



SAN DIEGO
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San Diego Housing Commission (SDHC) Fiscal Year (FY) 2017 Proposed Budget (July 1, 2016 – June 30, 2017) SDHC Board of Commissioners Presentation April 8, 2016

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Chief Financial Officer
Financial Services Department



SDHC FY 2017 Proposed Budget Agenda/Index

- **Section 1 – Overview.....Page 03**
- **Section 2 – Sources of Funds.....Page 11**
- **Section 3 – Objectives and DeliverablesPage 20**
- **Section 4 – Uses of Funds.....Page 23**
- **Appendix A.....Page 35**
 - **Section 5 – Budget Process**
 - **Section 6 – Budget in City Format**





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SDHC FY 2017 Proposed Budget Presentation

Section 1 – Overview



SDHC FY 2017 Proposed Budget Overview

We're About People

Mission

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



SDHC FY 2017 Proposed Budget Overview (Cont.)

\$363.4 million balanced budget using fiscally responsible practices:

- **Provide Rental Assistance to Low-Income Households**
 - Approximately 15,400 Federal housing vouchers for families, seniors and Veterans
- **Create and Preserve Affordable Housing**
 - Investment in the rehabilitation of SDHC-owned properties
 - Continued investment in the acquisition and development of affordable housing units through direct purchases or partnerships



SDHC FY 2017 Proposed Budget Overview (Cont.)

- **HOUSING FIRST - SAN DIEGO, three-year Homelessness Action Plan:**
 - **The 1,000 Homeless Veterans Initiative** – Provide 1,000 homeless Veterans in the city of San Diego with a path off the streets within a year – March 2017
 - **The Monarch School Project** – Federal housing vouchers for 25 families with students impacted by homelessness – program in progress



SDHC FY 2017 Proposed Budget Overview (Cont.)

- **HOUSING FIRST - SAN DIEGO, three-year Homelessness Action Plan (Cont.):**
 - **The Guardian Scholars Program at San Diego State University (SDSU)** – Rental assistance for up to 100 students who have been homeless or at risk of homelessness – begins in August 2016
 - **Award Development Funds** – Award up to \$10 million to create permanent affordable housing with supportive services for homeless San Diegans



SDHC FY 2017 Proposed Budget

Staffing Activities

- Add one new full-time employee to administer 820 new federal housing vouchers, these additional vouchers will increase the number of families assisted to approximately 15,400 families
- Add six temporary full-time employees to administer The 1,000 Homeless Veterans Initiative, a two-year initiative, which will invest more than \$10 million in Federal, City of San Diego, and SDHC funds to provide housing opportunities for homeless Veterans
- Add two permanent full-time employees to provide oversight of SDHC's rehabilitation of SDHC-owned properties, an investment of more than \$22 million in capital improvements identified by SDHC's Green Physical Needs Assessment program



SDHC FY 2017 Proposed Budget

Staffing Activities (Cont.)

- Perform all property management with SDHC staff instead of contracting with private management – which will generate cost savings to cover the addition of 8 full-time permanent employees
- Complete more than 19,000 Compliance Monitoring Audits, to ensure affordability requirements are met, with the addition of one full-time permanent employee to help keep up with increased workload
- The Regional Continuum of Care Consortium will be supported by one position; the position is contingent upon continued grant funding
- One full-time permanent position to be added in order to provide administrative support for the Communications and Legislative Affairs department



SDHC FY 2017 Proposed Budget Summary

- **Total Sources of Funds** available in FY 2017: \$363.4 million, compared with \$324.9 million in FY 2016 budget.
 - The \$38.4 million increase in funds available is due to:
 - Local funds increased by \$27.1 million (such as SDHC Real Estate revenue and City of San Diego Affordable Housing Funds)
 - Federal funds increased by \$12.3 million
 - State funds decreased by \$1 million
- **Total Uses of Funds**, not including allocations to reserves, in FY 2017: \$284.4 million, compared with \$255.7 million in the budget for FY 2016.
 - The \$28.6 million increase in uses of funds is due to increase of:
 - Housing Program Expenses of \$12.1 million
 - Capital Expenditures of \$13.7 million
 - Personnel Costs of \$1.9 million
 - Property, Professional Services & Other Expenses of \$0.9 million

Total Sources Exceed Total Uses by \$79 million, which is committed for programs, projects and activities.





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SDHC FY 2017 Budget Proposed Presentation

Section 2 – Sources of Funds



SDHC FY 2017 Proposed Budget

\$363.4 Million in Total Funding Sources



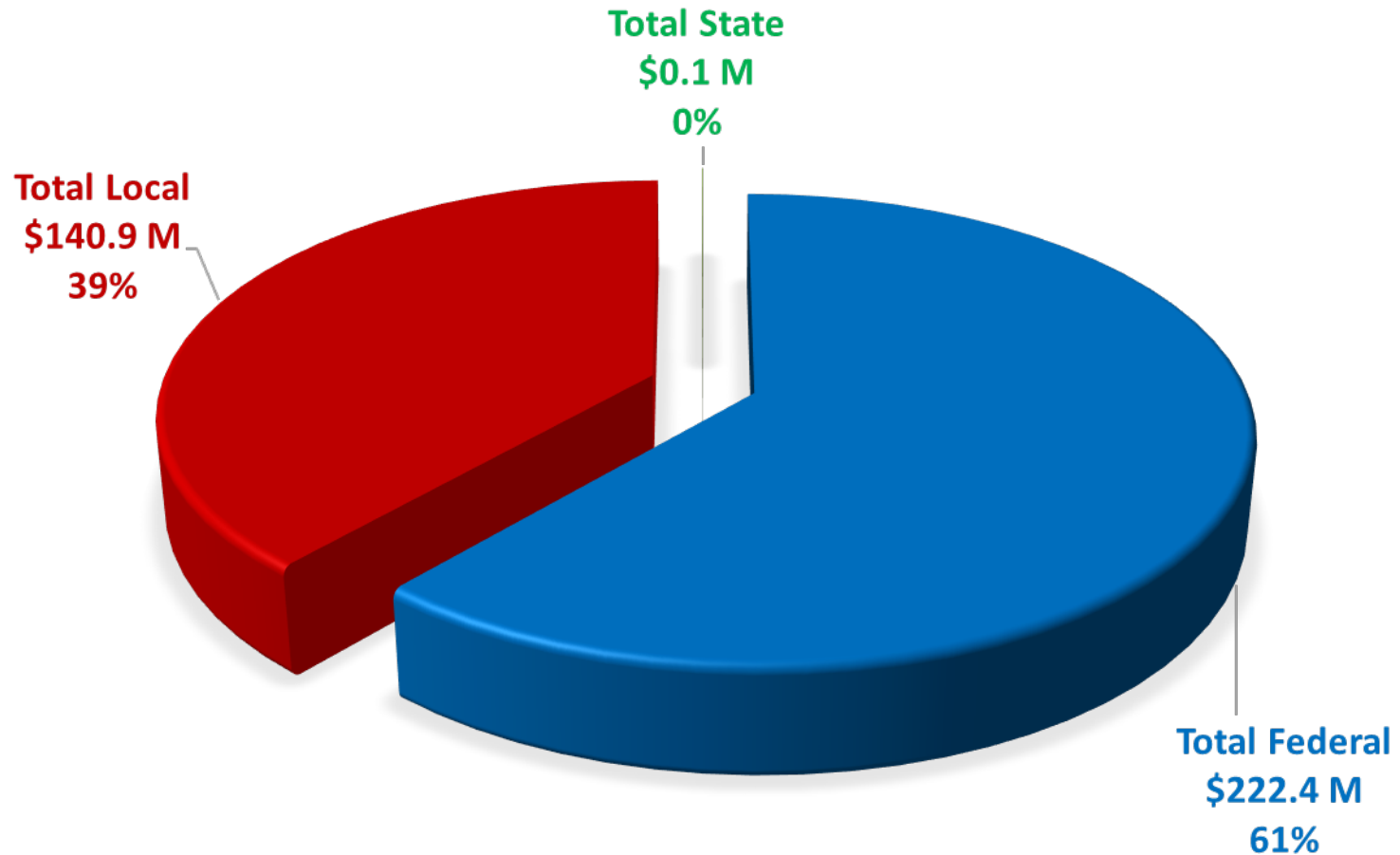
SDHC Headquarters – 1122 Broadway, Downtown San Diego



SDHC FY 2017 Proposed Budget

Funding Sources by Major Category

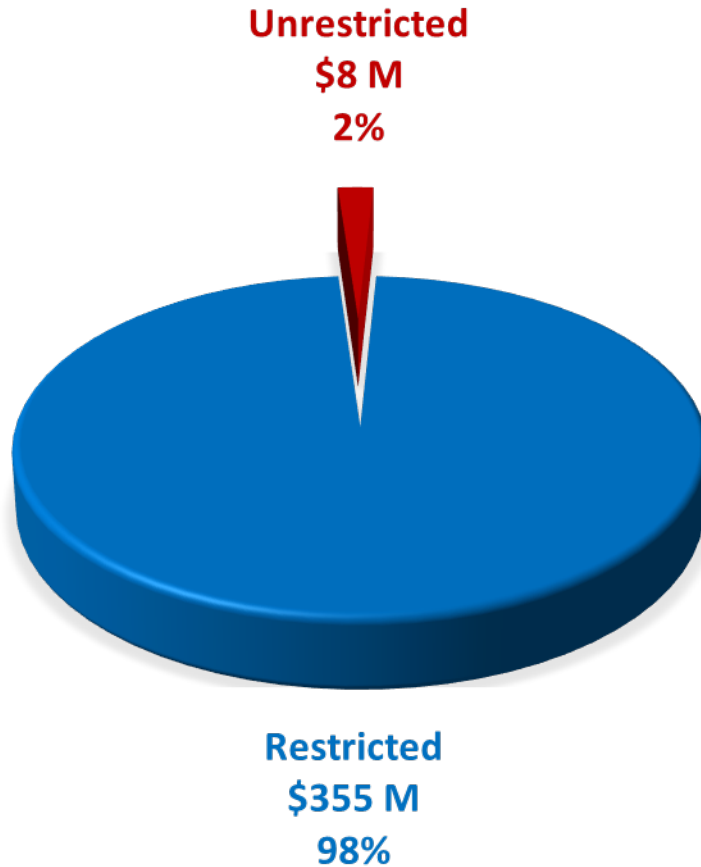
\$363.4 M (*\$ in Millions*)



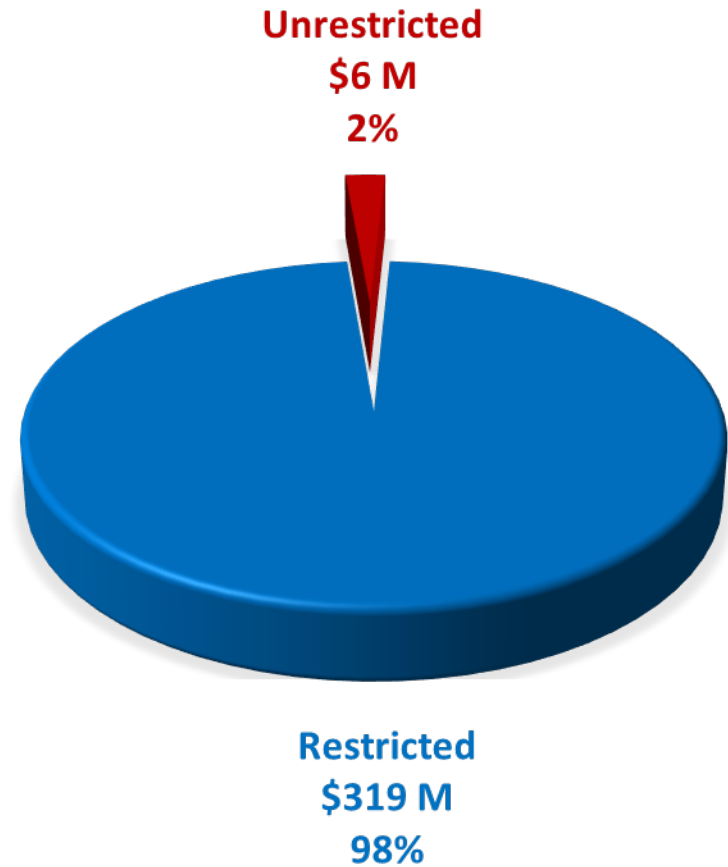
SDHC FY Proposed 2017 Budget

Sources of Funds by Restriction

SDHC FY17 BUDGET



SDHC FY16 BUDGET



SDHC FY 2017 Proposed Budget

Funding Sources Available

	FY17 Budget			FY16 Budget			FY17 Budget versus FY16 Budget Increase/(Decrease)			
	7/1/2016 Fund Balance	Revenue	Total	7/1/2015 Fund Balance	Revenue	Total	Fund Balance \$ Change	Revenue \$ Change	Total \$ Change	% Change
FEDERAL										
Section 8/MTW	12,521,294	187,539,992	200,061,286	17,985,056	170,233,517	188,218,573	(5,463,762)	17,306,475	11,842,713	6.3%
HOME	510,000	14,473,997	14,983,997	1,340,000	13,334,111	14,674,111	(830,000)	1,139,886	309,886	2.1%
Housing Innovations	-	5,925,083	5,925,083	-	5,970,331	5,970,331	-	(45,247)	(45,247)	(0.8%)
Other Federal	977,966	455,000	1,432,966	1,064,195	125,069	1,189,264	(86,229)	329,931	243,702	20.5%
FEDERAL Total	14,009,260	208,394,073	222,403,333	20,389,251	189,663,028	210,052,279	(6,379,991)	18,731,045	12,351,054	5.9%
LOCAL										
SDHC Real Estate	27,898,056	30,406,155	58,304,211	25,059,904	30,105,555	55,165,459	2,838,152	300,600	3,138,752	5.7%
AHF	34,222,371	10,754,300	44,976,671	25,449,335	6,669,775	32,119,110	8,773,036	4,084,525	12,857,561	40.0%
Contingency Reserves	12,745,190	-	12,745,190	12,393,358	-	12,393,358	351,832	-	351,832	2.8%
Unrestricted Funds	8,009,561	-	8,009,561	5,846,718	-	5,846,718	2,162,843	-	2,162,843	37.0%
Veterans' Initiative	6,642,985	-	6,642,985	-	-	-	6,642,985	-	6,642,985	100.0%
RDA	2,218,044	-	2,218,044	355,300	1,302,618	1,657,918	1,862,744	(1,302,618)	560,126	33.8%
Other Local	1,470,751	6,491,523	7,962,274	911,238	5,620,412	6,531,650	559,513	871,111	1,430,624	21.9%
LOCAL Total	93,206,958	47,651,978	140,858,936	70,015,854	43,698,359	113,714,213	23,191,104	3,953,618	27,144,723	23.9%
STATE	-	142,160	142,160	-	1,185,270	1,185,270	-	(1,043,110)	(1,043,110)	(88.0%)
Grand Total	107,216,218	256,188,211	363,404,429	90,405,104	234,546,657	324,951,762	16,811,114	21,641,553	38,452,667	11.8%



SDHC FY 2017 Proposed Budget

Summary of Significant Changes in Sources of Funds

Local Sources increased by more than \$27.1 million:

- **City of San Diego Affordable Housing Fund (AHF) anticipated increase in funds, approximately \$12.8 million due to:**
 - a) unexpected loan payoffs in 2016 to be utilized in 2017; and
 - b) increase in receipt of Inclusionary Housing fees
- **SDHC Real Estate Fund Balance reflects an additional \$3.0 million for anticipated property rehabilitation in future years.** This increase in property replacement reserves reflects the improved long-term strategic reserve management and a commitment to fund rehabilitation projects identified in the Green Physical Needs Assessment



SDHC FY 2017 Proposed Budget

Summary of Significant Changes in Sources of Funds (Cont.)

Local Sources increased by more than \$27.1 million (Cont.):

- Continuation of The 1,000 Homeless Veterans Initiative, with more than \$6 million of local funds committed to be utilized in FY2017

Federal Sources increased by approximately \$12.3 million:

- Expect drawdown of approximately \$12 million of available Section 8 Housing Choice Voucher/Moving to Work (MTW) funds for rehabilitation of SDHC-owned properties



SDHC FY 2017 Proposed Budget

Detail Schedule of Reserves

		Ending Fund Balance		Increase/ (Decrease)	
		FY17 Budget	FY16 Budget	\$\$ Change	% Change
Program Restricted Reserves					
Section 8/MTW		11,721,647	18,000,567	(6,278,920)	(34.9%)
Affordable Housing Fund		16,776,614	12,257,271	4,519,343	36.9%
Other Programs		7,229,309	4,536,397	2,692,913	59.4%
Veterans' Initiative		1,227,853	-	1,227,853	0.0%
HOME Administration Reserve		1,700,000	2,500,000	(800,000)	(32.0%)
Total Program Restricted Reserves		38,655,424	37,294,235	1,361,189	3.6%
Property Reserves					
Replacement Reserve		20,057,462	11,490,053	8,567,409	74.6%
Unused Loan Proceeds		-	1,071,804	(1,071,804)	(100.0%)
Finance Plan Reserve		5,000,000	5,000,000	-	0.0%
Smart Corner Reserve		1,649,032	1,651,801	(2,769)	(0.2%)
Total Property Reserves		26,706,494	19,213,658	7,492,837	39.0%
Contingency Reserves					
Unobligated Reserves		12,996,891	12,095,344	901,547	7.5%
Litigation/Uninsured Losses/Other		600,000	600,000	-	0.0%
Total Contingency Reserves		13,596,891	12,695,344	901,547	7.1%
Total Reserves		78,958,809	69,203,236	9,755,573	14.1%



SDHC FY 2017 Proposed Budget Reserves Policy

- **Program Restricted Reserves:**
 - Most program reserves are restricted to supporting the programs from which they were generated
- **Property Reserves:**
 - Specifically set aside for needs related to SDHC-owned properties for capital improvements, enhancements or major repairs
- **Contingency Reserves:**
 - Unobligated: maintain minimum level of 5% of annual budgeted revenue
 - Litigation/Uninsured Losses: maintain minimum level to cover for unexpected litigation expenses





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SDHC FY 2017 Proposed Budget Presentation

Section 3 – Objectives and Deliverables

SDHC FY 2017 Proposed Budget Objectives and Deliverables

- **Assist approximately 15,400 low-income households** by providing rental assistance through the Federal Section 8 Housing Choice Voucher (HCV) program
- **Provide a path off the streets for up to a thousand homeless Veterans** in the city of San Diego through the 1,000 Homeless Veteran Initiative
- 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**



SDHC FY 2017 Proposed Budget Objectives and Deliverables (Cont.)

- **Assist 40 households** to become first-time homebuyers
- **Rehabilitate 70 homes** for low-income families
- Own and/or manage 3,440 affordable housing units in the city of San Diego, including SDHC's nonprofit affiliate, Housing Development Partners:
 - SDHC-owned: 2,225 units
 - HDP-owned or partnerships: 1,026 units
 - Federal public housing: 189 units
- **Invest more than \$22 million in capital improvements** identified by SDHC's Green Physical Needs Assessment for the rehabilitation of SDHC-owned properties





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SDHC FY 2017 Proposed Budget Presentation

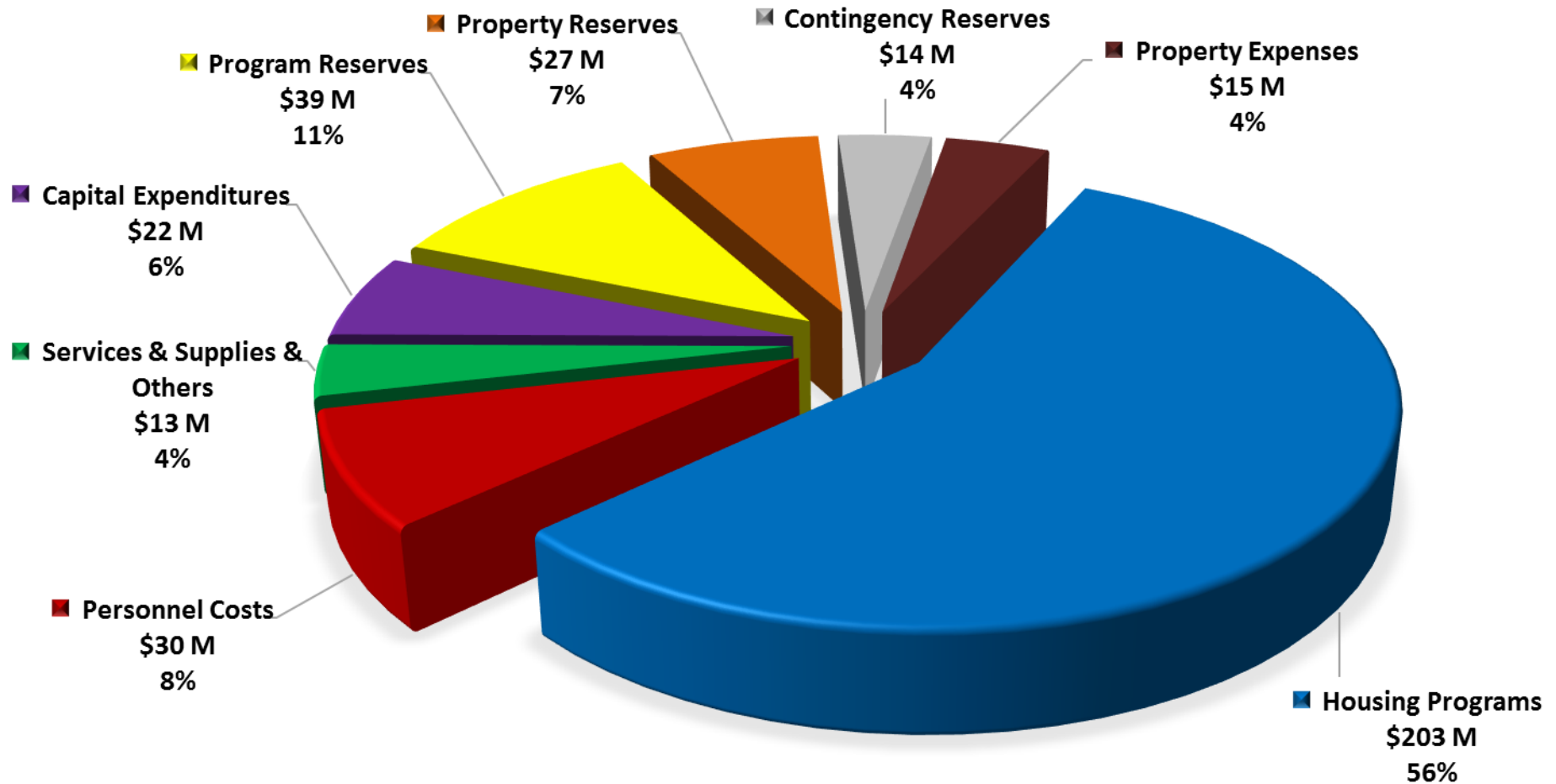
Section 4 - Uses of Funds



SDHC FY 2017 Proposed Budget

Funding Uses by Major Category

\$363 M (\$ in Millions)



SDHC FY 2017 Proposed Budget

Funding Uses by Fiscal Year

	FY17 Budget	FY16 Budget	\$ Change	% Change
PERSONNEL Costs				
Salaries and Wages	21,760,925	19,849,637	1,911,288	9.6%
Fringe Benefits	7,464,184	7,198,254	265,930	3.7%
Class and Compensation Study	956,224	1,199,653	(243,429)	(20.3%)
PERSONNEL COSTS Total	30,181,333	28,247,544	1,933,789	6.8%
NON-PERSONNEL Costs				
Housing Program Expense	203,398,744	191,272,448	12,126,296	6.3%
Property Expenses	15,315,471	14,576,416	739,055	5.1%
Professional Services, Supplies & Other	10,417,270	10,211,304	205,966	2.0%
Debt Principal Payments	3,066,941	3,079,445	(12,504)	(0.4%)
Capital Expenditures	22,065,860	8,361,368	13,704,492	163.9%
NON-PERSONNEL Costs Total	254,264,286	227,500,981	26,763,305	11.8%
Grand Total (Excluding Ending Fund Balance)	284,445,619	255,748,525	28,697,094	11.2%



SDHC FY 2017 Proposed Budget

Summary of Significant Changes in Uses of Funds

- **Personnel costs increased by \$1.9 million over FY2016 budget due to:**
 - The increase of 20 full-time employees
 - 3.0 percent Cost of Living Adjustment (COLA) increase
- **Housing Program Expense increased about \$12 million due to:**
 - Increased Section 8 Housing Choice Voucher activity with new vouchers, as well as a 100 percent lease-up
 - HOUSING FIRST – SAN DIEGO Notice of Funding Availability
 - Additional affordable housing development
- **Capital Expenditures**, which include more than \$22 million toward capital improvements and rehabilitations of SDHC-owned properties, **an increase of \$13.7 million due to planned major rehabilitation projects**



SDHC FY 2017 Proposed Budget

Summary – Staffing by Division

SDHC Divisions	FY 2017 Budget	FY 2016 Budget	Change from FY16 to FY17	Financial Impact
Rental Assistance	111	109	2	\$157,072
Real Estate	96	86	10	\$685,085
<i>Real Estate Operations</i>	62	54	8	\$469,505
<i>Real Estate Finance/Program Development</i>	26	24	2	\$215,580
<i>Real Estate Acquisitions and Development</i>	8	8	(0)	-
Homeless Housing Innovations	8	7	1	\$65,289
The 1,000 Homeless Veterans Initiative	6	-	6	\$494,889
Operations Support	83	82	1	\$90,720
Total	304	284	20	\$1,493,055



SDHC FY 2017 Proposed Budget

Staffing Request Justification

- **Rental Assistance:**

- One position to be added to administer 820 new vouchers dedicated to homeless families and individuals
- The addition of one full-time position to monitor 3,000 units for compliance as workload continues to increase

- **Real Estate:**

- Optimize management and maintenance of SDHC-owned properties by performing all property management with SDHC staff instead of contracting with private management, resulting in a cost savings which will also cover the additional eight personnel
- Two positions to be added to enhance the oversight and monitoring of the financial, operational, program compliance and physical performance of SDHC's owned assets



SDHC FY 2017 Proposed Budget

Staffing Request Justification (Cont.)

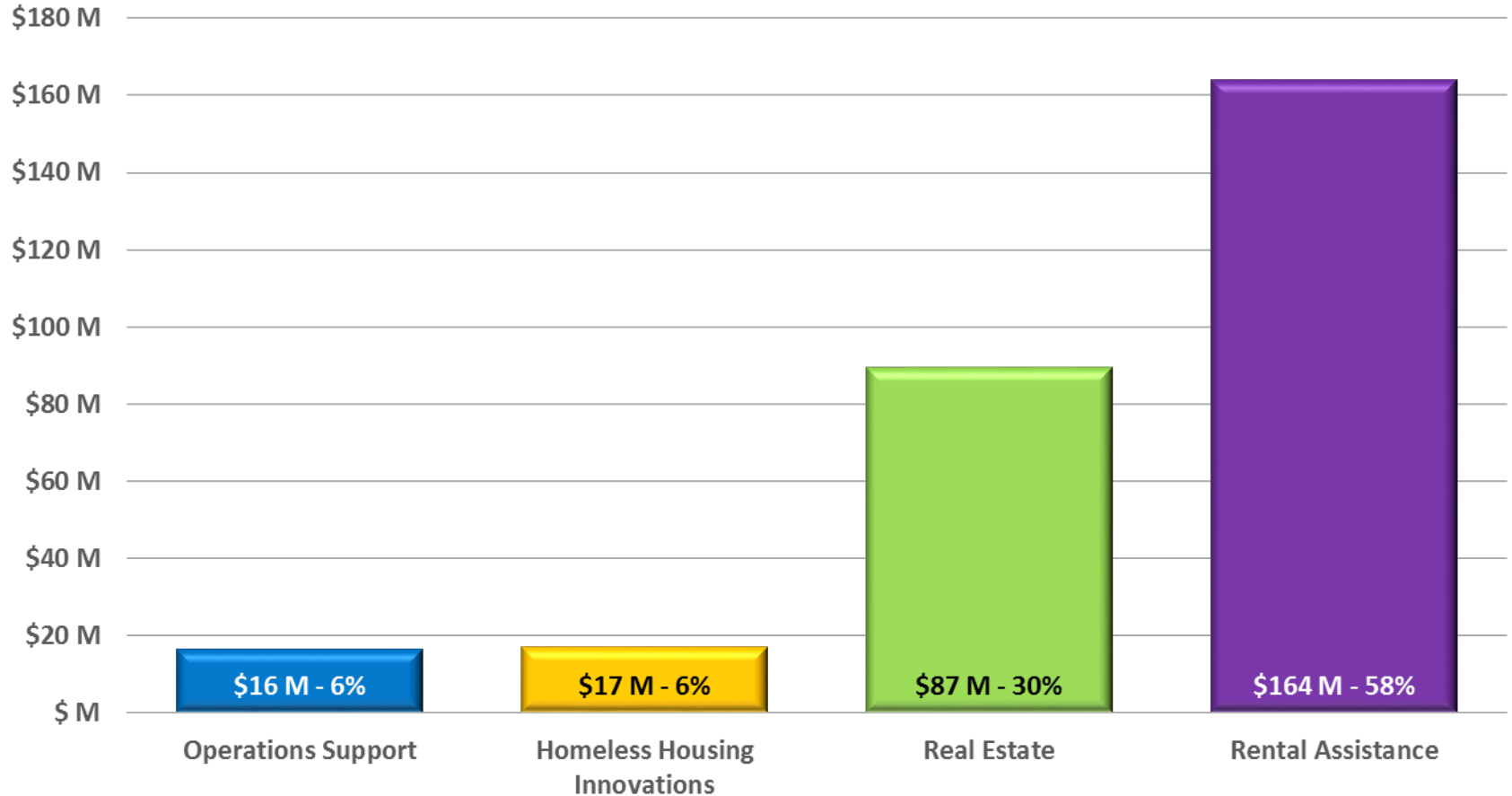
- **Homeless Housing Innovations:**
 - Addition of one position to provide support to the Regional Continuum of Care Consortium for as long as the grant is funded
- **The 1,000 Homeless Veterans Initiative:**
 - Six positions necessary to continue all of the activities related to this two-year initiative of HOUSING FIRST – SAN DIEGO, SDHC's three-year Homelessness Action Plan
- **Operations Support:**
 - One full-time position to be added to support the Communications & Legislative Affairs department to perform clerical duties related to sensitive matters, communications interactions with stakeholder offices, and technical assistance with docketing Board and City Council action items



SDHC FY 2017 Proposed Budget

Funding Uses by Division (Not Including Reserves)

\$284 M



SDHC FY 2017 Proposed Budget

Homeless Programs Expenditures

Homeless Programs	Homeless Housing Innovations	1000 Veterans Initiative	Total
Permanent Supportive Housing	\$13.6 M	\$0.0 M	\$13.6 M
Federal Housing Voucher Support	\$11.8 M	\$4.7 M	\$16.5 M
Shelters: Permanent Interim Housing, Connections Housing, Transitional Housing, Cortez Hill Facilities & Hotel Motel Voucher Program	\$4.9 M	\$0.0 M	\$4.9 M
Supportive Services: Rapid Rehousing, Day Center, Transitional Storage Center, ElderHelp, Homeless Management Information System, Serial Inebriate Program, Project Homeless Connect & SDHC Administration	\$4.2 M	\$5.8 M	\$10.0 M
Total FY 2017 Budgeted Expenditures	\$34.5 M	\$10.5 M	\$45.0 M



SDHC FY 2017 Proposed Budget Capital Budget

PROJECT DESCRIPTION	FUNDING SOURCE	FY 2017 BUDGET	FY 2016 BUDGET	Inc/(Dec)
Capital Improvements and Rehabilitation				
<u>Planned Projects:</u>				
State Sites Conversion/Improvements	Various	-	700,001	(700,001)
All Properties	Property Reserves/Section 8 MTW/RDA Funds	10,449,637	5,103,282	5,346,355
Park Crest	Loan Proceeds	1,000,000	2,244,586	(1,244,586)
Averil Rd	Section 8 MTW	1,079,701	-	1,079,701
University Canyon	Capital Fund/Property Reserves	8,646,522	-	8,646,522
Smart Corner Building Improvements	Property Reserves	890,000	313,500	576,500
TOTAL PLANNED PROJECTS		22,065,860	8,361,369	13,704,491



Approval Request

FY 2017 Budget - \$363.4 Million



SDHC FY 2017 Budget



Rental
Assistance



Creating Affordable
Housing



Addressing
Homelessness

Thank You





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SDHC FY 2017 Proposed Budget Presentation

Appendix A

Section 5 – Budget Process

Section 6 – Budget in City Format





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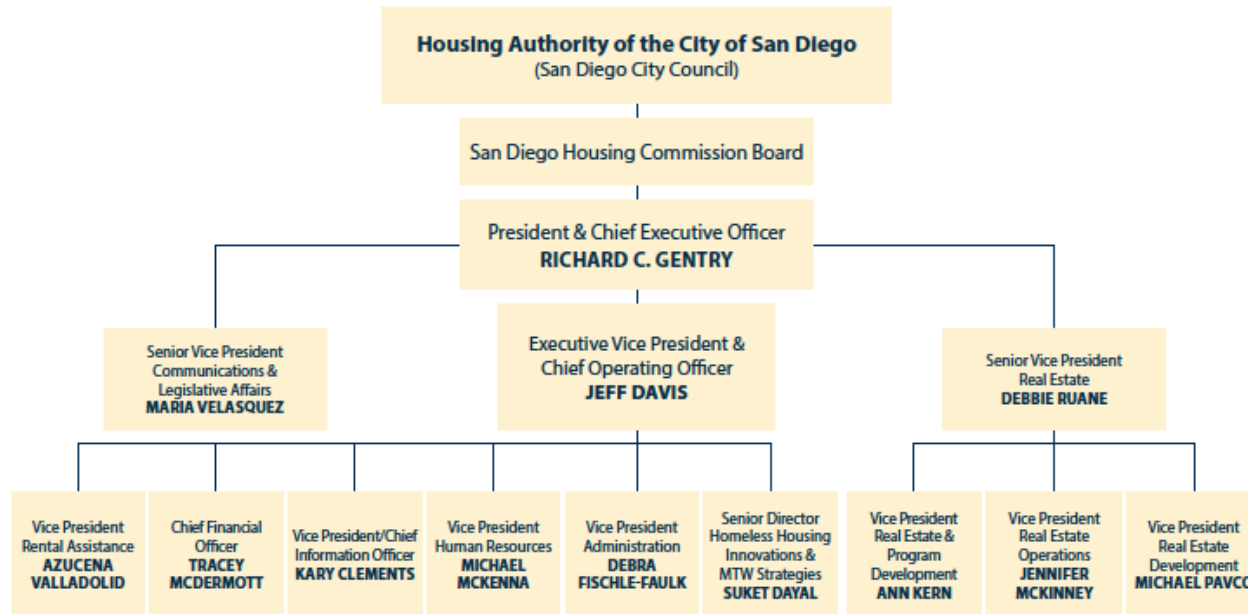
SDHC FY 2017 Proposed Budget Presentation

Section 5 – Budget Process



SDHC FY 2017 Proposed Budget

SDHC Organizational Chart



SDHC FY 2017 Proposed Budget

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 President & Chief Executive Officer (CEO) Richard C. Gentry is the 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 in excess of \$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 the agency's President & CEO. The Board's actions are advisory to the Housing Authority.



SDHC FY 2017 Proposed Budget Budget Guidelines

- Determine Available Funding Sources
- Balance the Budget
 - Sources (Beginning Fund Balance + Revenues)
 - =
 - Uses (Expenditures + Ending Fund Balance)
- Establish Reserve Levels
 - Minimum level of 5 percent of annual revenue for Contingency Reserve
 - Property reserve goal set according to needs as defined by best practices
 - Plan for future fluctuations in funding – maintain adequate reserves



SDHC FY 2017 Proposed Budget Procedures for Amending Budget

$\leq \\$100,000$	SDHC CEO authorized to amend the annual budget in the amount of \$100,000 or less.
$> \\$100,000$	All budget amendments in excess of \$100,000 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 Amendments are reported as “Approved Variances” to the SDHC Board- and Housing Authority-Approved Budget





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SDHC FY 2017 Proposed Budget Presentation

Section 6 – Budget in City Format



SDHC FY 2017 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 2017 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 (city). SDHC assists approximately 15,400 low-income households by providing them with rental assistance through the Federal Section 8 Housing Choice Voucher (HCV) program. HCV participants typically pay approximately 30 percent of their income toward rent, with the remainder paid by Federal funds. Almost 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 housing and provides loans, Closing Cost Assistance Grants and Mortgage Credit Certificates to help first-time homebuyers.

In Fiscal Year 2017 (July 1, 2016 – June 30, 2017), SDHC programs will include:

- HOUSING FIRST – SAN DIEGO, SDHC's three-year Homelessness Action Plan (2014-17) - Collaborating with service providers and affordable housing developers to address homelessness for families, seniors, Veterans and other individuals:
- The 1,000 Homeless Veterans Initiative of HOUSING FIRST – SAN DIEGO to provide a path off the streets for a thousand homeless Veterans within one year;
- Up to 100 San Diego State University (SDSU) students who have been homeless or at risk of homelessness will receive rental assistance through a first-of-its kind housing collaboration between SDHC and SDSU;
- SDHC is launching a pilot program that will provide Federal rental housing vouchers for up to 25 families with at least one child enrolled at The Monarch School; and
- SDHC will award up to \$10 million in City of San Diego and Federal funds to create permanent affordable housing with supportive services for homeless San Diegans.
- Investment in SDHC-owned properties to rehabilitate and preserve affordable rental housing.

The \$364.3 million proposed Fiscal Year 2017 Budget would enable SDHC to:

- Assist approximately 15,400 low-income households by providing rental assistance through the Federal HCV program;



SDHC FY 2017 Proposed Budget Mission Statement (Cont.)

- Assist 40 households to become first-time homebuyers;
- Support the financing of 338 affordable housing units;
- Rehabilitate 70 homes for low-income families;
- Own and/or manage 3,440 affordable housing units in the city of San Diego, including SDHC's nonprofit affiliate, Housing Development Partners (HDP): 2,225 units owned by SDHC; 1,026 units owned directly by HDP or through partnerships; and 189 units of Federal public housing;
- 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;
- 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 2017 Budget will be presented to the City Council Budget and Government Efficiency Committee on May 10, 2016, 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 2016.

SDHC's Fiscal Year 2017 Budget is composed of four divisions: Rental Assistance, Real Estate, Homeless Housing Innovations and Operations Support:

- Rental Assistance Division (RAD) funding is budgeted at \$164.0 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.
- Real Estate Division (RED) funding is budgeted at \$86.9 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 \$17.1 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 \$16.5 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





SDHC FY 2017 Proposed Budget Mission Statement (Cont.)

implement housing programs; 2) Communications & Legislative Affairs, which fosters transparency in government through legislative affairs 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 \$78.9 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 2017 Proposed Budget Budget Summary

	FY 2015 Budget	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed Budget	FY 2016-2017 Change
Positions	275.0	266.0	284.0	284.0	304.0	20.0
Personnel Expense	25,452,777	23,785,562	28,247,544	28,367,934	30,181,333	\$ 1,933,789
Non-Personnel Expense	311,885,413	326,843,954	296,704,217	303,668,827	333,223,096	\$ 36,518,878
TOTAL	\$ 337,338,190	\$ 350,629,516	\$ 324,951,762	\$ 332,036,762	\$ 363,404,429	\$ 38,452,667



SDHC FY 2017 Proposed Budget Expenditures

	FY 2015 Budget	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	Proposed Budget	FY 2016-2017 Change
PERSONNEL						
Salaries & Wages	\$ 18,706,551	17,824,633	\$ 20,838,076	\$ 20,926,190	\$ 22,137,974	\$ 1,299,898
Overtime	-	-	-	-	-	-
Fringe Benefits (health)	2,473,404	2,431,431	2,875,664	2,888,703	3,027,160	151,496
Fringe Benefits (pension)	2,659,425	2,205,114	2,831,340	2,843,676	3,488,430	657,090
Fringe Benefits (other-- <i>Life, LTD, Medicare, Workers Comp, SUI and 457</i>)	1,613,396	1,324,384	1,702,464	1,709,365	1,527,769	(174,695)
SUBTOTAL PERSONNEL	\$ 25,452,777	\$ 23,785,562	\$ 28,247,544	\$ 28,367,934	\$ 30,181,333	\$ 1,933,789
NON-PERSONNEL						
Housing Program Expense	\$178,097,752	169,375,110	\$191,272,448	\$199,422,448	\$203,398,744	\$ 12,126,296
Property Expenses	14,106,278	14,652,594	14,576,416	14,576,416	15,315,471	739,055
Professional Services, Supplies & Other	10,153,626	9,053,622	10,211,304	10,340,914	10,417,270	205,966
Debt Principal Payments	3,043,019	3,079,611	3,079,445	3,079,445	3,066,941	(12,504)
Capital Expenditures	12,625,084	16,597,079	8,361,369	7,209,081	22,065,860	13,704,491
Reserves	93,859,654	114,085,938	69,203,236	69,040,524	78,958,809	9,755,574
SUBTOTAL NON-PERSONNEL	\$311,885,413	\$326,843,954	\$296,704,217	\$303,668,827	\$333,223,096	\$ 36,518,878
TOTAL	\$337,338,190	\$350,629,516	\$324,951,762	\$332,036,762	\$363,404,429	\$ 38,452,667





SDHC FY 2017 Proposed Budget Significant Budget Adjustments

Significant Budget Adjustments	Position/Explanation for Change	Positions	Revenue	Expenses
Salaries and Benefits Adjustments				
Personnel				
Salaries & Wages	Due to additional headcount and COLA	20.00		\$ 1,299,898
Overtime	-			-
Fringe Benefits (pension)	Due to additional headcount and COLA			657,090
Fringe Benefits (health)	Due to additional headcount			151,496
Fringe Benefits (Life, LTD, Medicare, Workers Comp, SUI, and 457)	Reduction in Workers Compensation rates			(174,695)
Personnel Adjustments				\$ 1,933,789
Non-Personnel Expenditure Adjustments				
Housing Program Expense	Increase due to increased Inclusionary Rental Housing Factor (RHF) activity and Housing Choice Voucher (HCV) activity, 100% lease up rate, and 1000 Homeless Veterans Initiative			\$ 12,126,296
Property Expenses	Increase in maintenance and repair activity			739,055
Professional Services, Supplies, Other	Increased consultant services			205,966
Debt Principal Payments	No Significant Changes			(12,504)
Capital Expenditures	Increase due to planned major rehabilitation projects			13,704,491
Reserves	Increase in property replacement reserves which reflects the improved long-term strategic reserve management and a commitment to fund rehabilitation projects identified in the Green Physical Needs Assessment			9,755,574
Non-Personnel Expenditure Adjustments				\$ 36,518,878
TOTAL EXPENSE ADJUSTMENTS			\$ -	\$ 38,452,667
Revenue Adjustments				
Section 8 / MTW	Primarily due to funding from HUD held reserves of available Housing Choice Voucher funds for rehabilitation of SDHC owned properties and from VASH for the 1000 Homeless Veterans activity		\$ 17,306,475	
HOME	Anticipate increase in the First Time Home Buyer Program		1,139,886	
Housing Innovation Funds	Due to a reduction in the SPC SVDP Village grant		(45,248)	
Other Federal	New CDBG Homeownership grant		329,931	
SDHC Real Estate	Annual rent adjustments to market rates and anticipated 100% lease up rate		300,600	
RDA	Prior year funding, not utilized in FY16, will be spent in FY17.		(1,302,618)	
Affordable Housing Fund	Primarily due to increased funding expected from Inclusionary RHF and Housing Trust Fund RHF		4,084,525	
Other Local Funds	Year round single adult shelter		871,111	
State	Do not anticipate funding from State Housing Trust Fund to continue		(1,043,109)	
Fund Balance from Prior Years	Reserves committed for programs, projects and activities.		16,811,114	
TOTAL REVENUE ADJUSTMENTS			\$ 38,452,667	\$ -



SDHC FY 2017 Proposed Budget Reimbursements to Departments/Entities

Departments/Entities	FY 2015 Budget	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed Budget	FY 2016-2017 Change
Homeless Housing Innovations - Interim Shelter for Homeless Adults	\$ -	\$ -	\$ 1,470,000	\$ 1,575,000	\$ 1,575,000	\$ 105,000
Homeless Housing Innovations - Single Adult Shelter	541,667	1,030,001	-	-	-	-
Homeless Housing Innovations - Transitional Storage Center	50,000	150,000	150,000	150,000	150,000	-
Homeless Housing Innovations - Veterans Shelter	-	132,982	-	-	-	-
Homeless Housing Innovations - Connections Interim Housing	-	271,558	300,000	300,000	300,000	-
Homeless Housing Innovations - Homeless Triage Beds	-	190,000	-	-	-	-
Homeless Housing Innovations - HMIS CAHP	-	400,000	-	-	-	-
Homeless Housing Innovations - 1000 Homeless Veterans Initiative	-	-	-	4,000,000	-	-
Homeless Housing Innovations - Serial Inebriate Program	-	-	120,000	120,000	120,000	-
TOTAL	\$ 591,667	\$ 2,174,541	\$ 2,040,000	\$ 6,145,000	\$ 2,145,000	\$ 105,000



SDHC FY 2017 Proposed Budget Revenues

Revenue Source	FY 2015 Budget	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed Budget	FY 2016-2017 Change
FEDERAL						
Section 8 / MTW	\$ 173,749,115	\$ 161,534,226	\$ 170,233,517	\$ 170,233,517	\$ 187,539,992	\$ 17,306,475
HOME	12,116,385	7,755,374	13,334,111	13,334,111	14,473,997	1,139,886
Housing Innovation Funds	4,437,277	4,546,914	5,970,331	5,970,331	5,925,083	(45,248)
Rehab Funds	2,798,003	1,550,299	-	-	-	-
CDBG	1,922,232	1,640,337	-	-	-	-
Other Federal	123,651	88,664	125,069	125,069	455,000	329,931
FEDERAL TOTAL	\$ 195,146,663	\$ 177,115,812	\$ 189,663,028	\$ 189,663,028	\$ 208,394,072	\$ 18,731,044
LOCAL						
SDHC Real Estate	28,467,551	29,134,783	30,105,555	33,153,055	30,406,155	300,600
Unrestricted Funds	2,994,218	4,189,157				-
RDA	6,892	891,902	1,302,618	1,302,618	-	(1,302,618)
Affordable Housing Fund	7,958,956	19,470,083	6,669,775	6,669,775	10,754,300	4,084,525
Other Local Funds	1,290,279	3,448,918	5,620,412	9,657,912	6,491,523	871,111
LOCAL TOTAL	\$ 40,717,896	\$ 57,134,843	\$ 43,698,360	\$ 50,783,360	\$ 47,651,978	\$ 3,953,618
STATE	\$ 2,606	\$ 1,606,198	\$ 1,185,270	\$ 1,185,270	\$ 142,160	\$ (1,043,109)
FUND BALANCE FROM PRIOR YEARS	\$ 101,471,025	\$ 114,085,938	\$ 90,405,104	\$ 90,405,104	\$ 107,216,218	\$ 16,811,114
GRAND TOTAL	\$ 337,338,190	\$ 349,942,791	\$ 324,951,762	\$ 332,036,762	\$ 363,404,429	\$ 38,452,667

