



SAN DIEGO
HOUSING
COMMISSION

Fiscal Year 2015 Budget

Housing Authority of the City of San Diego

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San Diego Housing Commission

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SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission (SDHC)

Fiscal Year 2015 Budget

July 1, 2014 – June 30, 2015

Nicole DeBerg
Chief Financial Officer and
Vice President
Financial Services Department





SDHC Fiscal Year 2015 Budget Agenda/Index

- **Section 1 – Summary and Budget Process..... Page 3**
- **Section 2 – Sources of Funds..... Page 20**
- **Section 3 – Uses of Funds..... Page 25**
- **Section 4 – Activity-Based Budget Information.... Page 31**
- **Appendix A**
 - **Section 5 – Capital Expenditure Detail..... Page 47**
 - **Section 6 – Budget in City Format..... Page 49**





SAN DIEGO
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Fiscal Year 2015 SDHC Budget Presentation

Section 1 - Summary and Budget Process



SDHC Fiscal Year 2015 Budget Affordable Housing Programs Serving San Diego Families

- Rental Assistance
- Management of SDHC-Owned Housing
- First-Time Homebuyer Assistance
- Initiatives to Reduce Homelessness
- Home Rehabilitation
- New Affordable Housing Units
- Family Self-Sufficiency



A home rehabilitation loan helped Kym and her family remove unsafe mold and replace carpets in their San Diego home.



SDHC Fiscal Year 2015 Budget

\$337.3 Million in Total Funding Sources

Directly Serving More Than 50,000 San Diegans



SDHC Headquarters – 1122 Broadway, Downtown San Diego



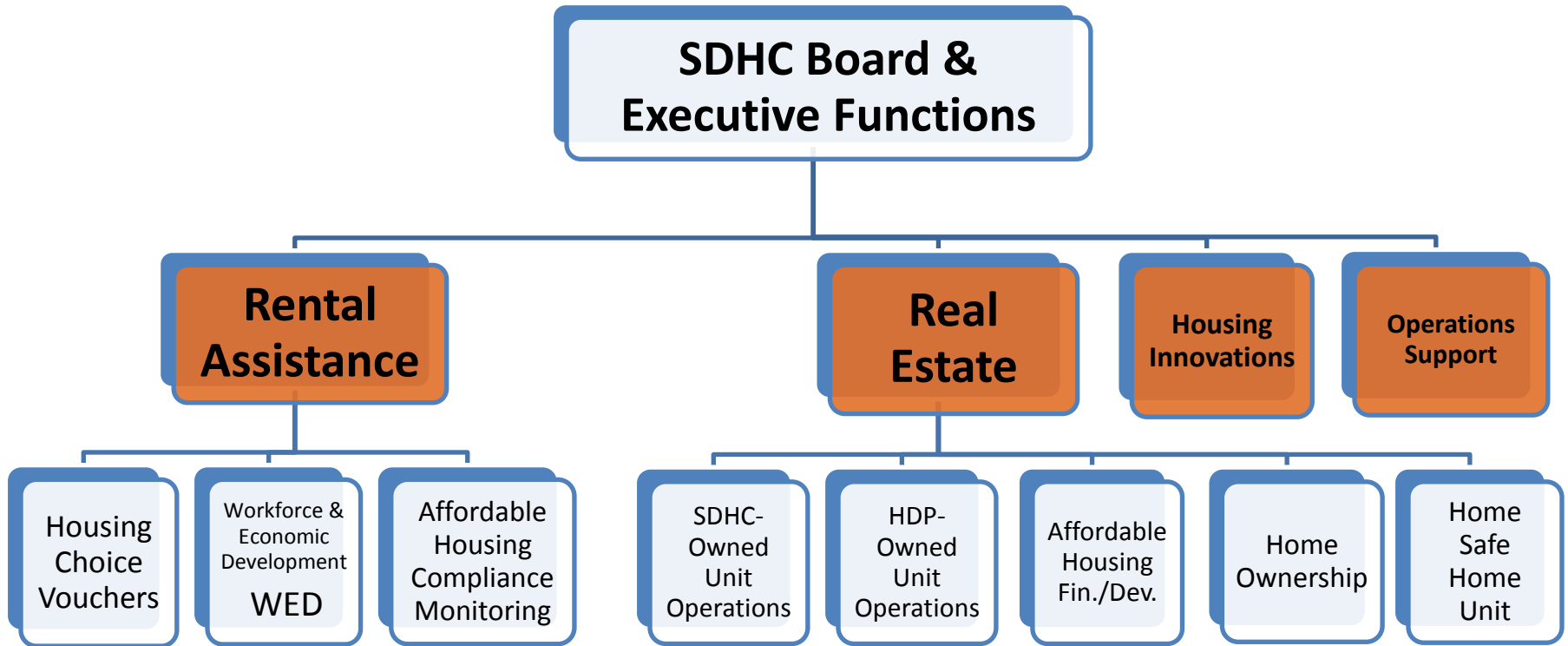
SDHC Fiscal Year 2015 Budget Executive Summary

- \$13.9M or 6% increase in revenues due to increased MTW, real estate, AHF and HOME revenues
- Expenditure decreases due to reduced capital development, efficiencies, reduced single purpose funding for specific grant activities, improved long-term reserve management, HUD grant reform driven budget policy changes and the reversal of HUD's reserve recapture efforts
- Fund balance increases due to strategic, long-term reserve management and GPNA requirements

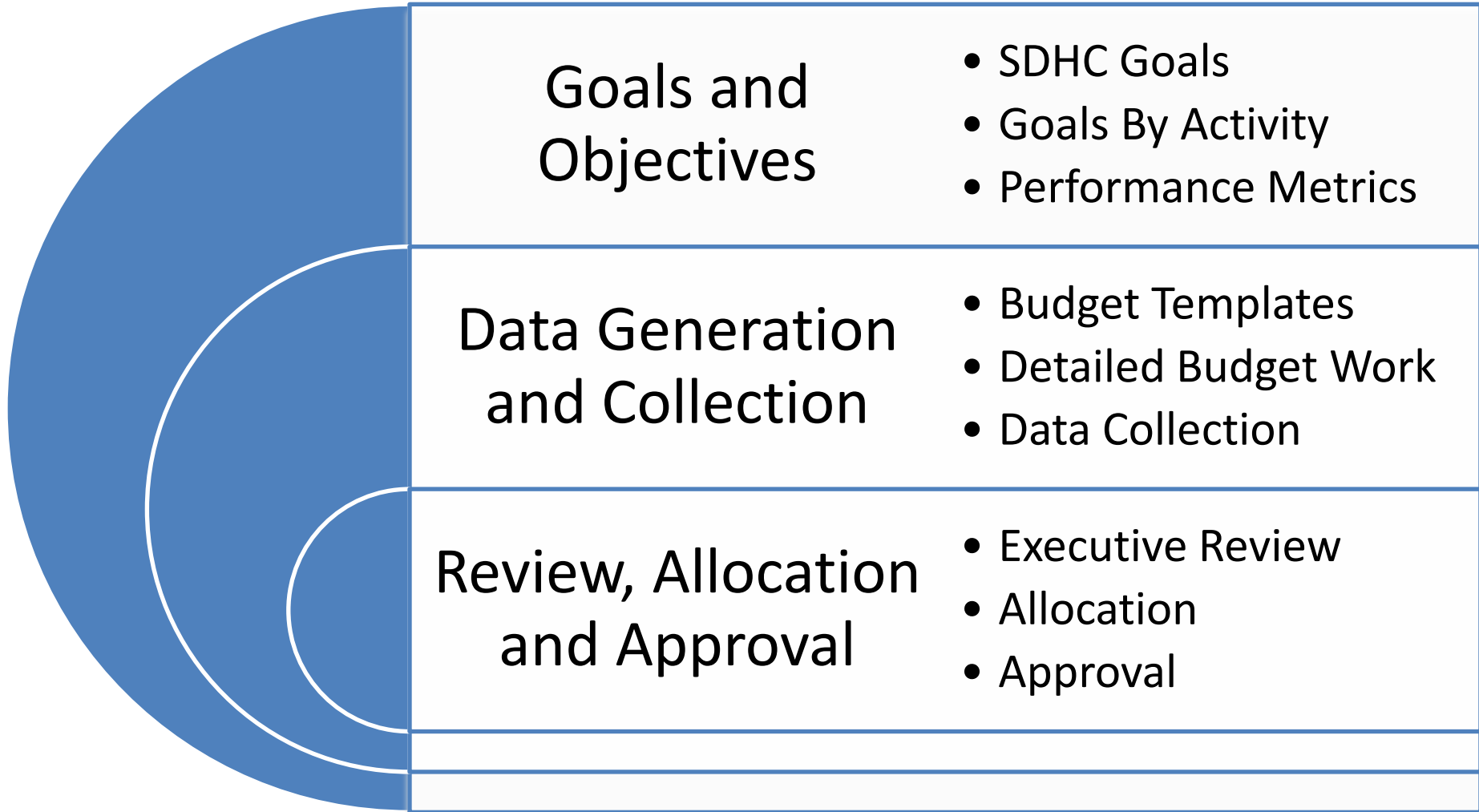


SDHC FY 2015 Budget

SDHC Organizational Chart



SDHC Fiscal Year 2015 Budget Budgeting Process



SDHC Fiscal Year 2015 Budget Budget Process and Timeline

MONTH	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr - Jun 2014	
	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3	
PHASE	PLANNING		PREPARATION				APPROVAL	
Vice Presidents	Strategic Planning		Review		Review			
Operations	Goal Setting	Revenues & Allocations	Staffing and Expenditure Budgeting		Adjust			
Budget	Budget Prep and Training	Allocate Fund Bal. & New Revenues	Compile Funds and Roll-Up Budgets		Update	Budget Doc.		
Board/HA	Ongoing Commissioner Review					HC	HA Approval	



SDHC Fiscal Year 2015 Budget Mission and Goals

MISSION:

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 SDHC serves

GOALS:

- *Create and Preserve Quality Affordable Housing*
- *Provide Housing Choice Voucher Families with Opportunities for Them to Become More Financially Self-Reliant*
- *Foster a Culture of Excellence and Innovation*



SDHC Fiscal Year 2015 Budget Goals and Objectives

(continued)

Goal A: Create and Preserve Quality Affordable Housing

- Objective 1: Pursue new funding opportunities to decrease reliance on traditional funding sources for the creation and preservation of affordable housing at the lowest possible cost
- Objective 2: Ensure the SDHC real estate portfolio is economically and physically sustainable
- Objective 3: Ensure that the most effective and cost-efficient business practices are in place for management of the SDHC loan portfolio
- Objective 4: Define SDHC's leadership role in the effort to reduce homelessness in the City of San Diego



SDHC Fiscal Year 2015 Budget Goals and Objectives

(continued)

Goal B: Provide Housing Choice Voucher Families with Opportunities for Them to Become More Financially Self-Reliant

- Objective 1: Provide a more comprehensive customer service delivery model for Housing Choice Voucher participants
- Objective 2: Increase opportunities at the SDHC Achievement Academy for Housing Choice Voucher Work-Able participants to become more financially self-reliant



SDHC Fiscal Year 2015 Budget Goals and Objectives

(continued)

Goal C: Foster a Culture of Excellence and Innovation

- Objective 1: Promote a workplace environment with high employee engagement and retention (Employer of Choice)
- Objective 2: Ensure that real-time data is available to make agency-wide strategic decisions
- Objective 3: Make certain that major decision-making actions are consistent with SDHC's mission and goals and that they address the current economic and social conditions



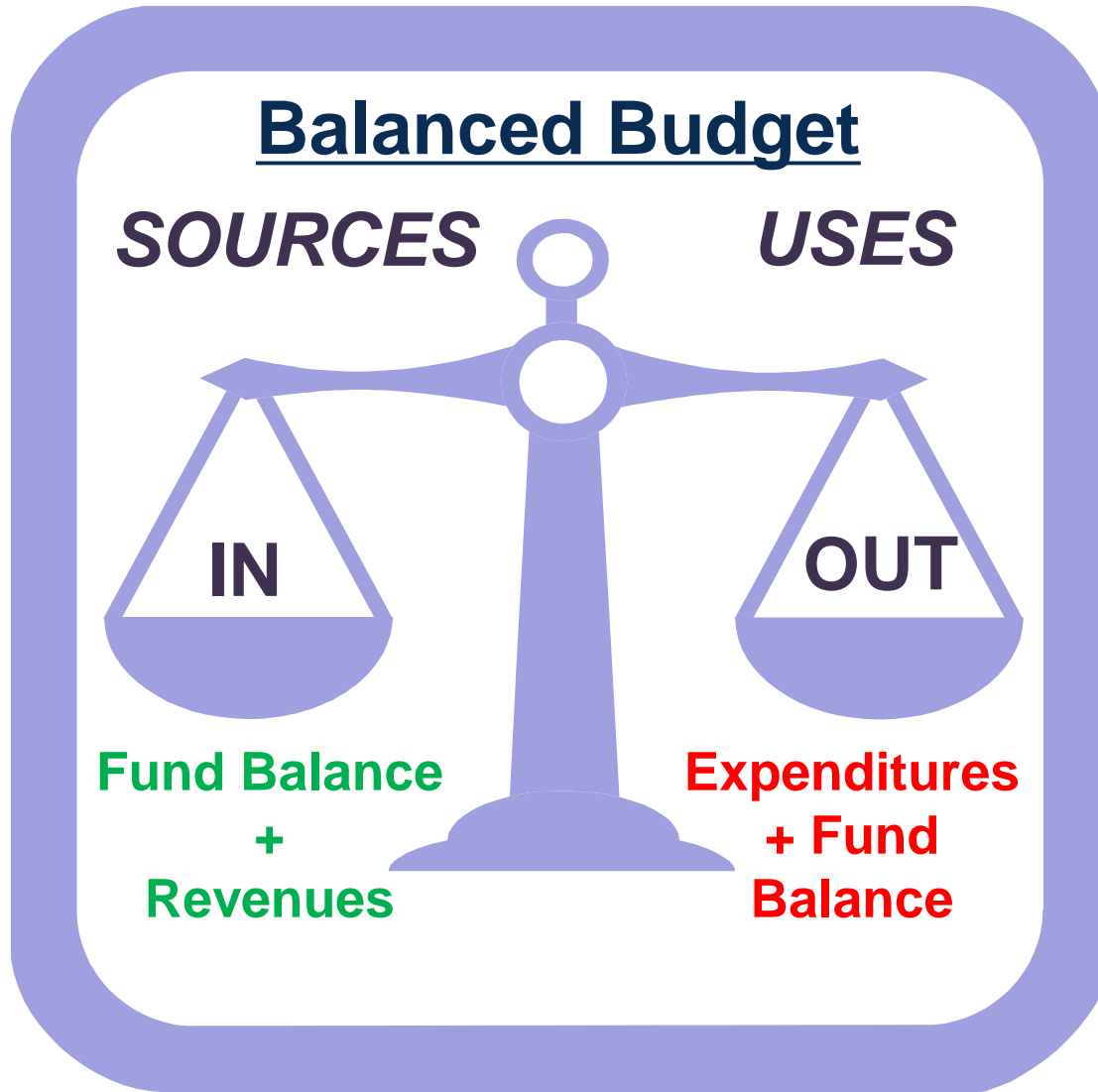
SDHC Fiscal Year 2015 Budget Goals and Objectives *(continued)*

Goal C: Foster a Culture of Excellence and Innovation *(continued)*

- Objective 4: Raise new funding to support agency-wide work readiness programs and homelessness initiatives
- Objective 5: Strengthen customer service delivery through agency-wide operational efficiency



SDHC Fiscal Year 2015 Budget



SDHC Fiscal Year 2015 Budget Budget Process And Policy

- Determine Available Sources (Beginning Fund Balance + New GAAP Revenues)
- Allocate Sources To Divisions
 - Division-generated revenues are “owned” by Division
 - Multi-Use sources allocated according to strategy
 - HOME
 - Affordable Housing Funds
 - Unrestricted Local Funds
- Establish Reserve Levels
 - 5% minimum for unrestricted fund balance
 - Property reserves according to TCAC or GPNA



SDHC Fiscal Year 2015 Budget Budget Process And Policy

- Reserve Strategy
 - Funding Trend Up/Stable: Lower Reserves
 - Funding Trend Down/Unstable: Higher Reserves
- Debt Policy - new debt only if supported by assets generating sufficient debt service coverage (no “operational shortfall debt” allowed)
- Budget Amendments are reported as “Approved Variances” to the Board and Housing Authority Approved Budget
- Full budget revisions submitted to Board only if drastic changes in funding or operational environment occur



SDHC Fiscal Year 2015 Budget Procedures for Amending Budget

- CEO authorized to amend the annual budget in the amount of \$100,000 or less
- All budget amendments in excess of \$100,000 must be approved by the SDHC Board
- The Housing Authority of the City of San Diego has delegated authority to the SDHC Board to amend the annual budget for amounts less than \$500,000
- Budget amendments in excess of \$500,000 must be approved by the Housing Authority



SDHC Fiscal Year 2015 Budget Factors Affecting FY 2015

- OMB Grant Reform: “Rate Management” requires change from capacity-based budget to an actual expenditure-based budget (>>lower expenditures, higher reserves)
- Completion of State Sites conversion and renovation
- HUD proration change for HAP from 96% to 99% and Admin from 69% to 75%
- COLA 2.5% and Performance Incentive 2.8%





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Fiscal Year 2015 SDHC Budget Presentation

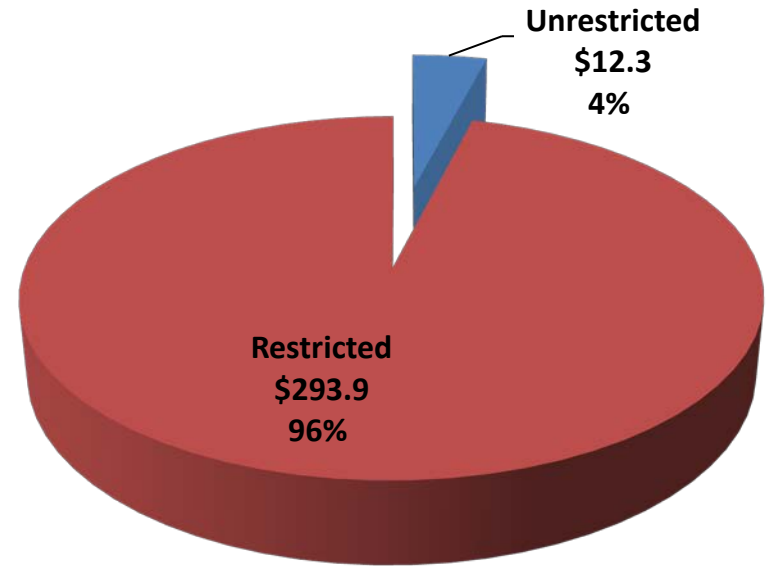
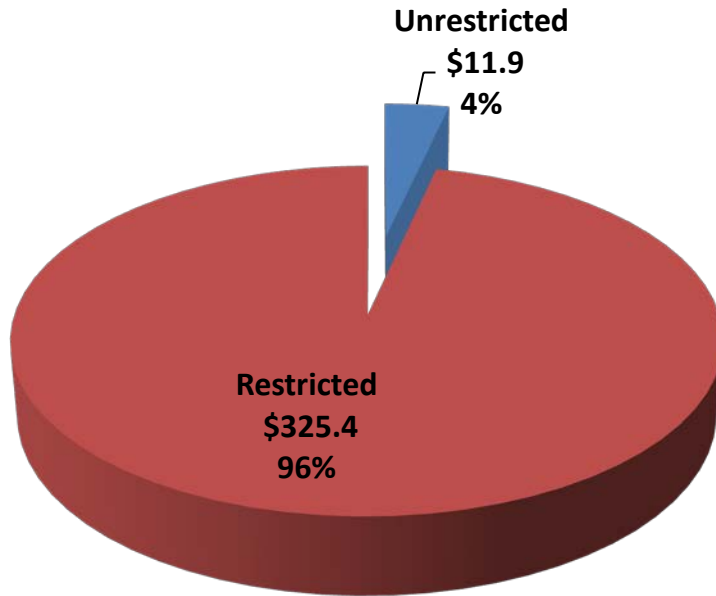
Section 2 - Sources of Funds



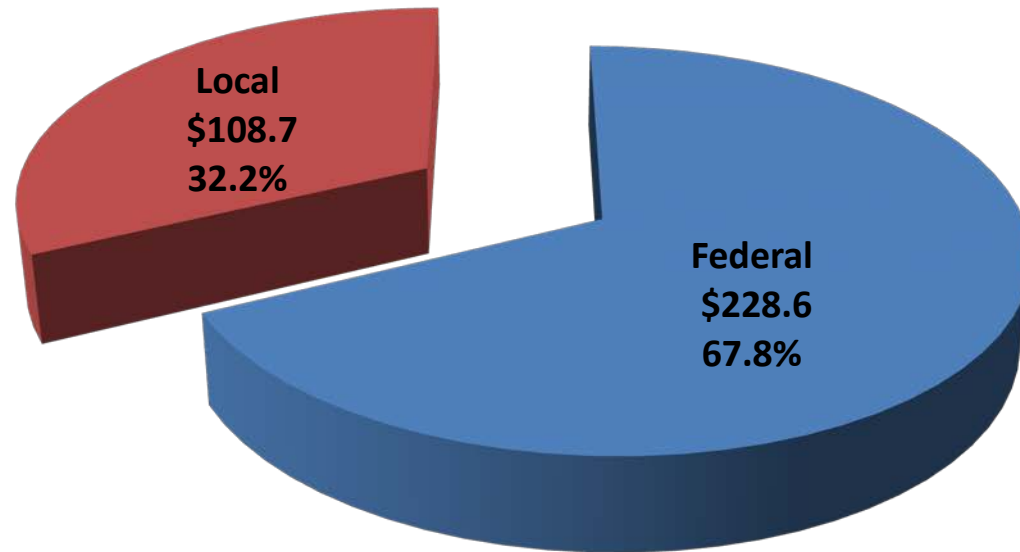
SDHC Fiscal Year 2015 Budget Sources of Funds by Restriction (*\$ in Millions*)

FY 2015 Budget – \$337.3 M

FY 2014 Budget - \$306.2 M



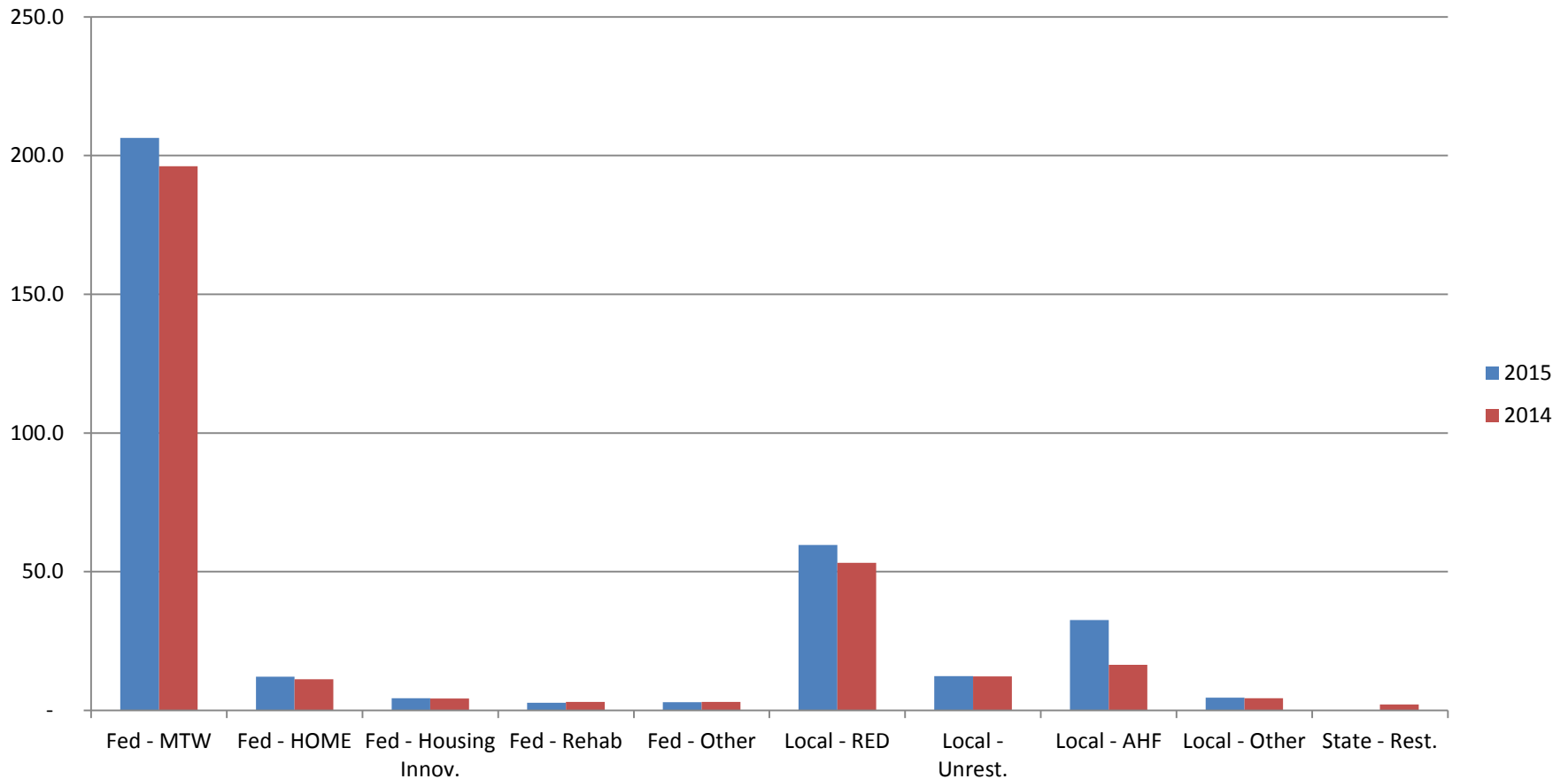
SDHC Fiscal Year 2015 Budget Funding Sources by Major Category - \$337.3M (*\$ in Millions*)



SDHC Fiscal Year 2015 Budget

FY 2015/2014 SDHC Funding Source Comparison

(\$ in Millions)



SDHC Fiscal Year 2015 Budget Available Funding Sources Detail

	FY 2015 Budget			FY 2014 Budget			Increase/(Decrease)					
	Fund Balance	Revenue	Total	Fund Balance	Revenue	Total	Fund Balance	Revenue	Total			
FEDERAL												
Section 8/MTW	32,589,037	173,749,115	206,338,152	30,594,291	165,504,092	196,098,384	1,994,746	7%	8,245,022	5%	10,239,768	5%
HOME	-	12,116,385	12,116,385	71,004	11,143,396	11,214,400	(71,004)	-100%	972,989	9%	901,985	8%
Housing Innovations	-	4,437,277	4,437,277	-	4,289,859	4,289,859	-	0%	147,418	3%	147,418	3%
Rehabilitation	-	2,798,003	2,798,003		3,071,078	3,071,078	-	0%	(273,075)	-9%	(273,075)	-9%
CDBG	904,118	1,870,125	2,774,243	1,235,341	1,691,287	2,926,628	(331,223)	-27%	178,838	11%	(152,385)	-5%
Other	21,444	123,651	145,095	50,193	63,113	113,306	(28,749)	-57%	60,538	96%	31,789	28%
FEDERAL Total	33,514,599	195,094,556	228,609,155	31,950,829	185,762,825	217,713,655	1,563,770	5%	9,331,731	5%	10,895,501	5%
LOCAL												
SDHC Real Estate	31,174,898	28,467,551	59,642,450	25,879,898	27,318,682	53,198,580	5,295,000	20%	1,148,869	4%	6,443,869	12%
Unrestricted	9,885,920	2,016,303	11,902,223	9,851,351	2,408,283	12,259,634	34,569	0%	(391,980)	-16%	(357,411)	-3%
RDA	738,415	6,892	745,307	1,200,568	28,911	1,229,479	(462,153)	-38%	(22,019)	-76%	(484,172)	-39%
AHF	24,496,005	8,046,502	32,542,507	13,333,448	3,135,197	16,468,645	11,162,557	84%	4,911,305	157%	16,073,862	98%
Other	1,614,090	2,232,756	3,846,845	547,704	2,609,294	3,156,998	1,066,386	195%	(376,538)	-14%	689,848	22%
LOCAL Total	67,909,328	40,770,003	108,679,331	50,812,969	35,500,367	86,313,336	17,096,359	34%	5,269,637	15%	22,365,995	131%
STATE	47,098	2,606	49,704	1,391,170	740,853	2,132,023	(1,344,072)	-97%	(738,247)	-100%	(2,082,319)	155%
Grand Total	101,471,025	235,867,165	337,338,191	84,154,968	222,004,045	306,159,013	17,316,057	21%	13,863,120	6%	31,179,177	10%





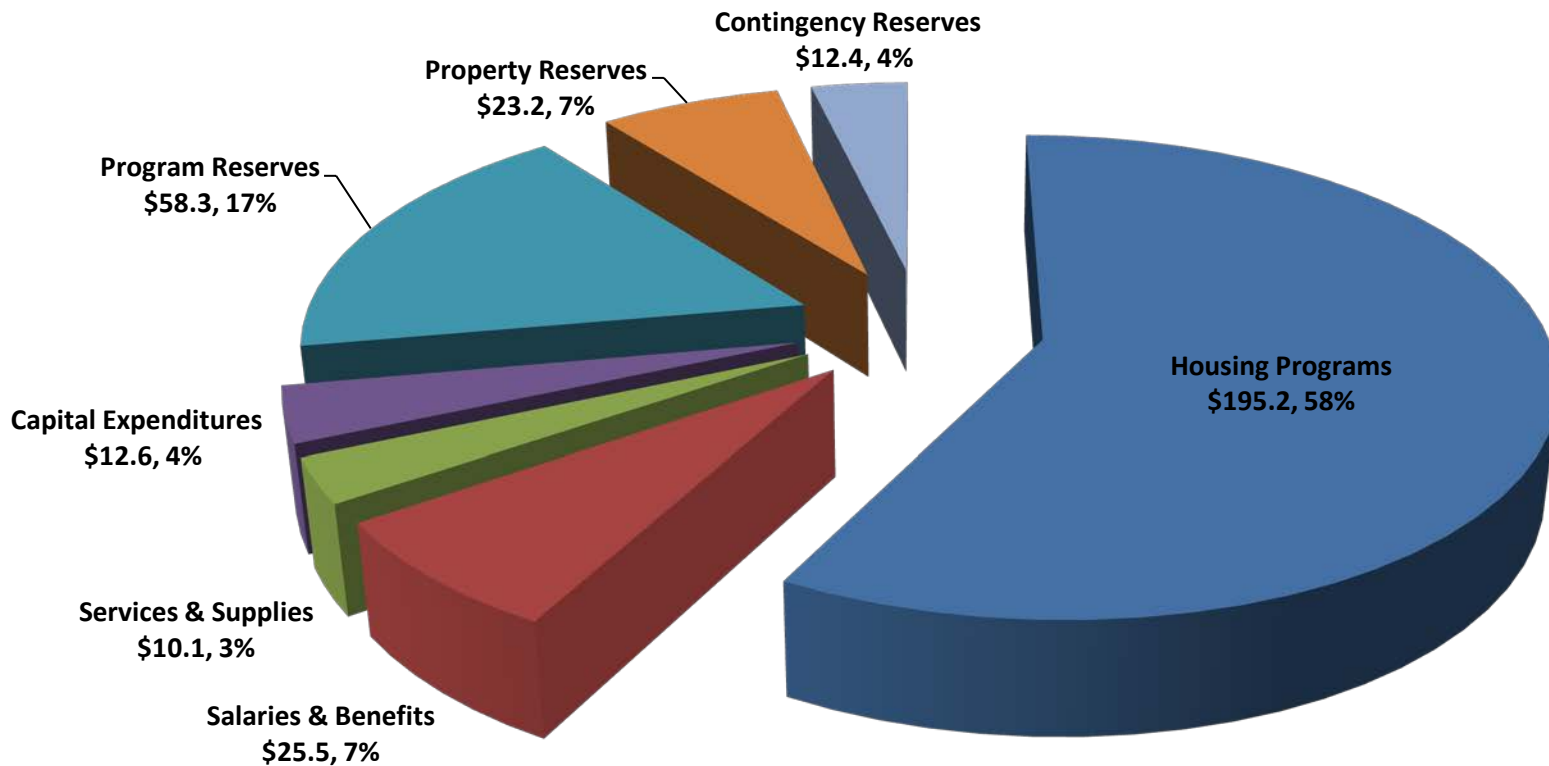
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Fiscal Year SDHC 2015 Budget Presentation

Section 3 - Uses of Funds



SDHC Fiscal Year 2015 Budget Funding Uses by Major Category - \$337.3M (*\$ in Millions*)



SDHC Fiscal Year 2015 Budget

Funding Uses by Fiscal Year

(\$ in Millions)

	FY 2015	FY 2014	
	<u>Budget</u>	<u>Budget</u>	<u>Inc./Dec</u>
Housing Program Expense	\$ 178.1	\$ 185.4	\$ (7.3)
Salaries and Benefits	25.5	24.9	0.6
Property Expense	14.1	11.4	2.7
Professional Services, Supplies & Other	10.1	12.3	(2.2)
Debt Principal Payments	3.0	3.1	(0.1)
Capital Expenditures	12.6	19.2	(6.6)
Ending Reserves	93.9	49.9	44.0
Total	\$ 337.3	\$ 306.2	\$ 31.1



SDHC Fiscal Year 2015 Budget Funding Uses Detail Salaries & Benefits *(\$ in Millions)*

	FY 2015		FY 2014		
	<u>Budget</u>	<u>%</u>	<u>Budget</u>	<u>%</u>	<u>Inc/(Dec.)</u>
Salaries	\$ 18.7	73%	\$ 18.4	74%	\$ 0.3
Flex Plan Benefits	2.7	11%	2.5	10%	0.2
Pension Plan	2.5	10%	2.4	10%	0.1
Fringe Benefits - Other	1.6	6%	1.6	6%	0.0
Total	\$ 25.5	100%	\$ 24.9	100%	\$ 0.6

FTE's	299.0	310.0	(11.0)
--------------	--------------	--------------	---------------

***Benefit Load as % Of
Total Personnel:***

27%

26%



SDHC Fiscal Year 2015 Budget Salary and Staffing Detail

	Budgeted FTEs			Budgeted Base Salaries 2014	2015 COLA & PI	Other Changes*	Budgeted Salaries 2015
	2014	2015	Change				
Rental Assistance							
Housing Choice Voucher Program	91.8	92.5	0.7	4,991,542	268,046	(105,263)	5,154,325
WED	11.0	11.1	0.1	775,268	41,632	(701)	816,199
Compliance	5.1	5.1	-	324,902	17,447	(3,690)	338,659
Subtotal Rental Assistance	107.9	108.7	0.8	6,091,712	327,125	(109,654)	6,309,183
Real Estate/Other							
Property Management & Maint.	52.0	49.9	(2.0)	1,819,730	97,719	23,234	1,940,682
Construction Services	7.7	6.0	(1.7)	552,127	29,649	(121,153)	460,623
Facilities Management	1.7	3.4	1.8	140,442	7,542	108,805	256,789
Rental Housing Development	1.4	0.4	(0.9)	119,851	6,436	(81,409)	44,878
Rental Housing Finance	7.6	7.1	(0.6)	470,962	25,291	83,007	579,260
Homeownership	3.4	3.1	(0.3)	208,064	11,173	(19,925)	199,312
Home Safe Home Unit	12.2	10.0	(2.2)	917,067	49,246	(186,551)	779,762
Lease Management	0.9	3.2	2.3	75,454	4,052	176,756	256,262
Loan Management	6.8	6.1	(0.7)	409,384	21,984	(45,105)	386,263
Reinvestment Task Force	1.1	1.1	-	83,518	4,485	490	88,493
Subtotal Real Estate/Other	94.8	90.3	(4.5)	4,796,599	257,577	(61,851)	4,992,325
HDP **	2.9	2.8	(0.0)	302,878	16,265	(19,266)	299,877
Housing Innovations	9.5	7.0	(2.5)	653,908	35,115	(145,381)	543,642
Operations Support							
Board & Executive	3.5	4.2	0.7	541,252	29,065	81,010	651,327
Public Policy & Legislative Services	3.5	-	(3.5)	284,240	15,264	(299,504)	-
Communications	5.0	6.0	1.0	437,842	23,512	67,264	528,618
Compliance & Special Programs	9.8	7.6	(2.2)	760,481	40,838	(160,121)	641,198
Section 3 and Outreach	2.2	2.0	(0.2)	160,318	8,609	(19,453)	149,474
Human Resources	18.0	18.0	-	633,384	34,013	200	667,597
Procurement	13.1	13.4	0.3	863,449	46,367	38,615	948,431
Information Technology	15.0	14.0	(1.0)	1,148,936	61,698	(72,549)	1,138,085
Financial Services	25.0	25.0	-	1,696,800	91,118	48,877	1,836,795
Subtotal Operations Support	95.1	90.2	(4.9)	6,526,703	350,484	(315,661)	6,561,526
Grand Total	310.0	299.0	(11.0)	18,371,799	986,566	(651,814)	18,706,551

* Position eliminations, reclassifications, salary changes due to turn-over

** HDP salaries are 100% reimbursed by HDP revenues and are not agency funded



SDHC Fiscal Year 2015 Budget Detail Schedule of Reserves

	<u>FY 2015</u>	<u>FY 2014</u>	<u>Inc./.(Dec.)</u>
Program Restricted Reserves			
Section 8	29,047,261	15,167,814	13,879,447
Other Programs - Board Resolution Committed	3,200,000		3,200,000
Other Programs - Identified Projects	19,950,000		19,950,000
Other Programs - To Be Determined	3,581,435	6,326,933	(2,745,498)
HOME Administration Reserve	2,500,000	-	2,500,000
Total Program Reserves	58,278,696	21,494,747	36,783,949
Property Reserves			
Replacement Reserves	16,187,600	12,965,404	3,222,196
SDHC LLC Reserve (HAR09-030)	5,000,000	5,000,000	-
Smart Corner Reserve	2,000,000	2,000,000	-
Hotel Churchill	-	500,000	(500,000)
Total Property Reserves	23,187,600	20,465,404	2,722,196
Contingency Reserves			
Unobligated Reserves	11,793,358	7,372,449	4,420,909
Litigation/Uninsured Losses/Other	600,000	600,000	-
Total Contingency Reserves	12,393,358	7,972,449	4,420,909
TOTAL RESERVES	93,859,654	49,932,600	43,927,054





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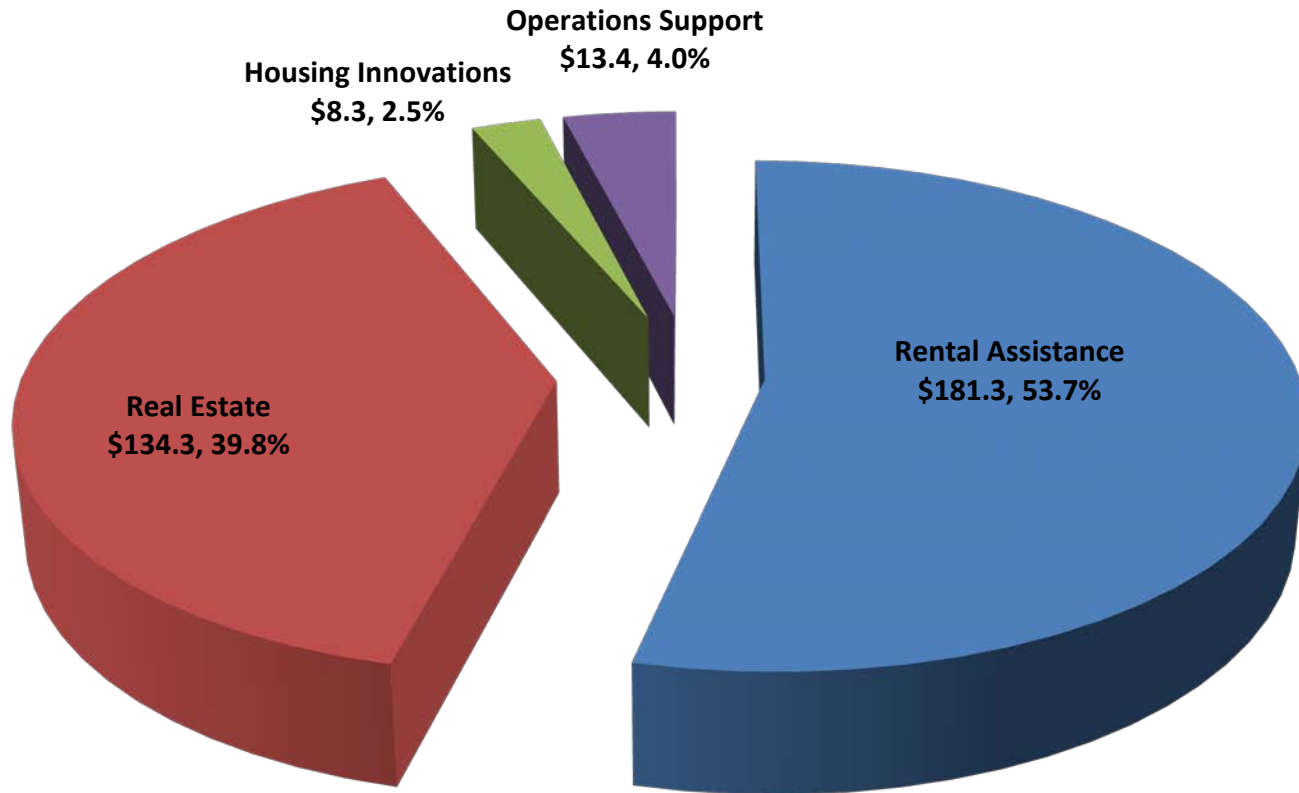
Fiscal Year SDHC 2015 Budget Presentation

Section 4 – Activity-Based Budget Information



SDHC Fiscal Year 2015 Budget Funding Uses by Activity - \$337.3M

(\$ in Millions)



SDHC Fiscal Year 2015 Budget

Annual Budget By Activity

Operations

(\$ in Millions)

	FY 2015	FY 2014	
	<u>Budget</u>	<u>Budget</u>	<u>Inc./Dec</u>
Rental Assistance	\$ 168.1	\$ 169.4	\$ (1.3)
Housing Innovations	8.9	10.5	(1.6)
Property Operations	38.8	43.3	(4.5)
Rental Housing Finance	16.1	17.9	(1.8)
Homeownership	4.4	5.5	(1.1)
Home Safe Home	5.3	6.6	(1.3)
Loan Management	1.1	2.4	(1.3)
Reinvestment Task Force	0.2	0.2	0.0
Housing Development Partners	0.5	0.5	0.0
Reserves	93.9	49.9	44.0
Total	\$ 337.3	\$ 306.2	\$ 31.1



SDHC Fiscal Year 2015 Budget

Annual Budget By Activity

Operations Support

(\$ in Millions)

	FY 2015 <u>Budget</u>	FY 2014 <u>Budget</u>	<u>Inc./</u> (Dec)
Board & Executive Functions	\$ 1.6	\$ 1.5	\$ 0.1
Public Policy & Legislative Services	-	0.4	(0.4)
Community Relations & Communications	0.8	0.8	0.0
Special Programs	0.9	1.3	(0.4)
Section 3 & Outreach	0.2	0.2	(0.0)
Human Resources	1.3	1.1	0.2
Procurement	1.7	1.7	(0.0)
Information Technology	4.1	3.9	0.2
Financial Services	2.8	3.1	(0.3)
Total	\$13.4	\$14.0	\$ (0.6)



SDHC Fiscal Year 2015 Budget Investment in Homelessness

\$21.3 Million Annually

460,565 nights of housing



SDHC Fiscal Year 2015 Budget Investment in Homelessness (Cont.)

	<u>FY2015 Budget</u>	<u>Funding Sources</u>
Federal Housing Voucher Support	\$ 12,408,578	Section 8/Moving to Work/SDHC
Permanent Supportive Housing	3,330,212	HUD Continuum of Care/SDHC
ESG Rapid Rehousing	1,196,673	ESG/SDHC
Cortez Hill Family Center	845,642	CDBG/ESG/Housing Impact Fees/SDHC
Single Adult Homeless Emergency Shelter Program	642,230	General funds/SDHC
Transitional Housing Programs	609,560	Housing Impact Fees/SDHC
Neil Good Day Center	570,186	CDBG/SDHC
Connections Housing (Interim Bed Program)	484,635	CDBG/ESG/SDHC
Federal Tenant-Based Rental Assistance	422,577	HOME/SDHC
Veterans Homeless Emergency Shelter Program	370,631	CDBG/ESG/SDHC
CoC Rapid Rehousing	198,199	CoC/SDHC
Senior Citizen Shared Housing Program	82,636	SDHC/SDHC
Homeless Transitional Storage Center	73,272	General funds/SDHC
Project Homeless Connect	43,384	SDHC
Homeless Management Information System	10,330	ESG/SDHC
TOTAL BUDGET COMMITMENT	\$ 21,288,747	



SDHC Fiscal Year 2015 Budget Homelessness Impact

Fiscal Year 2015 Performance		
Metrics / Production Levels		
	FY15	
	Nights of Housing	Lives Impacted
<u>CoC PSH</u>	128,580 (avg # persons served x 365 days)	429
SDHC Merged Grant	89,961	
SVdP Village Place	22,630	
TACHS Prism	11,171	
Townspople 34th Street	1,825	
Mental Health Systems	2,993	
<u>ESG, CDBG, CoC, SDHC LOCAL (TBD)</u>		
Veterans Shelter	18,000	381
	(150 beds x 120 days)	
Connections Interim Bed Program	54,750	600
	(150 beds x 365 days)	
Cortez Hill Family Shelter	54,750	600
	(150 beds x 365 days)	
Neil Good Day Center	0	3,600
Housing Trust Fund	160,000	1,150
CoC Rapid Rehousing	2,400	20
ESG Rapid Rehousing Program	9,600	80
HOME Tenant Based Rental Assistance	32,485	30
TOTALS	460,565	6,890



SDHC Fiscal Year 2015 Budget

A Variety of Approaches to Addressing Homelessness

- Short-Term Housing
- Permanent Housing
- Service Access
- Systems Support



*Connections Housing
SDHC Partnership Program*



SDHC Fiscal Year 2015 Budget Short Term Housing

- Single Adult Emergency Shelter
- Veterans Emergency Shelter
- Connections Interim Housing Beds
- Cortez Hill Family Shelter
- Transitional Housing



SDHC Fiscal Year 2015 Budget Permanent Housing & Permanent Supportive Housing

- Supportive Housing for the Disabled (formerly Shelter + Care)
- Federal Housing Voucher Support
 - Sponsor-Based Housing Vouchers
 - Project-Based Housing Vouchers
 - Veterans Affairs Supportive Housing (VASH) Vouchers
 - Short-term Rental Subsidies
- Tenant-Based Rental Assistance (HOME)
- Rapid Rehousing
- Senior Citizens Shared Housing Program



SDHC Fiscal Year 2015 Budget

Accessibility to Services

Meeting Basic Needs

- Neil Good Day Center
 - Showers / Restrooms
 - Laundry Facilities
 - Mail
 - Case Management
 - Referral Services



- Project Homeless Connect

- 854 homeless San Diegans served on December 4, 2013
- Clothing, food, flu shots, dental exams, hygiene kits, haircuts, housing assistance information, identification cards from the State Department of Motor Vehicles and many other free services



SDHC Fiscal Year 2015 Budget Systems Support

- Regional Continuum of Care Council (RCCC)
 - SDHC is an active and integral member of the RCCC and is a lead agency with the County of San Diego, the Collaborative Applicant for the RCCC.
- Participation in National “25 Cities” Initiative
 - At the invitation of HUD, SDHC is, with 7 other regional stakeholders, participating in a national initiative to identify new and innovative ways to reach the national goal of ending Veteran and chronic homelessness by 2015.



Approval Request

FY 2015 Budget - \$337.3 Million

More Than 50,000 San Diegans Served



SDHC FY 2015 Budget

SDHC Deliverables to San Diego

- Continue to assist approximately 14,500 low-income households through federal rental assistance
- Assist 70 households to become first-time homebuyers
- Support the financing of 486 affordable housing units
- Rehabilitate 233 homes and apartments for low-income families
- Operate 2,221 units of SDHC-owned housing
- Housing Development Partners owns 945 additional units
- Support programs that provide shelter to more than 3,300 and day-services to 3,600 homeless individuals
- Help 800 families that receive federal rental assistance to work toward self-reliance through the SDHC Achievement Academy



SDHC Fiscal Year 2015 Budget



Rental
Assistance



Creating Affordable
Housing



Solutions To
Homelessness

Thank You!



SDHC Budget Index

- **Section 1 - Summary and Budget Process..... Page 3**
- **Section 2 - Sources of Funds..... Page 20**
- **Section 3 - Uses of Funds..... Page 25**
- **Section 4 – Activity- Based Budget Information... Page 31**

- **Appendix A**
 - **Section 5 – Capital Expenditure Detail..... Page 47**
 - **Section 6 – Budget in City Format..... Page 49**





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Fiscal Year 2015 Budget Presentation – Appendix A Section 5 – Capital Expenditure Detail



SDHC Fiscal Year 2015 Budget Capital Expenditures Detail

PROJECT DESCRIPTION	DIVISION	FUNDING SOURCE	FY 2015 BUDGET	FY 2014 BUDGET	Inc/(Dec)
Capital Improvements					
<i>Planned Projects:</i>					
State Sites Conversion/Improvements	Real Estate	Various	7,847,663	9,319,812	(1,472,149)
ADA and GPNA (All Properties)	Real Estate	Property Funds	2,064,083	650,000	1,414,083
Vista Verde	Real Estate	HUD Public Housing Capital Funds	-	45,709	(45,709)
TOTAL CAPITAL IMPROVEMENTS			9,911,747	10,015,521	(103,774)
Housing Development/Acquisition					
<i>Planned Projects:</i>					
Park Crest	Real Estate	Loan Proceeds	2,648,338	1,915,210	733,128
TOTAL PLANNED PROJECTS			2,648,338	1,915,210	733,128
<i>Projects To Be Identified:</i>					
TBD	Real Estate	HUD Moving To Work Funds	-	2,449,236	(2,449,236)
TBD	Real Estate	HOME Funds	-	1,451,336	(1,451,336)
TBD	Real Estate	Property Funds	-	2,029,720	(2,029,720)
TBD	Real Estate	Affordable Housing Funds	-	700,000	(700,000)
TBD	Real Estate	Loan Proceeds	-	544,000	(544,000)
TOTAL TO BE DETERMINED PROJECTS			-	7,174,292	(7,174,292)
IT Equipment					
Information Technology Equipment	Info Tech.	Unrestricted Funds	65,000	100,000	(35,000)
TOTAL IT EQUIPMENT			65,000	100,000	(35,000)
Total Capital Budget			12,625,084	19,205,023	(6,579,939)





SAN DIEGO
HOUSING
COMMISSION

Fiscal Year 2015 Budget Presentation – Appendix A Section 6 – Budget in City Format





SDHC Fiscal Year 2015 Budget Mission Statement

San Diego Housing Commission

Mission Statement

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 2015 Budget Summary

The San Diego Housing Commission (SDHC) is a public agency that provides affordable housing programs and services for extremely low- and moderate-income individuals and families in the City of San Diego (City). SDHC assists approximately 14,500 low-income households by paying a portion of their rent through the federal Housing Choice Voucher (Section 8) program. Approximately 48 percent of SDHC's Housing Choice Voucher (Section 8) households are senior citizens and disabled individuals. SDHC plays a major role in supporting transitional and permanent housing to address homelessness among families, seniors, veterans and other individuals. SDHC also is a developer of affordable multifamily housing and provides loans, Closing Cost Assistance Grants and Mortgage Credit Certificates to help first-time homebuyers.

In Fiscal Year 2015, SDHC will focus on the following programs and activities:

- Preserving and creating affordable rental housing;
- Collaborating with service providers to address homelessness for families, seniors, veterans and other individuals; and
- Providing policy advice to the San Diego City Council by initiating, monitoring or implementing municipal ordinances that address the City's housing needs and protect existing housing stock, such as Inclusionary Zoning, Density Bonuses, Single Room Occupancy Preservation and the Housing Impact Fee

The \$337.3 million proposed Fiscal Year 2015 Budget would enable SDHC to:

- Continue to assist approximately 14,500 low-income households by paying a portion of their rent through the federal Housing Choice Voucher (Section 8) program;
- Assist 70 households to become first-time homebuyers;
- Support the financing of 486 affordable housing units;
- Rehabilitate 233 homes and apartments for low-income families;
- Operate 2,221 units of SDHC-owned affordable housing;
- Support shelter programs that assist more than 3,300 homeless individuals and day services for 3,600 homeless individuals;
- Help 800 families that receive federal rental assistance to work toward self-reliance through the SDHC Achievement Academy



SDHC Fiscal Year 2015 Budget Mission Statement

(continued)

SDHC's Fiscal Year 2015 Budget is composed of four divisions: Rental Assistance, Real Estate, Housing Innovations and Operations Support. Following is a brief overview of each group.

- Rental Assistance Division (RAD) funding is budgeted at \$181.3 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 Housing Choice Voucher (Section 8) participants and public housing residents. Additionally, RAD monitors projects and homeowners for compliance with federal, state and local occupancy and affordability restrictions.
- Real Estate Division (RED) funding is budgeted at \$134.3 million. RED creates housing opportunities by developing affordable housing and by owning, managing and maintaining affordable housing. RED also lends funds to other developers of affordable housing, helps low- and moderate-income families become first-time homebuyers and preserves existing affordable housing.
- Housing Innovations Department (HIT) funding is budgeted at \$8.3 million. HIT provides activities that address homelessness and the housing needs of those with extremely low incomes. This department provides transitional housing, interim, emergency and permanent supportive housing and services.
- Operations Support funding is budgeted at \$13.5 million. Operations Support provides support services to carry out the SDHC mission. Included are: 1) Board & Executive Functions, which provide strategic planning, leadership and management to implement housing programs; 2) Community Relations & Communications, which builds awareness and performs community outreach among all SDHC audiences about SDHC's programs and services; 3) Public Policy & Legislative Services, which is responsible for providing effective program-related policy direction to SDHC and the Housing Authority of the City of San Diego; and 4) Other Support Services, such as Human Resources, Financial Services, Information Technology, Procurement, Section 3, and Special Programs.

Funds allocated for Reserves in each division are budgeted at \$93.9 million. These funds contain three types of reserves: 1) Program and Property Reserves to provide for future personnel, services and supplies, housing programs and property replacement expenditures; 2) Contingency Reserves to provide for potential litigation and uninsured losses; and 3) Unobligated Reserves, which include amounts available for any unanticipated housing purpose.





SDHC Fiscal Year 2015 Budget in City Format Budget Summary

	FY 2013 Budget	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Proposed Budget	FY 2014-2015 Change
Positions	308.00	281.00	310.00	310.00	299.00	(11.00)
Personnel Expense	\$ 23,881,510	\$ 22,686,937	\$ 24,931,869	\$ 24,931,869	\$ 25,452,777	\$ 520,908
Non-Personnel Funding Uses	\$ 306,348,772	\$ 309,558,806	\$ 281,227,144	\$ 281,227,144	\$ 311,885,413	\$ 30,658,269
TOTAL	\$ 330,230,282	\$ 332,245,743	\$ 306,159,013	\$ 306,159,013	\$ 337,338,190	\$ 31,179,177
<i>Post Budget Approval City Homeless Shelter Funds</i>			\$ (1,900,000)	\$ (1,900,000)		
<i>Budget as Presented and Approved</i>			\$ 304,259,013	\$ 304,259,013		



SDHC Fiscal Year 2015 Budget in City Format Expenditures

	FY 2013 Budget	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Proposed Budget	FY 2014-2015 Change
PERSONNEL						
Salaries and Wages	\$ 17,527,775	\$ 17,027,035	\$ 18,371,799	\$ 18,371,799	\$ 18,706,551	\$ 334,753
Overtime	-	-	-	-	-	-
Fringe Benefits - Pension	2,287,714	2,021,610	2,402,433	\$ 2,402,433	2,473,404	70,971
Fringe Benefits - Health	2,537,509	2,326,259	2,555,055	\$ 2,555,055	2,659,425	104,371
Fringe Benefits (Life, LTD, Medicare, Workers Comp, SUJ, and 457)	1,528,512	1,312,033	1,602,583	\$ 1,602,583	1,613,396	10,813
SUBTOTAL PERSONNEL	23,881,510	22,686,937	24,931,869	24,931,869	25,452,777	520,908
NON-PERSONNEL						
Housing Program Expense	197,590,464	169,330,222	185,407,141	185,407,141	178,097,752	(7,309,389)
Property Expenses - Program	13,847,789	13,641,266	11,437,229	11,437,229	14,106,278	2,669,049
Professional Services, Supplies, Property Expenses - Admin, Other	12,127,670	9,099,703	12,139,538	12,139,538	10,153,626	(1,985,912)
Debt Principal Payments	3,125,639	3,709,408	3,105,613	3,105,613	3,043,019	(62,594)
Capital Expenditures	41,945,441	14,304,124	19,205,023	19,205,023	12,625,084	(6,579,938)
Reserves	37,711,769	99,474,083	49,932,600	49,932,600	93,859,654	43,927,054
SUBTOTAL NON-PERSONNEL	306,348,772	309,558,806	281,227,144	281,227,144	311,885,413	30,658,269
TOTAL	330,230,282	332,245,743	306,159,013	306,159,013	337,338,190	31,179,177
<i>Post Budget Approval City Homeless Shelter Funds</i>			\$ (1,900,000)	\$ (1,900,000)		
<i>Budget as Presented and Approved</i>			\$ 304,259,013	\$ 304,259,013		





SDHC Fiscal Year 2015 Budget in City Format

Significant Budget Adjustments

Significant Budget Adjustments	Position/Explanation for Change	Revenue	Expenses
Salaries and Benefits Adjustments			
Personnel			
Salaries & Wages	Due to COLA and Performance Incentives		\$ 334,753
Overtime			-
Fringe Benefits (pension)	Due to COLA and Performance Incentives		70,971
Fringe Benefits (health)	Due to increase in Flexible Spending Accounts		104,371
Fringe Benefits (Life, LTD, Medicare, Workers Comp, SUJ, and 457)	Due to COLA and Performance Incentives		10,813
Personnel Adjustments			
Non-Personnel Expenditure Adjustments			
Housing Program Expense	Budgetary policy change, "Path to Success" impact and anticipated need for homelessness reserves for fiscal year 2016 strategic plan		(7,309,389)
Property Expenses	Reclassification of interest on SDHC owned property debt from Services and Supplies to Property Expense and anticipated increase in utility rates and maintenance		2,669,049
Professional Services, Supplies, Other	Reclassification of interest on SDHC owned property debt from Services and Supplies to Property Expense		(1,985,912)
Debt Principal Payments	Reduced due to lower mortgage principal payoff in FY 2015		(62,594)
Capital Expenditures	Decrease due to use of available development funds in prior year.		(6,579,938)
Reserves	MTW reserve increase to two months, PNA based increase to property reserves, budgetary policy changes, new HOME administrative reserve requirement, unobligated reserve increase to 5% per IBA, and anticipated need for homelessness reserves for fiscal year 2016 strategic plan		43,927,054
Non-Personnel Expenditure Adjustments			
TOTAL EXPENSE ADJUSTMENTS			\$ 30,658,269
Revenue Adjustments			
Section 8/MTW	Due to increased HUD funding, additional State Site conversion revenue and unspent MTW Asset Repo Fees	\$ 8,245,022	
HOME	Draw down of HUD held IDIS (Integr. Disb. And Info Syst) reserves	\$ 972,989	
Housing Innovation Funds	Mostly additional ESG grant revenue	\$ 147,418	
Rehabilitation Funds	HUD Healthy Homes grant ended	\$ (273,075)	
CDBG	New CDBG Housing Finance Homeownership grant	\$ 178,838	
Other Federal Funds	Additional Asset For Independence funds expected	\$ 60,538	
SDHC Real Estate	Rent adjustment to market rates and lower vacancy	\$ 1,148,869	
Unrestricted Funds	Reduction in lease and discretionary revenues	\$ (391,980)	
RDA	Program ended	\$ (22,019)	
Affordable Housing Fund	Budget adjusted to actual trend	\$ 4,911,305	
Other Local Funds	Budget based on conservative estimates for other local funds	\$ (376,538)	
STATE	Conversion of State Sites to Public Housing	\$ (738,247)	
Fund Balance from Prior Years	Reflects additional prior year revenues available to spend in FY 2015	\$ 17,316,057	
TOTAL REVENUE ADJUSTMENTS			\$ 31,179,177
			\$ -





SDHC Fiscal Year 2015 Budget in City Format

Reimbursements to Departments/Entities

Departments/Entities	FY 2013 Budget	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Proposed Budget	FY 2014-2015 Change
Department Name						\$ -
Housing Innovations Team - Homeless Transitional Storage Center					\$ 50,000	\$ 50,000
Housing Innovations Team - Neil Good Day Center	\$ 550,000	\$ 550,000				\$ -
Housing Innovations Team - Winter Shelter			\$ 1,300,000	\$ 1,300,000	\$ 541,667	\$ (758,333)
Housing Innovations Team - Veterans Shelter			\$ 600,000	\$ 600,000		\$ (600,000)
						\$ -
						\$ -
						\$ -
						\$ -
						\$ -
TOTAL	\$ 550,000	\$ 550,000	\$ 1,900,000	\$ 1,900,000	\$ 591,667	\$ (1,308,333)



SDHC Fiscal Year 2015 Budget in City Format Revenues

Revenue Source	FY 2013 Budget	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Proposed Budget	FY 2014-2015 Change
FEDERAL						
Section 8/MTW	\$ 207,933,330	\$ 162,647,127	\$ 165,504,092	\$ 165,504,092	\$ 173,749,115	\$ 8,245,022
HOME	\$ 5,581,562	\$ 7,127,243	\$ 11,143,396	\$ 11,143,396	\$ 12,116,385	\$ 972,989
Housing Innovations	\$ 3,550,368	\$ 3,332,135	\$ 4,289,859	\$ 4,289,859	\$ 4,437,277	\$ 147,418
Rehabilitation	\$ 2,751,976	\$ 2,188,636	\$ 3,071,078	\$ 3,071,078	\$ 2,798,003	\$ (273,075)
CDBG	\$ 2,469,564	\$ 2,853,336	\$ 1,691,287	\$ 1,691,287	\$ 1,870,125	\$ 178,838
Other	\$ 184,735	\$ 254,058	\$ 63,113	\$ 63,113	\$ 123,651	\$ 60,538
FEDERAL Total	\$ 222,471,535	\$ 178,402,535	\$ 185,762,825	\$ 185,762,825	\$ 195,094,556	\$ 9,331,731
LOCAL						
SDHC Real Estate	\$ 62,524,482	\$ 27,433,271	\$ 27,318,682	\$ 27,318,682	\$ 28,467,551	\$ 1,148,869
Unrestricted	\$ 18,437,374	\$ 3,789,737	\$ 2,408,283	\$ 2,408,283	\$ 2,016,303	\$ (391,980)
RDA	\$ 604,280	\$ 6,884,796	\$ 28,911	\$ 28,911	\$ 6,892	\$ (22,019)
AHF	\$ 21,583,546	\$ 259,987	\$ 3,135,197	\$ 3,135,197	\$ 8,046,502	\$ 4,911,305
Other	\$ 1,859,304	\$ 2,162,325	\$ 2,609,294	\$ 2,609,294	\$ 2,232,756	\$ (376,538)
LOCAL Total	\$ 105,008,986	\$ 40,530,116	\$ 35,500,367	\$ 35,500,367	\$ 40,770,003	\$ 5,269,637
STATE	\$ 2,749,761	\$ 1,991,554	\$ 740,853	\$ 740,853	\$ 2,606	\$ (738,247)
FUND BALANCE FROM PRIOR YEARS		\$ 111,321,538	\$ 84,154,968	\$ 84,154,968	\$ 101,471,025	\$ 17,316,057
GRAND TOTAL	\$ 330,230,282	\$ 332,245,743	\$ 306,159,013	\$ 306,159,013	\$ 337,338,191	\$ 31,179,177
<i>Post Budget Approval City Homeless Shelter Funds</i>			\$ (1,900,000)	\$ (1,900,000)		
<i>Budget as Presented and Approved</i>			\$ 304,259,013	\$ 304,259,013		

