



SAN DIEGO  
HOUSING  
COMMISSION

# San Diego Housing Commission (SDHC) Fiscal Year (FY) 2018 Proposed Budget (July 1, 2017 - June 30, 2018)

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# SDHC FY 2018 Proposed Budget Mission Statement

## San Diego Housing Commission

### Mission Statement

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

### Fiscal Year 2018 Budget Summary

The San Diego Housing Commission (SDHC) is a public agency that provides affordable housing programs and services for low- and moderate-income individuals and families in the city of San Diego. SDHC assists approximately 15,400 low-income households by providing them with Federal Section 8 Housing Choice Voucher (HCV) rental assistance. HCV participants typically pay approximately 30 percent of their income toward rent, with the remainder paid by Federal funds. More than half of these households are seniors or individuals with disabilities. SDHC also administers City of San Diego and Federal funds for transitional and permanent housing with supportive services to address homelessness among families, seniors, Veterans and individuals. In addition, SDHC develops affordable multifamily rental housing and provides loans, Closing Cost Assistance Grants and Mortgage Credit Certificates to help first-time homebuyers.

In Fiscal Year 2018 (July 1, 2017 – June 30, 2018), SDHC programs will include but are not limited to:

- The next phase of HOUSING FIRST – SAN DIEGO, SDHC’s Homelessness Action Plan, will build upon the prior accomplishments by providing additional, multifaceted solutions to address homelessness in the City of San Diego, such as:
  - New Permanent Supportive Housing for chronically homeless individuals through continued investment of Federal and Local dollars into new construction development, acquisition, and rehabilitation of properties, such as Single Room Occupancy hotels (SRO);
  - Expanded Rapid Rehousing assistance, including an increased commitment of SDHC-owned rental properties, to San Diegans who become homeless because of an unexpected life experience, such as a job loss, domestic violence, or a medical crisis; and
  - Homelessness prevention and diversion assistance, such as staff to provide mediation or financial assistance to help families who are at risk of becoming homeless.





# SDHC FY 2018 Proposed Budget Mission Statement (Cont.)

The \$433.0 million proposed Fiscal Year 2018 Budget would enable SDHC to:

- Assist approximately 15,400 low-income households by providing rental assistance through the Federal HCV program;
- Assist 45 households to become first-time homebuyers;
- Support the financing of 480 affordable housing units;
- Rehabilitate 50 homes for low-income homeowners;
- Own and/or manage 3,486 affordable housing units in the city of San Diego, including SDHC's nonprofit affiliate, Housing Development Partners (HDP): 2,298 units owned by SDHC; 1,026 units owned directly by HDP or through partnerships; and 154 units of Federal public housing; and 8 units owned by the City of San Diego and managed by SDHC;
- Administer City of San Diego homeless programs that provide shelter for more than 3,300 homeless individuals and day services for 3,600 homeless individuals; and
- Help 1,500 families that receive Federal rental assistance or public housing residents to work toward financial self-reliance through the SDHC Achievement Academy.

The proposed SDHC Fiscal Year 2018 Budget will be presented to the City Council Budget and Government Efficiency Committee on May 9, 2017, for its review, and will then be forwarded to the Housing Authority of the City of San Diego for its review and approval in June 2017.

SDHC's Fiscal Year 2018 Budget is composed of four divisions: Rental Assistance, Real Estate, Homeless Housing Innovations and Operations Support:

- Rental Assistance Division (RAD) funding is budgeted at \$165.8 million. RAD provides Federal rental assistance to low-income households in the city of San Diego. RAD program activities provide eligible families with monthly Federal rental assistance and opportunities for them to become more financially self-reliant through the SDHC Achievement Academy, a state-of-the-art learning and resource center and computer lab with programs that emphasize career planning, job skills and personal financial education—at no cost to HCV participants and public housing residents. In addition, RAD monitors affordable housing developments and homeowners for compliance with Federal, State and Local occupancy and affordability restrictions.





# SDHC FY 2018 Proposed Budget Mission Statement (Cont.)

- Real Estate Division (RED) funding is budgeted at \$142.2 million. RED creates and preserves affordable housing as a developer, owner, lender, partner, bond issuer, and administrator of the City of San Diego's affordable housing programs. RED also helps low- and moderate-income families become first-time homebuyers.
- Homeless Housing Innovations Department (HHI) funding is budgeted at \$22.4 million. HHI administers City of San Diego and Federal funds to address homelessness and the housing needs of San Diegans with extremely low incomes. This department administers funding for transitional housing, interim housing, and permanent supportive housing and services.
- Operations Support funding is budgeted at \$18.3 million. Operations Support provides support services to carry out the SDHC mission. Included are: 1) Board & Executive Functions, which provides strategic planning, leadership and management to implement housing programs; 2) Communications & Government Relations, which fosters transparency in government through government relations activities, responds to public records requests, and ensures consistency and accuracy in SDHC communications; 3) Human Resources; 4) Project Management Unit; 5) Financial Services; 6) Information Technology; 7) Procurement; 8) Section 3 & Outreach; and 9) Grants & Compliance.

Funds allocated for Reserves are budgeted at \$84.3 million. These funds contain three types of reserves: 1) Program Restricted Reserves to provide for housing programs; 2) Property Reserves to provide for replacement requirements; and 3) Contingency Reserves, which include amounts available for any unanticipated housing purpose.





# SDHC FY 2018 Proposed Budget Budget Summary

	<b>FY 2016 Budget</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Budget</b>	<b>FY 2017 Projected</b>	<b>FY 2018 Proposed</b>	<b>FY 2017-2018 Change</b>
Positions	284.0	294.0	304.0	304.0	330.0	26.0
Personnel Expense	28,248,000	25,953,000	30,181,000	30,181,000	34,387,000	4,206,000
Non-Personnel Expense	296,704,000	343,386,000	337,823,000	337,823,000	398,618,000	60,795,000
<b>TOTAL</b>	<b>324,952,000</b>	<b>369,339,000</b>	<b>368,004,000</b>	<b>368,004,000</b>	<b>433,005,000</b>	<b>65,001,000</b>





# SDHC FY 2018 Proposed Budget Expenditures

	FY 2016 Budget	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed	FY 2017-2018 Change
<b>PERSONNEL</b>						
Salaries & Wages	\$ 20,838,000	\$ 19,566,000	\$ 21,761,000	\$ 21,761,000	\$ 25,328,000	\$ 3,567,000
Overtime	-	-	-	-	-	-
Fringe Benefits (health)	2,876,000	2,630,000	3,027,000	3,027,000	3,992,000	965,000
Fringe Benefits (pension)	2,831,000	2,427,000	2,918,000	2,918,000	3,345,000	427,000
Fringe Benefits (other--Life, LTD, Medicare, Workers Comp, SUI and 457)	1,703,000	1,330,000	1,519,000	1,519,000	1,722,000	203,000
Class and Comp Study	-	-	956,000	956,000	-	(956,000)
<b>SUBTOTAL PERSONNEL</b>	<b>\$ 28,248,000</b>	<b>\$ 25,953,000</b>	<b>\$ 30,181,000</b>	<b>\$ 30,181,000</b>	<b>\$ 34,387,000</b>	<b>\$ 4,206,000</b>
<b>NON-PERSONNEL</b>						
Housing Program Expense	\$ 191,273,000	\$ 172,471,000	\$ 207,999,000	\$ 207,999,000	\$ 233,053,000	\$ 25,054,000
Property Expenses	14,576,000	13,610,000	15,315,000	15,315,000	15,656,000	341,000
Professional Services, Supplies & Other	10,211,000	9,263,000	10,417,000	10,417,000	9,657,000	(760,000)
Debt Principal Payments	3,080,000	3,029,000	3,067,000	3,067,000	3,153,000	86,000
Capital Expenditures	8,361,000	4,604,000	22,066,000	22,066,000	52,787,000	30,721,000
Reserves	69,203,000	140,409,000	78,959,000	78,959,000	84,312,000	5,353,000
<b>SUBTOTAL NON-PERSONNEL</b>	<b>\$ 296,704,000</b>	<b>\$ 343,386,000</b>	<b>\$ 337,823,000</b>	<b>\$ 337,823,000</b>	<b>\$ 398,618,000</b>	<b>\$ 60,795,000</b>
<b>TOTAL</b>	<b>\$ 324,952,000</b>	<b>\$ 369,339,000</b>	<b>\$ 368,004,000</b>	<b>\$ 368,004,000</b>	<b>\$ 433,005,000</b>	<b>\$ 65,001,000</b>





# SDHC FY 2018 Proposed Budget Significant Budget Adjustments

Significant Budget Adjustments	Position/Explanation for Change	Positions	Revenue	Expenses
<b>Salaries and Benefits Adjustments</b>				
<b>Personnel</b>				
Salaries & Wages	Due to additional headcount and COLA	26.00	\$	3,567,000
Fringe Benefits (pension)	Due to additional headcount and COLA			427,000
Fringe Benefits (health)	Due to additional headcount and tiered health coverage (employee, employee +1, family)			965,000
Fringe Benefits (Life, LTD, Medicare, Workers Comp, SUI, and 457)	Due to additional headcount and increase in insurance costs			203,000
Class and Compensation Study	Class and Compensation study implemented in FY17			(956,000)
			<b>\$</b>	<b>4,206,000</b>
<b>Non-Personnel Expenditure Adjustments</b>				
Housing Program Expense	Increase due to TOD, Homeless Initiatives, and PHS Nofas		\$	25,054,000
Property Expenses	Increase in maintenance and repair activity			341,000
	Decreased expenses in Security Monitoring, Business Expense, Professional Consultants and Other Services			(760,000)
Professional Services, Supplies, Other				(760,000)
Debt Principal Payments	No Significant Changes			86,000
Capital Expenditures	Increase due to planned major rehabilitation projects and acquisitions			30,721,000
Reserves	Use of property replacement reserves in FY 17 to fund rehabilitation projects identified in the Green Physical Needs Assessment			5,353,000
			<b>\$</b>	<b>60,795,000</b>
<b>TOTAL EXPENSE ADJUSTMENTS</b>			<b>\$</b>	<b>65,001,000</b>
<b>Revenue Adjustments</b>				
Section 8 / MTW	Primarily due to funding from HUD held reserves of available Housing Choice Voucher funds for affordable housing acquisition and rehabilitation efforts of SDHC owned properties.		\$	21,287,000
HOME	Increase in loan payoffs			1,341,000
Housing Innovation Funds	Increase in CoC funding			1,081,000
SDHC Real Estate	Expected proceeds from utilizing equity of a SDHC owned property			6,788,000
Affordable Housing Fund	Increase in Inclusionary Fees			605,000
	Housing Development Partners salary reimbursement and new Kellogg Foundation grant			995,000
Other Local Funds				995,000
State	Increase in DAC Water Grant from the State of California			158,000
Fund Balance from Prior Years	Reserves committed for programs, projects and activities.			32,746,000
<b>TOTAL REVENUE ADJUSTMENTS</b>			<b>\$</b>	<b>65,001,000</b>





# SDHC FY 2018 Proposed Budget Reimbursements to Departments/Entities

Departments/Entities	FY 2016 Budget	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed	FY 2017-2018 Change
Homeless Housing Innovations - Interim Shelter for Homeless Adults	\$ 1,470,000	\$ 1,531,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ (0)
Homeless Housing Innovations - SMART Pilot Program	-	-	-	98,000	98,000	98,000
Homeless Housing Innovations - Transitional Storage Center	150,000	131,000	125,000	125,000	125,000	-
Homeless Housing Innovations - Connections Interim Housing	300,000	271,000	300,000	300,000	300,000	-
Homeless Housing Innovations - 1000 Homeless Veterans Initiative	-	4,000,000	-	-	-	-
Homeless Housing Innovations - Serial Inebriate Program	120,000	119,000	290,000	192,000	290,000	-
<b>TOTAL</b>	<b>\$ 2,040,000</b>	<b>\$ 6,052,000</b>	<b>\$ 2,315,000</b>	<b>\$ 2,315,000</b>	<b>\$ 2,413,000</b>	<b>\$ 98,000</b>







# SDHC FY 2018 Proposed Budget Revenues

Revenue Source	FY 2016 Budget	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Proposed	FY 2017-2018 Change
<b>FEDERAL</b>						
Section 8 / MTW	\$ 170,234,000	\$ 166,512,000	\$ 187,540,000	\$ 187,540,000	\$ 208,827,000	\$ 21,287,000
HOME, CDBG & Other Federal	13,458,000	13,176,000	20,900,000	20,900,000	22,241,000	1,341,000
Housing Innovation Funds	5,970,000	4,228,000	4,607,000	4,607,000	5,688,000	1,081,000
<b>FEDERAL TOTAL</b>	<b>\$ 189,662,000</b>	<b>\$ 183,916,000</b>	<b>\$ 213,047,000</b>	<b>\$ 213,047,000</b>	<b>\$ 236,756,000</b>	<b>\$ 23,709,000</b>
<b>LOCAL</b>						
SDHC Real Estate	\$ 30,106,000	\$ 31,574,000	\$ 30,406,000	\$ 30,406,000	\$ 37,194,000	\$ 6,788,000
RDA	1,303,000	2,868,000	-	-	-	-
Affordable Housing Fund	6,670,000	23,605,000	10,754,000	10,754,000	11,359,000	605,000
Other Local Funds	5,620,000	12,553,000	6,439,000	6,439,000	7,434,000	995,000
<b>LOCAL TOTAL</b>	<b>\$ 43,699,000</b>	<b>\$ 70,600,000</b>	<b>\$ 47,599,000</b>	<b>\$ 47,599,000</b>	<b>\$ 55,987,000</b>	<b>\$ 8,388,000</b>
<b>STATE</b>	<b>\$ 1,185,000</b>	<b>\$ 737,000</b>	<b>\$ 142,000</b>	<b>\$ 142,000</b>	<b>\$ 300,000</b>	<b>\$ 158,000</b>
<b>FUND BALANCE FROM PRIOR YEARS</b>	<b>\$ 90,405,000</b>	<b>\$ 114,086,000</b>	<b>\$ 107,216,000</b>	<b>\$ 107,216,000</b>	<b>\$ 139,962,000</b>	<b>\$ 32,746,000</b>
<b>GRAND TOTAL</b>	<b>\$ 324,951,000</b>	<b>\$ 369,339,000</b>	<b>\$ 368,004,000</b>	<b>\$ 368,004,000</b>	<b>\$ 433,005,000</b>	<b>\$ 65,001,000</b>

