\$ 211,417,000	\$ 162,996,000	\$ (48,421,000)
TOTAL	\$ 524,766,000	\$ 675,253,000	\$ 604,060,000	\$ 690,524,000	\$ 594,755,000	\$ (9,305,000)

