



SAN DIEGO
HOUSING
COMMISSION

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NEWSPAPER MISUNDERSTANDS SAN DIEGO HOUSING COMMISSION FINANCES AND OMITS DETAILS ON HOMELESSNESS PROGRAMS

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Sound, responsible financial management at the San Diego Housing Commission (SDHC) has made it possible for the agency to address homelessness and affordable housing with urgency and innovation—contrary to the San Diego Union-Tribune’s assertions in the newspaper’s October 29, 2017, article.

Once again, the newspaper left out of its article essential details about the millions of dollars SDHC is directing toward homelessness and affordable housing, and the article displayed the newspaper’s clear misunderstanding of SDHC’s finances.

This Friday, November 3, 2017, the SDHC Board of Commissioners will consider the proposal to expend more than \$6.5 million in SDHC funds for the operation of three Temporary Bridge Shelter Programs that will provide beds for 700 homeless San Diegans through June 30, 2018. These funds are in addition to the \$1.1 million SDHC directed toward the start-up costs for these programs to ensure that they will be ready by December 1, 2017.

The use of these funds to implement these three temporary bridge shelter programs is important to address homelessness in the City and help combat the regional Hepatitis A outbreak. These shelter programs also complement the “housing first” model by providing the additional capacity that is needed up-front to help homeless San Diegans leave the streets behind and start on the path toward permanent housing.

Although the details of the shelter programs are included in a report that is publicly available on SDHC’s website, the newspaper’s article did not refer to these programs in any way.

In addition, with the start of the new fiscal year on July 1, 2017, SDHC launched the current phase of its homelessness action plan, HOUSING FIRST – SAN DIEGO. SDHC will direct \$79.7 million in federal, City and SDHC resources over the next three fiscal years (2018-2020) to create permanent housing opportunities for 3,000 homeless San Diegans.

The new programs of HOUSING FIRST – SAN DIEGO include SDHC’s commitment of \$50 million to create 500 additional permanent supportive housing units for homeless San Diegans. On August 1, 2017, SDHC announced the first \$10 million is available for developers to apply for funding. And on September 8, 2017, the SDHC Board of Commissioners approved SDHC’s

investment of more than \$15 million to acquire two hotels that will provide more than 130 units of permanent supportive housing units for homeless individuals.

These programs build upon the accomplishments of the first three years (2014-2017) of HOUSING FIRST – SAN DIEGO, which are on track to impact the lives of close to 3,000 homeless San Diegans.

Accomplishments included SDHC awarding \$29.8 million toward the creation of 407 permanent supportive housing units for homeless San Diegans. In addition, SDHC committed 1,986 federal rental housing vouchers to nonprofit agencies and affordable housing developments to support permanent supportive housing. Overall, since 2010, SDHC has committed more than 3,400 rental housing vouchers with an annual value of more than \$34 million to provide rental assistance for homeless San Diegans.

HOUSING FIRST – SAN DIEGO also included the Housing Our Heroes initiative, which within 18 months helped more than 1,000 military Veterans who were homeless on the streets or in shelters to obtain rental housing.

Again, the newspaper article failed to mention any of these programs.

The newspaper also repeated its failure to report complete and accurate information about SDHC's affordable housing production. In Fiscal Year 2017, close to 690 affordable rental housing units were completed at SDHC partnership developments.

These omissions were compounded by the newspaper's inaccurate reporting of SDHC's finances. SDHC does not have \$278 million in cash and assets available to use as it chooses.

In fact, the majority of the funds referenced in the article are funds SDHC already has lent to affordable housing developers or first-time homebuyers. They are included because they are owed to SDHC, but the funds are no longer in SDHC's possession. Additional funds have been committed through actions taken by the SDHC Board of Commissioners or may be subject to Federal program restrictions. The funds referenced in the article are identified as "unrestricted net position" in SDHC's annual financial reports in compliance with government accounting standards.

SDHC spent considerable time with the newspaper to explain the financial details; however, this too was left out of the article.

SDHC continues to serve the people of the City of San Diego with "very strong overall strategy and management," as recognized by Standard & Poor's Global Ratings; as well as transparency in government, as recognized by the Government Finance Officers Association of the United States and Canada. This association has awarded SDHC a Certificate of Achievement for Excellence in Financial Reporting for nine consecutive years.

Our innovative, cost-effective programs are guided by our commitment to have the greatest possible impact with limited financial resources to address homelessness and create and preserve affordable housing.