



REPORT TO THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO

DATE ISSUED: April 25, 2023

REPORT NO: HAR23-005

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of June 12, 2023

SUBJECT: San Diego Housing Commission Proposed Fiscal Year 2024 Budget

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

Approve the San Diego Housing Commission's (Housing Commission) proposed Fiscal Year 2024 Budget and delegate authority from the Housing Authority to the Housing Commission to amend the Fiscal Year 2024 Budget for amounts consistent with prior year delegation.

STAFF RECOMMENDATION

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Approve the San Diego Housing Commission's (Housing Commission) proposed \$595 million Fiscal Year (FY) 2024 Budget (Attachment 1).
- 2) Delegate authority to the Housing Commission Board of Commissioners (Board) to approve amendments to the FY 2024 Budget for the following amounts, consistent with prior delegation of authority from the Housing Authority:
 - a. Line-item transfers not to exceed \$500,000 of budget authority that do not impact the overall size of the Housing Authority approved FY 2024 Budget;
 - b. Additional funding for the FY 2024 Budget resulting from applications submitted with the approval of the Housing Authority (per Housing Authority Resolution 1569); and
 - c. Additions from other sources, not to exceed \$500,000 on an individual basis, to the FY 2024 Budget.
- 3) Delegate authority to the Housing Commission's President and Chief Executive Officer (Interim President & CEO) to amend the FY 2024 Budget for amounts not to exceed \$250,000 consistent with policies, programs and activities approved by the Housing Commission and Housing Authority.

SUMMARY

The FY 2024 Proposed Budget anticipates available funding sources of \$595 million, an increase of \$0.1 million, or 0 percent, from the approved FY 2023 budget. The increase is primarily due to higher Moving to Work (MTW) and Emergency Housing Voucher (EHV) funding and increased City Local funds to address homelessness. These increases are offset by the removal of COVID-19 Housing Stability Assistance Program (HSAP) expenditures following the program’s conclusion in FY 2023 and the one-time funding to retire loans on Housing Commission-owned affordable housing properties in FY 2023, which was not renewed in FY 2024.

The Proposed FY 2024 Budget anticipates total uses of \$471 million (excluding ending fund balance), a decrease of \$8 million, or 2 percent, from the FY 2023 budget. The decrease is primarily due to the one-time expenditure in FY 2023 to retire loans on Housing Commission-owned affordable housing properties, which was not renewed in FY 2024, and the conclusion of the COVID-19 Housing Stability Assistance Program in FY 2023. This is offset by an increase in Section 8 Housing Choice Voucher payment standards and an increase in project-based housing vouchers and expenses relating to new homelessness programs.

FUNDING SOURCES

The proposed FY 2024 Budget anticipates funding sources of \$595 million:

<u>Revenues</u>	<u>FY 2024 Budget</u>	<u>FY 2023 Budget</u>	<u>Increase/(Decrease)</u>
Federal Revenues	\$ 351,936,000	\$ 336,274,000	\$ 15,662,000
San Diego Local Revenues	74,413,000	63,863,000	10,550,000
State Revenues	29,500,000	31,622,000	(2,122,000)
Fund Balance from Prior Years	139,037,000	162,996,000	(23,959,000)
Total Funding Sources	\$ 594,886,000	\$ 594,755,000	\$ 131,000

The majority of the Housing Commission’s funding is restricted by funding source with respect to its use.

The increase in Federal Revenues is primarily due to an increase in funding for MTW vouchers and EHV’s, offset by the removal of one-time funding to retire loans on Housing Commission-owned properties in FY 2023, which was not renewed in FY 2024. The increase is also impacted by an increase in HOME revenues due to the timing of loans to be funded.

The increase in Local Revenues is primarily due to higher City General Funds used to fund homelessness programs.

The decrease in Fund Balance is primarily due to the conclusion of the COVID-19 Housing Stability Assistance Program (HSAP) in FY 2023.

FUNDING USES

The following table summarizes the funding uses by expenditure type:

<u>Uses</u>	<u>FY 2024 Budget</u>	<u>FY 2023 Budget</u>	<u>Increase/(Decrease)</u>
Housing Program Expense	\$ 353,023,000	\$ 341,932,000	\$ 11,091,000
Personnel Costs	53,696,000	47,460,000	6,236,000
Capital Expenditures	21,291,000	23,506,000	(2,215,000)
Property Expense, Professional Services, Supplies & Other	42,763,000	66,225,000	(23,462,000)
Total Costs	470,773,000	479,123,000	(8,350,000)
Ending Fund Balance	124,113,000	115,632,000	8,481,000
Total Funding Uses	\$ 594,886,000	\$ 594,755,000	\$ 131,000

The proposed “Housing Program Expense” category includes an increase in expenditures primarily related to Section 8 Housing Choice Voucher payment standards and the award of additional EHVs and Veterans Affairs Supportive Housing (VASH) vouchers to the Housing Commission. An increase in project-based housing vouchers and expenses relating to new homeless programs, including the Housing Instability Prevention Program, expansion of Prevention & Diversion and inclusion of new homeless shelters are also included in the “Housing Program Expense” category. These are offset by a decrease following the conclusion of HSAP in FY 2023.

The decrease in the “Property Expenses, Professional Services, Supplies and Other” category is primarily due to costs associated with the one-time expenditure of funds to retire loans on Housing Commission-owned affordable housing properties included in the FY 2023 budget, which was not renewed in FY24. This is offset by an increase in property maintenance costs and utility expenses.

The increase in ending fund balance is primarily due to reserves relating to funds committed for the creation of affordable housing through the Notice of Funding Availability process as well as an increase in MTW administrative funds.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

On April 6, 2023, the Housing Commission’s proposed FY 2024 budget was presented as an informational workshop to the Housing Commission Board.

On May 12, 2023, the Housing Commission Board of Commissioners vote 4-0 to recommend that the Housing Authority of the City of San Diego approve the Housing Commission's proposed Fiscal Year 2024 budget.

HOUSING COMMISSION STRATEGIC PLAN

This item relates to the Core Value "Believe in transparency and being good financial stewards" in the Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024.

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

The Housing Commission's Strategic Plan for Fiscal Year (FY) 2022-2024 includes the following statement regarding the Housing Commission's commitment to equity and inclusivity: "At SDHC, we are about people. SDHC embraces diverse approaches and points of view to improve our programs, projects and policies.

- We believe in delivering programs and services in innovative and inclusive ways.
- We are committed to advancing equity and inclusion both internally and externally."

ENVIRONMENTAL REVIEW

Approval of the FY 2024 Housing Commission budget 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 budget is also exempt under the National Environmental Policy Act as not subject to Title 24 of the Code of Federal Regulations section 58.5 under Title 24 of the Code of Federal Regulations Section 58.34(a)(2) and 58.34(a)(3). The parties agree that the provision of any federal funds as the result of this action is conditioned on the City of San Diego's final NEPA review and approval.

Respectfully submitted,



Suket Dayal
Executive Vice President of Business Administration
and Chief Financial Officer
San Diego Housing Commission

Approved by,



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

Attachments: 1) Fiscal Year 2024 Proposed Budget
2) Fiscal Year 2024 Budget Report

April 25, 2023

San Diego Housing Commission Proposed Fiscal Year 2024 Budget

Page 5

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



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San Diego Housing Commission (SDHC) Fiscal Year (FY) 2024 Proposed Budget (July 1, 2023 – June 30, 2024)

Presentation to San Diego City Council Budget Review Committee
May 9, 2023

Suket Dayal
Executive Vice President of Business Administration and
Chief Financial Officer
San Diego Housing Commission

Christelle Van Der Windt
Vice President of Financial Operations
Financial Services Department



SDHC – FY 2024 Proposed Budget Agenda

- Section 1 – Overview
- Section 2 – Objectives, Deliverables and Uses of Funds
- Section 3 – Sources of Funds





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SDHC FY 2024 Proposed Budget Section 1 – Overview



SDHC – FY 2024 Proposed Budget Overview

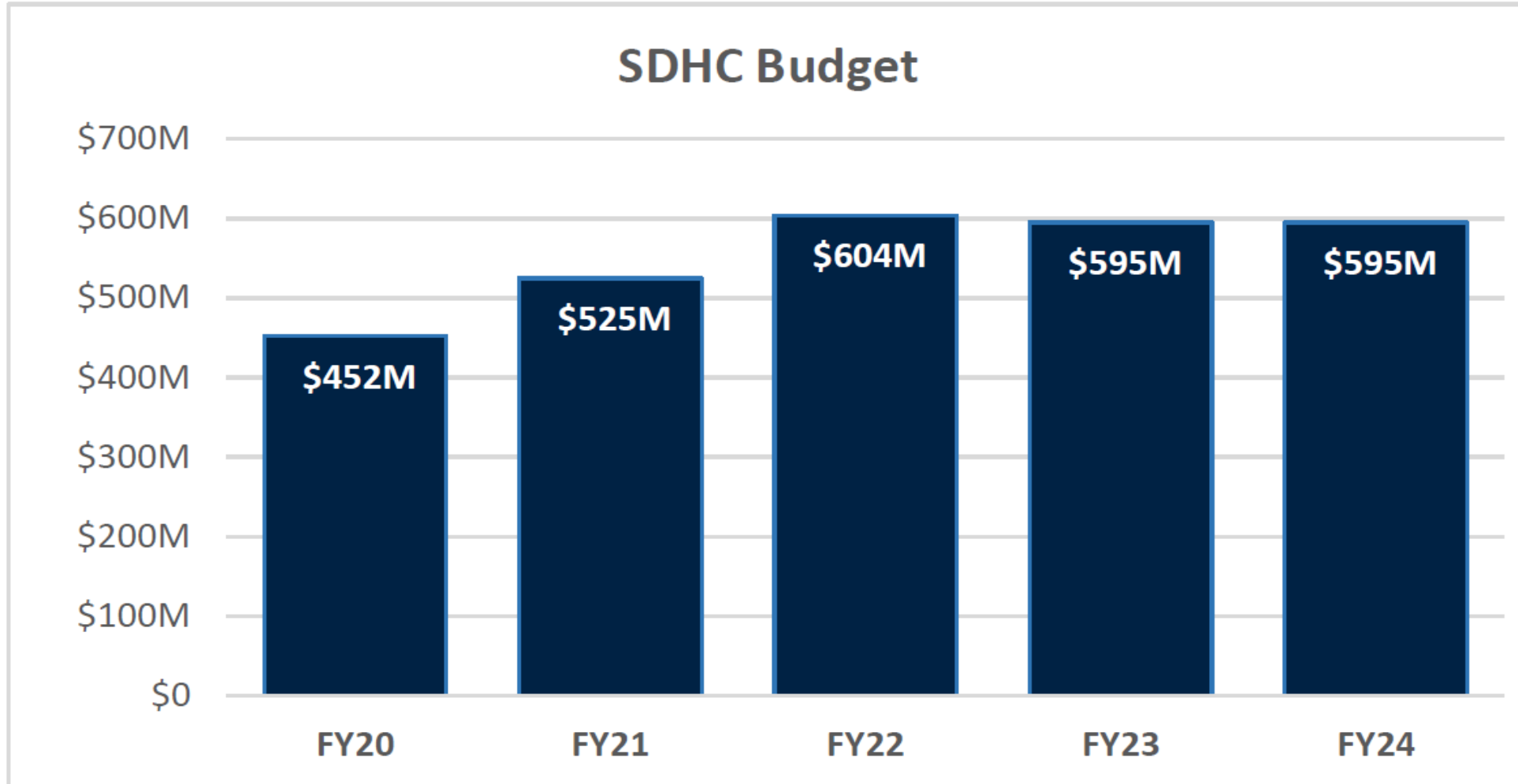
\$595 Million in Total Funding Sources



SDHC Headquarters
1122 Broadway
Downtown San Diego



SDHC – FY 2024 Proposed Budget Trend Analysis





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SDHC FY 2024 Proposed Budget

Section 2 – Objectives, Deliverables and Uses of Funds



SDHC – FY 2024 Proposed Budget Objectives, Deliverables and Uses of Funds

■ **Provide Rental Assistance to Households with Low Income:**

- Dedicate \$232.6 million to assist more than 17,000 households.
- Continue supportive housing programs: Assist populations, such as individuals experiencing chronic homelessness, individuals with serious mental illness experiencing homelessness, and transition-age youth.
- Assist 500 households by allocating more than \$10 million to the Emergency Housing Voucher Program.
- Lease 449 new Project-Based Voucher units for households with low income or experiencing homelessness in Fiscal Year 2024.
- Continue Landlord Partnership Program to attract and retain landlords to the rental assistance program.
- Help families to become more financially self-reliant through the SDHC Achievement Academy, a learning and resource center and computer lab.



SDHC – FY 2024 Proposed Budget

Objectives, Deliverables and Uses of Funds (Continued)

■ **Create and Preserve Affordable Housing:**

- Award up to \$29 million to developers to create 290 new permanent affordable housing units.
- Allocate \$14 million towards the acquisition of affordable housing properties.
- Continue to own and/or manage 4,120 affordable housing units in the City of San Diego.
- Invest \$7 million to rehabilitate up to 800 SDHC-owned units.
- Dedicate \$4.5 million to help up to 35 households become first-time homebuyers.
- Award \$2 million to San Diegans for the creation of up to 8 Accessory Dwelling Units.



SDHC – FY 2024 Proposed Budget

Objectives, Deliverables and Uses of Funds (Continued)

■ Address Homelessness:

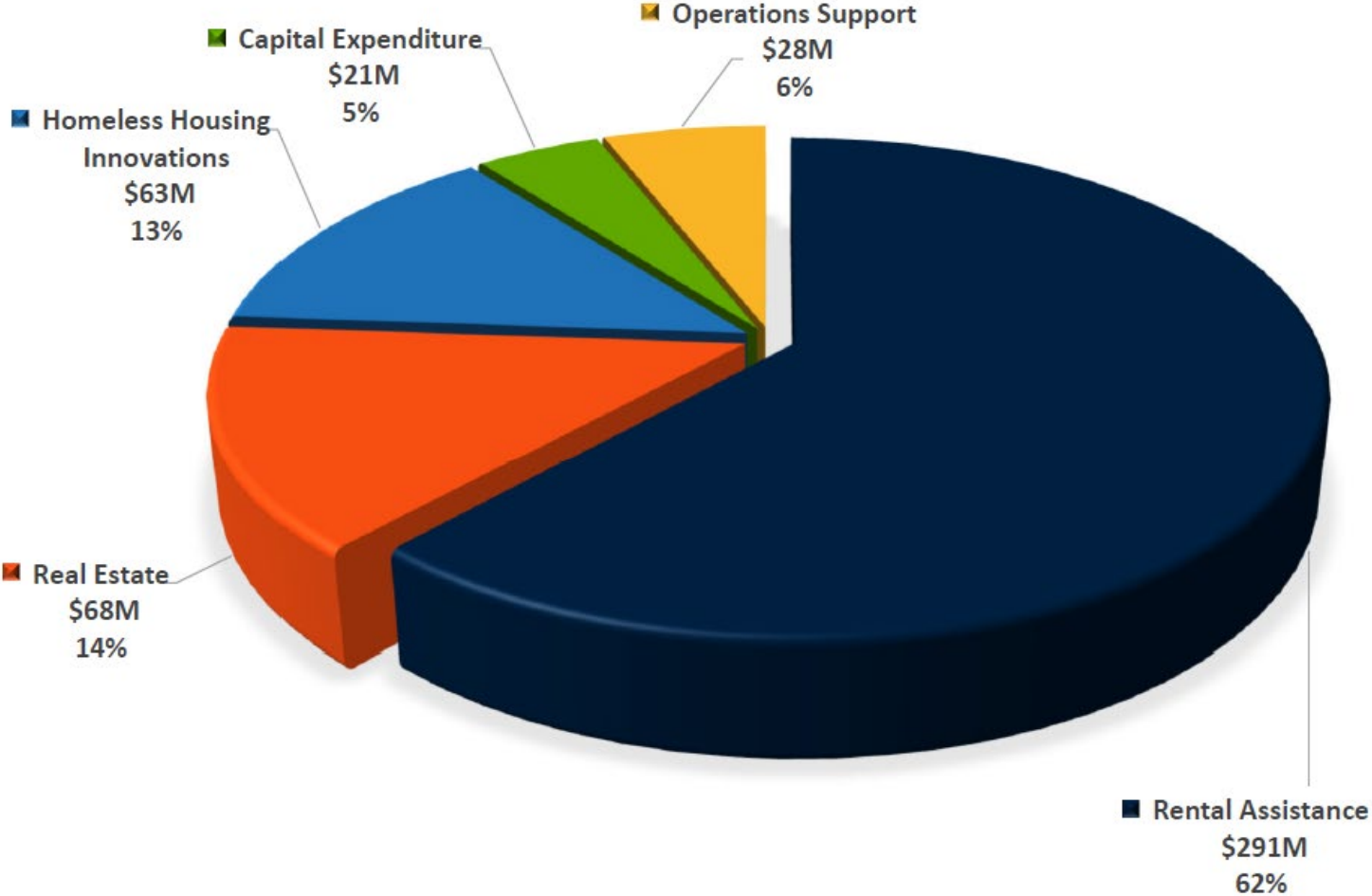
- Dedicate \$147.9 million to address homelessness in the City of San Diego to include:
 - Further the goals of the Community Action Plan on Homelessness for the City of San Diego by allocating \$5.5 million in Rapid Rehousing, \$2.1 million for the Homeless Response Center, and \$3.4 million for other Supportive Services programs.
 - Continue to grow HOUSING FIRST – SAN DIEGO with \$4.2 million toward Landlord Engagement, up to \$4 million toward Housing Instability Prevention Program (HIPP), and \$4.9 million for Prevention and Diversion.
 - Administer \$15.9 million towards Bridge Shelters, \$14.7 million towards Interim Shelters, and \$4.4 million for Continuum of Care Permanent Supportive Housing.



SDHC – FY 2024 Proposed Budget

Funding Uses by Division (Excluding Ending Reserves)

\$471 Million (\$ in Millions)



SDHC – FY 2024 Proposed Budget

Funding Uses by Fiscal Year

	FY24 Budget	FY23 Budget	\$ Change	% Change
Personnel Costs	\$53,696,000	\$47,460,000	\$6,236,000	13%
Non-Personnel Costs				
Housing Program Expense	353,023,000	341,932,000	11,091,000	3%
Property Expense, Professional Services, Supplies and Other	42,763,000	66,225,000	(23,462,000)	(35%)
Capital Expenditures	21,291,000	23,506,000	(2,215,000)	(9%)
Non-Personnel Costs Total	417,077,000	431,663,000	(14,586,000)	(3%)
Total Uses (excluding Ending Fund Balance)	\$470,773,000	\$479,123,000	(\$8,350,000)	(2%)



SDHC – FY 2024 Proposed Budget Summary – Staffing by Division

SDHC Major Division	FY 24 Budget	FY 23 Budget	Change
Homeless Housing Innovations	58	39	19
Operations Support	101	98	3
Real Estate	105	102	3
Rental Assistance	131	127	4
Total Full-Time Equivalents	395	366	29





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SDHC FY 2024 Proposed Budget Section 3 – Sources of Funds



SDHC – FY 2024 Proposed Budget

Funding Sources Available

	FY24 Budget	FY23 Budget	FY24 vs FY23 Budget	
			\$ Variance	% Variance
FEDERAL				
Section 8/MTW	\$315,722,000	\$306,562,000	\$9,160,000	3%
HOME	26,542,000	20,785,000	5,757,000	28%
Housing Innovation Funds	8,731,000	6,683,000	2,048,000	31%
CDBG	859,000	2,164,000	(1,305,000)	(60%)
Other Federal Funds	82,000	80,000	2,000	3%
TOTAL FEDERAL	351,936,000	336,274,000	15,662,000	5%
LOCAL				
SDHC Real Estate	45,050,000	41,427,000	3,623,000	9%
Affordable Housing Fund	5,816,000	7,459,000	(1,643,000)	(22%)
City General Funds and Other Local Funds	19,412,000	11,413,000	7,999,000	70%
Bond and Other Discretionary Local Funds	4,135,000	3,564,000	571,000	16%
TOTAL LOCAL	74,413,000	63,863,000	10,550,000	17%
TOTAL STATE	29,500,000	31,622,000	(2,122,000)	(7%)
TOTAL NEW REVENUE	455,849,000	431,759,000	24,090,000	6%
CONTINGENCY RESERVES *	15,955,000	15,112,000	843,000	6%
PROGRAM AND PROPERTY RESERVES	123,082,000	147,884,000	(24,802,000)	(17%)
TOTAL BEGINNING FUND BALANCE	139,037,000	162,996,000	(23,959,000)	(15%)
TOTAL SOURCES OF FUNDS	\$594,886,000	\$594,755,000	\$131,000	0%

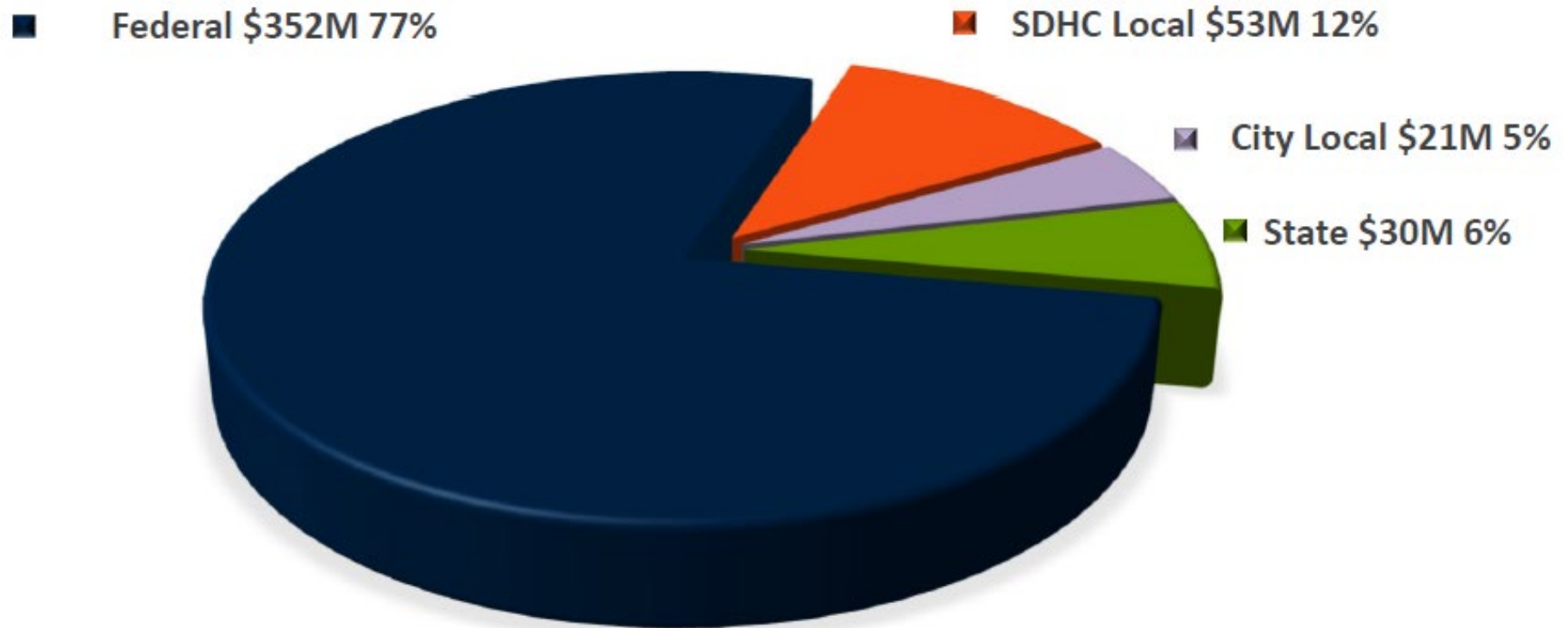
* 3.5% Contingency Reserve



SDHC – FY 2024 Proposed Budget

New Revenue by Major Category (*\$ in Millions*)

FY 2024 New Revenue Total: \$456M



Approval Request

FY 2024 Budget - \$595 Million



SDHC – FY 2024 Proposed Budget



Rental
Assistance



Creating Affordable
Housing



Homelessness
Solutions

Thank You





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SDHC FISCAL YEAR 2024 BUDGET REPORT



RIGHT LANE
BUSES
ONLY
24 HOURS
EXCEPT
OVERSEAS
HOLIDAYS

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TABLE OF CONTENTS

- 3 SDHC Strategic Plan FY 2022 - FY 2024
- 4 Message from the Interim President & CEO
- 6 Mayor and Housing Authority of the City of San Diego
- 6 SDHC Board of Commissioners
- 8 Proposed Fiscal Year 2024 Budget
- 14 SDHC Divisions and Departments
 - 14 Rental Assistance Division
 - 20 Real Estate Division
 - 26 Homeless Housing Innovations Division
 - 34 Operations and Support Divisions and Departments



PROVIDING RENTAL ASSISTANCE



CREATING & PRESERVING AFFORDABLE HOUSING



HOMELESSNESS SOLUTIONS

SDHC STRATEGIC PLAN FISCAL YEAR (FY) 2022 – FY 2024

The San Diego Housing Commission’s (SDHC) Strategic Plan provides the vision, mission, purpose, core values and strategic priorities for the agency.

Vision: Everyone in the City of San Diego has a home they can afford.

Mission: 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.

Purpose: Help individuals, families and the San Diego community thrive.

Core Values: At SDHC, we:

- Serve our clients with equity, dignity and respect.
- Are committed to excellence and innovation in all we do.
- Believe in transparency and being good financial stewards.

Strategic Priority Areas:

- Increasing and Preserving Housing Solutions.
- Helping Families Increase Opportunities for Self-Sufficiency and Quality of Life.
- Investing in Our Team.
- Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.
- Advocacy, Communication, Public Engagement.

Equity and Inclusivity: At SDHC, we are about people. SDHC embraces diverse approaches and points of view to improve our programs, projects and policies.

- We believe in delivering programs and services in innovative and inclusive ways.
- We are committed to advancing equity and inclusion both internally and externally.

MESSAGE FROM THE INTERIM PRESIDENT & CEO

Families with low income or experiencing homelessness in the City of San Diego are at the heart of the work the San Diego Housing Commission (SDHC) performs every day.

Guided by our focus on the people we serve, our Strategic Plan and conservative estimates to support prudent financial stewardship, SDHC developed its proposed Fiscal Year 2024 Budget. This \$595 million budget would enable SDHC to continue to advance our mission to foster social and economic stability for vulnerable populations in the City of San Diego through quality, affordable housing; opportunities for financial self-reliance; and homelessness solutions.

With these resources, we will continue to help pay rent for more than 17,000 households with low income or experiencing homelessness in the City of San Diego. This includes continuing our successful Emergency Housing Voucher program for households experiencing homelessness or at risk of homelessness and leasing additional Project-Based Housing Vouchers at properties opening in Fiscal Year 2024 for people with low income or experiencing homelessness. We will also continue to provide opportunities for families to become more financially self-reliant through our SDHC Achievement Academy.

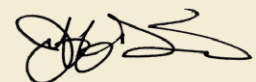
Amid the ongoing shortage of affordable housing in the City of San Diego, SDHC's budget also includes investments in the creation of additional affordable rental housing units. We have budgeted \$29 million for potential awards of loans to developers to create new units and \$14 million for the potential direct acquisition of properties for this purpose. For the affordable units we already own or manage, we're also directing funds to rehabilitation of these units to ensure they remain viable housing options for years to come. To help households with low income achieve homeownership, our budget also includes \$4.5 million to help approximately 35 first-time homebuyers.

In our continuing leadership role for collaborative efforts to address the homelessness crisis, SDHC budgeted up to \$4 million toward the Housing Instability Prevention Program, as well as \$4.9 million to fund homelessness Prevention and Diversion programs. We will also continue to fund the Homelessness Response Center, Bridge Shelters, Interim Housing programs, Rapid Rehousing and Permanent Supportive Housing to make a variety of options available to meet the diverse needs of the individuals and families experiencing homelessness throughout the City.

The housing and homelessness challenges San Diego experiences cannot be solved by one organization alone. SDHC values our collaborations and partnerships with other government agencies, service providers, developers and community organizations to maximize the impact of the limited funding reflected in our budget. The federal government is the source of more than 75 percent of our funding, with state, City of San Diego and SDHC local resources providing the remainder of the revenue necessary to continue our programs.

SDHC thanks Mayor Todd Gloria, Council President Sean Elo-Rivera and the entire City Council, and SDHC Chair Eugene "Mitch" Mitchell and the SDHC Board of Commissioners for their leadership, direction and support for housing solutions. We look forward to continuing to make a difference in the lives of thousands of San Diego households with low income in Fiscal Year 2024 through our many programs that provide housing assistance.

Sincerely,



Jeff Davis
Interim President & CEO
San Diego Housing Commission



“ SDHC values our collaborations and partnerships with other government agencies, service providers, developers and community organizations to maximize the impact of the limited funding reflected in our budget. ”

MAYOR, CITY OF SAN DIEGO



TODD GLORIA

HOUSING AUTHORITY OF THE CITY OF SAN DIEGO



SEAN ELO-RIVERA
Council President
District 9



MONICA MONTGOMERY STEPPE
Council President Pro Tem
District 4



JOE LACAVAL
Councilmember
District 1



JENNIFER CAMPBELL
Councilmember
District 2



STEPHEN WHITBURN
Councilmember
District 3



MARNI VON WILPERT
Councilmember
District 5



KENT LEE
Councilmember
District 6



RAUL CAMPILLO
Councilmember
District 7



VIVIAN MORENO
Councilmember
District 8

SDHC BOARD OF COMMISSIONERS



EUGENE "MITCH" MITCHELL
Chair of the Board



RYAN CLUMPNER
Vice Chair of the Board



STEFANIE BENVENUTO
Commissioner



JOHANNA HESTER
Commissioner

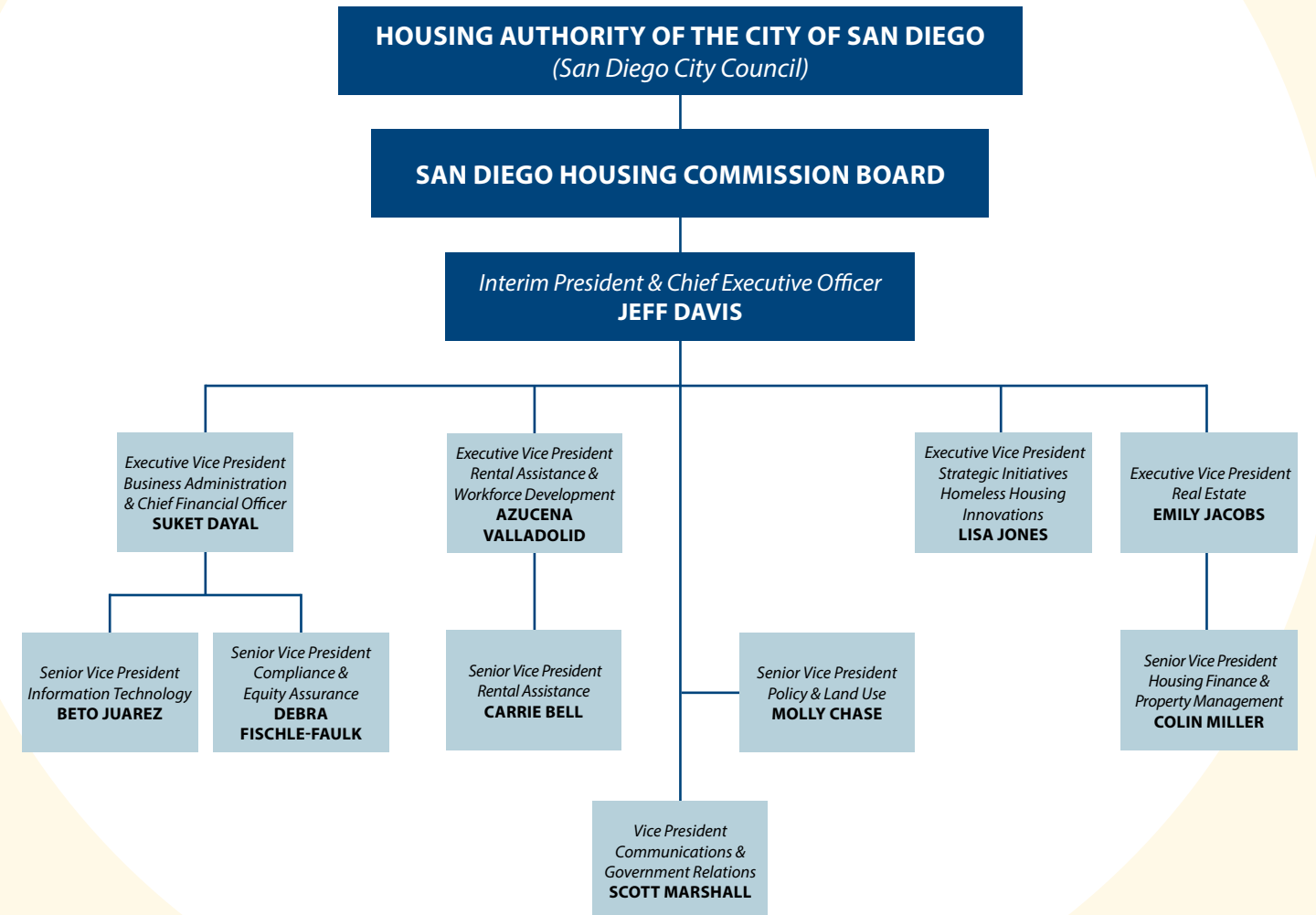


KELLEE HUBBARD
Commissioner



MELINDA VÁSQUEZ
Commissioner

SDHC ORGANIZATIONAL CHART



PROPOSED FISCAL YEAR 2024 BUDGET

The San Diego Housing Commission (SDHC) is an award-winning public housing agency that creates innovative programs to provide housing opportunities for individuals and families with low income or experiencing homelessness in the City of San Diego. SDHC helps pay rent for more than 17,000 households with low income by providing 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 that SDHC administers, up to the applicable payment standard. SDHC also leads collaborative efforts to address homelessness in the City of San Diego, administering City of San Diego and federal funds for shelters, transitional housing and permanent housing with supportive services to address homelessness among families, seniors, veterans and individuals. In addition, SDHC creates and preserves affordable multifamily rental housing through collaborations with developers and direct acquisitions, rehabilitations and/or developments. SDHC also provides loans and closing cost assistance to help first-time homebuyers achieve the dream of homeownership.

The Proposed Fiscal Year (FY) 2024 SDHC Budget anticipates available funding sources of \$595 million and consists of four main divisions:

- Rental Assistance
- Real Estate
- Homeless Housing Innovations
- Operations Support

This represents an increase of \$0.1 million, or 0%, compared to the FY 2023 Adopted Budget. This is primarily due to increased funding for Moving to Work (MTW) vouchers and Emergency Housing Vouchers as well as an increase in Project-Based Housing Vouchers and expenses relating to homelessness programs, including the Housing Instability Prevention Program, expansion of Prevention and Diversion, and the inclusion of new homelessness shelters. This is offset by the conclusion of the COVID-19 Housing Stability Assistance Program in calendar year 2022 and the retirement of outstanding debt on SDHC's Affordable Housing Properties, which was included in the FY 2023 budget.

SDHC's proposed FY 2024 Budget consists of SDHC's four major divisions, described in detail later in this report: Rental Assistance - \$291 million; Real Estate - \$89 million; Homeless Housing Innovations - \$63 million; and Operations Support - \$28 million. Funds allocated for ending reserves are budgeted at \$124 million and are committed for use to create and preserve affordable housing. These funds contain three types of reserves and are restricted by use:

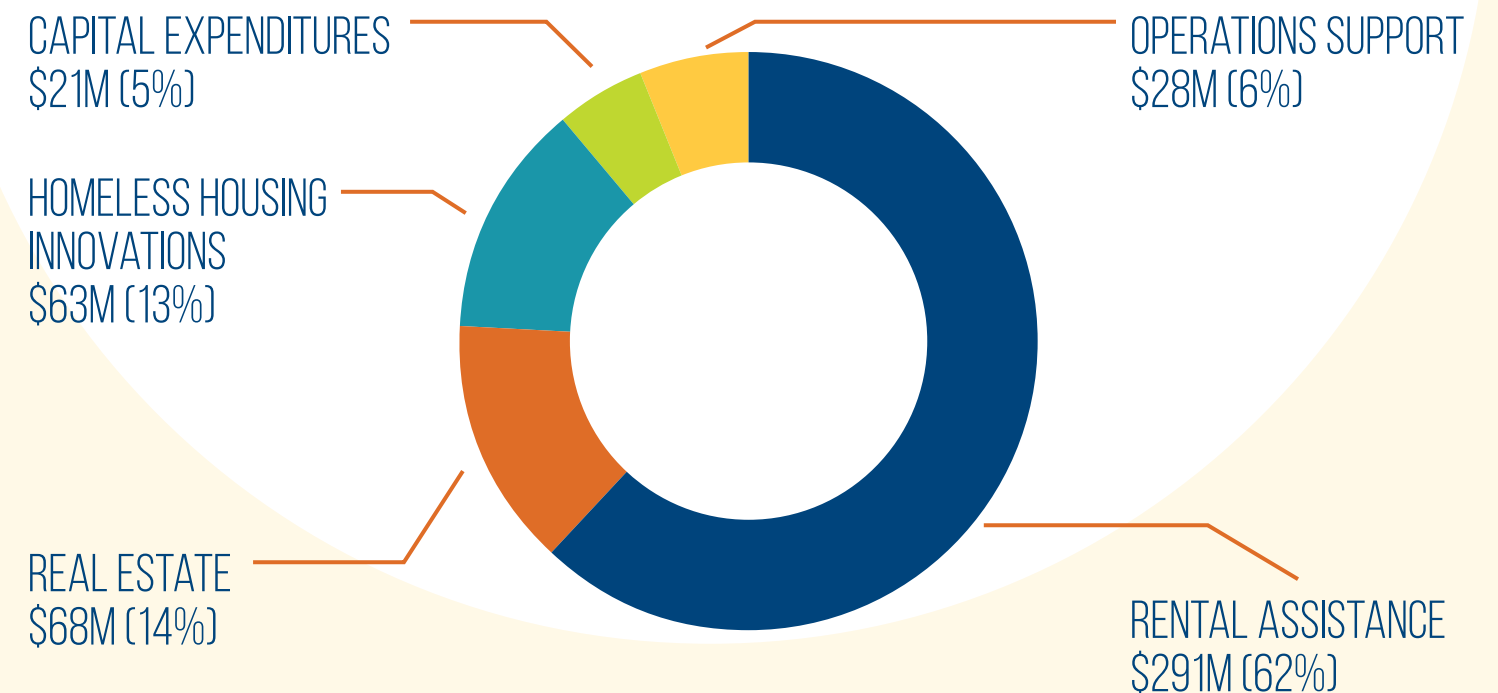
- Program Restricted Reserves to provide for housing programs
- Property Reserves to provide for replacement requirements
- Contingency Reserves, 3.5 percent of annual budgeted new revenue

PROPOSED FUNDING USES BY DIVISION

	FY24 Budget	FY23 Budget	\$ Change
Rental Assistance	\$290,493,000	\$286,459,000	\$4,034,000
Real Estate	\$89,230,000	\$114,223,000	(\$24,993,000)
Homeless Housing Innovations	\$63,199,000	\$55,168,000	\$8,031,000
Operations Support	\$27,851,000	\$23,273,000	\$4,578,000
Reserves - Ending Fund Balance*	\$124,113,000	\$115,632,000	\$8,481,000
Total Uses (Pre-Overhead Allocation)	\$594,886,000	\$594,755,000	\$131,000

* Includes Program, Property and Contingency Reserves

FUNDING USES BY DIVISION (EXCLUDES ENDING RESERVES. \$ IN MILLIONS.)



PERSONNEL

The Proposed FY 2024 budget includes a total of 395 Full-Time Equivalent (FTE) positions, representing an increase of 29 from the FY 2023 Adopted Budget. The increases primarily involve additional staffing to support growing efforts to address homelessness in the City, including eight FTE positions for the Housing Instability Prevention Program, five FTE positions for the expansion of Prevention and Diversion programs, and four FTE positions for the Moving Home rapid rehousing program, funded by a new federal funding award. The proposed budget also includes three additional staff in the Real Estate Division and four in the Rental Assistance Division. To ensure sufficient staff support as programs grow, SDHC also requests three additional staff in Operations Support for Communications, Compliance and Equity Assurance and Financial Services.

SDHC Major Division	FY24 Budget	FY23 Budget	Change
Homeless Housing Innovations	58	39	19
Operations Support	101	98	3
Real Estate	105	102	3
Rental Assistance	131	127	4
Total Full-Time Equivalents	395	366	29

PROGRAM OBJECTIVES

The proposed FY 2024 Budget will allow SDHC to:

Provide Rental Assistance to Households with Low Income:

- Dedicate \$232.6 million to assist more than 17,000 households.
- Continue supportive housing programs, including assistance for populations, such as individuals experiencing chronic homelessness, individuals with serious mental illness experiencing homelessness, and transition-age youth.
- Assist 500 households by allocating more than \$10 million to the Emergency Housing Voucher Program.
- Lease 449 new project-based housing voucher units for properties opening in FY 2024 for people with low income or experiencing homelessness.
- Continue the Landlord Partnership Program to attract and retain landlords to the rental assistance program.
- Provide opportunities to help families become more financially self-reliant through the SDHC Achievement Academy, a learning and resource center.

Create and Preserve Affordable Housing:

- Award up to \$29 million to developers to create 290 new permanent affordable rental housing units.
- Allocate \$14 million toward the acquisition of affordable housing properties.
- Continue to own and/or manage 4,120 affordable housing units in the City of San Diego.
- Invest \$7 million to rehabilitate up to 800 SDHC-owned units.
- Dedicate \$4.5 million to help up to 35 households become first-time homebuyers.
- Award \$2 million to San Diego homeowners with low income for the creation of up to eight Accessory Dwelling Units.

Address Homelessness:

- Dedicate \$147.9 million to address homelessness in the City of San Diego, including:
 - Further the goals of the Community Action Plan on Homelessness for the City of San Diego by allocating \$5.5 million to Rapid Rehousing, \$2.1 million for the Homeless Response Center, and \$3.4 million for other Supportive Services programs.
 - Continue to grow HOUSING FIRST - SAN DIEGO with \$4.2 million toward the Landlord Engagement and Assistance Program (LEAP), up to \$4 million toward Housing Instability Prevention Program (HIPP), and \$4.9 million for Prevention and Diversion.
 - Administer \$15.9 million toward Bridge Shelters, \$14.7 million toward Interim Shelters, and \$4.4 million for Continuum of Care Permanent Supportive Housing.

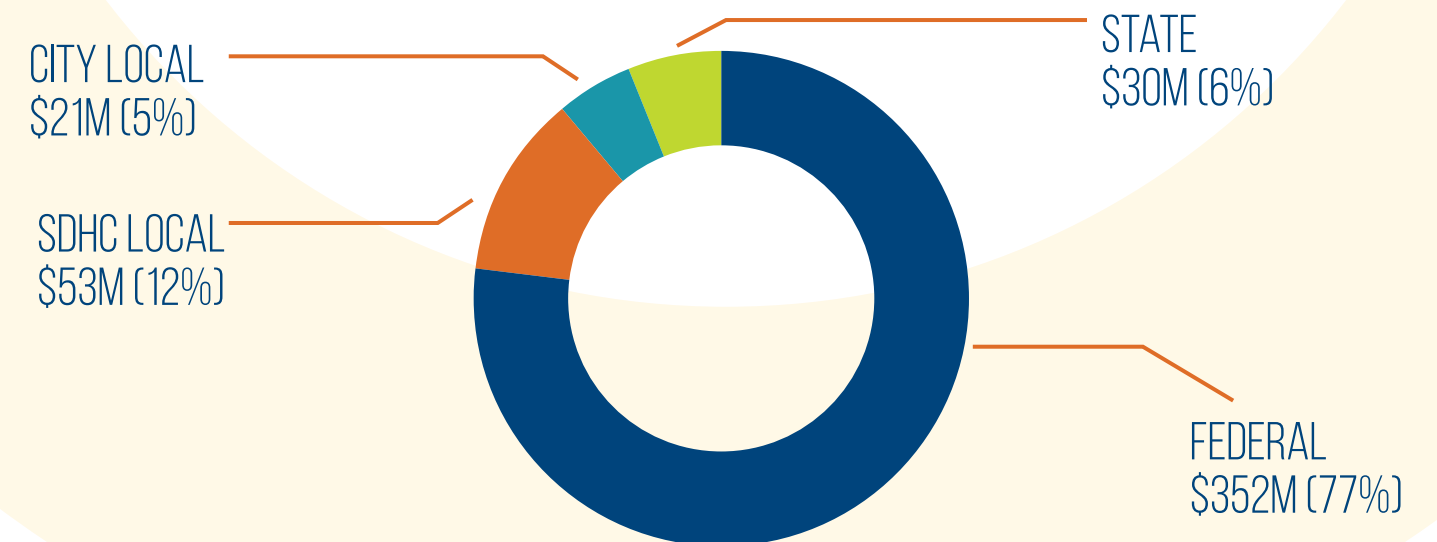
SOURCES OF FUNDS

The proposed budget anticipates available funding sources of \$595 million, which represents an \$0.1 million, or 0 percent, increase compared to the adopted FY 2023 budget. The increase is primarily due to higher MTW and EHV voucher funding and increased City Local funds used to address homelessness. The increase is also impacted by an increase in HOME revenues due to the timing of loans to be funded. This is offset by the removal of COVID-19 Housing Stability Assistance Program expenditures following the program's conclusion in calendar year 2022 and the retirement of outstanding debt, which was approved in the FY 2023 Adopted Budget. Funding sources are classified into three categories, Federal, Local and State.

	FY 24 Budget	FY 23 Budget	FY24 vs FY 23 Budget	
			\$ Variance	% Variance
Section 8/MTW	\$315,722,000	\$306,562,000	\$9,160,000	3%
HOME	\$26,542,000	\$20,785,000	\$5,757,000	28%
Housing Innovations Funds	\$8,731,000	\$6,683,000	\$2,048,000	31%
CDBG	\$859,000	\$2,164,000	(\$1,305,000)	(60%)
Other Federal Funds	\$82,000	\$80,000	2,000	3%
TOTAL FEDERAL	\$351,936,000	\$336,274,000	\$15,662,000	5%
LOCAL				
SDHC Real Estate	\$45,050,000	\$41,427,000	\$3,623,000	9%
Affordable Housing Fund	\$5,816,000	\$7,459,000	(\$1,643,000)	(22%)
City General Funds and Other Local Funds	\$19,412,000	\$11,413,000	\$7,999,000	70%
Bond and Other Discretionary Local Funds	\$4,135,000	\$3,564,000	\$571,000	16%
TOTAL LOCAL	\$74,413,000	\$63,863,000	\$10,550,000	17%
TOTAL STATE	\$29,500,000	\$31,622,000	(\$2,122,000)	7%
TOTAL NEW REVENUE	\$455,849,000	\$431,759,000	\$24,090,000	6%
CONTINGENCY RESERVES*	\$15,955,000	\$15,112,000	\$843,000	6%
PROGRAM AND PROPERTY RESERVES	\$123,082,000	\$147,884,000	(\$24,802,000)	(17%)
TOTAL BEGINNING FUND BALANCE	\$139,037,000	\$162,996,000	(\$23,959,000)	(15%)
TOTAL SOURCES OF FUNDS	\$594,886,000	\$594,755,000	\$131,000	0%

* 3.5% Contingency Reserve

NEW FUNDING SOURCES FOR FY24 (EXCLUDING BEGINNING FUND BALANCE. \$ IN MILLIONS.)



BUDGET PROCESS

Governing Body and Strategic Guidance

Established in 1979, SDHC is governed by the San Diego City Council, sitting as the Housing Authority of the City of San Diego (Housing Authority). SDHC Interim President & Chief Executive Officer (CEO) Jeff Davis is the Interim Executive Director of the Housing Authority.

The Housing Authority has final authority over SDHC’s budget and major policy decisions. Housing Authority approval is required for amending the annual budget for amounts over \$500,000. A seven-member SDHC Board of Commissioners (Board) is appointed by the Mayor. The San Diego City Council confirms them.

The Board reviews proposed changes to housing policy, property acquisitions and other financial commitments. The Board offers policy guidance to SDHC staff through its communications with SDHC’s President & CEO. The Board’s actions are advisory to the Housing Authority.

Budget Guidelines

The Budget is established by determining available funding sources and identifying the current needs and priorities of the City of San Diego and its constituents.

SDHC annually proposes a balanced budget, in which uses (expenditures and ending fund balance) do not exceed the sources of funding available (beginning fund balance and revenues). SDHC also establishes adequate reserve levels to plan for future fluctuations in funding, as well as ensuring that its affordable housing properties meet and exceed the federal standard of quality:

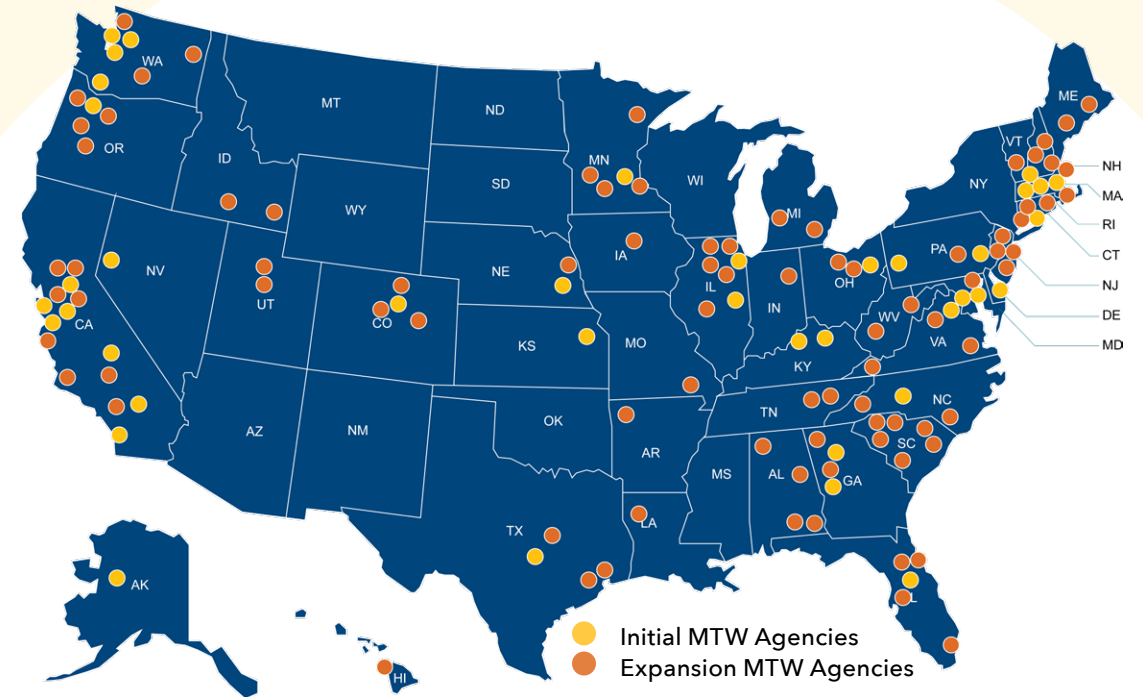
- 3.5 percent of annual revenue for Contingency Reserve
- Property reserve, set according to needs as defined by best practices

Procedures for Amending the Budget

≤ \$250,000	SDHC CEO authorized to amend the annual budget in the amount of \$250,000 or less.
> \$250,000	All budget amendments in excess of \$250,000 must be approved by the SDHC Board.
< \$500,000	The Housing Authority of the City of San Diego (Housing Authority) has delegated authority to the SDHC Board to amend the annual budget for amounts less than \$500,000.
> \$500,000	Budget amendments in excess of \$500,000 must be approved by the Housing Authority.

Budget Timeline

The annual budget is first presented to the SDHC Board of Commissioners as an informational workshop for review and comments in April. SDHC also shares the budget with the City of San Diego Office of the Independent Budget Analyst and Department of Finance for consideration and publishes the proposed budget on SDHC’s website for transparency. SDHC staff then presents the proposed budget to the SDHC Board of Commissioners for action and as an informational report to the City Council’s Budget Review Committee in May. SDHC staff presents the budget to the Housing Authority of the City of San Diego for final action in June.



MOVING TO WORK DESIGNATION

The San Diego Housing Commission’s (SDHC) status as a “Moving to Work” (MTW) public housing agency provides SDHC flexibility to implement a variety of innovative, cost-effective approaches to provide housing assistance in the City of San Diego.

These approaches also achieve the MTW program’s statutory objectives: use federal dollars more efficiently; help residents to become more financially self-reliant; and improve housing choices for families with low income.

The MTW program allows participating public housing authorities to develop local alternatives to many of the rules that typically apply to federal housing voucher and public housing programs and allows flexibility in the use of federal funds.

SDHC is one of 39 original MTW agencies out of approximately 3,200 public housing authorities nationwide. Currently, 126 agencies nationwide have received MTW status from the U.S. Department of Housing and Urban Development, either under the original agreement or through MTW’s expansion in recent years.

MTW is important for a variety of SDHC programs in rental assistance, homelessness solutions and affordable housing.

SDHC DIVISIONS AND DEPARTMENTS

RENTAL ASSISTANCE DIVISION

Proposed FY 2024 Budget: \$291 million

- Dedicate \$232.6 million to assist more than 17,000 households.
- Continue supportive housing programs, including assistance for populations, such as individuals experiencing chronic homelessness, individuals with serious mental illness experiencing homelessness, and transition-age youth.
- Assist 500 households by allocating more than \$10 million to the Emergency Housing Voucher Programs.
- Lease 449 new project-based housing voucher units for properties opening in FY 2024 for people with low income or experiencing homelessness.
- Continue the Landlord Partnership Program to attract and retain landlords to the rental assistance program.
- Provide opportunities to help families become more financially self-reliant through the SDHC Achievement Academy, a learning and resource center.

In a highly competitive rental housing market that is especially challenging for families with low income, the San Diego Housing Commission (SDHC) helps thousands of these families pay their rent each year.

Federal rental assistance is SDHC's largest program. Providing opportunities for families to become more financially self-reliant is also an important part of SDHC's rental assistance programs through the Rental Assistance Division.

SDHC also provides flexibility for participating families to choose to live in neighborhoods that offer more opportunities for transportation, schools and employment.

The U.S. Department of Housing and Urban Development (HUD) provides SDHC funding to provide rental assistance.



SDHC ACHIEVEMENT ACADEMY

The SDHC Achievement Academy is a learning and resource center available at no cost for individuals and families with low income in the City of San Diego. SDHC provides opportunities for families to become more financially self-reliant and improve their quality of life through the SDHC Achievement Academy.

The SDHC Achievement Academy offers a broad range of one-on-one services and workshops for workforce readiness and financial literacy. Programs emphasize career planning, job skills, job placement and personal financial education, such as budgeting and managing credit. Collaborations with a variety of organizations specializing in their fields enable the SDHC Achievement Academy to provide assistance to participants with different interests, career focuses and skill levels.

In response to the COVID-19 pandemic, the SDHC Achievement Academy began offering meetings and workshops by video conference. The change in service delivery made programs more accessible and convenient for many clients, resulting in increased participation in workshops and programmatic events.

SDHC Achievement Academy participants are primarily SDHC Section 8 Housing Choice Voucher participants, public housing residents, and individuals who participate in certain homelessness programs.

LANDLORD SERVICES UNIT

SDHC's Landlord Services Unit consists of specialized staff who provide quality customer service to landlords participating in the federal rental assistance program. SDHC's Mobility Counseling Program also is part of this unit. Mobility Counselors assist with pre- and post-moving counseling, housing search assistance and guidance about neighborhood features for rental assistance households.

SDHC's Landlord Services Unit holds seminars to provide landlords important information, such as:

- The responsibilities of landlords, tenants and SDHC
- The Leasing Process
- Landlord Partnership Program/Mobility Counseling
- Housing Quality Standards inspections
- The Rent Change Process

SDHC's Landlord Services Unit also holds Housing Search Workshops for rental assistance households. These workshops include information about: preparing to move, the Maximum Rent Notice form and Rent Affordability Calculator; searching for housing online; submitting a rental application; SDHC's Choice Communities Initiative; the Mobility Counseling program, including Security Deposit Loan assistance; the Landlord Partnership Program; and general tips about searching for housing.

The Landlord Partnership Program provides incentives and support benefits to attract and retain landlords who rent to families who receive rental assistance from SDHC.

INSPECTIONS DEPARTMENT

SDHC is required to ensure that all housing units occupied by Section 8 Housing Choice Voucher rental assistance participants meet certain health and safety standards. These "Housing Quality Standards" (HQS) are set by the U.S. Department of Housing & Urban Development (HUD). Before SDHC enters into a contract and issues rental assistance payments, units must pass an HQS inspection.

COMPLIANCE MONITORING DEPARTMENT

SDHC's Compliance Monitoring Department verifies that housing units designated as affordable are occupied by qualified tenants with low or moderate income.

This department also tracks tenant and landlord compliance with affordability requirements stemming from the City of San Diego's Inclusionary Housing law, Density Bonus land-use regulations, state and federal Multifamily Housing Revenue Bond tax credits, and housing built with financial support from SDHC. In addition, the Compliance Monitoring Department administers the tenant relocation requirements that result from condominium conversion projects within the City of San Diego.

SDHC does not monitor compliance of affordable units that do not receive SDHC funding and are not subject to the City program requirements (for example, affordable units for which the U.S. Department of Housing and Urban Development provides financial assistance directly, without the involvement of SDHC).





A PLACE TO GROW

The possibility of buying a home is within sight for Thomas and Karolina after years of receiving help from SDHC to pay their monthly rent.

While a rental housing voucher from SDHC helps them pay for their three-bedroom, affordable apartment in Otay Mesa West, the SDHC Achievement Academy has helped Thomas and Karolina on their path toward self-sufficiency.

“If you have Section 8 and you haven’t gotten to the achievement program, I say you’re not getting your full benefit,” Thomas said.

The SDHC Achievement Academy provided credit counseling to Thomas and Karolina, teaching them how to develop and stay on budget. They were able to pay off most of their debt, securing lower-interest loans and leaving behind the debt consolidation company whose service came with a high monthly fee.

They also enrolled and completed the SDHC Achievement Academy’s Family Self-Sufficiency (FSS) program in 2018. With help from the program, Thomas earned an Information Technology certificate, which allowed him to secure better jobs and increase his income. He recently obtained a higher-paying job as a medical technician, while Karolina, a teacher, obtained a promotion at work.

Each time they achieved educational and career goals, they earned money in an interest-bearing escrow account that SDHC established for them as part of the FSS program. They plan to use that money to buy a home.

As their income increased, the amount they need to pay toward debt has decreased. The training they received from the SDHC Achievement Academy helped them build a savings plan. They are working toward being completely debt-free by the end of the year. An SDHC Achievement Academy program also matches their savings.

An SDHC Achievement Academy first-time homeownership program is helping them get ready and learn what’s involved in homeownership. Thomas said he looks forward to giving up his voucher so that it can help someone else.

Thomas and Karolina say they are thankful for the SDHC Achievement Academy’s staff and the guidance they have provided over the years.

“The Housing Commission is the place that you grow, that you spread your wings, but also gives you security for yourself or your family,” Thomas said.

“The Housing Commission is the place that you grow, that you spread your wings, but also gives you security for yourself or your family.”

SDHC DIVISIONS AND DEPARTMENTS

REAL ESTATE DIVISION

Proposed FY 2024 Budget: \$89 million

- Award up to \$29 million to developers to create 290 new permanent affordable rental housing units.
- Allocate \$14 million toward the acquisition of affordable housing properties
- Continue to own and/or manage 4,120 affordable housing units in the City of San Diego.
- Invest \$7 million to rehabilitate up to 800 SDHC-owned units.
- Dedicate \$4.5 million to help up to 35 households become first-time homebuyers.
- Award \$2 million to San Diego homeowners with low income for the creation of up to eight Accessory Dwelling Units.

The San Diego Housing Commission's (SDHC) Real Estate Division supports the creation and preservation of affordable housing by providing financing to developers, operating affordable rental housing properties that SDHC owns, and administering City of San Diego land use programs, such as inclusionary housing. More than 25,000 affordable rental housing units are in service in the City of San Diego, of which SDHC helped to create or preserve more than 22,200.

SDHC also supports homeownership opportunities for households with low income. SDHC administers first-time homebuyer programs for the City of San Diego, County of San Diego and the cities of Chula Vista, El Cajon and La Mesa.

MULTIFAMILY HOUSING FINANCE: LOANS AND BONDS

A variety of funding sources is necessary to make each affordable housing development possible. Through a competitive process known as a Notice of Funding Availability (NOFA), SDHC awards funds to support affordable housing developments. SDHC awards the funds as loans that are repaid over time, depending on the cash flow from the property's revenue. SDHC's loans fill the gap that remains after developers secure all other available funding sources. SDHC's approval of loan funds helps developers obtain financing from other funding sources, including local, state and federal agencies.

The funds SDHC awards to developments consist of federal, state and local dollars SDHC administers for the City of San Diego, such as:

- Federal HOME Investment Partnerships Program (HOME) funds that the U.S. Department of Housing and Urban Development (HUD) awards to the City of San Diego;
- State of California Department of Housing and Community Development Local Housing Trust Fund Program funds awarded to SDHC; and
- The City of San Diego Affordable Housing Fund, which comprises revenue from Housing Impact Fees charged to commercial developments and Inclusionary Housing Fees charged to residential developments.

In addition, Multifamily Housing Revenue Bonds enable affordable housing developers to obtain below-market financing because interest income from the bonds is exempt from state and federal taxes. These bonds also qualify developments for federal low-income housing tax credits, another essential source of financing for affordable housing developments.

Private sources of funds, such as revenue from the development, are used to repay the bonds, which are sometimes also referred to as private-activity bonds. SDHC, the City of San Diego and the Housing Authority of the City of San Diego (Housing Authority) are not financially liable for Multifamily Housing Revenue Bonds. SDHC authorizes the issuance of tax-exempt bonds, as well as taxable bonds, subject to the approval of the San Diego City Council, serving in its role as the Housing Authority.

SDHC also collaborates with the California Housing Finance Agency (CalHFA) to recycle previously allocated Multifamily Housing Revenue Bonds. Traditionally, an affordable housing project would pay off the majority of its tax-exempt bonds when the construction phase was completed. At this stage, the bonds are "retired" and no longer available. Bond recycling allows for the re-use of previously allocated bond capacity that is normally lost, and recycles private activity bonds into a new project, without the use of limited low-income housing tax credits. CalHFA has a large capital investment from Apple and is using a portion of it to purchase and reissue recycled bonds.

ASSET MANAGEMENT/PROPERTY MANAGEMENT

As a property owner, SDHC makes housing available with rents affordable for households with low income throughout the City of San Diego. These properties include single-room occupancy (SRO) units and one-, two-, three-, four- and five-bedroom units.

The real estate portfolio includes properties of varying sizes based on the number of units, ranging from single-family homes to large-scale multifamily housing properties.

SDHC, including its nonprofit affiliate, Housing Development Partners, owns and/or manages 4,120 affordable rental housing units in the City of San Diego. SDHC staff manage many of these properties, and SDHC contracts with third-party property management for some properties in its portfolio. In addition, SDHC maintenance technicians perform repairs, as needed, in response to work orders, and SDHC contracts with vendors to provide additional maintenance services, as needed.



SDHC'S NONPROFIT AFFILIATE: HOUSING DEVELOPMENT PARTNERS

SDHC established its nonprofit affiliate in 1990 and changed its name in 1998 to Housing Development Partners, or HDP.

HDP's purposes are to:

- Provide affordable housing for people with low or moderate income, seniors and individuals with disabilities by acquiring or developing publicly funding housing;
- Provide housing-related facilities and services for people with low or moderate income, seniors and individuals with disabilities; and
- Take other actions that may reasonably promote housing for people with low or moderate income, seniors or people with disabilities.

SINGLE-FAMILY HOUSING FINANCE

First-Time Homebuyer Programs

SDHC offers deferred-payment loans and homeownership grants to help families with low income buy their first home. Forgivable loans for closing costs also are available for households with income up to 100 percent of San Diego's Area Median Income. SDHC's First-Time Homebuyer Program can assist with the purchase of a single-family home, townhome or condominium in the City of San Diego.

This program is funded primarily through federal U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program grants to the City of San Diego, which SDHC administers. Additional funding sources include federal Community Development Block Grant funds, State CalHome Program funds, and City of San Diego Affordable Housing Funds.

Since 1988, SDHC has helped more than 5,900 families buy a home through the First-Time Homebuyer Program for the City of San Diego and SDHC's Affordable For-Sale Housing program.

SDHC also administers the first-time homebuyer programs for the County of San Diego and the cities of Chula Vista, El Cajon and La Mesa.

Affordable For-Sale Housing

The Affordable For-Sale Housing Program makes it possible for low- and moderate-income families to buy a home at a price that is affordable. Private sector developers built these homes. The properties meet the City of San Diego's affordability requirements and are sold below market value.

There are homes in six developments with long-term affordability requirements that are currently owned by families and individuals. When the current owner sells the property, it must be sold to an eligible buyer as determined/approved by SDHC. An extremely limited number of homes become available for resale each year.

The difference between the market value and the affordable purchase price the buyer pays when an affordable for-sale unit is sold for the first time is captured in a Promissory Note that is payable to SDHC at the end of the affordability period.

VETERAN FINDS 'PURPOSE' AT SDHC-OWNED AFFORDABLE HOUSING

A third-story rental apartment at an SDHC-owned affordable housing property has given Wendell - known as "Pops" to his friends - a home and a sense of purpose following a period of homelessness.

"Instead of sitting here, staring at the TV or playing on my computer, I have a purpose," said Wendell, who has been living in his apartment in North Park for more than seven years. "And I like having a purpose."

The U.S. Army veteran helps SDHC take care of the property, identifying items that may need fixing. He is also a liaison between SDHC and his neighbors, helping them with a variety of issues, such as making repairs and solving minor disputes.

"As time has gone by, I have found myself getting more and more and more involved, and finding that the people here are trusting me," Wendell said.

Wendell shares his apartment with two rescued cats. His home is meticulously decorated and neatly ordered. A shelving unit in his living room includes lined up caps with military motifs, decorations featuring flags and eagles, school pictures of his now-grown twin sons, and watches laid out in a row. He describes his style as "dress right, dress," military slang for neat and organized.

The San Diego native served more than six years on active duty in the military before he retired to be with his family. Shortly after that, he separated from his wife and raised his two sons as a single father until they grew and established their own lives.

He quit a job in communications due to stress in 2013, lived on the savings of his 401(k) retirement plan for about a year, and then couldn't find another job. He moved out of his apartment, briefly stayed with his son in North Carolina, then returned to San Diego, where the U.S. Department of Veterans Affairs (VA) referred him to a Father Joe's Villages shelter.

After six months at the shelter, he moved to a fully furnished apartment in Paradise Hills through a rapid rehousing program. Four months later, he learned about the vacancy at his current home and immediately said yes.

"The bus stops right over there. There's shopping over there. You know, from the bus, you go anywhere in the City. They had a bus that you change out on Old Town, takes you straight to the VA, which I thought was very cool," Wendell said.

Despite going through a self-described dark period, Wendell now says he's happy and thankful for all of the organizations that came together to help him.

"There are some very good organizations out there - including Father Joe's, the VA (Veterans Affairs), San Diego Housing Commission - that can help you; you just got to be willing to ask for the help," Wendell said.

Stability came from an apartment, Wendell added.

"It's home. Nothing more can be said; it's home."



SDHC DIVISIONS AND DEPARTMENTS

HOMELESS HOUSING INNOVATIONS DIVISION

Proposed FY 2024 Budget: \$63 million

- Including rental housing vouchers in the Rental Assistance Division budget and the \$63 million proposed for the Homeless Housing Innovations Division, SDHC will dedicate \$147.9 million to address homelessness in the City of San Diego, including:
 - Further the goals of the Community Action Plan on Homelessness for the City of San Diego by allocating \$5.5 million to Rapid Rehousing, \$2.1 million for the Homeless Response Center, and \$3.4 million for other Supportive Services programs.
 - Continue to grow HOUSING FIRST – SAN DIEGO with \$4.2 million toward the Landlord Engagement and Assistance Program (LEAP), up to \$4 million toward Housing Instability Prevention Program (HIPP), and \$4.9 million for Prevention and Diversion.
 - Administer \$15.9 million toward Bridge Shelters, \$14.7 million toward Interim Shelters, and \$4.4 million for Continuum of Care Permanent Supportive Housing.

Extensive collaboration and coordination among government agencies, service providers, landlords, developers and community organizations is necessary to address the continuing homelessness crisis in cities across the country and the state, including San Diego.

SDHC is a leading organization in these efforts in the City of San Diego. In collaboration with the City of San Diego, County of San Diego, Regional Task Force on Homelessness and key stakeholders, SDHC continues to implement initiatives in support of its strategic priority, “Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.”

COMMUNITY ACTION PLAN ON HOMELESSNESS FOR THE CITY OF SAN DIEGO

The City and SDHC were among the lead agencies in the development of the Community Action Plan on Homelessness for the City of San Diego (Action Plan). The San Diego City Council unanimously accepted the Action Plan on October 14, 2019. Through a contract with SDHC on behalf of the City, the Corporation for Supportive Housing (CSH), a nationally recognized consultant with broad expertise in the area of homelessness, developed this Action Plan. It is a comprehensive, 10-year plan that builds on recent progress, lays out short-term achievable goals and serves as a guide for long-term success in addressing homelessness. At the direction of the Action Plan’s Leadership Council, SDHC has contracted with CSH to conduct a review of the Action Plan’s current goals and provide recommendations on updates to the housing needs that were identified in the plan when it was drafted and accepted by Council in 2019.

HOUSING FIRST – SAN DIEGO

HOUSING FIRST – SAN DIEGO, SDHC’s homelessness action plan, creates permanent housing solutions for individuals and families experiencing homelessness or at risk of homelessness in the City of San Diego. It includes a broad spectrum of initiatives with three major areas of focus:

- **Direct Client Services Programs:** SDHC operates 10 programs that directly assist individuals and families with a wide range of services and financial assistance needs.
- **Development Funds with Housing Vouchers:** SDHC awards development funds combined with federal housing vouchers for the creation, rehabilitation or acquisition of permanent supportive housing for individuals and families with very high service needs and ongoing financial assistance.
- **Special Program Housing Vouchers:** SDHC administers special program housing vouchers and housing assistance programs that provide ongoing rental assistance and wraparound services in collaboration with community nonprofit organizations and agencies for a variety of special populations.

HOMELESS SHELTERS AND SERVICES PROGRAMS

SDHC has administered the City of San Diego's homeless shelters and services programs since 2010 through Memoranda of Understanding with the City. These include:

- **The Coordinated Shelter Intake Program**, which provides a uniform workflow and single point of contact to facilitate access to the City's portfolio of emergency shelters to identify a bed that best meets the individual's needs. In the past, clients and outreach staff struggled to identify bed availability as well as to navigate each shelter's referral processes. Coordinated intakes are facilitated seven days a week by SDHC's Coordinated Shelter Intake Team in conjunction with City-funded outreach teams, including Bridge Shelter Outreach teams, the San Diego Police Department Neighborhood Policing Division's Homeless Outreach Team (HOT) and Homelessness Response Center staff. SDHC staff reviews referrals and matches clients with the available and most appropriate shelter intervention.
- **Bridge and Interim Shelter Programs** that address the immediate shelter needs of San Diegans experiencing homelessness. The shelters provide safe, temporary housing with as few barriers to shelter residency as possible, as well as stabilization and supportive services to prepare individuals and families experiencing homelessness for the most appropriate housing solutions.
- **The Inclement Weather Shelter Program** for San Diegans experiencing homelessness is a collaboration among SDHC, the City and shelter providers who make beds available. A determination about the inclement weather shelter beds is made each day from November through April, based on the forecast and in consultation with service providers about their staffing and capacity.
- **Multidisciplinary Outreach.** SDHC contracts with PATH to operate the Multidisciplinary Outreach Program. PATH subcontracts with Father Joe's Villages for the healthcare component. The program utilizes an integrated multidisciplinary team, including a nurse practitioner, clinical outreach specialists, medical assistant/outreach, peer support, and substance abuse counseling. Father Joe's Villages also leverages support from several members from its Street Health Team and Village Health Clinic.
- **Additional Outreach.** Bridge Shelter Outreach Teams are operated by Alpha Project and Father Joe's Villages through their contracts with SDHC. In addition, SDHC contracts with the San Diego LGBT Community Center to operate the SafeTAY Network Outreach Program, with a focus on serving youth experiencing unsheltered homelessness.
- **Transitional Housing** programs provide service-enhanced temporary housing for up to 24 months along with a variety of supportive services to assist individuals and families in transitioning to permanent housing.
- **The Day Center for Adults Experiencing Homelessness**, operated by Father Joe's Villages through a contract with SDHC, is a drop-in facility where adults experiencing homelessness or at risk of homelessness may receive a variety of services and resources to meet their basic and longer-term needs, such as:
 - Information and referrals to stabilization services and other community resources and services
 - Showers and bathrooms
 - Food and water
 - Mail services
 - Cell phone charging
 - Laundry services
 - Safe space for temporary respite
- **The City's storage centers**, operated through contracts with SDHC, serve San Diegans experiencing homelessness. They provide a safe place for people to keep their belongings as they attend to personal needs, which may include working on housing options, looking for or going to work, attending classes, meeting with service providers, seeking medical care, or other activities such as accessing cleaning or washing facilities.
- **The City of San Diego's Homelessness Response Center (HRC)** provides a broad range of services to help individuals and families experiencing homelessness on their path to permanent or other long-term housing. SDHC operates and administers the HRC, in collaboration with the City of San Diego, People Assisting the Homeless (PATH), the RTFH, and homelessness service providers.
- **Rapid Rehousing (RRH)** programs provide up to 24 months of rental assistance and supportive services to households experiencing homelessness. SDHC operates its Moving Home program and administers eight rapid rehousing programs, operated by five providers: The Salvation Army, People Assisting the Homeless (PATH), Home Start, Inc., South Bay Community Services Corporation, and Father Joe's Villages.
- **Permanent Supportive Housing (PSH)** is long-term rental assistance paired with intensive wraparound supportive services to help maintain housing stability for households that experienced homelessness and have long-term disabilities, extensive service needs, and lengthy or repeated episodes of homelessness. SDHC receives grants from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) program to fund PSH. SDHC administers 11 PSH programs with these funds. They provide rental assistance for more than 275 units. These programs are operated by eight homelessness service providers: Father Joe's Villages, Housing Innovation Partners, Townspeople, Mental Health Systems, Home Start, Inc., South Bay Community Services Corporation, Pathfinders, and The San Diego LGBT Community Center. In addition, SDHC collaborates with developers to provide rental housing vouchers to help pay rent at affordable housing developments for individuals and families who experienced homelessness and receive access to supportive services through their residence. SDHC also works with the U.S. Department of Veterans Affairs to help veterans experiencing homelessness obtain PSH with Veterans Affairs Supportive Housing (VASH) vouchers.

HOUSING INSTABILITY PREVENTION PROGRAM (HIPP)

HIPP helps pay rent and other housing-related expenses for families in the City of San Diego with low income and unstable housing situations, such as facing eviction for nonpayment of rent. Funding is limited. With funding for Fiscal Year 2023, the program can assist approximately 300 households. SDHC identifies potential participants from referrals from 2-1-1 San Diego. SDHC Housing Specialists contact those households to confirm and verify if they qualify for help. The program pays \$250, \$500 or \$750 per month, based on the household's circumstances, for 24 months for qualifying households in the City of San Diego and assists with housing-related expenses such as security deposits, past-due rent, utilities, etc., depending on the family's need. Payments are made directly to the approved vendor, such as the landlord or utility company.

HOUSING VOUCHERS FOR PEOPLE EXPERIENCING HOMELESSNESS

Federal rental housing vouchers are among the resources SDHC administers and awards to create permanent housing solutions for people experiencing homelessness in the City of San Diego. Approximately 30 percent of SDHC's rental housing vouchers are committed to addressing homelessness.

HOMELESSNESS PROGRAM FOR ENGAGED EDUCATIONAL RESOURCES (PEER)

A first-of-its kind collaboration between SDHC and San Diego City College, the Homelessness PEER course provides specialized education, training and job placement assistance to develop the workforce needed for programs and services that help San Diegans experiencing homelessness. As a leader in collaborative efforts to address homelessness in the City of San Diego, SDHC identified the need for additional qualified applicants for positions in the area of homelessness programs and services. This course builds upon established San Diego City College certificate programs in mental health work, alcohol and other drug studies, gerontology, and the Associate of Arts Degree in Behavioral Health: Social Work. Students in these programs are the focus of City College outreach efforts to identify students for the new course. SDHC and the City of San Diego fund the PEER program, while San Diego City College leverages existing San Diego Community College District resources.





AN ANSWERED PRAYER FOR SAN DIEGO MOTHER FACING EVICTION

Spending virtually all of her income on rent and still facing potential eviction after falling behind, Carmel said SDHC's Housing Instability Prevention Program (HIPP) was an answered prayer.

"I felt helped," she said. "I felt heard. I felt compassion. I felt compassion and willingness to help from my case worker."

Carmel is unable to work due to a series of health issues that have taken a toll on her in the time since she first came to the U.S. in 2004 and strained her monthly budget.

Carmel was referred to HIPP after calling 2-1-1 San Diego, a resource run by a local nonprofit that connects San Diegans to information and resources they need. An SDHC Housing Specialist spoke with her and assigned a case worker to navigate paying past-due bills and chart a path forward within the program's parameters each month.

When she enrolled in HIPP in October 2022, she was several months behind on her rent and concerned that she might be evicted from her home in the Grant Hill neighborhood, which features photos of her children, vibrant artwork, and clothing racks to hold unique items from a fashion brand founded by her daughter, Esther.

"I believe that's what really eased my stressed," Carmel said. "That's where the relief came in the program. It really did make

me glad. It's changed the whole course of my mind and situation and circumstances. It's like you can move forward."

Carmel said she felt encouraged after her first conversation with a case worker that brought her financial relief in about a month's time. She said HIPP was vital in helping her remain housed.

"I could not have saved before," she said. "It moved from not being able to save to saving something that is tangible. Good enough for an emergency. The landlord, she's gonna be forever in a better mood because now it's a direct payment to her. And I become more committed and always on time."

With relief comes the chance to pursue her passions as a writer and Facebook live host, and she can be present in the lives of her children without the fear of losing her home.

For all of it, she's very grateful.

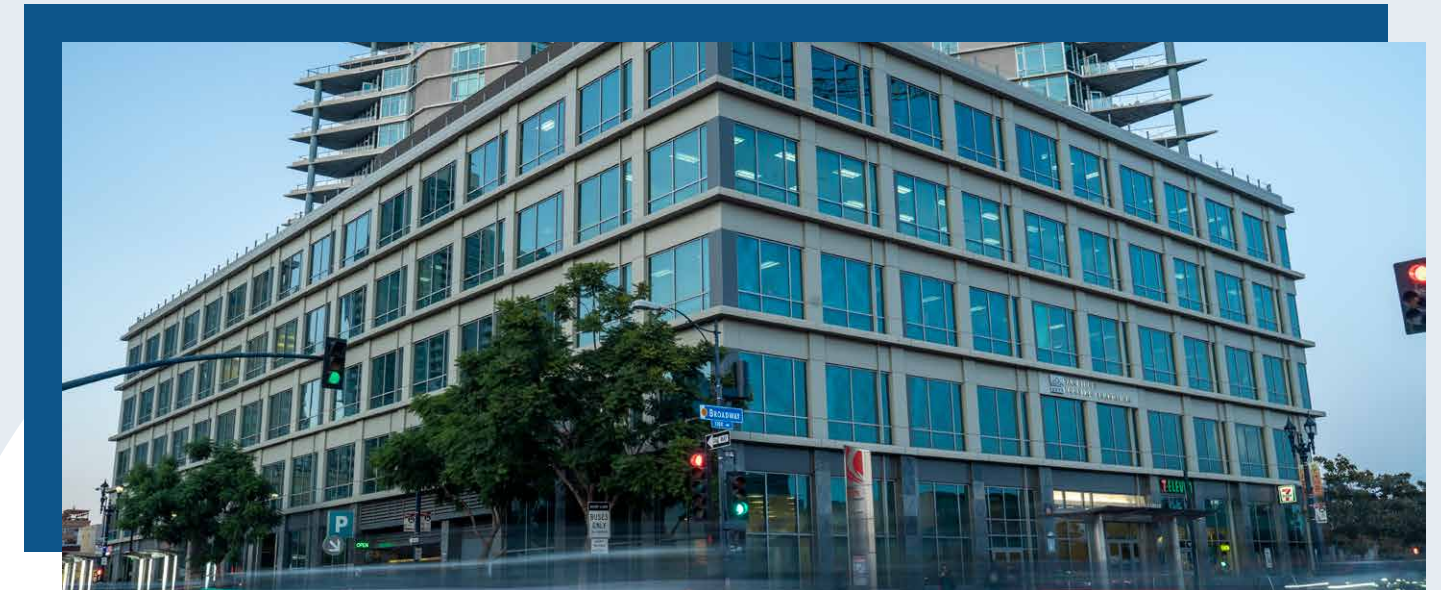
"There is assistance out there," she said. "Someone can help you. Housing could help you. Maybe you don't have to live out there, you know? Maybe you don't have to be homeless if you don't want. Here is a program. You can experience that housing is playing a great role in homeless people's lives or nearly becoming homeless. You can see the program is very, very useful."

SDHC DIVISIONS AND DEPARTMENTS

OPERATIONS AND SUPPORT DIVISIONS AND DEPARTMENTS

Proposed FY 2024 Budget: \$28 million

- Operations Support provides support services to carry out SDHC’s mission. These include:
 - Board & Executive Functions, which provides strategic planning, leadership and management to implement housing programs.
 - Communications & Government Relations, which fosters transparency through government relations activities, responds to public records requests, and ensures consistency and accuracy in SDHC communications.
 - Human Resources
 - Financial Services
 - Information Technology
 - Procurement
 - Compliance and Equity Assurance
 - Section 3 & Outreach
 - Compliance and Special Programs
 - Agency Policy
 - City-County Reinvestment Task Force



BOARD & EXECUTIVE FUNCTIONS

SDHC is governed by the Housing Authority of the City of San Diego (Housing Authority), which consists of the members of the San Diego City Council. The Housing Authority has final authority over SDHC’s budget and major policy changes. The actions of the seven-member SDHC Board of Commissioners (Board) are advisory to the Housing Authority. The SDHC Board’s members are appointed by the Mayor of San Diego and confirmed by the City Council. Two of the SDHC Board’s seats are reserved for residents of agency-owned housing units or recipients of federal Section 8 Housing Choice Voucher rental assistance. One of these Board members must be 62 years of age or older. SDHC is managed by a President and Chief Executive Officer, who also serves as the Executive Director of the Housing Authority. Executive Vice Presidents oversee SDHC’s Rental Assistance, Real Estate and Homeless Housing Innovations Divisions and Business Administration for the agency. “Board & Executive Functions” provides strategic planning, leadership and management to implement housing assistance programs.

COMMUNICATIONS AND GOVERNMENT RELATIONS

The Communications and Government Relations Division is responsible for SDHC’s internal and external communications activities. This division identifies strategies to communicate with and to educate stakeholders, customers, lawmakers and the general public about SDHC and its initiatives to provide rental assistance, address homelessness, and create and preserve affordable housing in the City of San Diego. SDHC’s intent is to expand public awareness of SDHC and its programs by sharing SDHC’s message in a compelling manner with accuracy, creativity and transparency. Communications activities include, but are not limited to, media relations, news releases, website content, social media, video production, SDHC presentations, flyers, fact sheets, internal employee communications messages, and special reports, such as SDHC’s multimedia annual report.

In addition, this division performs government relations activities that include, but are not limited to, preparing, posting and distributing agendas, staff reports and presentations for meetings of the SDHC Board of Commissioners and the Housing Authority of the City of San Diego, in accordance with the Brown Act. The Communications and Government Relations Division also responds to requests submitted to SDHC pursuant to the California Public Records Act.

HUMAN RESOURCES

The Human Resources (HR) Department provides overall policy direction on human resource management issues and administrative support functions related to the management of employees for all SDHC departments. The mission of the department is to be a strategic partner by providing HR programs that attract, develop, retain and engage a skilled and diverse workforce.

FINANCIAL SERVICES

The Financial Services Department plans, organizes, leads and monitors SDHC's financial activities, including Accounting Services such as Accounts Payable, Accounts Receivable, Financial Reporting, Internal Controls and Audits, and Financial Services such as Cash Management, Financial Analysis and Projections, Investments and Budget Development. The department also provides pre-award grant review and post-award grant setup, establishes grant administration guidelines, and monitors grant compliance. For the past 14 consecutive years, the Financial Services Department has achieved the highest level of recognition from the Government Finance Officers Association of the United States and Canada (GFOA)—a Certificate of Achievement for Excellence in Financial Reporting for SDHC's Annual Comprehensive Financial Report.

INFORMATION TECHNOLOGY

The Information Technology (IT) Department delivers core infrastructure services, security, development and cloud applications while supporting business innovation, technical efficiency and data-driven projects. IT duties include the implementation a two-year pilot program, effective November 1, 2022, to allow some staff to work remotely while continuing to provide quality service to SDHC's customers by phone, email, mail, virtually and with in-person appointments, as needed.

PROCUREMENT

The Procurement Department's mission is to provide SDHC with strategic guidance in the acquisition of goods and services while ensuring superior service for both internal and external customers. The Procurement Department is committed to fair and open procurement procedures consistent with applicable laws and regulations while adhering to SDHC's core values and delivering efficient, cost-effective and ethical business practices. SDHC's Procurement Department has received an Achievement of Excellence in Procurement Award for the past six consecutive years from the National Procurement Institute, Inc.

COMPLIANCE AND EQUITY ASSURANCE

SDHC created the Compliance and Equity Assurance (CEA) Department to strengthen SDHC's equity assurance efforts, including ensuring high-quality and equitable processing of all of SDHC's programs and initiatives. These efforts support equity and inclusion in SDHC's existing and future programs, policies, activities and practices. Priorities include examining equity in all SDHC practices and building the diversity, equity and inclusion capacity of SDHC's staff and infrastructure. The CEA Department helps to assure that support for diversity, equity and inclusion is integrated into decision making, planning and implementation throughout all structures, services, policies, practices and procedures.

SECTION 3 & OUTREACH

SDHC's Section 3 Unit leads the agencywide implementation and compliance with Section 3, a federally mandated program of the U.S. Department of Housing and Urban Development (HUD). Under Section 3 of the HUD Act of 1968, federal funds invested in housing and community development shall provide contracts, employment, training, and other economic opportunities to low- and very low-income persons in the local jurisdiction, referred to as "Section 3 Workers;" and to businesses that employ such persons, referred to as "Section 3 Business Concerns." Section 3 requires that "to the greatest extent feasible," businesses working on projects that receive certain financial assistance from HUD must make a good faith effort to train and hire Section 3 Workers, and contract with Section 3 Business Concerns. SDHC's Section 3 Unit's roles include: administering the program; monitoring compliance; certifying Section 3 Workers and Section 3 Business Concerns; providing technical and outreach assistance; and notifying Section 3 Workers and Section 3 Business Concerns of economic opportunities.

COMPLIANCE AND SPECIAL PROGRAMS

The Compliance and Special Programs Department is responsible for the centralized grant management function, compliance monitoring/quality assurance related to grant management, and key SDHC administrative functions and activities related to Fair Housing compliance.

POLICY AND LAND USE

SDHC's Policy and Land Use Division monitors legislative and regulatory activities closely to identify issues and legislation that could affect the individuals and families SDHC's programs serve. In addition, SDHC provides policy recommendations to address a variety of issues. SDHC works to advance policies consistent with SDHC's vision, mission, purpose, core values and strategic priorities, as defined in SDHC's Strategic Plan for Fiscal Year 2022-2024. SDHC engages with elected leaders and officials at local, state and federal levels of government, as well as stakeholders, on policy initiatives.

In addition, SDHC administers City of San Diego land use programs, such as Inclusionary Housing and Density Bonus, which support the creation of affordable housing in the City of San Diego. City laws set requirements for developers to set aside units as affordable for households with low income through these programs. SDHC executes documents recorded on the deeds of developed properties that require rents on specified units to remain affordable. SDHC's Compliance Monitoring Department, which is part of the Rental Assistance Division, then reviews documentation annually to make sure that the units are occupied by households with income at or below the required income level and that the rent charged for the affordable unit is at or below the amount allowed for a household of that income.

CITY-COUNTY REINVESTMENT TASK FORCE

SDHC, the County of San Diego and corporate bank grants fund the City-County Reinvestment Task Force (RTF). The RTF is a public-private body that was created by the City and the County of San Diego to evaluate local bank lending practices and develop strategies for reinvestment in low- and moderate-income communities. It is co-chaired by a member of the San Diego City Council and the San Diego County Board of Supervisors, who jointly appoint 13 members, representing local governments, banks and community development nonprofits.



SAN DIEGO

HOUSING

COMMISSION

We're About People

1122 Broadway, Suite 300, San Diego, CA 92101

www.sdhc.org

Committee Action Sheet

Committee: Budget Review Committee

Committee Meeting of: 05/09/2023

Item No: 2

SUBJECT:

San Diego Housing Commission Proposed Fiscal Year 2024 Budget

RECOMMENDATION TO:

Informational only; no action taken.

VOTED YEA:
VOTED NAY:
NOT PRESENT:

CITY CLERK: Please reference the following reports on the City Council Docket:

INDEPENDENT BUDGET ANALYST REPORT NO:

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE HOUSING AUTHORITY OF THE
CITY OF SAN DIEGO APPROVING THE SAN DIEGO HOUSING
COMMISSION'S FISCAL YEAR 2024 BUDGET AND DELEGATING
LIMITED AUTHORITY TO AMEND THAT BUDGET.

WHEREAS, by San Diego Ordinance O-12515 (Dec. 5, 1978), the Council of the City of San Diego appointed the San Diego Housing Commission (Housing Commission) to handle certain administrative functions; and

WHEREAS, Housing Commission staff has prepared the proposed Housing Commission Fiscal Year 2024 Budget attached to the Housing Commission staff report HAR23-005, dated April 25, 2023, as Attachment 1 (San Diego Housing Commission Fiscal Year 2024 Proposed Budget); and

WHEREAS, during Fiscal Year 2024, the Board of Commissioners of the Housing Commission may need to make certain budget adjustments involving the transfer of funds among programs or allocation of additional funds received; and

WHEREAS, certain funding resources are estimated sources of revenue and the actual amount of funds received may vary; and

WHEREAS, Housing Commission staff determined this activity is not a project as defined by the California Environmental Quality Act (CEQA) section 21065 and CEQA Guidelines section 15378(b)(4); and

WHEREAS, City staff determined this activity is exempt under the National Environmental Policy Act (NEPA) as not subject to Title 24 of the Code of Federal Regulations section 58.5 under Title 24 of the Code of Federal Regulations sections 58.34(a)(2) and 58.34(a)(3); and

WHEREAS, the Office of the City Attorney has drafted this resolution based on the information provided by Housing Commission staff, and verified by the Housing Commission's General Counsel, with the understanding that this information is sufficient to allow for a proper and complete analysis of this matter; NOW, THEREFORE,

BE IT RESOLVED, by the Housing Authority, as follows:

1. The Housing Commission Fiscal Year 2024 Budget is approved.
2. The Board of Commissioners of the Housing Commission is authorized to approve amendments to the Housing Commission Fiscal Year 2024 Budget as follows:
 - (a) Line-item transfers, not to exceed \$500,000 on an individual basis, that do not increase the overall amount of the Housing Commission Fiscal Year 2024 Budget; and
 - (b) Allocation of additional funding resulting from grant applications submitted in accordance with Housing Authority authorization; and
 - (c) Allocation of additional funding from other sources, not to exceed \$500,000 on an individual basis.
3. The Housing Commission President and Chief Executive Officer is authorized to administratively amend the Housing Commission Fiscal Year 2024 Budget, whether as a transfer among line items, or as an allocation of additional funds received, for amounts not to exceed

\$250,000 on an individual basis, consistent with the policies, programs, and activities approved by the Housing Commission and the Housing Authority.

APPROVED: MARA W. ELLIOTT, General Counsel

By _____
Hilda R. Mendoza
Deputy General Counsel

HRM:nja
05/01/2023
Or. Dept: SDHC
Doc. No. 3291452



The City of San Diego
Item Approvals

Item Subject: San Diego Housing Commission Proposed Fiscal Year 2024 Budget

Contributing Department	Approval Date
DOCKET OFFICE	04/26/2023

Approving Authority	Approver	Approval Date
HOUSING COMMISSION FINAL DEPARTMENT APPROVER	MARSHALL, SCOTT	04/25/2023
EXECUTIVE VICE PRESIDENT	DAVIS, JEFF	04/26/2023