



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC) Fiscal Year (FY) 2025 Proposed Budget (July 1, 2024 – June 30, 2025)

Housing Authority of the City of San Diego Agenda Item #1
June 11, 2024

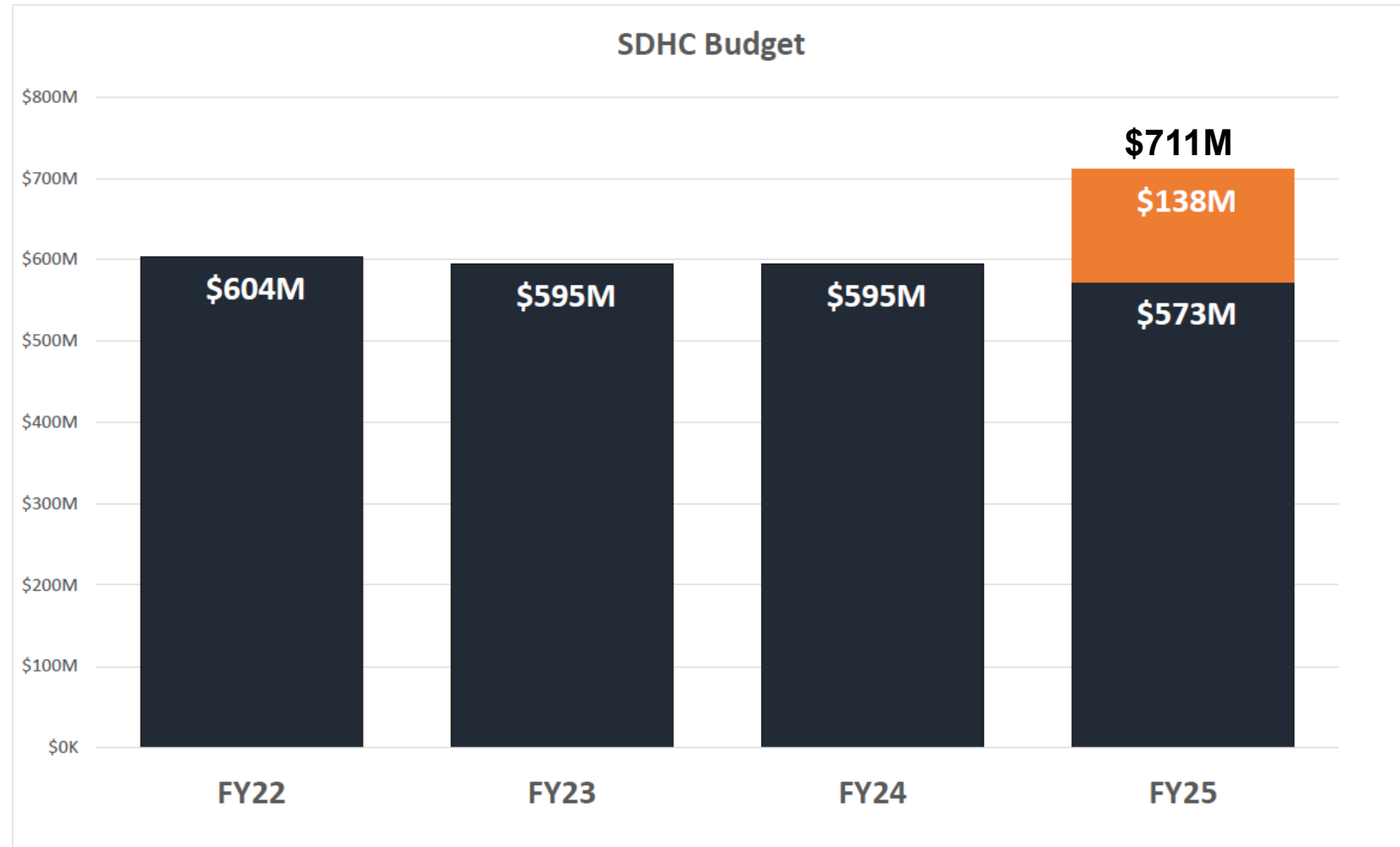
Lisa Jones
President and Chief Executive Officer
San Diego Housing Commission

Suket Dayal
Executive Vice President of Business Administration and
Chief Financial Officer
San Diego Housing Commission



FY 2025 Proposed Budget Overview

- One-time Funding Sources in FY 2025: \$138 million
- Budget Excluding One-time Funding Sources in FY 2025: \$573 million



FY 2025 Proposed Budget

Addressing Homelessness – SDHC’s Recommended Budget

- SDHC’s budget recommendation continues to invest in homelessness shelters and services programs:
 - Including \$41 million in City funds, and
 - Over \$23 million in additional funds SDHC administers.
- SDHC’s budget recommendation furthers the goals of the Community Action Plan on Homelessness for the City of San Diego.
 - Bridge and Interim Shelters
 - Supportive services and rapid rehousing programs
 - Homelessness prevention services
 - Continuum of Care-funded Permanent Supportive Housing units
- Additional \$8 million in City funding still needed for FY 2025.
 - Source of funds needs to be identified.
 - If no source is identified to make up for gap in City funding, reduction in services would be necessary.



Teri
Housing Instability Prevention
Program Participant



FY 2025 Proposed Budget

Addressing Homelessness – SDHC’s Recommended Budget (Continued)

- City funding for homelessness shelters and services programs in the May revisions to the proposed City budget would have less impact on program operations than the initial proposed budget.
- However, the May revisions did not make SDHC’s recommended budget whole.
 - Housing Instability Prevention Program
 - Able to continue support for approximately 260 currently enrolled households
 - No new households in FY 2025
 - No updates to rental tiers to address rising rent costs
 - No ability to extend support for households on a fixed income
 - Lunches removed from the Rosecrans Shelter and Family Shelter
 - Compensation for homelessness services sector
 - No living-wage adjustment for frontline positions referenced in the Homelessness Services Compensation Study
 - SDHC and City are working to identify resources within the budget that may allow for cost-of-living adjustments.



FY 2025 Proposed Budget

Provide Rental Assistance for Households with Lower Income

- Assist approximately 17,000 households.
 - Includes special purpose vouchers for vulnerable populations, such as veterans, families unifying with their children, and people with a disability.
 - All rental assistance funding will be expended on housing assistance payments to address rising rents.
- Lease 431 new Project-Based Housing Voucher (PBV) units for households with low income or experiencing homelessness in Fiscal Year 2025.
- Help families to become more financially self-reliant through the SDHC Achievement Academy.
 - Programs emphasize career planning, job skills, job placement and personal financial education.



Joanna
Section 8 Housing Choice Voucher and
SDHC Achievement Academy Participant



FY 2025 Proposed Budget

Create and Preserve Affordable Housing

- Award up to \$9 million through a competitive Notice of Funding Availability (NOFA) to create approximately 90 new permanent affordable housing units
- \$85.0 million toward the acquisition and rehabilitation of affordable housing properties through the State of California's Homekey program.
- Own and/or manage 4,326 affordable housing units in the City of San Diego.
- \$10.7 million for repairs, maintenance and safety measures at SDHC-owned affordable housing units.
- \$4.4 million to continue projects to increase density at Casa Colina property to provide additional affordable housing and to convert unused SDHC office space into a shelter for transition-age youth.
- \$3.3 million to help up to 21 households become first-time homebuyers
- Award \$1.5 million to San Diego homeowners for the creation of up to six Accessory Dwelling Units for families with lower income.
- No funds are allocated for new property acquisition in FY 2025.



FY 2025 Proposed Budget Funding Uses by Fiscal Year

	FY25 Budget	FY24 Budget	\$ Change	% Change
Personnel Costs	\$58,591,000	\$53,696,000	\$4,895,000	9%
Non-Personnel Costs				
Housing Program Expense	411,568,000	353,023,000	58,545,000	17%
Property Expense, Professional Services, Supplies and Other	45,962,000	42,763,000	3,199,000	7%
Capital Expenditures	101,909,000	21,291,000	80,618,000	379%
Non-Personnel Costs Total	\$559,439,000	\$417,077,000	\$142,362,000	34%
Total Uses	\$618,030,000	\$470,773,000	\$147,257,000	31%

Agency Staffing – Full-Time Equivalents

SDHC	FY 25 Budget	FY 24 Budget	Change
Total Full-Time Equivalents	402	395	7

As SDHC implements cost-containment measures going into FY2025, the budget reflects a reduction in full-time equivalent (FTE) positions agencywide. The positions being added are to manage two new permanent supportive housing property acquisitions in-house instead of contracting with third-party property management. Contracting for property management for these properties would cost more.



FY 2025 Proposed Budget Funding Sources Available

	FY25 Budget	FY24 Budget	FY25 vs FY24 Budget	
			\$ Variance	% Variance
FEDERAL				
Section 8/MTW Rental Assistance	\$347,203,000	\$315,722,000	\$31,481,000	10%
HOME	25,232,000	26,542,000	(1,310,000)	(5%)
Housing Innovation Funds	10,340,000	8,731,000	1,609,000	18%
CDBG	1,072,000	859,000	213,000	25%
Other Federal Funds	59,416,000	82,000	59,334,000	72359%
TOTAL FEDERAL	443,263,000	351,936,000	91,327,000	26%
LOCAL				
SDHC Real Estate	49,814,000	45,050,000	4,764,000	11%
Affordable Housing Fund	6,282,000	5,816,000	466,000	8%
City General Funds and Other Local Funds	53,629,000	19,412,000	34,217,000	176%
Bond and Other Discretionary Local Funds	4,698,000	4,135,000	563,000	14%
TOTAL LOCAL	114,423,000	74,413,000	40,010,000	54%
TOTAL STATE	39,980,000	29,500,000	10,480,000	36%
TOTAL NEW REVENUE	597,666,000	455,849,000	141,817,000	31%
CONTINGENCY RESERVES *	20,918,000	15,955,000	4,963,000	31%
PROGRAM, OPERATING AND PROPERTY RESERVES	92,839,000	123,082,000	(30,243,000)	(25%)
TOTAL BEGINNING FUND BALANCE	113,757,000	139,037,000	(25,280,000)	(18%)
TOTAL SOURCES OF FUNDS	\$711,423,000	\$594,886,000	\$116,537,000	20%

* 3.5% Contingency Reserve



FY 2025 Proposed Budget Staff Recommendations

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

- 1) Approve SDHC's proposed \$711 million Fiscal Year (FY) 2025 Budget (Attachment 1).
- 2) Delegate authority to the SDHC Board of Commissioners (Board) to approve amendments to the FY 2025 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 2025 Budget;
 - b. Additional funding for the FY 2025 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 2025 Budget.
- 3) Delegate authority to SDHC's President and Chief Executive Officer to amend the FY 2025 Budget for amounts not to exceed \$250,000 consistent with policies, programs and activities approved by SDHC and the Housing Authority.



FY 2025 Proposed Budget



Rental
Assistance



Creating Affordable
Housing



Homelessness
Solutions

Thank You

