



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission (SDHC) Proposed Fiscal Year (FY) 2026 Budget Housing Authority of the City of San Diego Agenda Item #1 June 10, 2025

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SDHC – Proposed FY 2026 Budget

Key Points

Rental Assistance

- The budgeted gap between federal funds allocated and SDHC's actual rental assistance payments is \$16.9 million.

Homelessness Housing Innovations

- Proposed FY 2026 City funding supports ongoing operations of **1,602 shelter beds** and homelessness services programs, such as Housing Instability Prevention Program (HIPP), Eviction Prevention Program (EPP) and Homelessness Navigation Services (HRC).
- Other funding sources also provide support for Permanent Supportive Housing, Rapid Rehousing, Prevention and Diversion and other programs.

Affordable Housing

- Award up to \$22.8 million through a competitive Notice of Funding Availability to create approximately 228 new permanent affordable housing units.
- \$45.4 million toward the acquisition of affordable housing properties through the State of California's Homekey+ program, with City and County support.



SDHC – Proposed FY 2026 Budget

Funding Sources

	FY25 Budget	FY26 Budget	FY26 vs FY25 Budget	
			\$ Variance	% Variance
FEDERAL				
Section 8/MTW Rental Assistance	\$347,203,000	\$370,689,000	\$23,486,000	7%
HOME	25,232,000	28,594,000	3,362,000	13%
Housing Innovation Funds	10,340,000	9,990,000	(350,000)	(3%)
CDBG	1,072,000	75,000	(997,000)	(93%)
Other Federal Funds	3,031,000	1,594,000	(1,437,000)	(47%)
Homekey Acquisition - Federal (via City/County)	56,385,000	18,542,000	(37,843,000)	(67%)
TOTAL FEDERAL	443,263,000	429,484,000	(13,779,000)	(3%)
LOCAL				
SDHC Real Estate	49,814,000	56,022,000	6,208,000	12%
Affordable Housing Fund	6,282,000	5,152,000	(1,130,000)	(18%)
City General Funds and Other Local Funds	35,253,288	44,117,000	8,863,712	25%
Homekey Acquisition - Local (City/County)	24,827,712	-	(24,827,712)	(100%)
Bond and Other Discretionary Local Funds	4,698,000	5,148,000	450,000	10%
TOTAL LOCAL	120,875,000	110,439,000	(10,436,000)	(9%)
STATE				
Homekey Acquisition - State	5,000,000	27,000,000	22,000,000	440%
Other State Funds	36,020,000	36,878,000	858,000	2%
TOTAL STATE	41,020,000	63,878,000	22,858,000	56%
TOTAL NEW REVENUE	605,158,000	603,801,000	(1,357,000)	(0%)
CONTINGENCY RESERVES *	20,918,000	21,133,000	215,000	1%
PROGRAM, OPERATING AND PROPERTY RESERVES	92,839,000	90,828,000	(2,011,000)	(2%)
TOTAL BEGINNING FUND BALANCE	113,757,000	111,961,000	(1,796,000)	(2%)
TOTAL SOURCES OF FUNDS	\$718,915,000	\$715,762,000	(\$3,153,000)	(0%)

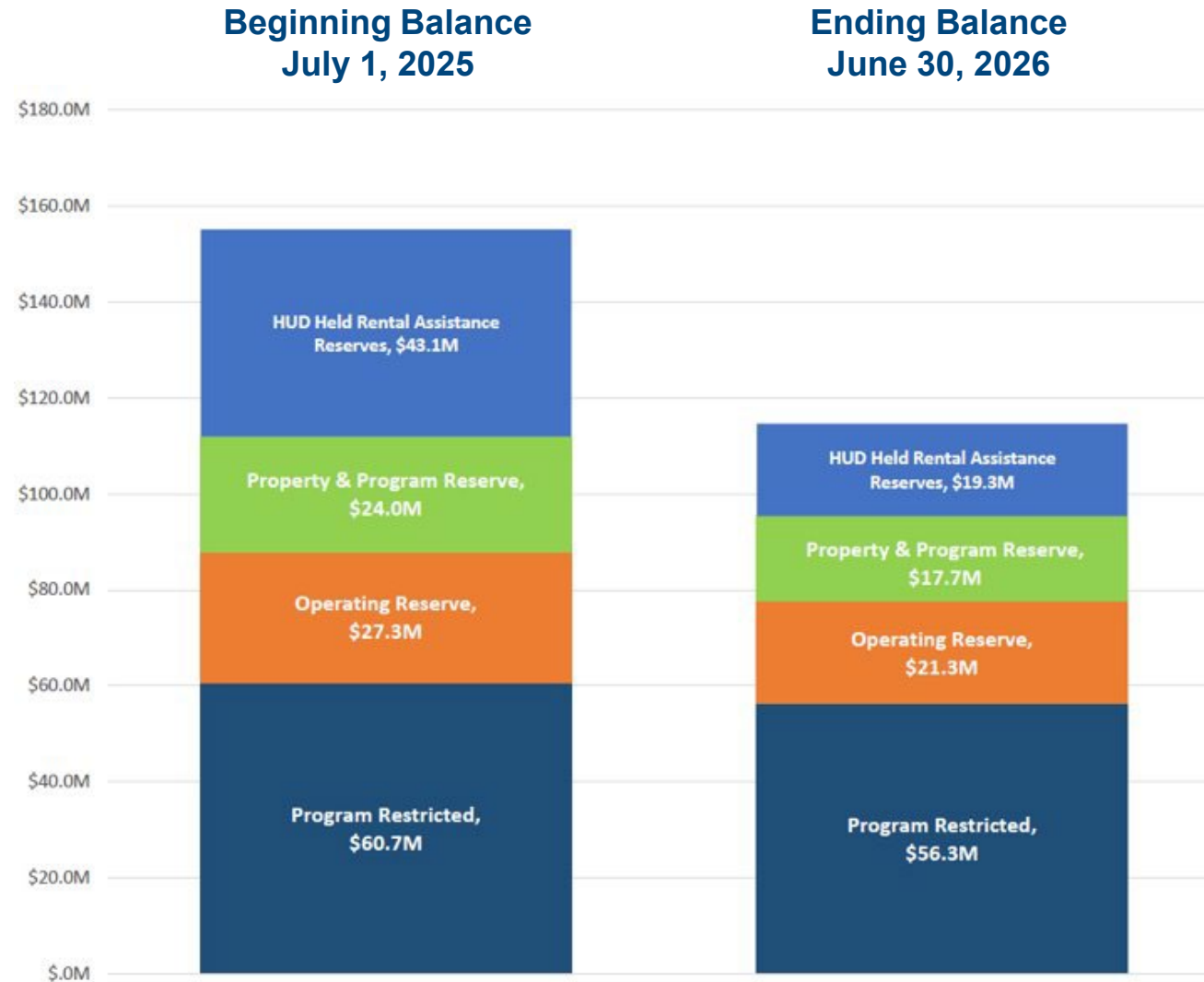


SDHC – Proposed FY 2026 Budget Funding Uses

	FY25 Budget	FY26 Budget	\$ Change	% Change
Personnel Costs	58,591,000	60,348,000	\$1,757,000	3%
Non-Personnel Costs				
Housing Program Expense	425,060,000	443,325,000	18,265,000	4%
Property Expense, Professional Services, Supplies and Other	45,962,000	48,915,000	2,953,000	6%
Capital Expenditures	101,909,000	67,788,000	(34,121,000)	(33%)
Non-Personnel Costs Total	572,931,000	560,028,000	(12,903,000)	(2%)
Total Uses	\$631,522,000	\$620,376,000	(\$11,146,000)	(2%)



SDHC – Proposed FY 2026 Budget Reserve Fund Balances



SDHC – Proposed FY 2026 Budget

Cost Containment and Reduction

- SDHC continues to not pull new families from the waiting list to receive rental assistance.
- SDHC continues to not issue new project-based housing vouchers through Notices of Funding Availability (NOFAs).
- SDHC will continue to identify areas to reduce current and future costs.
 - Identify opportunities to increase revenue.
 - Explore whether to continue programs and services that are not required core programs or fully grant-funded.
 - Attrition / staff vacancies, consideration of other reductions.
 - Goal is as little impact as possible on frontline staff.



SDHC – Proposed FY 2026 Budget Staff Recommendations

That the Housing Authority of the City of San Diego take the following actions:

- 1) Approve SDHC's proposed \$716 million Fiscal Year (FY) 2026 Budget (Attachment 1).
- 2) Delegate authority to the SDHC Board of Commissioners (Board) to approve amendments to the FY 2026 Budget for the following amounts, consistent with prior delegation of authority from the Housing Authority:
 - a. Line-item transfers not to exceed \$500,000 of budget authority that do not impact the overall size of the Housing Authority approved FY 2026 Budget;
 - b. Additional funding for the FY 2026 Budget resulting from applications submitted with the approval of the Housing Authority (per Housing Authority Resolution 1569); and
 - c. Additions from other sources, not to exceed \$500,000 on an individual basis, to the FY 2026 Budget.
- 3) Delegate authority to SDHC's President and Chief Executive Officer to amend the FY 2026 Budget for amounts not to exceed \$250,000 consistent with policies, programs and activities approved by SDHC and the Housing Authority



SDHC – Proposed FY 2026 Budget

Questions & Comments

