



SAN DIEGO
HOUSING
COMMISSION

INFORMATIONAL REPORT

DATE ISSUED: September 14, 2022

REPORT NO: HCR22-026

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of September 20, 2022

SUBJECT: City of San Diego Affordable Housing Fund Fiscal Year 2022 Annual Report

COUNCIL DISTRICT: Citywide

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

The City of San Diego Affordable Housing Fund Fiscal Year 2022 Annual Report (Attachment 1) covers the period of July 1, 2021, through June 30, 2022, which reflects the Fiscal Year of the City of San Diego and the San Diego Housing Commission. It is issued following closeout of the Fiscal Year and includes unaudited data. The report includes:

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

BACKGROUND

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

Respectfully submitted,

Approved by,

Christelle van der Windt

Jeff Davis

Christelle Van Der Windt
Finance Director – Grants and Reporting
Financial Services Department

Jeff Davis
Interim President & Chief Executive Officer
San Diego Housing Commission

Attachments: 1) San Diego Affordable Housing Fund FY 2022 Annual Report

Docket materials are available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org



SAN DIEGO
HOUSING
COMMISSION

City of San Diego
Affordable Housing Fund
Fiscal Year 2022 Annual Report
July 1, 2021 – June 30, 2022



Ivy Senior Apartments
5858 Mt. Alifan Drive – City Council District 6
52 Affordable Housing Units
\$1.5 Million Affordable Housing Fund
Development Loan Approval: February 8, 2019
Grand Opening: March 18, 2022

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CITY OF SAN DIEGO AFFORDABLE HOUSING FUND

Fiscal Year 2022 Annual Report

EXECUTIVE SUMMARY

In Fiscal Year (FY) 2022 (July 1, 2021 – June 30, 2022), the City of San Diego's (City) Affordable Housing Fund (AHF), which is composed of the Housing Trust Fund (HTF) and the Inclusionary Housing Fund (IHF), contributed funding for rental housing production, homeownership opportunities, housing solutions for San Diegans experiencing homelessness or at risk of homelessness, capacity building and administration expenses.

During FY 2022, seven San Diego Housing Commission (Housing Commission) affordable rental housing developments with a total of 783 affordable rental housing units closed financing. Of these developments, AHF helped finance three with a total of 312 total units, of which 307 will be affordable. This exceeded the affordable rental housing production goal to close financing on 129 units, by 138 percent. The majority of the units supported with AHF funding will be designated for individuals and families with low income, including those experiencing homelessness.

The Homeownership program experienced several external real estate market challenges in FY 2022. The extraordinarily high price of homes, limited inventory, multiple offers for available homes, increasing interest rates, and other market factors in the San Diego region made it extremely competitive and very difficult for first-time homebuyers to purchase a home. Recognizing the challenges, and to continue to assist prospective homebuyers, the Housing Commission proactively increased the down payment loan offered to 22 percent of the purchase price from the previous amount of 17 percent. The Homeownership program assisted 28 very low- to low-income households to close escrow on homes, predominantly in Council Districts 3, 4, 5, 6 and 8. In addition to the 28 households assisted through the AHF, 13 households received down payment and closing cost assistance through federal HOME, state CalHome and other Local funding sources. In total, through its various funding sources, the Housing Commission's Homeownership Program helped 41 low- to moderate-income households achieve the dream of purchasing a home.

AHF assistance funded three transitional housing programs and one interim housing program during FY 2022 to support 282 beds for individuals experiencing homelessness. In FY 2022, these programs housed 428 people from 229 households. The AHF assisted Downtown San Diego Partnership's Family Reunification Program, which also utilized other funding, to serve 51 households composed of 54 people.

With AHF funds, the Housing Commission's Moving Home Rapid Rehousing program, which is part of the Housing Commission's homelessness action plan, HOUSING FIRST – SAN DIEGO, served 85 households consisting of 203 people. Approximately 88 percent (or 75) of these households were permanently housed. Additionally, a Rapid Rehousing case management position with People Assisting the Homeless (PATH), funded by AHF, allowed for another 37 households to be served, for a total of 122 households. Finally, an additional 310 households consisting of 586 people were served by other Housing Commission-funded



City of San Diego Affordable Housing Fund – FY 2022 Annual Report

programs using a combination of federal, state and local funding, bringing the total served by the Housing Commission Rapid Rehousing efforts to 395 households.

HOUSING FIRST – SAN DIEGO’s Prevention and Diversion program served 168 households consisting of 310 people. Of these, 12 households composed of 12 people were served through AHF funds.

The Landlord Engagement and Assistance Program (LEAP), also part of HOUSING FIRST – SAN DIEGO, served 1,170 households, which exceeded its goal of serving 1,000 households, by 17 percent. The households assisted through LEAP can also include households in HOUSING FIRST – SAN DIEGO’s Moving Home Rapid Rehousing program, Prevention and Diversion and Flexible Funding Pool (FLEX) programs.

The FLEX program serves as an innovative resource to expedite and increase opportunities and services for individuals and families experiencing homelessness who are either currently in a City-funded shelter or are 55 years of age or older and on a fixed income.

The FLEX program served 48 households consisting of 96 people during FY 2022. Of these, the FLEX program served seven households composed of seven people who were served through AHF funds.

The FY 2022 AHF Annual Plan allocated funding for capacity building within the Homeless Housing Innovations Programs. Total capacity building expenditures in FY 2022 were \$47,165. Of the expended capacity building dollars, \$7,375 supported ongoing activities related to the Housing-Focused Shelter Technical Assistance for providers of shelters funded by the Housing Commission, the Regional Task Force on Homelessness (RTFH), and the City of San Diego. OrgCode Consulting, Inc. (OrgCode) provided one-on-one coaching and group webinar trainings to City-funded shelter providers in the second quarter of FY 2022. Technical assistance focused on enhancing and augmenting the housing-focused services currently provided at the City’s shelters and continuing to emphasize and maintain staff focus on assisting households in shelter to identify and connect to the most appropriate permanent housing solutions as quickly as possible. Additionally, \$22,099 was expended on activities related to the Permanent Supportive Housing (PSH) Partnership Collaborative. This PSH Partnership Collaborative intends to work with stakeholders, such as developers, service providers and property managers, to review the Housing Commission’s PSH portfolio to strengthen partnerships and practices in support of common goals. The PSH Partnership Collaborative focuses on reviewing client-centered practices and alignment with the Housing First model; strengthening efforts around knowledge sharing and capacity building; and identifying opportunities for streamlining that benefit all stakeholders. Capacity building dollars in the amount of \$17,691 were also expended on activities related to a longitudinal evaluation of the closure of the Plaza Hotel, a single-room occupancy (SRO) property; a compensation study on the homelessness services sector workforce; and technical assistance related to these activities. The longitudinal study of the Plaza Hotel seeks to understand the long-term impacts of the closure of this SRO property on its former residents. The compensation study includes a comparison of average market compensation levels in the homelessness services sector to other geographies as well as other key positions in adjacent sectors and crisis response positions. The goal of the compensation study is to re-benchmark key frontline and case management level positions, with the intention of being more effective



City of San Diego Affordable Housing Fund – FY 2022 Annual Report

in attracting and retaining staff, reducing system vacancies, and increasing system performance.

AHF funds allocated for the administration of AHF's programs totaled \$1,339,459. This represents 11 percent of the total funding, which is well within best financial practices.

One of the purposes of the AHF is to leverage every \$1 of City funds with \$2 of non-City subsidy capital funds. In FY 2022, each AHF dollar leveraged approximately \$7 in additional funding, far surpassing the 2-1 goal.

INTRODUCTION

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

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

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

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

Income Levels of Assisted Households

"AMI" is the area median income in the San Diego Standard Metropolitan Statistical Area, adjusted for family size, as published by the U.S. Department of Housing and Urban Development (HUD). In FY 2022, the AMI for a family of four increased from \$95,100 to \$106,900. The current AMI amounts and affordable rents for San Diego County are shown on **Exhibit 7**.



City of San Diego Affordable Housing Fund – FY 2022 Annual Report

Leverage

Per Municipal Code Section 98.0501(c), an AHF goal is to attract \$2 of non-City capital funds for every AHF dollar invested. In FY 2022, total AHF commitments and expenditures of \$10,772,856 leveraged more than \$74 million, far surpassing the 2-1 goal.

Exhibit 3 provides an overview of AHF leverage.

HOUSING TRUST FUND

Purpose and Use

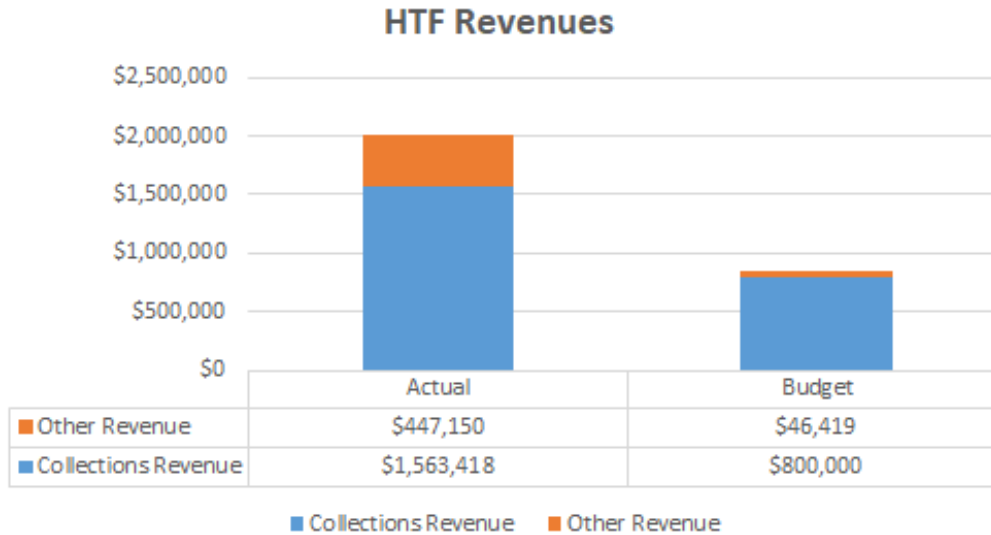
Funds from the HTF—housing impact fees from non-residential development, or commercial “Linkage Fees”—may be used for loans, grants, or indirect assistance to produce and maintain affordable units and related facilities.

The HTF Ordinance requires that funds be allocated as follows:

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

HTF Revenues

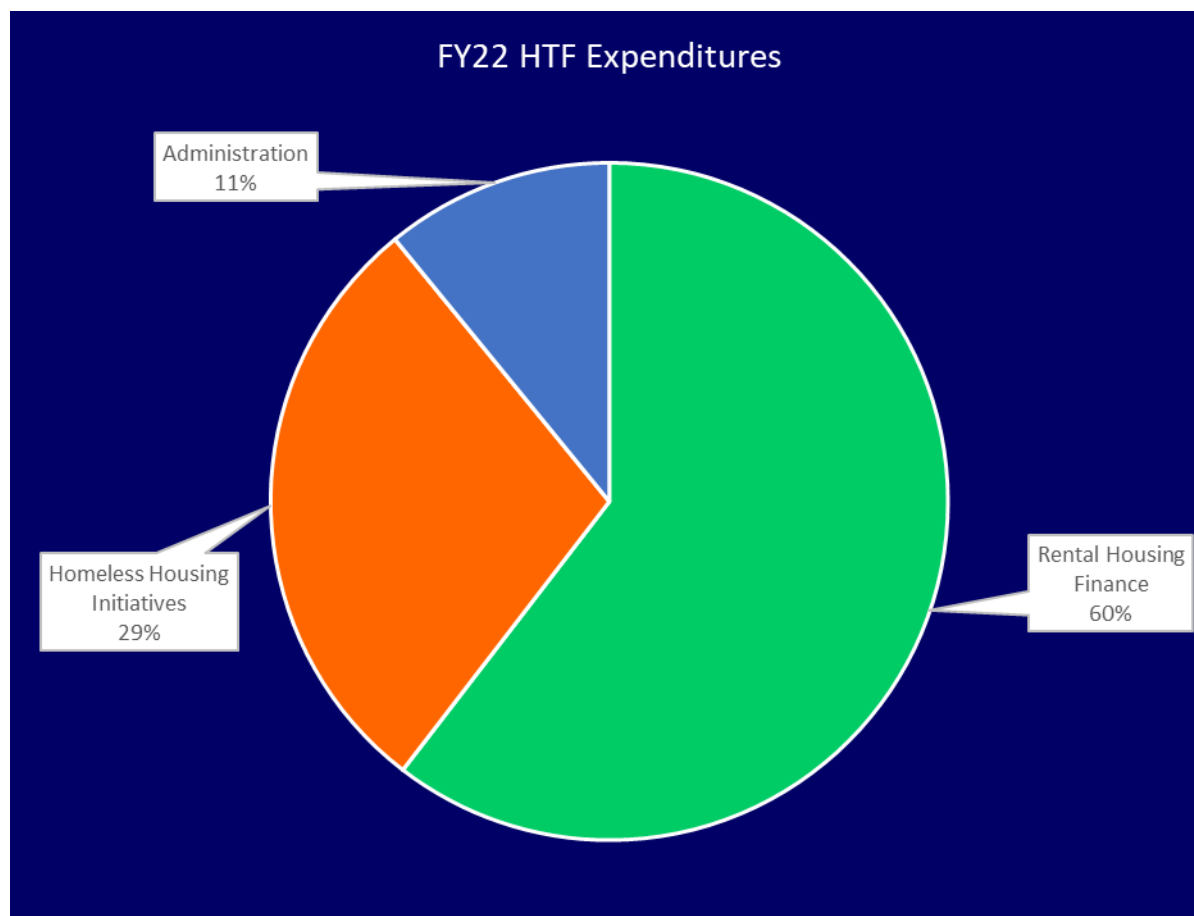
In FY 2022, HTF revenues, inclusive of fee collections and program income (other revenue), totaled \$2,010,569 approximately 138 percent of the \$846,419 that was budgeted. Budgeted revenues are a conservative estimate based on past collections. Revenues collected in excess of the budgeted figures are reallocated toward approved model programs in the AHF Annual Plan the following year.



When more funds are collected than budgeted, they are committed for an approved use and then held in a fund reserve until the disbursement of funds, which depends upon timing of the completion of specific milestones. Due to the length of time required before completion of milestones in an approved project that would trigger disbursement of funds, the fund balance often is composed of projects committed in prior years.

Fund Allocation

The following chart summarizes FY 2022 expenditures of HTF funds.



In FY 2022, \$2,481,868 was committed/expended to programs and projects. The funds were allocated among several housing activities: rental housing production, housing solutions for San Diegans experiencing homelessness or at risk of homelessness, and administration costs.

HTF funds, or Housing Impact Fees, were used to provide partial reimbursement in the amount of \$270,687 for AHF administration expenses totaling \$1,339,459. These expenses provided partial reimbursement for costs associated with investing the funds through loans and grants, such as project solicitation/outreach, underwriting, preparation of legal documents, account setup, management, program administration and overhead expenses.

The City of San Diego was reimbursed \$16,545.46 for staff time assessing Housing Impact Fees.

Uncommitted program funds will be utilized for future HTF activities in the Model Programs as approved by the City Council.

Exhibit 2, “Affordable Housing Fund FY 2022 Detail of Funded Projects” provides project details for each funding award made in FY 2022.

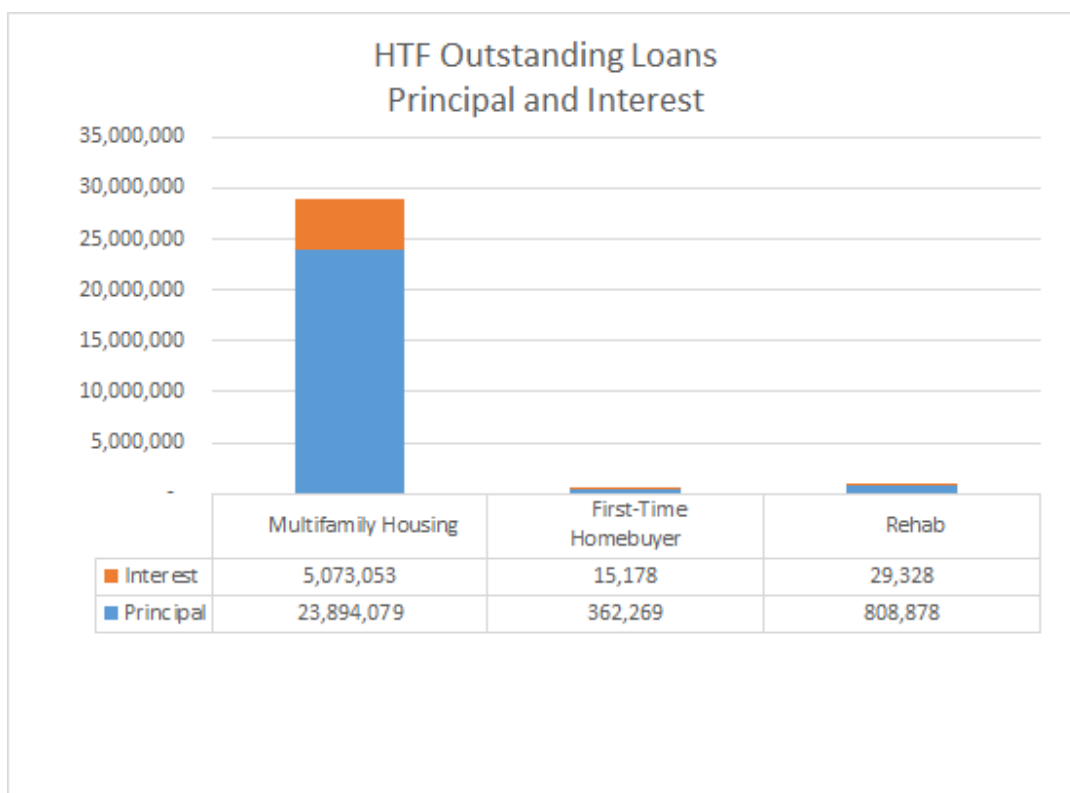
HTF Loan Portfolio Status

As of June 30, 2022, all previously funded HTF loans were in good standing. The following



City of San Diego Affordable Housing Fund – FY 2022 Annual Report

chart shows the outstanding loan principal and interest amounts:





INCLUSIONARY HOUSING FUND

Purpose and Use

On June 3, 2003, the City Council adopted an Inclusionary Affordable Housing Program pursuant to Ordinance O-19189, which requires developers of two or more residential units to pay an affordable housing fee unless they qualify for exemption under the Ordinance. Fees are deposited into the IHF and may be used for rental housing development, first-time homebuyer assistance and related programs.

Revenues

Apartment construction remained strong for the first half of the year, which resulted in increased revenue collections for the IHF. Revenues, inclusive of fee collections and program income (other revenue), totaled \$14,049,788. This is approximately 126 percent higher than budgeted revenues of \$6,203,065. Fee collections can fluctuate greatly from year to year. Budgeted revenues are a conservative estimate based on past collections and anticipated uncertainty due to ordinance change in fee structure, which was adopted by City Council in December 2019, took effect in FY 2021, and is being phased in over five years. Revenues collected in excess of the budgeted figures are reallocated toward approved model programs in the AHF Plan the following year.

When more funds are collected than budgeted, they are committed for an approved use and held in a fund reserve until funds are disbursed, which depends upon timing of the completion of specific milestones. Due to the length of time required to complete milestones in an approved project that would trigger disbursement of funds, the fund balance often is composed of projects committed in prior years.

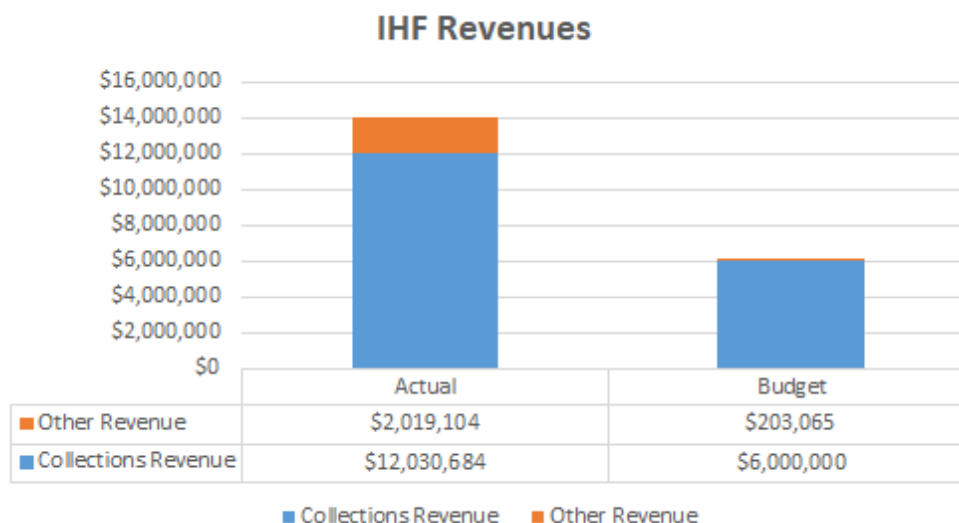
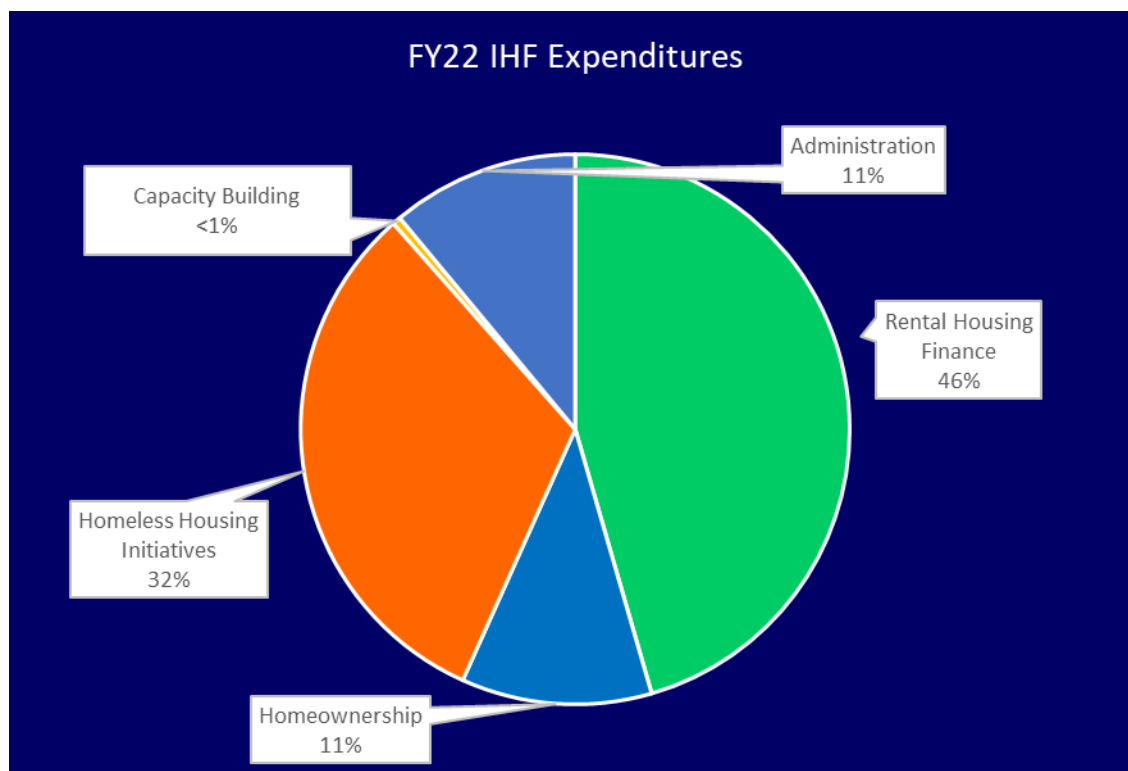


Exhibit 4 shows the net IHF Fees collected and committed in each Community Plan Area (CPA). The Inclusionary Housing Ordinance prioritizes spending IHF revenues in the CPA of origin. Funds may be invested citywide when there is no match between the area of collection and investment opportunities.



Fund Allocation

The following chart summarizes FY 2022 expenditures of IHF funds.



In FY 2022, \$9,678,862 was committed/expended to programs and projects. The funds were allocated among several housing activities: rental housing production, homeownership opportunities, housing solutions for San Diegans experiencing homelessness or at risk of homelessness, capacity building and administration costs.

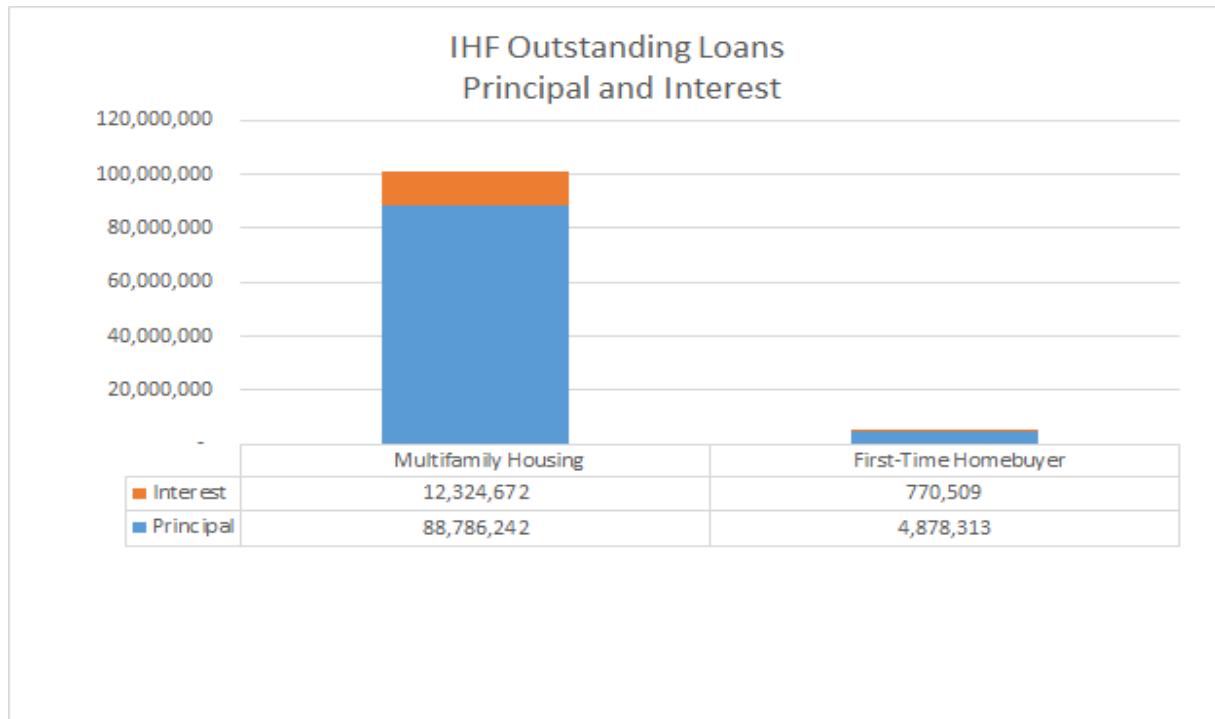
IHF funds were used to provide partial reimbursement in the amount of \$1,068,772 for AHF administration expenses totaling \$1,339,459. These expenses provided partial reimbursement for costs associated with investing the funds through loans and grants, such as project solicitation/outreach, underwriting, preparation of legal documents, account setup, management, program administration and overhead expenses. An additional \$47,165 was used to support capacity building in the Homeless Housing Innovations Programs.

Uncommitted program funds will be utilized for future IHF activities in the Model Programs as approved by the City Council.



IHF Loan Portfolio Status

As of June 30, 2022, all previously funded IHF loans were in good standing. The following chart shows outstanding loan principal and interest amounts.





AFFORDABLE HOUSING FUND PERFORMANCE

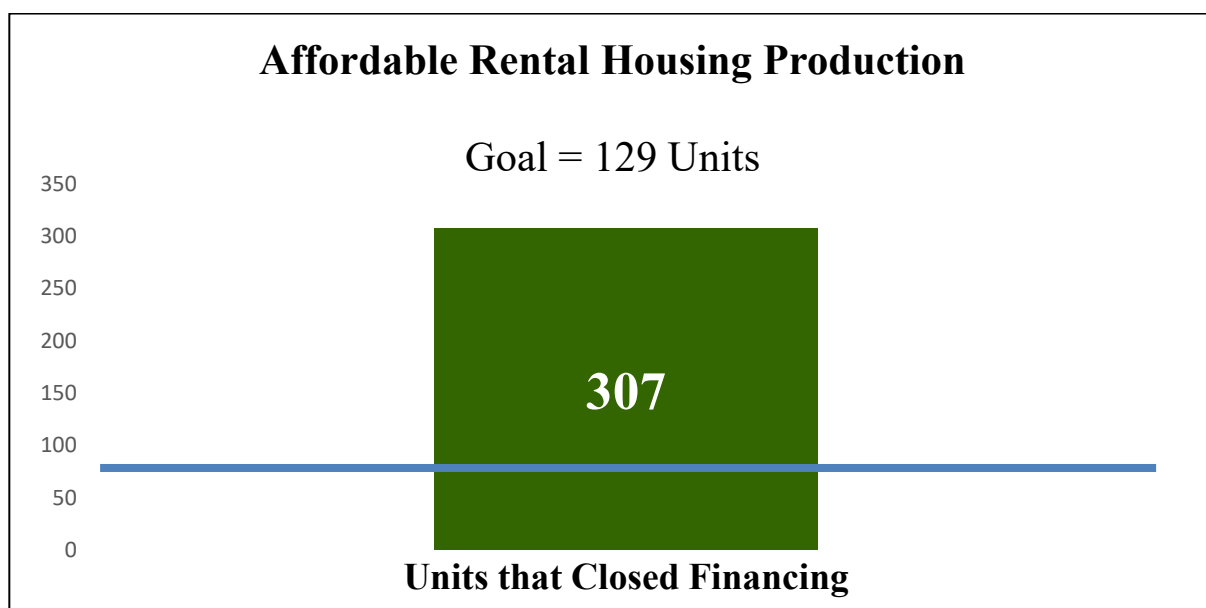
During FY 2022, the AHF committed \$12,160,729 to affordable housing activities to assist 1,926 households.

Rental Housing Finance

Affordable Rental Housing Production

Three projects closed construction financing in FY 2022. These projects have AHF commitments totaling \$5,905,000 and will produce 307 affordable rental housing units in the City of San Diego.

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



138% of Goal Met

The rental housing production program exceeded its goal to close construction financing on 129 units (new closings in FY 2022) by 138 percent. Three housing developments closed financing and will contribute 307 affordable housing units to the City's housing supply. All of these units are from developments that serve low-income individuals and families, including those experiencing homelessness.

City of San Diego Affordable Housing Fund – FY 2022 Annual Report

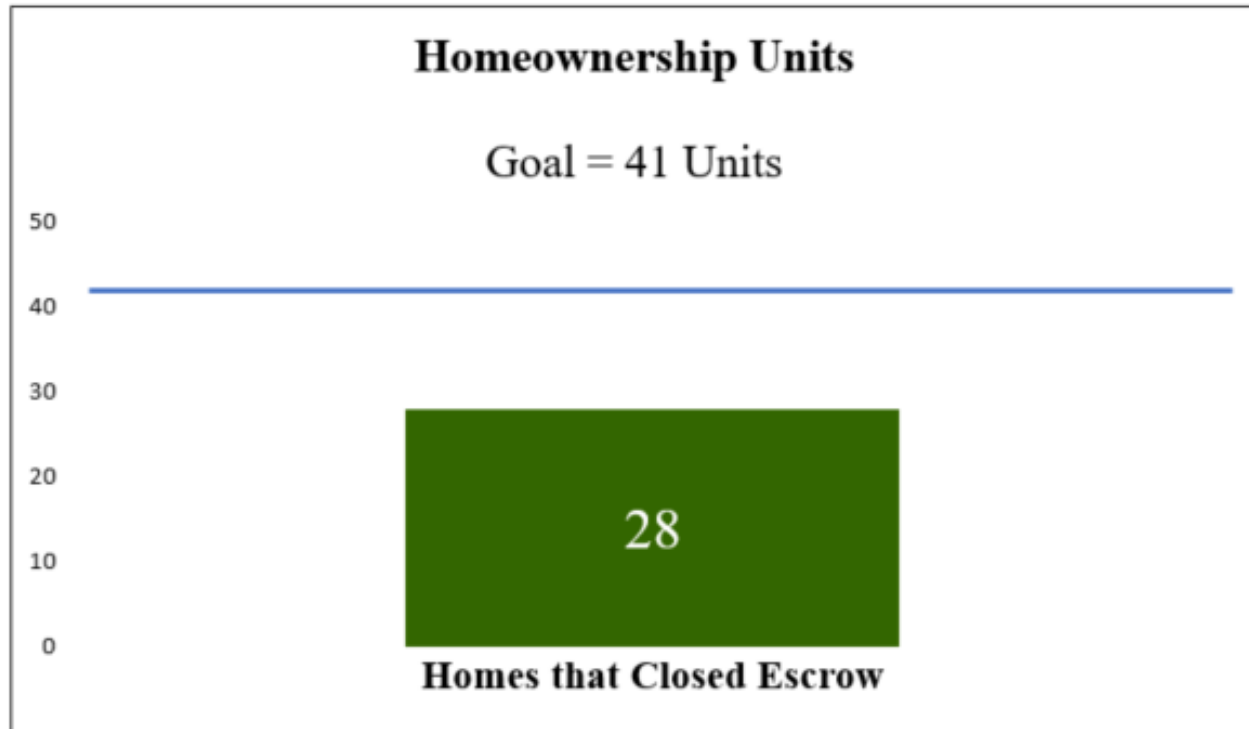


During FY 2022, three developments financed with AHF funds were completed and occupied. These completed developments added 528 affordable housing units.

Exhibit 5 shows Rental Housing Production's Current and Prior Year Activities & Project Completions.

Homeownership

In FY 2022, the AHF provided \$1,085,338 from the IHF for the Housing Commission's Homeownership Program. The Homeownership Program provides deferred-payment loans of up to 22 percent of the purchase price and closing cost grants of up to \$10,000 to assist very low- to low-income households in the purchase of a home in the City of San Diego. In FY 2022, \$808,188 was used for deferred-payment loans and \$269,840 was used for closing cost grants. The AHF provided assistance for 28 households, of which seven received a deferred-payment loan and closing cost grant funded solely with AHF, six received a deferred loan funded with AHF and HOME as well as a closing cost grant funded with AHF, and 15 received a closing cost grant funded with AHF in conjunction with a deferred-payment loan funded by the federal HOME and State CalHome programs. In addition to the 28 households assisted with AHF, the Homeownership Program helped 13 households with assistance solely from HOME, CalHome and other Local sources. This has resulted in the Homeownership program assisting an overall total of 41 households in buying their first home in San Diego. The program spent 43 percent of its FY 2022 AHF fund allocation and leveraged approximately \$10.6 million in private funds.





68% of Goal Met

The Homeownership program utilized AHF to help 28 very low- to low-income households close escrow on homes in Council Districts 3, 4, 5, 6 and 8. In addition to the 28 households assisted through the AHF, 13 households received down payment and closing cost assistance through federal HOME, state CalHome and other Local sources. In total, through its various funding sources, the Housing Commission's Homeownership Program helped 41 very low- to moderate-income households achieve the dream of purchasing a home.

Home prices ranged from \$215,000 to \$755,000 for both attached and detached units. The average sales price for the assisted units was \$497,750, an increase of 36 percent from an average of \$364,303 in FY 2021.

Sales Prices

Effective June 1, 2022, the maximum home price limit for Housing Commission loans and grants is \$657,500 for attached units and \$975,000 for detached units. Previously, the maximum home price limit was \$542,500 for attached units and \$783,750 for detached units. These limits are based on the State-approved maximum purchase price allowed for single-family attached and detached homes. Buyers must contribute a minimum of 30 percent of their monthly gross income toward housing to be eligible for a deferred-payment loan under the First-Time Homebuyer Program. For the purpose of this calculation, housing expenses include loan principal and interest, property taxes, property insurance and homeowners' association fees.

The buyer's debt-to-income ratio of monthly housing costs, plus all other household monthly debt (including credit cards, automobile payments, etc.), cannot exceed 45 percent of the borrower's gross income.

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



First-Time Homebuyer Program			
Program	AMI	Loan/Grant Amount	Maximum Purchase Price Effective 6/23/2021
3% Interest, Deferred-Payment Loan	80%	22% of purchase price or appraised value; whichever is less. The minimum loan amount is \$1,000	Attached: \$657,500 Detached: \$975,000
Closing Cost Assistance Program	100%	Up to 4% of purchase price or appraised value, whichever is less, not to exceed \$10,000 Assistance can be used for all closing costs not covered by seller or lender credits.	Attached: \$657,500 Detached: \$975,000

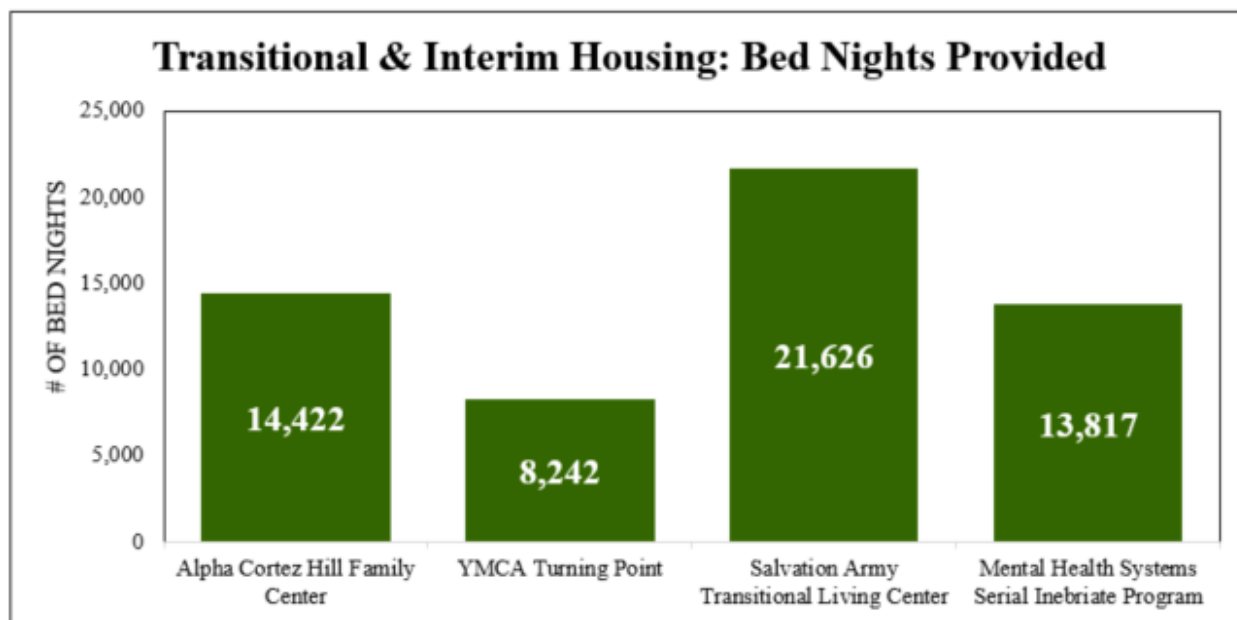
Accessory Dwelling Unit Finance Program

The Housing Commission launched a new ADU Finance program on April 15, 2022, that helps homeowners with low income in the City of San Diego build ADUs on their property. The program provides financial assistance in the form of a construction loan and technical assistance that helps the participating homeowner understand and complete the process of building an ADU. The ADU Finance program disbursed \$1,250 disbursed in FY 2022.

Homeless Housing Innovations

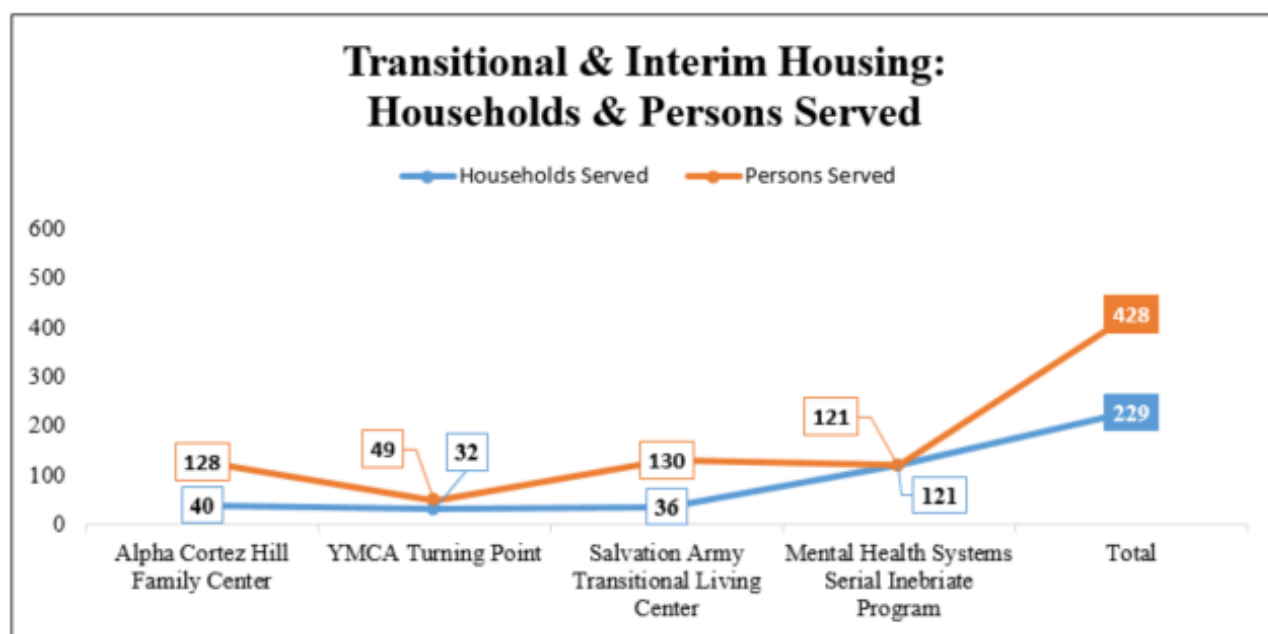
Transitional Housing & Interim Housing

Four social services agencies provided housing and services through three transitional housing programs and one interim housing program to serve 229 extremely low-income, very low-income, and low-income households consisting of 424 individuals. These programs used \$711,181 from the AHF.



56% of Bed Availability Goal Met

The AHF-funded transitional and interim housing programs provided a combined total of 58,107 bed nights, with 282 beds contracted and available on any given night. The number of bed nights available is based on the contracted number of bed nights. In February 2022, Cortez Hill Family Shelter Interim Housing Program operated by Alpha Project closed operations due to the temporary site at Palm Avenue no longer being available for this purpose. The City and the Housing Commission continue to look for other sites to support shelter needs for families. The bed capacity gradually reduced as beds were not filled as families exited the program. The combination of reduced months of operation in FY 2022 and reduction of available bed nights impacted the ability to meet the annual utilization goal.





In FY 2022, 282 transitional and interim beds housed 428 new, unduplicated persons in 229 households for more than 58,000 bed nights with AHF assistance.

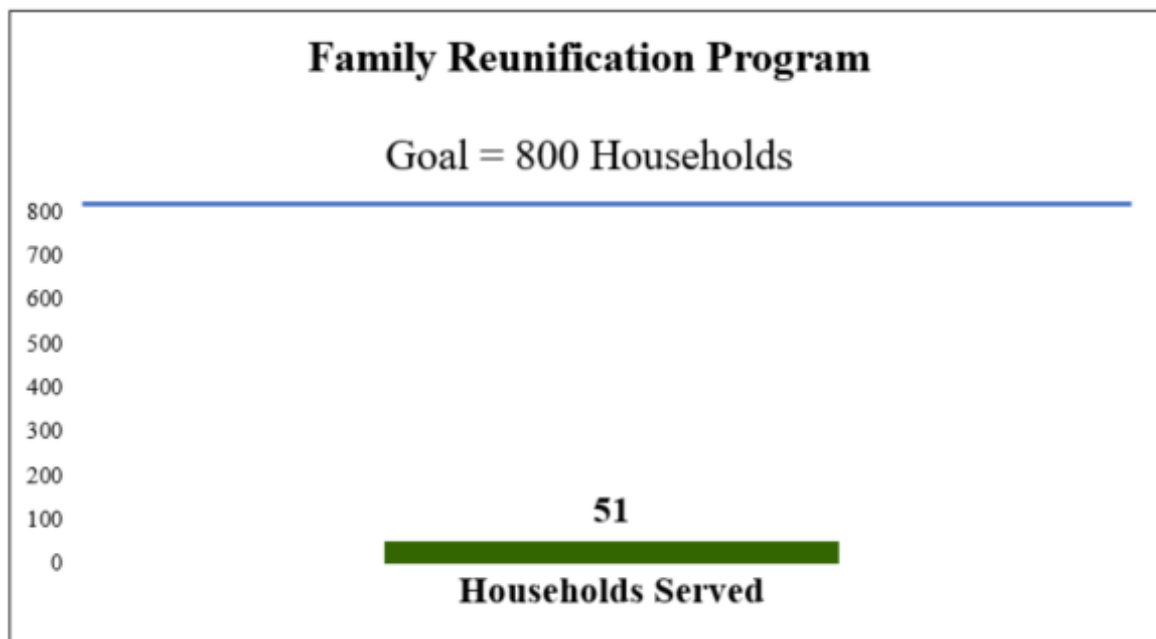
A total of \$711,181 was awarded to three transitional housing programs and one interim housing program to provide 282 beds on a daily basis.

Name of Program	Number of Beds Provided (nightly bed capacity)	Population Served	Council District	AHF Award Amount	AHF Expended Amount
Alpha Project Cortez Hill Family Center	139	Very low income (experiencing homelessness)	8	\$439,000	\$314,199
YMCA Turning Point	24	Very low income (experiencing homelessness)	3	\$50,000	\$47,821
Salvation Army TLC	63	Very low income (experiencing homelessness)	6	\$232,309	\$232,309
Mental Health Systems SIP	56	Very low income (experiencing homelessness)	3	\$151,500	\$116,852
Totals	282	-	-	\$872,809	\$711,181



Family Reunification

The Family Reunification program expended \$63,132 in AHF funds to serve 51 households consisting of 54 people.*



6% of Goal Met

The Family Reunification Program is supported with AHF and other funding sources. During FY 2022, the program served an overall total of 336 households, consisting of 387 people. AHF funds supported 51 of these households, consisting of 54 people. Including all funding sources, the number of people the overall program served in FY 2022 increased 75 percent compared to FY 2021. While this improvement was significant, COVID-19 continued to affect the program's operations during FY 2022. One barrier that required more staff time to mitigate was the concerns of support systems receiving clients regarding the risk of COVID-19 transmission and requests to provide a negative COVID-19 test prior to receiving participants. The program also faced significant staffing shortages and changes during FY 2022, many of which were related to the pandemic. These staffing changes and shortages had some impact on operations, limiting the number of staff available to serve clients during shortages and requiring time to onboard and train new staff. This combination of factors contributed to the underutilization of the program with AHF during FY 2022.



HOUSING FIRST – SAN DIEGO Programs

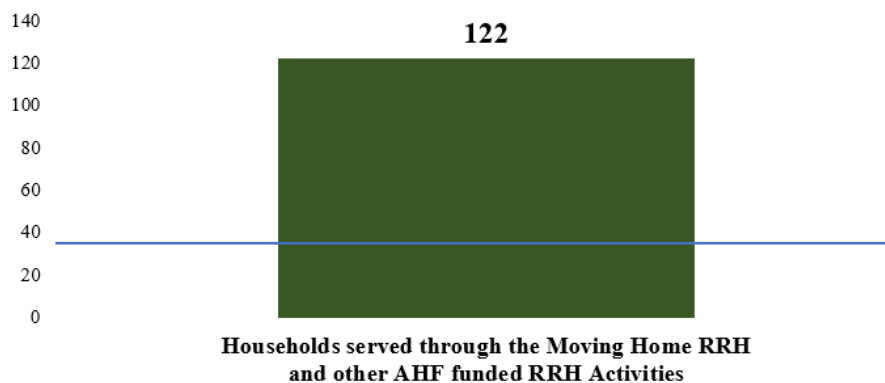
Rapid Rehousing

With \$513,798 from AHF, the Housing Commission's Moving Home Rapid Rehousing program assisted 85 households. Of these households, 75 (88 percent) were permanently housed, including households who were originally housed in a prior fiscal year and continued to receive assistance in FY 2022.

AHF assistance funds a Case Management position to support two Rapid Rehousing programs funded by HUD Continuum of Care (CoC) and Emergency Solutions Grant (ESG) funds and operated by the nonprofit organization People Assisting the Homeless (PATH). In FY 2022, these two Rapid Rehousing programs served 59 households consisting of 106 persons. Of the 59 households served by these programs, the AHF-funded case management position provided assistance to 37 households (64 people).

Rapid Rehousing (RRH)

Goal = 40 Households served through the Moving Home RRH Program



305% of Goal Met

In FY 2022, the AHF Rapid Rehousing funds served 267 people within 122 households, exceeding the AHF goal by 13 percent and 45 households. Additionally, 310 households consisting of 586 people were served by other Housing Commission-funded programs using a combination of federal, state and local funding, bringing the total served by the Housing Commission rapid rehousing efforts to 432 households.

**City of San Diego Affordable Housing Fund – FY 2022 Annual Report**

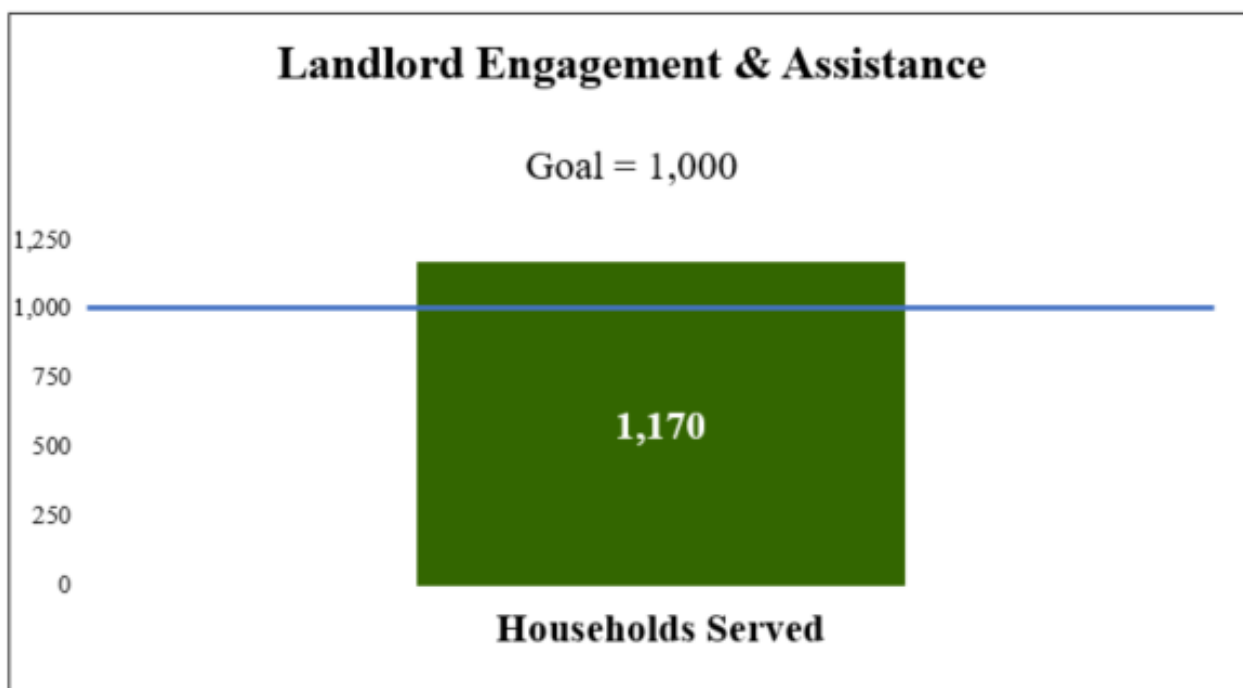
Moving Home Rapid Rehousing is designed to move individuals and families experiencing homelessness into housing as quickly as possible and then provide supportive services and connections to community services to promote stability in housing. Individuals and families experiencing homelessness are identified through the Regional Task Force on Homelessness' (RTFH) Coordinated Entry System, which determines if they are best served by rapid rehousing. The Moving Home Rapid Rehousing program can provide the following assistance in addition to case management supportive services:

- Security deposits
- Temporary Rental Assistance
- Overdue, unpaid rent and utility expenses
- Identifying and addressing barriers to becoming a tenant
- Reviewing rental and lease agreements
- Moving costs
- Obtaining necessary documents, such as identification cards
- Searching for rental housing
- Obtaining basic furnishings and household supplies



Landlord Engagement and Assistance Program (LEAP)

With \$2,415,347 from the AHF, the LEAP program assisted 1,170 households, including households in HOUSING FIRST – SAN DIEGO’s Moving Home Rapid Rehousing program, Prevention and Diversion, and FLEX programs.



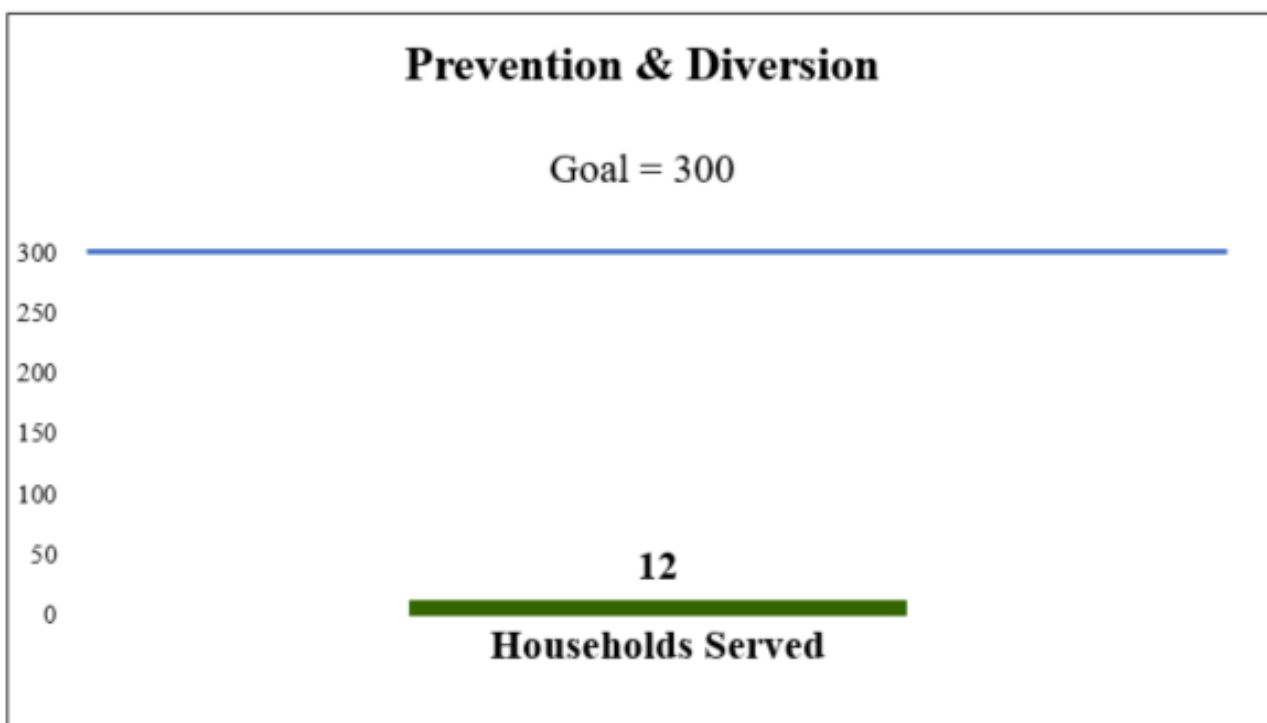
117% of Goal Met

The Landlord Engagement and Assistance Program (LEAP) served 1,170 households, exceeding its goal to serve 1,000 households in FY 2022 by 17 percent.

LEAP assists individuals and families experiencing homelessness by increasing access to rental units. LEAP focuses on enlisting landlords through community-wide recruitment efforts to quickly house individuals and families referred by partner service provider agencies in the community. LEAP provides financial incentives to participating landlords, including security deposits, bonuses per unit rented to clients, utility assistance and access to a contingency fund of up to \$5,000 per assisted household.

Prevention & Diversion

The Prevention & Diversion program utilized \$32,055 of AHF funding to serve 12 individuals within 12 households.



4% of Goal Met

The Prevention and Diversion program served 12 households, meeting 4 percent of its goal to serve 300 households.

The Homelessness Prevention and Diversion program served a total of 168 households in FY 2022 using funding sources in addition to AHF, including City Homelessness Housing, Assistance and Prevention Program (HHAP) and Emergency Solutions Grants (ESG) funds awarded in FY 2022. The Homelessness Prevention and Diversion program continued to be significantly impacted by COVID-19, the implementation of an eviction moratorium, and the help available for residents through the COVID-19 Housing Stability Assistance Program, all of which resulted in fewer households needing Homelessness Prevention and Diversion program assistance.

Flexible Spending/Shelter Subsidy

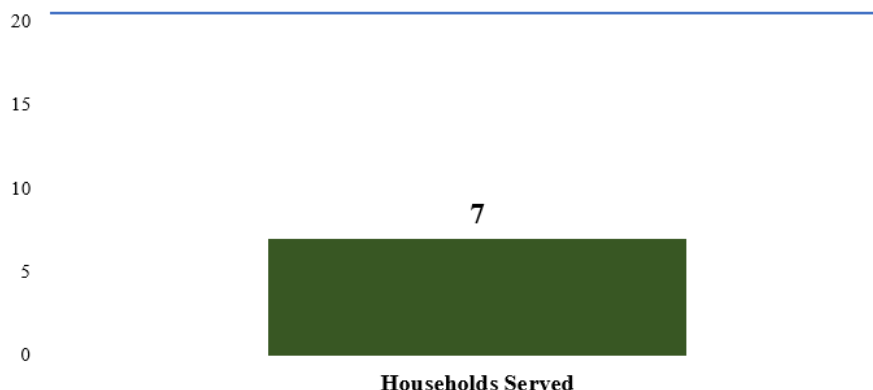
The Flexible Spending programs served a total of 48 households in FY 2022, using both AHF and City Homelessness Housing, Assistance and Prevention Program (HHAP) funds awarded in FY 2022.

With AHF funds, FLEX programs served seven households consisting of seven persons, meeting 33 percent of its goal to serve 21 households. This reflects the impact of eviction moratoria in response to the COVID-19 pandemic, which stabilized renters and limited the availability of rental units in the private market. The expiration of eviction moratoria and the conclusion of the COVID-19 Housing Stability Assistance Program are anticipated to result in an increase in the need for this type of assistance.



Flexible Spending/Shelter Subsidy

Goal = 21 Households



Capacity Building

The FY 2022 AHF Annual Plan allocated \$25,000 for capacity building within the Homeless Housing Innovations Programs. Total capacity building expenditures in FY 2022 were \$47,165. The additional \$22,165 of expenditures was funded through savings realized under other homeless programs due to additional State funding made available during the year. Of the expended capacity building dollars, \$7,375 supported ongoing activities related to the Housing-Focused Shelter Technical Assistance for providers of shelters funded by SDHC, RTFH and the City. OrgCode Consulting, Inc. (OrgCode), provided one-on-one coaching and group webinar trainings to City-funded shelter providers in the second quarter. Technical assistance focused on enhancing and augmenting the housing-focused services that are currently being provided at the City's shelters and continuing to emphasize and maintain staff focus on assisting households in shelter to identify and connect to the most appropriate permanent housing solutions as quickly as possible. Additionally, \$22,099 was expended on activities related to the Permanent Supportive Housing (PSH) Partnership Collaborative. This PSH Partnership Collaborative intends to work with stakeholders, such as developers, service providers and property managers to review the Housing Commission's PSH portfolio to strengthen partnerships and practices in support of common goals. The PSH Partnership Collaborative focuses on reviewing client-centered practices and alignment with the Housing First model; strengthening efforts around knowledge sharing and capacity building; and identifying opportunities for streamlining that benefit all stakeholders. Capacity building dollars in the amount of \$17,691 were also expended on activities related to a longitudinal evaluation of the closure of the Plaza Hotel, a Single Room Occupancy (SRO) property; a compensation study on the homelessness services sector workforce; and technical assistance related to these activities. The longitudinal study of the Plaza Hotel SRO closure seeks to understand the long-term impacts of this SRO closure on its former residents. The compensation study includes a comparison of average market compensation levels in the homelessness services sector to other geographies as well as other key positions in adjacent sectors and crisis response positions. The goal of the compensation study is to re-benchmark key frontline and case management level positions, with the intention of being more effective in attracting and retaining staff, reducing system vacancies, and increasing system performance.



EXHIBITS



Exhibit 1 - Housing Trust Fund FY 2022 Ordinance Test

EXHIBIT 1

Housing Trust Fund FY22 Ordinance Tests

Housing Program Funds (below):	\$	1,711,181
Admin/Legal:		\$1,339,459
Other Expenses (City Staff Time)		\$16,545
Total HTF:	\$	3,067,185

Program	Project	Income Level/Percentage of Area Median Income		
		Very Low	Low	Med.-Mod.
		0-50% AMI	51-80% AMI	81-100% AMI
Rental Housing Production				
	Ulric St (II)	\$ 1,000,000	\$ -	\$ -
	Radisson/Tizon	\$ -	\$ -	\$ -
	Nestor Senior	\$ -	\$ -	\$ -
Transitional Housing				
	Serial Inebriate Program (MHS)	\$ 116,852		
	Transitional Living Center (The Salvation Army)	\$ 232,309		
	Turning Point (YMCA)	\$ 47,821		
Interim Housing				
	Cortez Hill (YWCA/Alpha Project)	\$ 314,199		
TOTAL HOUSING PROGRAM FUNDS		\$ 1,711,181	\$ -	\$ -

Ordinance Tests	
Required Percent	Actual Percent
Transitional Housing - 10% minimum	42%
Very Low Income - 60% minimum	100%
Low Income - 20% Maximum	0%
Med/Mod Inc. Homebuyers - 10% Maximum	0%



Exhibit 2 - Affordable Housing Fund FY 2022 Detail of Funded Projects

Exhibit 2

AFFORDABLE HOUSING FUND FY2022 DETAIL OF COMMITMENTS

Activity/Sponsor	Project	Community Area	Amount Committed / Expended	Units/Beds Assisted	Council District	Income Level
Rental Housing Production						
Affirmed Housing Group	Radisson/Tizon	Rancho Bernardo	\$ 500,000	175	5	44 VLI/131 LI
National CORE	Nestor Senior	Otay Mesa	\$ 1,330,000	73	8	25 ELI/48 VLI
Community Housing Works	Ulric St (II)	Linda Vista	\$ 4,075,000	59	7	21 VLI/38 LI
TOTAL			\$ 5,905,000	307		25 ELI/113 VLI/ 169 LI
Homeownership						
San Diego Housing Commission	Loans/Closing Cost Grants	Citywide	\$ 1,085,338	28	3, 4, 5, 6, 8	3 VLI/25 LI
Transitional and Interim Housing						
Mental Health Systems	Serial Inebriate Program	City Heights	\$ 116,852	121	3	116 ELI/1 VLI/4 LI
The Salvation Army	Transitional Living Center	Kearny Mesa	\$ 232,309	36	6	32 ELI/4 VLI
YMCA	Turning Point	City Heights	\$ 47,821	32	3	32 ELI
Alpha Project	Cortez Hill	Cortez Hill	\$ 314,199	40	8	37 ELI/3 VLI
TOTAL			\$ 711,181	229		217 ELI/8 VLI/ 4 LI
Family Reunification Program						
Downtown San Diego Partnership	Family Reunification Program	Downtown	\$ 63,132	51	3	51 ELI
TOTAL			\$ 63,132	51		51 ELI
Housing First San Diego						
San Diego Housing Commission	Moving Home / Rapid Rehousing	Citywide	\$ 513,798	122	Citywide	106 ELI/14 VLI/ 2 LI
San Diego Housing Commission	Landlord Engagement & Assistance	Citywide	\$ 2,415,347	1170	Citywide	1105 ELI/49 VLI /16 LI
San Diego Housing Commission	Prevention & Diversion	Citywide	\$ 32,055	12	Citywide	4 ELI/ 8 VLI
San Diego Housing Commission	Flexible Spending/Shelter Subsidy	Citywide	\$ 47,004	7	Citywide	5 ELI/2 VLI
TOTAL			\$ 3,008,205	1311		1220 ELI/ 73 VLI/ 18 LI
TOTAL			\$ 10,772,856			

ELI	Extremely Low Income (0-30%)
VLI	Very Low Income (31-50%)
LI	Low Income (51-80%)
MI	Moderate Income (81-120%)



Exhibit 3 - Affordable Housing Fund FY 2022 Summary of Funding & Leverage

EXHIBIT 3

AFFORDABLE HOUSING FUND FY2022 SUMMARY OF COMMITMENTS & LEVERAGE

Activity	Amount Committed	Assisted Units/Households	Leverage			
			Private	Local-Other	State	Federal
Rental Housing Production	\$ 5,905,000	307	\$ 38,821,038	\$ 11,688,346	\$ 10,172,280	\$ 6,000,000
Homeownership	\$ 1,085,338	28	\$ -	\$ -	\$ -	\$ 137,079
Transitional Housing	\$ 396,981	189	\$ 31,835	\$ 1,333,733	\$ 310,628	\$ 2,056,361
Interim Housing	\$ 314,199	40	\$ -	\$ -	\$ -	\$ 172,238
Rapid Re Housing	\$ 513,798	122	\$ -	\$ 325	\$ 1,427,361	\$ 1,088,200
Landlord Engagement & Assistance	\$ 2,415,347	1170	\$ -	\$ -	\$ 501,866	\$ -
Prevention & Diversion	\$ 32,055	12	\$ -	\$ -	\$ 187,948	\$ 263,444
Family Reunification	\$ 63,132	51	\$ -	\$ -	\$ 500,000	\$ -
Flexible Spending/Shelter Subsidy	\$ 47,004	7	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 10,772,856	1926	\$ 38,852,873	\$ 13,022,404	\$ 13,100,083	\$ 9,717,321
			TOTAL LEVERAGE	\$ 74,692,681		



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Exhibit 4 - San Diego IHF Affordable Housing Fee Collections

CD	COMMUNITY	FY04-FY21	FY2022	TOTAL
8	Barrio Logan	\$ 66,086.81	\$ -	\$ 66,086.81
5	Carmel Mountain Ranch	\$ 224,525.00	\$ -	\$ 224,525.00
1	Carmel Valley	\$ 3,101,086.30	\$ -	\$ 3,101,086.30
2	Centre City	\$ 56,046,346.46	\$ 3,208,087.30	\$ 52,838,259.16
3 & 9	City Heights	\$ 41,521.50	\$ -	\$ 41,521.50
6	Clairemont Mesa	\$ 6,925,710.59	\$ -	\$ 6,925,710.59
9	College	\$ 4,478,592.92	\$ 79,856.43	\$ 4,398,736.49
7	Eastern Area	\$ 15,596.00	\$ -	\$ 15,596.00
4	Encanto	\$ -	\$ -	\$ -
3 & 8	Golden Hill	\$ 1,290,382.67	\$ 160,498.96	\$ 1,129,883.71
6	Kearny Mesa	\$ 5,683,019.47	\$ -	\$ 5,683,019.47
3 & 9	Kensington-Talmadge	\$ 3,053.75	\$ -	\$ 3,053.75
1	La Jolla	\$ 2,947,050.03	\$ 2.55	\$ 2,947,047.48
6	Linda Vista	\$ 6,524,852.76	\$ -	\$ 6,524,852.76
3 & 7	Mid-City	\$ 5,990,459.16	\$ 7,523.28	\$ 5,982,935.88
2	Midway/Pacific Hwy Corr.	\$ 7,129,249.17	\$ 6,510,185.65	\$ 619,063.52
6	Miramar Ranch North	\$ -	\$ -	\$ -
5	Mira Mesa	\$ 854,946.09	\$ -	\$ 854,946.09
2	Mission Beach	\$ 1,047,511.35	\$ 2.16	\$ 1,047,509.19
6	Mission Valley	\$ 19,485,382.64	\$ 1,918,423.73	\$ 17,566,958.91
7 & 9	Navajo	\$ 11,030,325.12	\$ -	\$ 11,030,325.12
3	Normal Heights	\$ 41,430.01	\$ -	\$ 41,430.01
3	North Park	\$ 2,549,836.11	\$ 41,277.58	\$ 2,508,558.53
2	Ocean Beach	\$ 451,514.82	\$ -	\$ 451,514.82
2	Old Town	\$ 88,566.08	\$ -	\$ 88,566.08
8	Otay Mesa	\$ 3,355,777.84	\$ -	\$ 3,355,777.84
8	Otay Mesa/Nestor	\$ 2,725,380.61	\$ -	\$ 2,725,380.61
2	Pacific Beach	\$ 2,941,345.19	\$ 31,568.18	\$ 2,909,777.01
1	Pacific Highlands Ranch	\$ -	\$ -	\$ -
2	Peninsula	\$ 2,833,448.67	\$ -	\$ 2,833,448.67
5	Rancho Bernardo	\$ -	\$ -	\$ -
5 & 6	Rancho Penasquitos	\$ 8,625.00	\$ -	\$ 8,625.00
5	Sabre Springs	\$ 696,636.59	\$ 12.73	\$ 696,623.86
8	San Ysidro	\$ 153,289.48	\$ -	\$ 153,289.48
5	Scripps Miramar Ranch	\$ 2,949,449.34	\$ -	\$ 2,949,449.34
6	Serra Mesa	\$ 370,697.58	\$ -	\$ 370,697.58
4	Skyline/Paradise Hills	\$ 1,355,396.26	\$ -	\$ 1,355,396.26
4 & 8	Southeastern San Diego	\$ 837,736.33	\$ 30,503.83	\$ 807,232.50
7	Tierrasanta	\$ 2,382,895.40	\$ -	\$ 2,382,895.40
1	Torrey Pines	\$ 11,424.84	\$ -	\$ 11,424.84
1	University City	\$ 8,153,304.40	\$ -	\$ 8,153,304.40
2 & 3	Uptown	\$ 2,242,418.94	\$ 23,677.32	\$ 2,218,741.62
3	Ballpark Village contribution to 16th & Market in Centre City	\$ 20,244,757.00		\$ 20,244,757.00
	Interest*	\$ 605,025.11	\$ 17,347.33	\$ 587,677.78
	Accrued Interest	\$ 1,717.20	\$ 1,717.20	
	AR-FICA	\$ 17,065.13	\$ -	\$ 17,065.13
	Total Fees	\$ 12,011,619.70	\$ 12,011,619.70	
	Total Fees, Interest & AR-FICA	\$175,882,268.29	12,030,684.23	\$187,912,952.52

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Exhibit 5 - FY 2022 Rental Housing Production Current Year Activities

	<p>Project Name: Tizon Apartments Project Address: 11520 West Bernardo Court Neighborhood/Council District: Rancho Bernardo /District 5 Estimated Completion Date: December 31, 2022 Bedroom Mix: 178 total units. Affordable units: 175 studios AMI Range: 40%-60% AHF investment: \$500,000 Target Population: Low-income seniors</p>
	<p>Project Name: Nestor Senior Village Project Address: 1120 Nestor Way Neighborhood/Council District: Otay Mesa-Nestor/District 8 Estimated Completion Date: October 31, 2023 Bedroom Mix: 74 total units. Affordable units: 73 studios AMI Range: 25%-30% AHF investment: \$1,330,000 Target Population: Low income seniors, including seniors experiencing homelessness</p>
	<p>Project Name: Ulric Street Apartments II Project Address: 2601-2641 Ulric Street Neighborhood/Council District: Linda Vista/District 7 Estimated Completion Date: September 20, 2023 Bedroom Mix: 60 total units. Affordable units: 59 one-bedroom AMI Range: 30%-60% AHF investment: \$4,075,000 Target Population: Seniors experiencing homelessness</p>



Exhibit 6 - Inclusionary Reporting



City of San Diego Affordable Housing Fund – FY 2022 Annual Report

		# of applicants and developments that came before the City for ministerial or discretionary approval	# of applicants and developments that were subject to the requirements of this division (Inclusionary Affordable Housing Regulations)	# of Affordable Units	# of Market Rate Units	Total Inclusionary Affordable Housing Fees Paid
CD	Zip	61,475	566	454	4717	\$12,011,620
1	92014	528	1			
1	92037	3097	5			
1	92067	3				
1	92093	12				
1	92109	9				
1	92121	1430				
1	92122	1466				
1	92129					
1	92130	3330	61			
1	92145	4				
1	92161					
2	92101	167				
2	92106	1048	1			
2	92107	1239	3			
2	92109	1770	5			
2	92110	1175	5			
2	92111	74				
2	92117	911				
2	92140	20				
3	92101	4345	147			
3	92102	637	8			
3	92103	2104	5			
3	92104	2110	3			
3	92105	17				
3	92108	23				
3	92110	171				
3	92113	43				
3	92116	1056	3			
4	92102	459				
4	92105	390				
4	92113	231	1			
4	92114	2145	4			7
4	92115	384				
4	92139	835				


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5	92027	58		
5	92029			
5	92064	6		
5	92127	1160		
5	92128	2089		
5	92129	1590	69	
5	92130	94		
5	92131	1651		
6	92111	1411	1	
6	92117	1225		
6	92121	1681		
6	92123	545		
6	92126	2735	201	
6	92129	591	1	
6	92145	18		
7	91942	1		
7	92071	1		
7	92108	1337	2	430
7	92110	26		
7	92111	794	3	
7	92119	1085		
7	92120	1392	4	5
7	92123	1133	1	9
7	92124	834		
7	92145	9		
8	92101			
8	92102	416		
8	92113	740		
8	92136	30		
8	92154	2836	24	
8	92173	599	1	
9	92102	229		
9	92104	181		
9	92105	1071	2	
9	92113	584		
9	92115	1736	5	3
9	92116	309		
9	92120	36		
9	92182	9		



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		# of Applicants and Developments that Applied for Waiver, Variance, Reduction or Adjustments	# of Applicants and Location of Developments that were Granted a Waiver, Variance, Reduction or Adjustment	Terms of granted waivers, variances, reductions or adjustments
CD	Zip	0	0	
1	92014			
1	92037			
1	92067			
1	92093			
1	92109			
1	92121			
1	92122			
1	92129			
1	92130			
1	92145			
1	92161			
2	92101			
2	92106			
2	92107			
2	92109			
2	92110			
2	92111			
2	92117			
2	92140			
3	92101			
3	92102			
3	92103			
3	92104			
3	92105			
3	92108			
3	92110			
3	92113			
3	92116			
4	92102			
4	92105			
4	92113			
4	92114			
4	92115			
4	92139			



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5	92027			
5	92029			
5	92064			
5	92127			
5	92128			
5	92129			
5	92130			
5	92131			
6	92111			
6	92117			
6	92121			
6	92123			
6	92126			
6	92129			
6	92145			
7	91942			
7	92071			
7	92108			
7	92110			
7	92111			
7	92119			
7	92120			
7	92123			
7	92124			
7	92145			
8	92101			
8	92102			
8	92113			
8	92136			
8	92154			
8	92173			
9	92102			
9	92104			
9	92105			
9	92113			
9	92115			
9	92116			
9	92120			
9	92182			



Exhibit 7 - San Diego Housing Income and Rent Calculations

U.S. Department of Housing and Urban Development				
2022 San Diego Median Income:				
\$106,900				
*Income Limits 80% and Below are Based on HUD Formula Income Limits Adjusted for High Housing Cost Area				

	Extremely Low Income			Very Low Income
Family Size	30% Income	35% Income	40% Income	50% Income
ONE	\$27,350	\$31,900	\$36,450	\$45,550
TWO	\$31,250	\$36,450	\$41,650	\$52,050
THREE	\$35,150	\$41,000	\$46,850	\$58,550
FOUR	\$39,050	\$45,550	\$52,050	\$65,050
FIVE	\$42,200	\$49,200	\$56,250	\$70,300
SIX	\$45,300	\$52,850	\$60,400	\$75,500
SEVEN	\$48,450	\$56,500	\$64,550	\$80,700
EIGHT	\$51,550	\$60,150	\$68,750	\$85,900

				Low Income
Family Size	60% Income	65% Income	70% Income	80% Income
ONE	\$54,660	\$59,200	\$63,750	\$72,900
TWO	\$62,460	\$67,650	\$72,850	\$83,300
THREE	\$70,260	\$76,100	\$81,950	\$93,700
FOUR	\$78,060	\$84,550	\$91,050	\$104,100
FIVE	\$84,360	\$91,300	\$98,350	\$112,450
SIX	\$90,600	\$98,100	\$105,600	\$120,800
SEVEN	\$96,840	\$104,850	\$112,900	\$129,100
EIGHT	\$103,080	\$111,600	\$120,200	\$137,450

	Moderate Income	Moderate Income	Moderate Income	Moderate Income
Family Size	90% Income	100% Income	110% Income	120% Income
ONE	\$73,875	\$74,850	\$82,300	\$89,800
TWO	\$84,400	\$85,500	\$94,100	\$102,650
THREE	\$94,950	\$96,200	\$105,850	\$115,450
FOUR	\$105,500	\$106,900	\$117,600	\$128,300
FIVE	\$113,950	\$115,450	\$127,000	\$138,550
SIX	\$122,400	\$124,000	\$136,400	\$148,850
SEVEN	\$130,825	\$132,550	\$145,800	\$159,100
EIGHT	\$139,275	\$141,100	\$155,250	\$169,350

Effective 04/18/2022

updated 04/2022