



SAN DIEGO  
HOUSING  
COMMISSION

We're About People

# San Diego Housing Commission (SDHC) Fiscal Year (FY) 2024 Annual Financial Audit Report Presentation to the SDHC Audit Committee November 4, 2024

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# SDHC – FY 2024 Annual Financial Audit Report Agenda

- Introduction and Summary of Annual Audit
- Financial Results
- Operational Highlights



# SDHC – FY 2024 Annual Financial Audit Report

## Introduction

- Audit Period: July 1, 2023 - June 30, 2024
- Independent Auditors: CohnReznick LLP
- Audit Opinion: Unmodified
- No Management Letter Comments



# SDHC – FY 2024 Annual Financial Audit Report

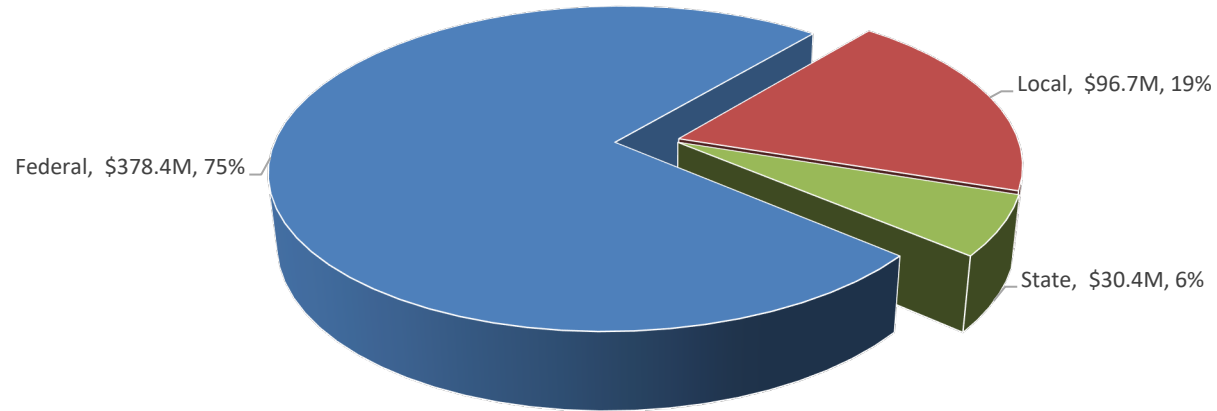
## Financial Results Summary

- Total revenues: \$505.5 million
  - U.S. Department of Housing and Urban Development (HUD) & U.S. Treasury Department grants: 75% of revenues
- Total expenses: \$469.2 million
  - Housing Assistance Expenses: \$291.3 million
  - Grant Expenses: \$69.9 million
  - Other Expenses: \$108.0 million
- Total multifamily and homeownership loans funded: \$19.5 million



# SDHC – FY 2024 Annual Financial Audit Report

## Financial Results – Revenues by Funding Type



<b>Federal:</b>	<b>\$378.4M</b>
<b>Local:</b>	<b>\$96.7M</b>
<b>State:</b>	<b>\$30.4M</b>
<b>Total:</b>	<b>\$505.5M</b>

Section 8/MTW	\$331.6M
Other Federal - Homekey	\$24.3M
HOME	\$10.2M
ESG/CoC	\$8.4M
CDBG & Other Federal (ROSS Grant)	<u>\$3.9M</u>
<b>Total Federal</b>	<b>\$378.4M</b>

SDHC Real Estate	\$46.5M
Other Local (Primarily City General Funds)	\$28.6M
Inclusionary/Housing Impact Fee	\$10.9M
Unrestricted (Includes Bond, Compliance Monitoring Fees)	<u>\$10.7M</u>
<b>Total Local</b>	<b>\$96.7M</b>

Homeless Housing Assistance and Prevention	\$25.5M
CALHOME Mortgages	\$2.7M
State LHTF	\$1.2M
State - Homekey	\$0.9M
State - Other Programs	<u>\$0.1M</u>
<b>Total State</b>	<b>\$30.4M</b>



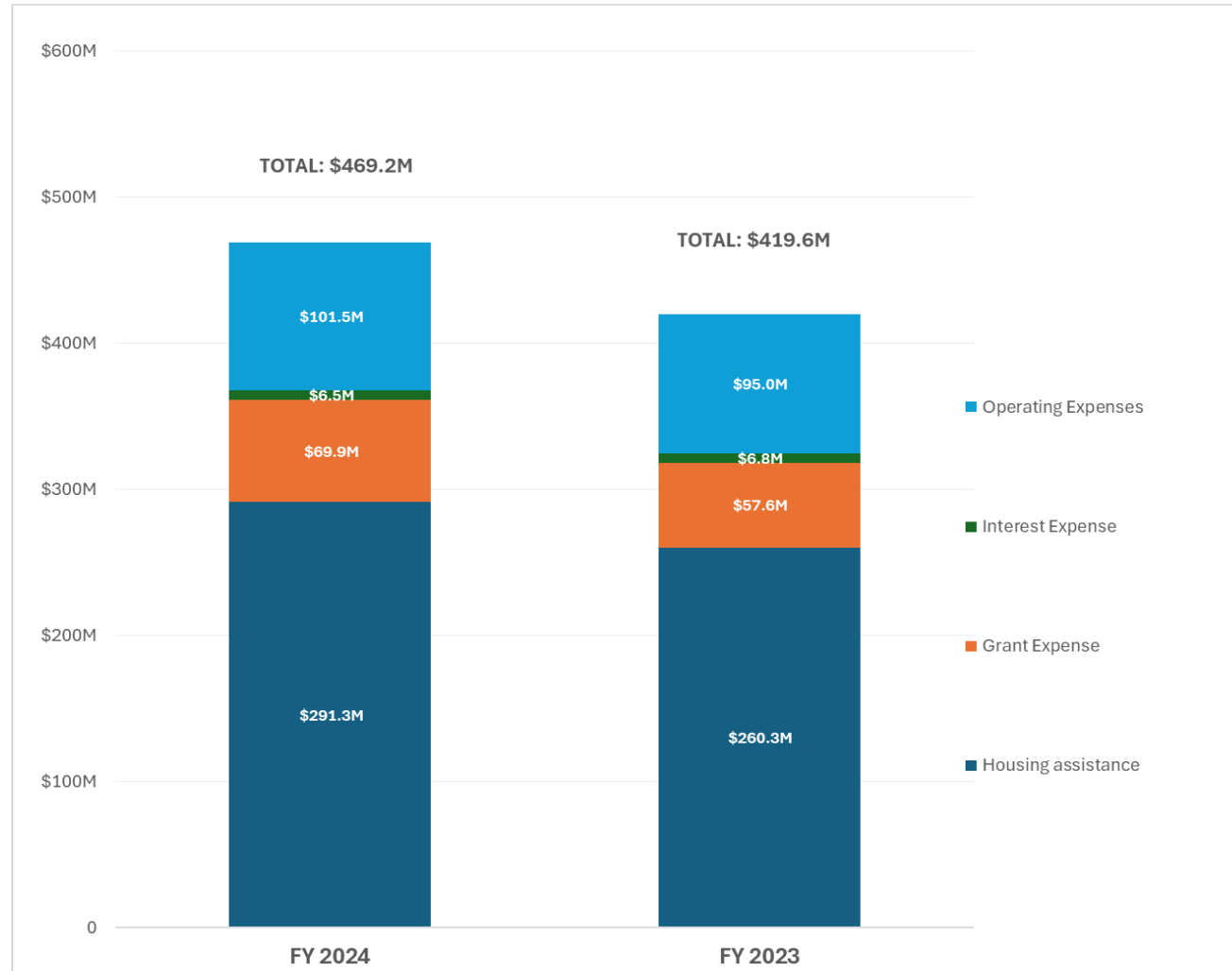
# SDHC – FY 2024 Annual Financial Audit Report

## Financial Results – Revenue



# SDHC – FY 2024 Annual Financial Audit Report

## Financial Results – Expenses



# SDHC – FY 2024 Annual Financial Audit Report

## Statement of Net Position – Changes from Prior Fiscal Year (in millions)

	FY24 Actual	FY23 Actual	\$\$ Change	% Change
<b>Total Assets</b>	<b>\$1,148.8M</b>	<b>\$1,122.9M</b>	<b>\$25.9M</b>	<b>2%</b>
<i>Total Liabilities</i>	<i>155.8M</i>	<i>164.5M</i>	<i>(8.7M)</i>	<i>-5%</i>
<i>Total Deferred Inflows</i>	<i>89.5M</i>	<i>91.1M</i>	<i>(1.6M)</i>	<i>-2%</i>
<i>Total Net Position</i>	<i>903.5M</i>	<i>867.3M</i>	<i>36.2M</i>	<i>4%</i>
<b>Total Liabilities + Deferred Inflows + Net Position</b>	<b>\$1,148.8M</b>	<b>\$1,122.9M</b>	<b>\$25.9M</b>	<b>2%</b>





# SDHC – FY 2024 Annual Financial Audit Report

## Net Position Categories

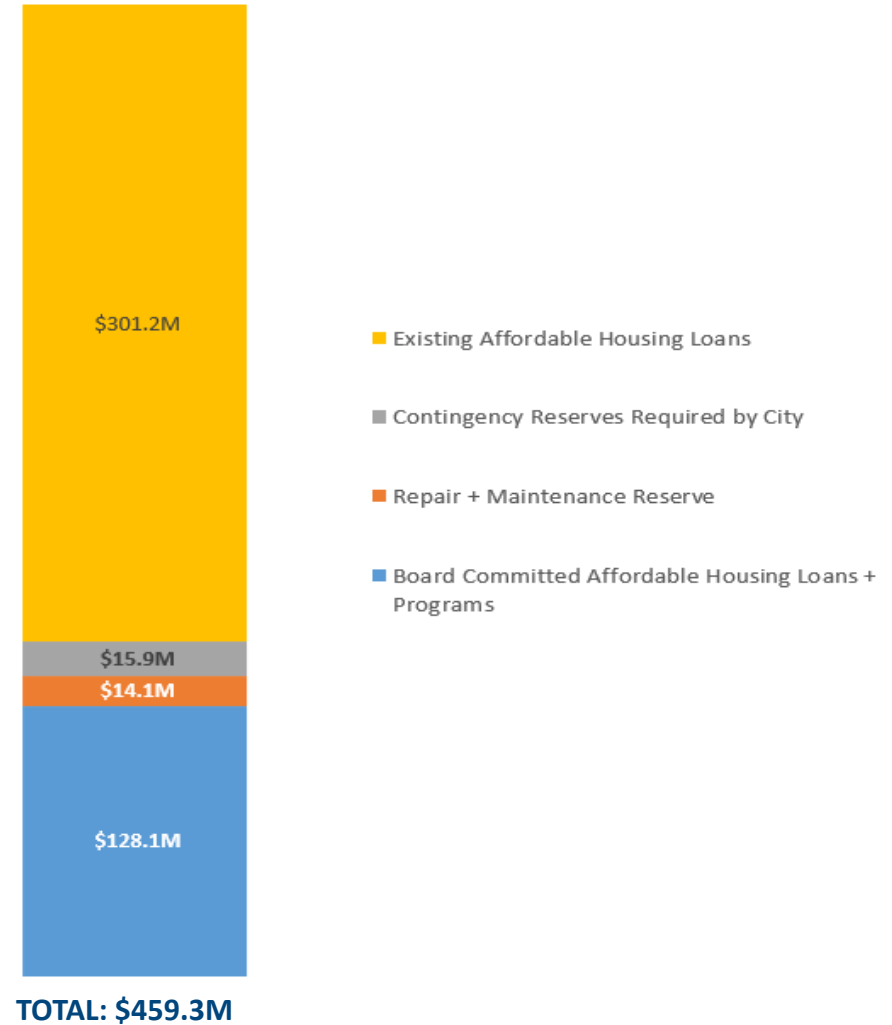
- Net Investment in Capital Assets: \$196.6 million
  - The amount spent on capital assets and is used for operations
- Restricted Net Position: \$247.6 million
  - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position: \$459.3 million
  - This balance is **not** indicative of funds available for discretionary use.
  - GASB (accounting) definitions require this amount to be classified as “unrestricted net position” for financial reporting on the Annual Comprehensive Financial Report (ACFR).
  - See next slide for detailed explanation of commitments.



# SDHC – FY 2024 Annual Financial Audit Report

## Unrestricted Net Position

<b>Total Unrestricted Net Position</b>	<b>\$459.3M</b>
<b>Less:</b>	
Contingency Reserves required by the City	(\$15.9M)
Repair and Maintenance Reserve	(\$14.1M)
Board-Committed Affordable Housing Loans + Programs	(\$128.1M)
Existing Affordable Housing Loans	<u>(\$301.2M)</u>
<b>Remaining Available for Use</b>	<b><u>\$0</u></b>



### Rental Assistance Division

#### **Federal Section 8 Housing Choice Vouchers (HCV):**

- Over 17,000 households received rental assistance
- 280 Federal Project-Based vouchers awarded to serve residents with low-income or experiencing homelessness
- Paid more than \$663,000 in security deposit loans
- 825 households received mobility counseling and assistance
- Provided assistance to more than 300 households displaced by floods through the Flood Recovery Program

#### **SDHC Achievement Academy:**

- 1,257 participants received core services
- 231 participants placed in jobs, and 255 participants increased earnings
- \$20.50 average hourly wage of participants
- More than 1,260 participants attended 255 workshops on various topics



# SDHC – FY 2024 Annual Financial Audit Report

## SDHC Operational Highlights (Continued)

### Real Estate Division

- Acquisition of Pacific Village, providing 62 new affordable housing units for individuals who experienced homelessness and transition-age youth.
- Own and manage 152 properties, with 2,446 affordable rental housing units.
- Completed 6 affordable housing partnership developments in the City of San Diego, which created 525 affordable housing rental units.



# SDHC – FY 2024 Annual Financial Audit Report

## SDHC Operational Highlights (Continued)

### Homeless Housing Innovations

- Administered the City’s homelessness shelters and services programs
- Assisted over 700 eligible low-income tenants facing eviction, through the Eviction Prevention Program
- Operated the Homelessness Response Center
- Administered Continuum of Care-funded Permanent Supportive Housing and Rapid Rehousing programs
- Continued to lead homelessness prevention efforts with the Housing Instability Prevention Program (HIPP) and the Prevention and Diversion program
- Continued oversight of several supportive services programs, such as the Multidisciplinary Outreach Team, Storage Connect Centers, Program for Engaged Educational Resources (PEER) and the Day Center



# SDHC – FY 2024 Annual Financial Audit Report Recognition



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**San Diego Housing Commission  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

*Certificate of Achievement  
for Excellence in  
Financial Reporting*

## Financial Services

- Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for Annual Comprehensive Financial Reports 2008 – 2023
- Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) from GFOA for 2010 - 2023



## Questions & Comments

