



SAN DIEGO  
HOUSING  
COMMISSION

# REPORT TO THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO

**DATE ISSUED:** April 22, 2025

**REPORT NO:** HAR25-005

**ATTENTION:** Chair and Members of the Housing Authority of the City of San Diego  
For the Agenda of June 10, 2025

**SUBJECT:** San Diego Housing Commission Proposed Fiscal Year 2026 Budget

**COUNCIL DISTRICT:** Citywide

## **REQUESTED ACTION**

Approve the San Diego Housing Commission's (SDHC) proposed Fiscal Year 2026 Budget and delegate authority from the Housing Authority to SDHC to amend the Fiscal Year 2026 Budget for amounts consistent with prior-year delegation.

## **STAFF RECOMMENDATION**

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

- 1) Approve the San Diego Housing Commission's (SDHC) proposed \$716 million Fiscal Year (FY) 2026 Budget (Attachment I).
- 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 the SDHC Board and Housing Authority.

## **SUMMARY**

SDHC's FY 2026 Proposed Budget anticipates available funding sources of \$715.8 million, a

decrease of \$3 million, or 0.4 percent, from the approved FY 2025 budget. Similar to last year, this budget includes non-recurring funding sources that consist of \$60.5 million for a potential Homekey+-funded affordable housing property acquisition and the second year of a three-year \$45 million grant from the Infill Infrastructure Grant Catalytic Qualifying Infill Area (IIGC) Program.

In FY 2026, there is significant uncertainty regarding federal funding for many housing assistance programs that SDHC administers. SDHC's rental housing voucher expenses are projected to continue to rise in FY 2026—as they have in each of the past six fiscal years. The rise in voucher expenses in FY 2026 can be impacted by a number of factors, and is due in part to previously awarded project-based vouchers coming online as the developments to which they were awarded are completed and the impact of SDHC's annual payment standard adjustment at recertifications. SDHC is anticipating a one-time draw-down of nearly \$24 million from HUD-held reserves amid insufficient federal funding to ensure the continuation of essential rental assistance and services for the households in SDHC's programs. Additional factors contributing to the decrease in SDHC's budget are the anticipated lower acquisition cost for a proposed project with State of California Homekey+ funds compared to Homekey-funded projects in FY 2025. Additionally, SDHC's Flood Recovery Program for Displaced Families concluded in FY2025 and is not in the FY 2026 Budget. SDHC has not included any new staff positions in the proposed FY 2026 budget, with total full-time equivalent positions remaining unchanged at 402.

## **FUNDING SOURCES**

The proposed FY 2026 Budget anticipates funding sources of \$715.8 million:

<b><u>Revenues</u></b>	<b><u>FY 2025 Budget</u></b>	<b><u>FY 2026 Budget</u></b>	<b><u>Increase/(Decrease)</u></b>
Federal Revenues	\$ 443,263,000	\$ 429,484,000	\$(13,779,000)
Local Revenues	120,875,000	110,439,000	(10,436,000)
State Revenues	41,020,000	63,878,000	22,858,000
Fund Balance from Prior Years	113,757,000	111,961,000	(1,796,000)
<b>Total Funding Sources</b>	<b>\$ 718,915,000</b>	<b>\$ 715,762,000</b>	<b>\$(3,153,000)</b>

The majority of SDHC's funding is restricted by funding source for specific programs with respect to its use.

The decrease in Federal Revenues is primarily due to the award of Homekey funds in FY 2025, which were from the federal American Rescue Plan Act, for the acquisition and rehabilitation of affordable housing properties. In FY 2026, potential Homekey+ funds are represented in State and Federal revenues. The decrease in Federal Revenues is partially offset by the anticipated need to draw down nearly \$24 million of restricted, HUD-held Moving to Work voucher reserves for SDHC's rental assistance programs.

The increase in Local Revenues is primarily due to a slight increase in City General Funds to fund City homelessness programs that SDHC administers on behalf of the City and an increase in rental revenue from SDHC-owned properties following the acquisition of properties in FY 2025. This is offset by lower funding for the Flood Recovery Program for Displace Families following its completion in FY 2025.

The decrease in Fund Balance is primarily due to expenditures from the City of San Diego Affordable Housing Fund and HOME funds on previously approved activities, offset by additional Community Development Block Grant (CDBG) funds made available for SDHC's FY 2026 Notice of Funding Availability for affordable housing development.

### **FUNDING USES**

The Proposed FY 2026 Budget anticipates total uses of \$620 million (excluding ending fund balance), a decrease of \$11 million, or 2 percent, from the FY 2025 budget.

The following table summarizes the funding uses by expenditure type:

<b><u>Uses</u></b>	<b><u>FY 2025 Budget</u></b>	<b><u>FY 2026 Budget</u></b>	<b><u>Increase/(Decrease)</u></b>
Housing Program Expense	\$ 425,060,000	\$ 443,325,000	\$ 18,265,000
Personnel Costs	58,591,000	60,348,000	1,757,000
Capital Expenditures	101,909,000	67,788,000	(34,121,000)
Property Expense, Professional Services, Supplies & Other	45,962,000	48,915,000	2,953,000
<b>Total Costs</b>	<b>631,522,000</b>	<b>620,376,000</b>	<b>(11,146,000)</b>
Ending Fund Balance	87,393,000	95,386,000	7,993,000
<b>Total Funding Uses *</b>	<b>\$ 718,915,000</b>	<b>\$ 715,762,000</b>	<b>\$ (3,153,000)</b>

*\* Totals on this table are rounded from the detailed totals in the budget.*

The proposed "Housing Program Expense" category includes an increase in expenditures primarily related to an increase in the average cost per rental housing voucher as well as an increase in the number of project-based vouchers due to the completion of developments to which these vouchers have been awarded and Veterans Affairs Supportive Housing (VASH) vouchers. The FY 2025 budget also included expenses for the Flood Recovery Program for Displaced Residents, which concluded in 2025 and will not incur expenses in FY 2026.

The slight increase in personnel costs reflects cost-of-living adjustments and increases in benefits as agreed upon in the Memorandum of Understanding with Service Employees International Union (SEIU), Local 221, which the Housing Authority approved on October 15, 2024.

The decrease in the "Capital Expenditures" category is primarily due to a reduction in funding

awarded for acquisition and property rehabilitation activity in FY 2026.

The increase in Property Expense, Professional Services, Supplies and Other relates to higher general business expenses like insurance and software licenses and expenses related to SDHC-owned properties like maintenance, protective services and utilities. SDHC is reducing expenses related to professional consultants and travel and training.

The increase in ending fund balance is primarily due to reserves relating to funds committed for the creation of affordable housing through the Notice of Funding Availability process.

### **PREVIOUS COUNCIL and/or COMMITTEE ACTION**

On April 25, 2025, SDHC staff presented an informational workshop about the proposed FY 2026 budget to the SDHC Board of Commissioners. No action was taken at that time.

On May 8, 2025, SDHC staff presented an informational report about the proposed FY 2026 budget to the City Council's Budget Review Committee.

On May 9, 2025, the SDHC Board of Commissioners voted 5-0 to recommend that the Housing Authority of the City of San Diego take the staff-recommended actions in this staff report.

### **SDHC STRATEGIC PLAN**

This item relates to the Core Value "Believe in transparency and being good financial stewards" in the Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024. SDHC is in the process of developing a new Strategic Plan.

### **NONDISCRIMINATION ASSURANCE**

At SDHC, we're about people. We are committed to ensuring a compassionate, person-centered approach to SDHC's programs, policies, projects and activities and to serving our community impartially, fairly and without bias. We are also committed to ensuring compliance with all applicable federal, state and local laws and protections to the extent that they affect this action relative to nondiscrimination.

### **ENVIRONMENTAL REVIEW**

#### **California Environmental Quality Act**

Approval of the FY 2026 SDHC budget is not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Section 15378(b)(4), as it is a government fiscal activity which does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. As such, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

#### **National Environmental Policy Act**

Approval of the FY 2026 SDHC budget is exempt pursuant to Section 58.34 of the National Environmental Policy Act (NEPA) for development of plans and strategies as well as administrative and management activities. The parties agree that the provision of any federal

funds as the result of this action is conditioned on the City of San Diego's final NEPA review and approval.

Respectfully submitted,



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

Approved by,



Lisa Jones  
President and  
Chief Executive Officer  
San Diego Housing Commission

Attachments:

- 1) Fiscal Year 2026 Proposed Budget
- 2) SDHC Fiscal Year 2026 Budget Report

A printed copy is available for review during business hours at the information desk in the main lobby of SDHC's offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the "Governance & Legislative Affairs" section of SDHC's website at [www.sdhc.org](http://www.sdhc.org).



SAN DIEGO  
HOUSING  
COMMISSION

We're About People

# San Diego Housing Commission (SDHC) Fiscal Year (FY) 2026 Proposed Budget (July 1, 2025 – June 30, 2026)

May 22, 2025

**Budget in City Format**



# SDHC – FY 2026 Proposed Budget Mission Statement

## **Mission Statement**

The San Diego Housing Commission (SDHC) fosters social and economic stability for vulnerable populations in the City of San Diego through:

- Quality, affordable housing
- Opportunities for financial self-reliance
- Homelessness solutions

## **Fiscal Year 2026 Budget Summary**

The San Diego Housing Commission (SDHC) is an award-winning public housing agency that creates innovative programs to provide housing opportunities for individuals and families with low income or experiencing homelessness in the City of San Diego. SDHC helps pay rent for approximately 17,000 households with low income by providing federal Section 8 Housing Choice Voucher (HCV) rental assistance. HCV participants pay a predetermined portion of their income toward rent, with the remainder paid by federal funds that SDHC administers, up to the applicable payment standard. SDHC also leads collaborative efforts to address homelessness in the City of San Diego, administering City of San Diego and federal funds for shelters, transitional housing and permanent housing with supportive services to address homelessness among families, seniors, veterans and individuals. In addition, SDHC develops affordable multifamily rental housing and provides deferred-payment loans and Closing Cost Assistance Grants to help first-time homebuyers.

The \$716 million proposed Fiscal Year (FY) 2026 Budget would enable SDHC to:

- Assist approximately 17,000 households with low income by providing rental assistance through the federal Section 8 HCV program.
  - Administer more than 2,000 special purpose vouchers dedicated for vulnerable populations including but not limited to veterans, families unifying with their children, and people with a disability.
- Create affordable housing units.
- Assist households to become first-time homebuyers.
- Acquire and develop affordable housing units, including units for San Diegans experiencing homelessness



# SDHC – FY 2024 Proposed Budget

## Mission Statement (Continued)

- Renovate and rehabilitate SDHC-owned affordable rental housing units.
- Continue to own and/or manage 4,307 affordable housing units in the City of San Diego, including SDHC’s nonprofit affiliate, Housing Development Partners (HDP), and federal public housing units.
- Continue HOUSING FIRST – SAN DIEGO, SDHC’s homelessness action plan, by providing expanded and additional, multifaceted solutions to address homelessness in the City of San Diego, such as:
  - Homelessness prevention and diversion assistance that provides mediation or financial assistance to help families at risk of or currently experiencing homelessness;
  - Collaborations with landlords in the City of San Diego through the Landlord Engagement and Assistance Program (LEAP) to create housing opportunities for individuals and families experiencing homelessness;
  - The Moving Home Rapid Rehousing Program which assists individuals and families experiencing homelessness with assistance to move into housing quickly and receive supportive services to stabilize in housing;
  - New Permanent Supportive Housing for individuals experiencing homelessness. SDHC invests federal and local dollars into new construction development, acquisition, and rehabilitation of properties;
  - SDHC’s “Moving On” rental assistance program, through which federal rental housing vouchers are provided to individuals and families who previously experienced homelessness and are ready to move from permanent supportive housing into a more appropriate housing solution due to achieving housing stability; and
  - Specialized programs to assist transition-age youth, individuals experiencing homelessness or housing instability, and veterans experiencing chronic homelessness; and
- Directly operate programs through HOUSING FIRST – SAN DIEGO and administer and provide oversight for over 45 contracted programs that align with the Community Action Plan on Homelessness for the City of San Diego and the City of San Diego’s FY 2026 priorities regarding the provision of services to the persons experiencing homelessness in the City of San Diego. These include but are not limited to: the City’s three Bridge Shelters and several shelters for special populations, such as for persons with substance use disorder, women, transition-age youth, seniors, veterans, and families; the City’s two Storage Centers with up to 1,000 storage containers; a variety of rapid rehousing and permanent supportive housing programs funded through the U.S. Department of Housing and Urban Development’s (HUD) Continuum of Care grants; transitional housing programs; multidisciplinary street outreach; the Housing Instability Prevention Program (HIPP), which helps pay rent and other housing-related expenses for families in the City of San Diego with low income, experiencing a housing crisis and at risk of homelessness; the Program for Engaged Educational Resources (PEER), which provides training and education to persons interested in working within the homelessness services sector; the City’s Homelessness Response Center, which provides on-site assessment, triage and system navigation for housing interventions, links to community resources and access to shelter beds throughout the City’s shelter system; and coordination of the partnership collaboration and detailed reporting for the Community Action Plan on Homelessness for the City of San Diego.





# SDHC – FY 2026 Proposed Budget

## Mission Statement (Continued)

The proposed SDHC FY 2026 Budget was presented to the SDHC Board of Commissioners (Board) in April 2025, the City Council Budget Review Committee in May 2025, and will be presented to the Housing Authority of the City of San Diego in June 2025.

SDHC's FY 2026 Budget is composed of four divisions: Rental Assistance, Real Estate, Homelessness Housing Innovations and Operations Support:

- Rental Assistance Division (RAD) funding is budgeted at \$366 million. RAD provides federal rental assistance for households with low income 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, which provides programs that emphasize career planning, job skills, job placement and personal financial education—at no cost to participants. 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 \$154 million. RED creates and preserves affordable housing as a developer, owner, lender, partner, Multifamily Housing Revenue Bond issuer, and administrator of City of San Diego land use programs, such as inclusionary housing. RED also helps families that meet eligibility requirements to become first-time homebuyers.
- Homelessness Housing Innovations Division (HHI) funding is budgeted at \$68 million. HHI administers City of San Diego and federal funds to address homelessness and the housing needs of San Diegans with extremely low incomes experiencing homelessness or at risk of homelessness. This division administers programs for storage of personal belongings, shelters, transitional housing, interim housing, rapid rehousing, and permanent supportive housing and services.
- Operations Support funding is budgeted at \$32 million. Operations Support provides support services to carry out SDHC's mission. These include: 1) Board & Executive Functions, which provides strategic planning, leadership and management to implement housing programs; 2) Communications & Government Relations, which fosters transparency through government relations activities, responds to public records requests, and ensures consistency and accuracy in SDHC communications; 3) Community & Strategic Initiatives, which is responsible for SDHC's Strategic Plan development and implementation, Moving to Work designation, and Community Liaison/Ombudsperson, as well as City-County Reinvestment Task Force, Fund Development, Fair Housing, and efforts to ensure high-quality and unbiased processing of all of SDHC's programs and initiatives; 4) Human Resources; 5) Financial Services; 6) Information Technology; 7) Procurement; 8) Special Program Development (OH); 9) Compliance; 10) Agency Policy; and 11) Special Program Development (Non-OH).

Funds allocated for ending fund balance are budgeted at \$95 million and are committed for use to create and preserve affordable housing. These funds contain three types of fund balance and are restricted by use: 1) Program Restricted to provide for housing programs; 2) Property Reserves to provide for replacement requirements; and 3) Contingency Reserves.



# SDHC – FY 2026 Proposed Budget

## A. Budget Summary

Table A - San Diego Housing Commission - Budget Summary												
	FY 2024 Budget		FY 2024 Actual		FY 2025 Budget		FY 2025 Projected		FY26 Proposed	FY 2025-2026 Change		
Positions (FTE)	395		358		402		402		402	0		
Personnel Expense	\$	53,696,000	\$	52,994,000	\$	58,590,000	\$	58,590,000	\$	60,348,000	\$	1,758,000
Non-Personnel Expense	541,190,000		609,366,000		660,325,000		660,325,000		655,414,000	\$	(4,911,000)	
TOTAL	\$	594,886,000	\$	662,360,000	\$	718,915,000	\$	718,915,000	\$	715,762,000	\$	(3,153,000)



# SDHC – FY 2026 Proposed Budget

## B. Expenditures

Table B - San Diego Housing Commission - Expenditures							
	FY 2024 Budget	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	FY 2025-2026 Change	
PERSONNEL							
Salaries & Wages	\$ 39,695,000	\$ 39,454,000	\$ 43,076,000	\$ 43,076,000	\$ 44,264,000	\$ 1,188,000	
Fringe Benefits (health)	6,195,000	5,718,000	6,299,000	6,299,000	6,747,000	448,000	
Fringe Benefits (pension)	5,089,000	5,003,000	6,038,000	6,038,000	6,128,000	90,000	
Fringe Benefits (other--Life, LTD, Medicare, Workers Comp, SUI and 457)	2,717,000	2,819,000	3,177,000	3,177,000	3,209,000	32,000	
SUBTOTAL PERSONNEL	\$ 53,696,000	\$ 52,994,000	\$ 58,590,000	\$ 58,590,000	\$ 60,348,000	\$ 1,758,000	
NON-PERSONNEL							
Housing Program Expense	\$ 353,023,000	\$ 382,797,000	\$ 425,061,000	\$ 425,061,000	\$ 443,325,000	\$ 18,264,000	
Property Expense	15,806,000	18,688,000	18,516,000	18,516,000	20,866,000	2,350,000	
Professional Services, Supplies & Other	17,609,000	16,957,000	20,015,000	20,015,000	20,621,000	606,000	
Debt Payments	9,348,000	7,587,000	7,431,000	7,431,000	7,428,000	(3,000)	
Capital Expenditures	21,291,000	21,187,000	101,909,000	101,909,000	67,788,000	(34,121,000)	
Ending Fund Balance	124,113,000	162,150,000	87,393,000	87,393,000	95,386,000	7,993,000	
SUBTOTAL NON-PERSONNEL	\$ 541,190,000	\$ 609,366,000	\$ 660,325,000	\$ 660,325,000	\$ 655,414,000	\$ (4,911,000)	
TOTAL							
	\$ 594,886,000	\$ 662,360,000	\$ 718,915,000	\$ 718,915,000	\$ 715,762,000	\$ (3,153,000)	



# SDHC – FY 2026 Proposed Budget

## C. Significant Budget Adjustments

Table C - San Diego Housing Commission - Significant Budget Adjustments			
Significant Budget Adjustments	Position	Revenue	Expenses
<b>Personnel Salaries and Benefits Adjustments</b>			
Salaries & Wages	Primarily due to Cost Of Living Adjustment (COLA) of 4%	\$	1,188,000
Fringe Benefits (health)	Primarily due to a Memorandum of Understanding (MOU) increase of 3%		448,000
Fringe Benefits (pension)	Primarily due to Cost Of Living Adjustment (COLA) of 4%		90,000
Fringe Benefits (Life, LTD, Medicare, Workers Comp, SUI, and 457)	Primarily due to Cost Of Living Adjustment (COLA) of 4%		32,000
<b>Personnel Adjustments</b>			<b>\$ 1,758,000</b>
<b>Non-Personnel Expenditure Adjustments</b>			
Housing Program Expense	Increase in HAP due to increase in average cost per voucher, an increase in VASH vouchers, offset by lower Emergency Temporary Housing expenditure following the programs completion in FY25.	\$	18,264,000
Property Expense	Higher due to increase in maintenance on property portfolio as well as inclusion of properties acquired in FY25.		2,350,000
Professional Services, Supplies & Other	Increase primarily due to higher IT costs and insurance premiums.		606,000
Debt Payments	In line with prior year		(3,000)
Capital Expenditures	Decreased primarily due to lower Homekey acquisition funds anticipated in FY26.		(34,121,000)
Ending Fund Balance	Increase is primarily due to additional CDBG funds made available for FY26 Notice of Funding Availability.		7,993,000
<b>Non-Personnel Expenditure Adjustments</b>			<b>\$ (4,911,000)</b>
<b>TOTAL EXPENSE ADJUSTMENTS</b>		<b>*</b>	<b>\$ (3,153,000)</b>
<b>Revenue Adjustments</b>			
Section 8/MTW	Increase primarily due to increased funding for vouchers	\$	23,486,000
HOME, CDBG & Other Federal	Decreased primarily due to lower Homekey acquisition funds anticipated in FY26.		(36,915,000)
Housing Innovation Funds	Decrease primarily due to a reduction in ESG funds		(350,000)
SDHC Real Estate	Increase primarily due to an anticipated increase in rental income in FY26 as well as the inclusion of rental income from properties acquired in FY25		6,208,000
Affordable Housing Fund	Decrease due to anticipated decrease in collections		(1,130,000)
Other Local Funds	Decrease due to lower local acquisition funds anticipated in FY26 as well as a reduction in City and County Funds for the emergency Temporary Lodging program that were fully utilized in FY25; offset by an increase in City General Fund needs for Homeless Programs		(15,514,000)
STATE	Increase primarily due to an increase in funds for property acquisitions as well as an increase in City managed HHAP funds for homeless programs.		22,858,000
FUND BALANCE FROM PRIOR YEARS	Decrease primarily due to spending of the Affordable Housing Fund (AHF) and HOME funds on planned activities, offset by an increase in CDBG funds made available for the FY26 Notice of Funding Availability		(1,796,000)
<b>TOTAL REVENUE ADJUSTMENTS</b>		<b>\$</b>	<b>(3,153,000)</b>

\* Due to rounding total may not foot.



# SDHC – FY 2026 Proposed Budget

## D. Reimbursements to Departments/Entities

Table D - San Diego Housing Commission - Reimbursements to Departments/Entities						
Departments/Entities	FY 2024 Budget	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	FY 2025-2026 Change
Homeless Housing Innovations - Interim Shelter for Homeless Adults	\$ 2,238,253	\$ 3,283,741	\$ 1,820,076	\$ 1,820,076		\$ (1,820,076)
Homeless Housing Innovations - Homelessness Response Center (GF)	\$ 1,409,258	\$ 1,409,258	\$ 1,659,258	\$ 1,659,258	\$ 1,267,167	\$ (392,091)
Homeless Housing Innovations - Homelessness Response Center (LMIFH)	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Homeless Housing Innovations - Coordinated Street Outreach	\$ 1,100,000	\$ 862,132	\$ 350,000	\$ 350,000	\$ -	\$ (350,000)
Eviction Prevention Program	\$ -		\$ 3,000,000	\$ 3,000,000	\$ -	\$ (3,000,000)
Homeless Housing Innovations - Bishop Shelter	\$ 622,900	\$ 599,447	\$ 658,338	\$ 658,338	\$ 644,022	\$ (14,316)
Homeless Housing Innovations - Harm Reduction Shelter	\$ 2,149,237	\$ 2,000,029	\$ 2,271,819	\$ 2,271,819	\$ 2,131,592	\$ (140,227)
Homeless Housing Innovations - Women Shelter	\$ 1,067,617	\$ 1,067,617	\$ 1,120,998	\$ 1,120,998		\$ (1,120,998)
Homeless Housing Innovations - Sprung Shelter (Rosecrans)	\$ -	\$ -	\$ 562,921	\$ 562,921	\$ -	\$ (562,921)
Homeless Housing Innovations - Bridge Shelter	\$ -	\$ -	\$ 2,028,368	\$ 2,028,368	\$ 1,825,500	\$ (202,868)
Homeless Housing Innovations - Family Shelter	\$ -	\$ -	\$ 682,102	\$ 682,102	\$ 2,319,494	\$ 1,637,392
Homeless Housing Innovations - Youth Shelter	\$ 524,989	\$ 519,066	\$ 696,624	\$ 696,624	\$ -	\$ (696,624)
Homeless Housing Innovations - LGBT Youth Services & Shelter	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Homeless Housing Innovations - Think Dignity	\$ -	\$ -	\$ -	\$ -	\$ 243,252	\$ 243,252
Homeless Housing Innovations - PEER Program	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Homeless Housing Innovations - Day Center	\$ 400,000	\$ 400,000	\$ 920,550	\$ 920,550	\$ 948,324	\$ 27,774
Homeless Housing Innovations - Housing Instability Prevention	\$ 2,250,000	\$ 3,780,221	\$ 3,000,000	\$ 3,000,000	\$ 5,800,000	\$ 2,800,000
Homeless Housing Innovations - Storage Connect 1	\$ 1,396,389	\$ 1,396,389	\$ 1,241,100	\$ 1,241,100	\$ 1,183,350	\$ (57,750)
Homeless Housing Innovations - Storage Connect 2	\$ 531,436	\$ 531,436	\$ 315,000	\$ 315,000	\$ -	\$ (315,000)
Homeless Housing Innovations - Transitional Storage Center	\$ 243,252	\$ 227,202	\$ 245,683	\$ 245,683	\$ -	\$ (245,683)
Homeless Housing Innovations - Connections Interim Housing	\$ 550,403	\$ 794,922	\$ 1,224,023	\$ 1,224,023	\$ 1,992,566	\$ 768,543
Homeless Housing Innovations - Serial Inebriate Program	\$ 290,000	\$ 290,000	\$ 145,000	\$ 145,000	\$ -	\$ (145,000)
Homeless Housing Innovations - Single Adult Shelter	\$ -	\$ -	\$ -	\$ -	\$ 980,402	\$ 980,402
Homeless Housing Innovations - Single Adult & Seniors Interim Shelter	\$ -	\$ -	\$ -	\$ 1,979,377	\$ 3,792,255	\$ 3,792,255
Homeless Housing Innovations - Veterans Interim Shelter	\$ -	\$ -	\$ -	\$ -	\$ 1,083,962	\$ 1,083,962
Homeless Housing Innovations - Rachel's Promise Women Center for Women and Children	\$ -	\$ -	\$ -	\$ 1,616,717	\$ 5,611,268	\$ 5,611,268
Homeless Housing Innovations - AOD Interim Shelter	\$ -	\$ -	\$ -	\$ -	\$ 748,240	\$ 748,240
Homeless Housing Innovations - Family Shelter Expansion	\$ -	\$ -	\$ -	\$ -	\$ 771,522	\$ 771,522





# SDHC – FY 2026 Proposed Budget

## E. Revenues

Table E San Diego Housing Commission - Revenues							
Revenue Source	FY 2024 Budget	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed	FY 2025-2026 Change	
<b>FEDERAL</b>							
Section 8/MTW	\$ 315,722,000	\$ 331,567,000	\$347,203,000	\$347,203,000	\$370,689,000	\$23,486,000	
HOME, CDBG & Other Federal	27,483,000	34,345,000	85,720,000	85,720,000	48,805,000	(36,915,000)	
Housing Innovation Funds	8,731,000	8,434,000	10,340,000	10,340,000	9,990,000	(350,000)	
<b>FEDERAL TOTAL</b>	<b>\$ 351,936,000</b>	<b>\$ 374,346,000</b>	<b>\$ 443,263,000</b>	<b>\$ 443,263,000</b>	<b>\$ 429,484,000</b>	<b>\$ (13,779,000)</b>	
<b>LOCAL</b>							
SDHC Real Estate	\$ 45,050,000	\$ 45,924,000	\$ 49,814,000	\$ 49,814,000	\$ 56,022,000	\$ 6,208,000	
Affordable Housing Fund	5,816,000	7,026,000	6,282,000	6,282,000	5,152,000	(1,130,000)	
Other Local Funds	23,547,000	32,937,000	64,779,000	64,779,000	49,265,000	(15,514,000)	
<b>LOCAL TOTAL</b>	<b>\$ 74,413,000</b>	<b>\$ 85,887,000</b>	<b>\$ 120,875,000</b>	<b>\$ 120,875,000</b>	<b>\$ 110,439,000</b>	<b>\$ (10,436,000)</b>	
<b>STATE</b>	<b>\$ 29,500,000</b>	<b>\$ 30,187,000</b>	<b>\$ 41,020,000</b>	<b>\$ 41,020,000</b>	<b>\$ 63,878,000</b>	<b>\$ 22,858,000</b>	
<b>FUND BALANCE FROM PRIOR YEARS</b>	<b>\$ 139,037,000</b>	<b>\$ 171,940,000</b>	<b>\$ 113,757,000</b>	<b>\$ 113,757,000</b>	<b>\$ 111,961,000</b>	<b>\$ (1,796,000)</b>	
<b>TOTAL</b>	<b>\$ 594,886,000</b>	<b>\$ 662,360,000</b>	<b>\$ 718,915,000</b>	<b>\$ 718,915,000</b>	<b>\$ 715,762,000</b>	<b>\$ (3,153,000)</b>	





SAN DIEGO  
HOUSING  
COMMISSION

# SDHC FISCAL YEAR 2026 BUDGET REPORT

We're About People



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## SDHC STRATEGIC PLAN

SDHC’s Strategic Plan provided the vision, mission, purpose, core values and strategic priorities for the agency for Fiscal Year 2022 – 2024.

**Vision:** Everyone in the City of San Diego has a home they can afford.

**Mission:** The San Diego Housing Commission (SDHC) fosters social and economic stability for vulnerable populations in the City of San Diego through:

- Quality, affordable housing.
- Opportunities for financial self-reliance.
- Homelessness solutions.

**Purpose:** Help individuals, families and the San Diego community thrive.

**Core Values:** At SDHC, we:

- Serve our clients with equity, dignity and respect.
- Are committed to excellence and innovation in all we do.
- Believe in transparency and being good financial stewards.

**Strategic Priority Areas:**

- Increasing and Preserving Housing Solutions.
- Helping Families Increase Opportunities for Self-Sufficiency and Quality of Life.
- Investing in Our Team.
- Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.
- Advocacy, Communication, Public Engagement.



# MESSAGE FROM THE PRESIDENT AND CEO

Thousands of San Diegans struggling financially in our community rely on the San Diego Housing Commission (SDHC) for assistance to obtain a home they can afford and remain stably housed or to journey from homelessness to housing. They were our focus as we developed our Fiscal Year (FY) 2026 budget amid a fiscal environment that remains challenging and uncertain.

In addition to the upcoming fiscal year, we need our budget to be forward-thinking and to reflect a plan for a future that ensures our long-term stability and viability to continue to support our community in the years ahead.

Our goals are to ensure our rental housing voucher programs, homelessness programs and services, and affordable housing units remain available for the individuals and families who need them. We also are working to have as little impact as possible on frontline staff.

The flurry of activity from the new presidential administration since January, as well as projected budget deficits at all levels of government, have contributed to uncertainty about available funding for FY 2026 and future fiscal years.

For example, federal funding historically represents the largest segment of our funding sources. Last fiscal year, the federal funding we received to provide rental assistance was less than what we paid to help pay rent for approximately 17,000 families with low income. Uncertainty about the status of the federal budget for the federal fiscal year that begins in October creates uncertainty for our budget as well.

Our proposed budget reflects our best estimates based on current funding, our communication with national affordable housing organizations, and our experience administering these programs. Achieving a balanced budget requires us to use diminishing reserves held by HUD, which we do not expect to be replenished as those fund balances decrease. As less is available, in our fund balances, we will need to identify additional reductions in our expenses.

We are also mindful of the City of San Diego's efforts to address its projected budget deficit this year. We have worked closely with the City's Homelessness Strategies and Solutions Department to identify thoughtful, coordinated reductions in expenditures for City-funded homelessness shelters and services programs

that we administer. Even with these reductions, we are able to administer programs that will provide more than 1,600 shelter beds and services such as eviction prevention and shallow subsidy rental assistance to help prevent homelessness.

We continue to take steps to contain and reduce costs. We are not pulling new families from our waiting list to receive rental assistance, and we are not awarding new project-based housing vouchers through Notices of Funding Availability. We will also look for additional areas for potential cost savings, such as attrition and staff vacancies, with a focus on reductions occurring in overhead and management. We want to have as little impact as possible on our frontline staff.

As uncertain economic times continue, one area of certainty is that we have an outstanding team, and thousands of San Diegans in our city will continue to turn to us for housing assistance. We are equally certain that housing assistance for families struggling financially is most effective when many organizations serving the community work together. We are grateful for the community-based organizations, affordable housing developers, property owners and landlords, service providers, and government agencies that collaborate with us to achieve positive impacts for City of San Diego families. Collaborations like these are even more important as we look ahead amid budgetary constraints.

With difficult decisions ahead, we are fortunate to have the leadership and support of our Mayor, City Council, and our SDHC Board of Commissioners. I am confident that, together, we will address these challenging times in a way that enables SDHC to remain an agency our community and partners can depend on to help our community thrive.

Sincerely,



Lisa Jones  
President and Chief Executive Officer  
San Diego Housing Commission



**“We need our budget to be forward-thinking and to reflect a plan for our future that ensures our long-term stability and viability to continue to support our community in the years ahead. Our goals are to ensure our programs remain available for the individuals and families who need them.”**

# MAYOR, CITY OF SAN DIEGO



TODD GLORIA

## HOUSING AUTHORITY OF THE CITY OF SAN DIEGO



JOE LACAVA  
Council President  
District 1



KENT LEE  
Council President Pro Tem  
District 6



JENNIFER CAMPBELL  
Councilmember  
District 2



STEPHEN WHITBURN  
Councilmember  
District 3



HENRY L. FOSTER III  
Councilmember  
District 4



MARNI VON WILPERT  
Councilmember  
District 5



RAUL CAMPILLO  
Councilmember  
District 7



VIVIAN MORENO  
Councilmember  
District 8



SEAN ELO-RIVERA  
Council President  
District 9

## SDHC BOARD OF COMMISSIONERS



EUGENE "MITCH" MITCHELL  
Chair of the Board



RYAN CLUMPNER  
Vice Chair of the Board



KELLEE HUBBARD  
Commissioner



JOHANNA HESTER  
Commissioner



MELINDA VÁSQUEZ  
Commissioner

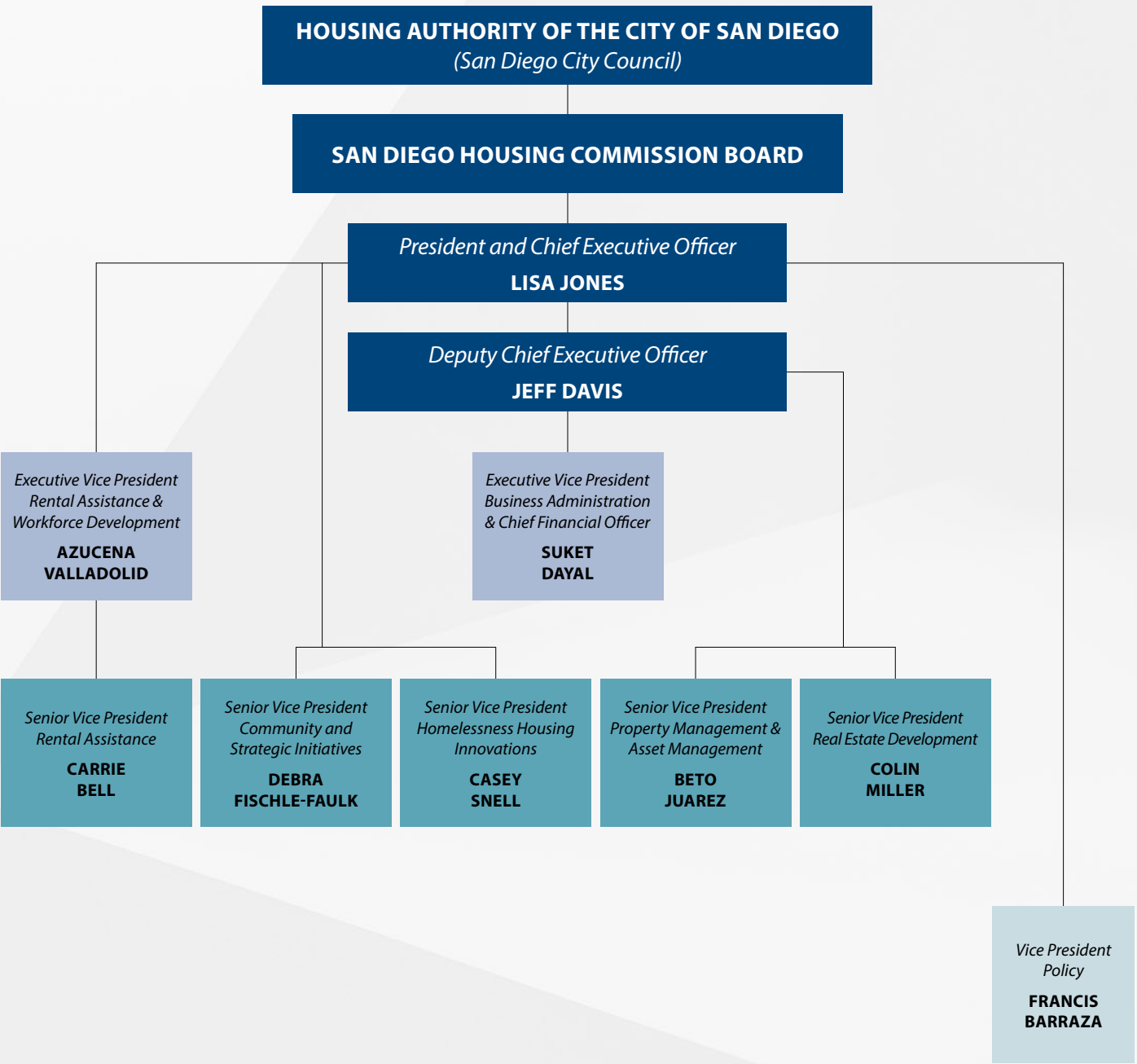


ANTOINE "TONY" JACKSON  
Commissioner



STEPHEN P. CUSHMAN  
Commissioner

## SDHC ORGANIZATIONAL CHART



# PROPOSED FISCAL YEAR 2026 BUDGET

Amid significant ongoing uncertainty about the status of federal funding the San Diego Housing Commission (SDHC) administers, SDHC has developed a proposed budget for Fiscal Year (FY) 2026 with a focus on the individuals and families struggling financially in the City of San Diego who rely on SDHC for assistance.

SDHC is an award-winning public housing agency that creates innovative programs to provide housing opportunities for individuals and families with low income or experiencing homelessness in the City of San Diego. SDHC helps pay rent for approximately 17,000 households with low income by providing federal Section 8 Housing Choice Voucher (HCV) rental assistance. HCV participants pay a predetermined portion of their income toward rent, with the remainder paid by federal funds that SDHC administers, up to the applicable payment standard. SDHC also leads collaborative efforts to address homelessness in the City of San Diego, administering City of San Diego and federal funds for shelters, transitional housing and permanent housing with supportive services to address homelessness among families, seniors, veterans and individuals. In addition, SDHC creates and preserves affordable multifamily rental housing through collaborations with developers and direct acquisitions, rehabilitations and/or developments. SDHC also provides loans and closing cost assistance to help first-time homebuyers achieve the dream of homeownership.

The Proposed Fiscal Year (FY) 2026 SDHC Budget anticipates available funding sources of \$715.8 million, of which \$60.5 million consists of non-recurring funding sources that will not be available in future years. Non-recurring funding sources consist of state, county and city funds for a potential affordable housing property acquisition contingent on the state awarding funds through the Homekey+ program and the second year of a three-year, \$45 million grant from the state's Infill Infrastructure Grant Catalytic Qualifying Infill Area (IIGC) Program.

The proposed budget reflects a net decrease of \$3,153,000 (approximately 0.4 percent) from the FY 2025 approved budget.

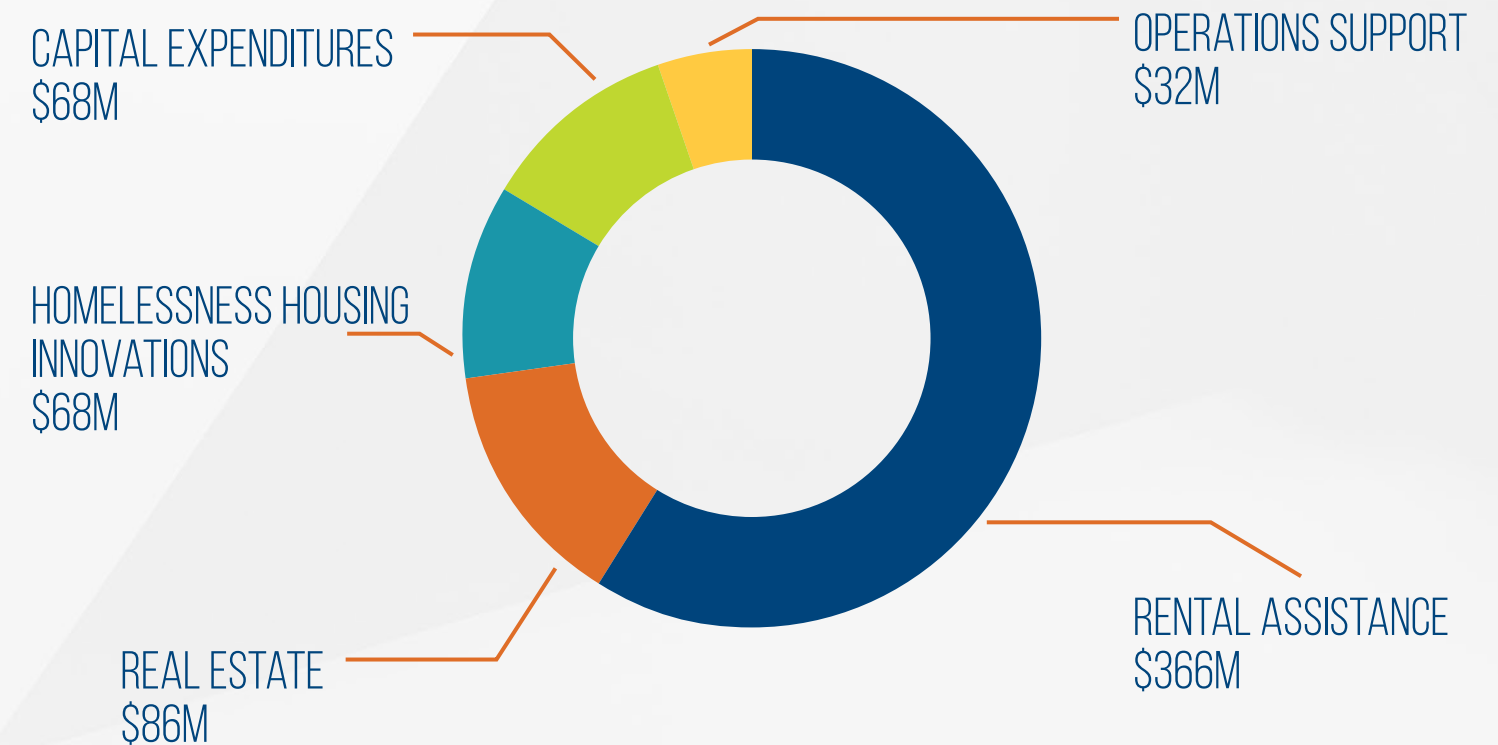
SDHC's proposed FY 2026 Budget consists of SDHC's four major divisions, described in detail later in this report:

- Rental Assistance - \$366 million
- Real Estate - \$154 million
- Homelessness Housing Innovations - \$68 million
- Operations Support - \$32 million.

Funds allocated for the ending fund balance, which consists of funding obligations not expended in FY 2026 that will continue into the next year's budget, are budgeted at \$95 million. The ending fund balance includes funds restricted by use. They are committed for use to create and preserve affordable housing and for three types of reserves:

- Program Restricted Reserves to create and preserve affordable housing and provide for housing programs
- Property Reserves to provide for replacement requirements
- Operating Reserves

FUNDING USES BY DIVISION (EXCLUDES ENDING RESERVES. \$ IN MILLIONS)





PERSONNEL

The Proposed FY 2026 budget includes a total of 402 Full-Time Equivalent (FTE) positions, representing no net change from the FY 2025 staff positions. Personnel costs are budgeted to increase 3 percent in FY 2026; however, this reflects SDHC’s cost-containment efforts. The budgeted increase is less than the 4 percent cost-of-living adjustments (COLA) and is equal to or less than the increase in health insurance benefits (3 percent for employee only or employee plus one and 5 percent for employee and family) that are included in the FY 2026 budget. The COLA and health insurance benefits increases were negotiated in SDHC’s memorandum of understanding with Service Employees International Union, Local 221, which the SDHC Board of Commissioners and the Housing Authority of the City of San Diego approved on September 13, 2024, and October 15, 2024, respectively.

SDHC	FY 2026 Budget	FY 2025 Budget	Change
Total Full-Time Equivalents	402	402	0

PROGRAM OBJECTIVES

The proposed FY 2026 Budget will allow SDHC to:

Provide Rental Assistance to Households with Lower Income:

- Assist approximately 17,000 households to pay their monthly rent.
- Lease 373 new project-based housing voucher units for households with low income or experiencing homelessness in FY 2026.
- Provide opportunities to help families become more financially self-reliant through the SDHC Achievement Academy, with programs that emphasize career planning, job skills, job placement and personal financial education, such as budgeting.

Create and Preserve Affordable Housing:

- Award up to \$22.8 million to developers through a competitive Notice of Funding Availability to create approximately 228 new permanent affordable rental housing units.
- Direct \$45.5 million toward the acquisition and rehabilitation of affordable housing properties through the State of California’s Homekey+ program, with City and County support.
- Continue to own and/or manage 4,307 affordable rental housing units in the City of San Diego.
- Expend \$13.9 million for required repairs and maintenance at SDHC-owned affordable housing units.
- Dedicate \$3.9 million to help approximately 30 households become first-time homebuyers

Address Homelessness:

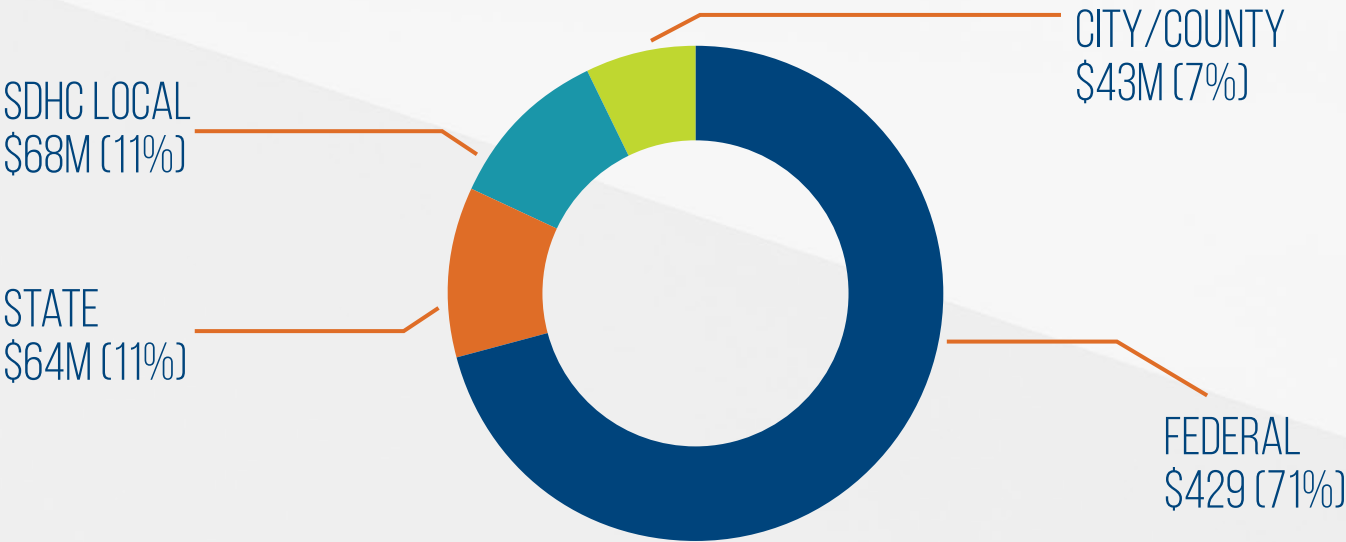
- Administer \$44.4 million for homelessness shelters and services programs
- Administer \$5.8 million for the Housing Instability Prevention Program
- Administer \$3.0 million for the Eviction Prevention Program

SOURCES OF FUNDS

The proposed budget anticipates available funding sources of \$715.8 million, which includes \$60.5 million in non-recurring sources that will not continue to be available in future years. The proposed budget reflects a net decrease of \$3,153,000 (approximately 0.4 percent) from the FY 2025 approved budget. Funding sources are classified into three categories, Federal, Local and State.

	FY 25 Budget	FY 26 Budget	FY26 vs FY25 Budget	
			\$ Variance	\$ Variance
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 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%)

NEW FUNDING SOURCES FOR FY26 (EXCLUDING BEGINNING FUND BALANCE. \$ IN MILLIONS.)



BUDGET PROCESS

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 and Chief Executive Officer (CEO) Lisa Jones 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 over \$500,000.

The actions of the seven-member SDHC Board of Commissioners (Board) are advisory to the Housing Authority. Seats on the SDHC Board are filled through the appointment process set forth in the San Diego Municipal Code. The SDHC Board reviews proposed changes to housing policy, property acquisitions and other financial commitments. The SDHC Board offers policy guidance to SDHC staff through its communications with SDHC’s President and CEO.

Budget Guidelines

The Budget is established by determining available funding sources and identifying the current needs and priorities of the City of San Diego and its constituents.

SDHC annually proposes a balanced budget, in which uses (expenditures and ending fund balance) do not exceed the sources of funding available (beginning fund balance and revenues). SDHC also establishes and attempts to maintain adequate reserve levels to plan for future fluctuations in funding, as well as ensuring that its affordable housing properties meet and exceed the federal standard of quality.

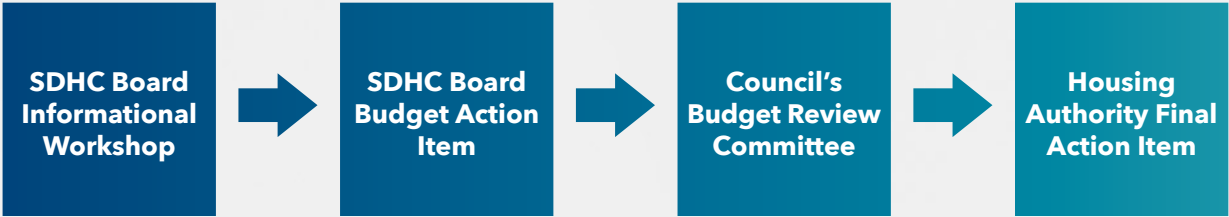
Achieving a balanced budget in FY 2026 requires SDHC to use diminishing HUD-held reserves. As these HUD-held reserves decline, SDHC does not anticipate that they will be replenished. SDHC will need to identify additional cost reductions.

Procedures for Amending the Budget

≤ \$250,000	SDHC CEO authorized to amend the annual budget in the amount of \$250,000 or less.
> \$250,000	All budget amendments in excess of \$250,000 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 Timeline

SDHC’s Fiscal Year is July 1 to June 30. Each year, SDHC staff present the proposed budget for the upcoming Fiscal Year initially as an informational workshop to the SDHC Board of Commissioners (Board) in April. SDHC also shares the budget with the City of San Diego Office of the Independent Budget Analyst and Department of Finance for consideration and publishes the proposed budget on SDHC’s website for transparency. SDHC staff return to the SDHC Board in May to request the SDHC Board’s recommendation for the Housing Authority to approve the budget. SDHC’s budget is then presented to the City Council’s Budget Review Committee, usually in May each year. SDHC staff present the budget to the Housing Authority for final consideration in June, typically on the same day the City Council considers the City of San Diego’s Fiscal Year Budget.



MOVING TO WORK DESIGNATION

SDHC status as a “Moving to Work” (MTW) public housing agency provides SDHC flexibility to implement a variety of innovative, cost-effective approaches to provide housing assistance in the City of San Diego.

These approaches also achieve the MTW program’s statutory objectives: use federal dollars more efficiently; help residents to become more financially self-reliant; and improve housing choices for families with low income.

The MTW program allows participating public housing authorities to develop local alternatives to many of the rules that typically apply to federal housing voucher and public housing programs and allows flexibility in the use of federal funds.

SDHC is one of 39 original MTW agencies out of approximately 3,200 public housing authorities nationwide. Currently, 126 agencies nationwide have received MTW status from the U.S. Department of Housing and Urban Development, either under the original agreement or through MTW’s expansion in recent years.

MTW is important for a variety of SDHC programs in rental assistance, homelessness solutions and affordable housing.



# SDHC DIVISIONS AND DEPARTMENTS

## RENTAL ASSISTANCE DIVISION

**Proposed FY 2026 Budget: \$366 million**

- Assist approximately 17,000 households to pay their monthly rent.
- Lease 373 new project-based housing voucher units for households with low income or experiencing homelessness in FY 2026
- Provide opportunities to help families become more financially self-reliant through the SDHC Achievement Academy, with programs that emphasize career planning, job skills, job placement and personal financial education, such as budgeting.

Federal rental assistance is SDHC's largest program. In a highly competitive rental housing market that is especially challenging for families with low income, SDHC helps thousands of these families pay their rent each year.

As rents have consistently risen in the City of San Diego in recent years, the amount of rental assistance SDHC provides also has increased. SDHC's average housing voucher subsidy has increased 60 percent since FY 2020.

While HUD has provided additional funding, it has not been enough to keep up with the rising rents in San Diego. SDHC is budgeting a \$16.9 million gap between HUD funding for rental assistance and SDHC's rental assistance payment obligations in FY 2026. That means SDHC will need to use HUD-held reserves to assist approximately 947 rental assistance families in FY 2026. HUD-held reserves are a limited, non-recurring funding source and will not be replenished as the reserves are expended. This will require SDHC to assist fewer families in future years if HUD continues to not provide sufficient funding for the rental assistance program.

Providing opportunities for families to become more financially self-reliant is also an important part of SDHC's rental assistance programs through the Rental Assistance Division. SDHC also provides flexibility for participating families to choose to live in neighborhoods that offer more opportunities for transportation, schools and employment.



## SDHC ACHIEVEMENT ACADEMY

The SDHC Achievement Academy offers a broad range of one-on-one services and workshops for workforce readiness and financial literacy. Programs emphasize career planning, job skills, job placement and personal financial education, such as budgeting and managing credit.

Collaborations with a variety of organizations specializing in their fields enable the SDHC Achievement Academy to provide assistance to participants with different interests, career focuses and skill levels. Programs are offered at no cost to participants.

Households with low income citywide are eligible to participate in SDHC Achievement Academy programs. SDHC Achievement Academy participants are primarily SDHC Section 8 Housing Choice Voucher participants, public housing residents, and individuals who participate in certain homelessness programs.



## LANDLORD SERVICES UNIT

SDHC's Landlord Services Unit consists of specialized staff who provide quality customer service to landlords participating in the federal rental assistance program. SDHC's Landlord Services Unit holds seminars to provide landlords important information, such as:

- The responsibilities of landlords, tenants and SDHC
- The Leasing Process
- Housing Quality Standards inspections
- The Rent Change Process

SDHC's Landlord Services Unit also holds Housing Search Workshops for rental assistance households. These workshops include information about: preparing to move, the Maximum Rent Notice form and Rent Affordability Calculator; searching for housing online; submitting a rental application; SDHC's Choice Communities Initiative; and general tips about searching for housing.

## INSPECTIONS DEPARTMENT

SDHC is required to ensure that all housing units occupied by Section 8 Housing Choice Voucher rental assistance participants meet certain health and safety standards. These "Housing Quality Standards" (HQS) are set by HUD. Before SDHC enters into a contract and issues rental assistance payments, units must pass an HQS inspection.

## COMPLIANCE MONITORING DEPARTMENT

SDHC's Compliance Monitoring Department verifies that housing units designated as affordable are occupied by qualified tenants with low or moderate income.

This department also tracks tenant and landlord compliance with affordability requirements stemming from the City of San Diego's Inclusionary Housing law, Density Bonus land-use regulations, state and federal Multifamily Housing Revenue Bond tax credits, and housing built with financial support from SDHC. In addition, the Compliance Monitoring Department administers the tenant relocation requirements that result from condominium conversion projects within the City of San Diego.

SDHC does not monitor compliance of affordable units that do not receive SDHC funding and are not subject to the City program requirements (for example, affordable units for which HUD provides financial assistance directly, without the involvement of SDHC).







“

It’s way more than just a voucher. It’s an opportunity to grow.”

—Priscilla

## FINANCIAL STABILITY AND OPPORTUNITY

Priscilla always saw federal rental assistance from SDHC as a temporary solution to help her family when she needed it as a single mother living paycheck to paycheck. Today, with skills she learned through the SDHC Achievement Academy, she has moved forward, starting her own business and no longer needing the rental assistance she received for five years.

“I’m financially stable,” Priscilla said. “I recently got married, so that’s also a plus. My kids are happy too, healthy. I can’t complain. And I’m grateful. I’m grateful to the San Diego Housing Commission that has this program and all the programs that they have. Because without them, I really wouldn’t be here.”

When Priscilla first received her Section 8 Housing Choice Voucher from SDHC, the rental assistance helped her afford to pay utilities, provide for her children and start paying off debt as she worked as an assistant at a property management company.

By the time she no longer needed assistance from SDHC’s housing voucher program, Priscilla had participated in a wide range of SDHC Achievement Academy programs, attending a total of 30 workshops, including small-business classes, professional-development opportunities and financial education classes.

She also participated in Power of One, an SDHC Achievement Academy program that provides career and financial planning resources for single parents.

“You do get more than just a voucher from the San Diego Housing Commission. It’s way more than just a voucher,” she said. “It’s an opportunity to grow and opportunity to help your family. ... It’s like you have all the tools right there.”

Through the SDHC Achievement Academy, she earned Notary and Certified Nursing Assistant certifications. She also graduated from Family Self-Sufficiency, a program in which participants were able to earn up to \$10,000 in an interest-bearing escrow account as they achieve educational and employment-related goals.

She opened her own consulting business and is one class away from earning a real estate license. She also aspires to launch a second business with her husband, become a homeowner and eventually partner with SDHC as a landlord to help other families.

“Me and my husband want to do a painting business,” she said. “That’s our next goal—just to do our family business and just keep growing from there and just keep pushing and pushing.”



# SDHC DIVISIONS AND DEPARTMENTS

## REAL ESTATE DIVISION

### **Proposed FY 2026 Budget: \$154 million**

- Award up to \$22.8 million to developers through a competitive Notice of Funding Availability to create approximately 228 new permanent affordable rental housing units.
- Direct \$45.5 million toward the acquisition and rehabilitation of affordable housing properties through the State of California's Homekey+ program, with City and County support.
- Continue to own and/or manage 4,307 affordable rental housing units in the City of San Diego.
- Expend \$13.9 million for required repairs and maintenance at SDHC-owned affordable housing units.
- Dedicate \$3.9 million to help approximately 30 households become first-time homebuyers.

SDHC's Real Estate Division supports the creation and preservation of affordable housing by providing financing to developers, operating affordable rental housing properties that SDHC owns, and administering City of San Diego land use programs, such as inclusionary housing. More than 27,000 affordable rental housing units are in service in the City of San Diego, of which more than 24,000 involved SDHC's participation.

SDHC also supports homeownership opportunities for households with low income. SDHC administers first-time homebuyer programs for the City of San Diego, County of San Diego and the cities of Chula Vista, El Cajon and La Mesa.

## MULTIFAMILY HOUSING FINANCE: LOANS AND BONDS

A variety of funding sources is necessary to make each affordable housing development possible. Through a competitive process known as a Notice of Funding Availability (NOFA), SDHC awards funds to support affordable housing developments. SDHC awards the funds as loans that are repaid over time, depending on the cash flow from the property's revenue. SDHC's loans fill the gap that remains after developers secure all other available funding sources. SDHC's approval of loan funds helps developers obtain financing from other funding sources, including local, state and federal agencies.

The funds SDHC awards to developments consist of federal, state and local dollars SDHC administers for the City of San Diego, such as:

- Federal HOME Investment Partnerships Program (HOME) funds that HUD awards to the City of San Diego; and
- The City of San Diego Affordable Housing Fund, which comprises revenue from Housing Impact Fees charged to commercial developments and Inclusionary Housing Fees charged to residential developments.

In addition, Multifamily Housing Revenue Bonds enable affordable housing developers to obtain below-market financing because interest income from the bonds is exempt from state and federal taxes. These bonds also qualify developments for federal low-income housing tax credits, another essential source of financing for affordable housing developments. Private sources of funds, such as revenue from the development, are used to repay the bonds, which are sometimes also referred to as private-activity bonds. SDHC, the City of San Diego and the Housing Authority of the City of San Diego (Housing Authority) are not financially liable for Multifamily Housing Revenue Bonds. SDHC authorizes the issuance of tax-exempt bonds, as well as taxable bonds, subject to the approval of the San Diego City Council, serving in its role as the Housing Authority.

SDHC also collaborates with the California Housing Finance Agency (CalHFA) to recycle previously allocated Multifamily Housing Revenue Bonds. Traditionally, an affordable housing project would pay off the majority of its tax-exempt bonds when the construction phase was completed. At this stage, the bonds are "retired" and no longer available. Bond recycling allows for the re-use of previously allocated bond capacity that is normally lost, and recycles private activity bonds into a new project, without the use of limited low-income housing tax credits. CalHFA has a large capital investment from Apple and is using a portion of it to purchase and reissue recycled bonds.



## ASSET MANAGEMENT/PROPERTY MANAGEMENT

As a property owner, SDHC makes housing available with rents affordable for households with low income throughout the City of San Diego. These properties include single-room occupancy (SRO) units and one-, two-, three-, four- and five-bedroom units.

The real estate portfolio includes properties of varying sizes based on the number of units, ranging from single-family homes to large-scale multifamily housing properties.

SDHC, including its nonprofit affiliate, Housing Development Partners, owns and/or manages more than 4,300 affordable rental housing units in the City of San Diego. SDHC staff manage many of these properties, and SDHC contracts with third-party property management for some properties in its portfolio. In addition, SDHC maintenance technicians perform repairs, as needed, in response to work orders, and SDHC contracts with vendors to provide additional maintenance services, as needed.

## LAND USE

SDHC administers City of San Diego land use programs, such as Inclusionary Housing and Density Bonus, which support the creation of affordable housing in the City of San Diego. City laws set requirements for developers to set aside units as affordable for households with low income through these programs. SDHC executes documents recorded on the deeds of developed properties that require rents on specified units to remain affordable. SDHC's Compliance Monitoring Department, which is part of the Rental Assistance Division, then reviews documentation annually to make sure that the units are occupied by households with income at or below the required income level and that the rent charged for the affordable unit is at or below the amount allowed for a household of that income.

## SDHC'S NONPROFIT AFFILIATE: HOUSING DEVELOPMENT PARTNERS

SDHC established its nonprofit affiliate in 1990 and changed its name in 1998 to Housing Development Partners, or HDP. HDP's five-member Board of Directors consists of SDHC's President and CEO, two SDHC Commissioners, a member of the Housing Authority of the City of San Diego who is appointed by the City Council President and confirmed by the City Council, and an "at large" member of the community.

HDP's purposes are to:

- Provide affordable housing for people with low or moderate income, seniors and individuals with disabilities by acquiring or developing publicly funding housing;
- Provide housing-related facilities and services for people with low or moderate income, seniors and individuals with disabilities; and
- Take other actions that may reasonably promote housing for people with low or moderate income, seniors or people with disabilities.

## SINGLE-FAMILY HOUSING FINANCE

### First-Time Homebuyer Programs

SDHC offers deferred-payment loans and homeownership grants to help families with low income buy their first home. Forgivable loans for closing costs also are available for households with income up to 100 percent of San Diego's Area Median Income. SDHC's First-Time Homebuyer Program can assist with the purchase of a single-family home, townhome or condominium in the City of San Diego.

This program is funded primarily through federal HUD HOME program grants to the City of San Diego, which SDHC administers. Additional funding sources include State CalHome Program funds and City of San Diego Affordable Housing Funds.

Since 1988, SDHC has helped more than 6,000 families buy a home through the First-Time Homebuyer Program for the City of San Diego and SDHC's Affordable For-Sale Housing program.

SDHC also administers the first-time homebuyer programs for the County of San Diego and the cities of Chula Vista, El Cajon and La Mesa.

### Affordable For-Sale Housing

The Affordable For-Sale Housing Program makes it possible for low- and moderate-income families to buy a home at a price that is affordable. Private sector developers built these homes. The properties meet the City of San Diego's affordability requirements and are sold below market value.

There are homes in six developments with long-term affordability requirements that are currently owned by families and individuals. When the current owner sells the property, it must be sold to an eligible buyer as determined/approved by SDHC. An extremely limited number of homes become available for resale each year.

The difference between the market value and the affordable purchase price the buyer pays when an affordable for-sale unit is sold for the first time is captured in a Promissory Note that is payable to SDHC at the end of the affordability period.



## A HOME THIS SENIOR ‘CAN BE PROUD OF’ AFTER HOMELESSNESS

Sitting in his vacant apartment at Levant Senior Cottages about a week before his move-in, Earl envisioned the walls brimming with life at the first permanent home he’s had after experiencing episodes of homelessness in the past 15 years.

“I can’t believe the quality of it,” Earl said. “I have a place here that I can be proud of—a place I can put up my children’s pictures, decorate. There’s actually room to put a TV in, which I haven’t had in some time!”

Two years past his successful battle with pancreatic cancer, Earl is one of the first residents of Levant Senior Cottages, developed by Wakeland Housing and Development Corporation in collaboration with SDHC. The development provides 126 affordable rental apartments for seniors ages 55 and older with low-income, of which 32 units are for seniors identified as frail with extremely low income.

SDHC awarded 70 housing vouchers to the development to help residents like Earl pay their monthly rent.

“The San Diego Housing Commission has given me an opportunity to live in a place that I can call a home not an apartment. And without them,

there’s no way in the world that I could do this,” Earl said.

For most of his life, Earl counted on his hard work to get by. He ran a Texas-based sheet metal business successfully for 20 years and, as a single father, raised two sons. Earl remarried and built up his life. But about 15 years ago, his life spiraled after a divorce.

Earl was diagnosed with cancer in 2022 in Georgia. After his fourth chemotherapy treatment, his son brought him to Chula Vista, where he stayed for seven months before moving into an efficiency unit in Downtown San Diego.

As he underwent cancer treatment at UCSD, he was counseled about housing opportunities, and applied to live at Levant Senior Cottages.

Now following years of struggle, he’s thinking of going back to school at 67 years old and hoping to be able to give back to the community.

“I feel so grateful that I had the opportunity to have something like this, something I can call a real home—and with people like me, my age, and people we can get along with. A whole new community. A whole new life,” Earl said.

“

I feel so grateful  
that I had the  
opportunity to  
have something  
like this.” —Earl





# SDHC DIVISIONS AND DEPARTMENTS

## HOMELESSNESS HOUSING INNOVATIONS DIVISION

### Proposed FY 2026 Budget: \$68 million

- Administer \$44.4 million for homelessness shelters and services programs
- Administer \$5.8 million for the Housing Instability Prevention Program
- Administer \$3.0 million for the Eviction Prevention Program

SDHC has administered homelessness services contracts on behalf of the City of San Diego based on a Memorandum of Understanding (Homeless Shelters and Services MOU) that first took effect on July 1, 2010. As of July 1, 2023, several individual MOUs between SDHC and the City for the operation and administration of homelessness services programs have been replaced with a Master Memorandum of Understanding (Master MOU), which consolidates the separate MOUs into one comprehensive document and streamlines the associated administrative processes. The Master MOU describes the responsibilities of both the City and SDHC related to the operation of the various homelessness shelters, services and programs and serves as an overarching agreement between the City and SDHC to enter into program-specific agreements and administrative agreements. Execution of the Master MOU between SDHC and the City for the oversight and administration of the City's homelessness services programs for an initial term of July 1, 2023, through June 30, 2024, with three one-year options to renew, was approved by the SDHC Board of Commissioners on June 15, 2023, and the Housing Authority and City Council on June 26, 2023.

For the development of SDHC's FY 2026 budget, SDHC worked closely with the City's Homelessness Strategies and Solutions Department to identify thoughtful, coordinated reductions in expenditures for City-funded homelessness shelters and services programs that SDHC administers. Budget reductions are proposed for 14 programs for a decrease of 8.2 percent compared to FY 2025. The expansion of the Rachel's Promise Center for Women and Children in FY 2026 will result in an overall 2.6 percent increase in the budget for homelessness shelters and services programs in FY 2026. The Rachel's Promise Center for Women and Children is scheduled to expand from 50 beds for women to a total of 210 beds for women and children in FY 2026.

Extensive collaboration and coordination among government agencies, service providers, landlords, developers and community organizations is necessary to address the continuing homelessness crisis in cities across the country and the state, including San Diego.

SDHC is a leading organization in these efforts in the City of San Diego. In collaboration with the City of San Diego, County of San Diego, Regional Task Force on Homelessness and key stakeholders, SDHC continues to implement homelessness initiatives.

## COMMUNITY ACTION PLAN ON HOMELESSNESS FOR THE CITY OF SAN DIEGO

The City and SDHC were among the lead agencies in the development of the Community Action Plan on Homelessness for the City of San Diego (Community Action Plan). The San Diego City Council unanimously accepted the Community Action Plan on October 14, 2019. Through a contract with SDHC on behalf of the City, the Corporation for Supportive Housing (CSH), a nationally recognized consultant with broad expertise in the area of homelessness, developed this Community Action Plan. It is a comprehensive, 10-year plan that builds on recent progress, lays out short-term achievable goals and serves as a guide for long-term success in addressing homelessness. In fall 2022, leadership with SDHC, the City of San Diego and the Regional Task Force on Homelessness (RTFH) requested that an updated analysis of the crisis response and housing needs in the Community Action Plan be conducted. SDHC staff worked with CSH to conduct an updated needs analysis. In November 2023, staff presented a summary of the updated needs analysis to the City Council, including progress to date toward those goals in the continuing implementation of the Community Action Plan.

## HOUSING FIRST – SAN DIEGO

HOUSING FIRST - SAN DIEGO, SDHC's homelessness action plan, creates permanent housing solutions for individuals and families experiencing homelessness or at risk of homelessness in the City of San Diego. It includes a broad spectrum of initiatives with three major areas of focus:

- **Direct Client Services Programs:** SDHC operates eight programs that directly assist individuals and families with a wide range of services and financial assistance needs.
- **Development Funds with Housing Vouchers:** SDHC awards development funds combined with federal housing vouchers for the creation, rehabilitation or acquisition of permanent supportive housing for individuals and families with very high service needs and ongoing financial assistance.
- **Special Program Housing Vouchers:** SDHC administers special program housing vouchers and housing assistance programs that provide ongoing rental assistance and wraparound services in collaboration with community nonprofit organizations and agencies for a variety of special populations.

# HOMELESS SHELTERS AND SERVICES PROGRAMS

SDHC has administered the City of San Diego’s homelessness shelters and services programs since 2010 through Memoranda of Understanding with the City. These include:

- **The Coordinated Shelter Intake Program**, which provides a uniform workflow and single point of contact to facilitate access to the City’s portfolio of emergency shelters to identify a bed that best meets the individual’s needs. In the past, clients and outreach staff struggled to identify bed availability as well as to navigate each shelter’s referral processes. Coordinated intakes are facilitated seven days a week by SDHC’s Coordinated Shelter Intake Team in conjunction with City-funded outreach teams and Homelessness Response Center staff. SDHC staff reviews referrals and matches clients with the available and most appropriate shelter intervention.
- **Shelter Programs** that address the immediate shelter needs of San Diegans experiencing homelessness. The shelters provide safe, temporary housing with as few barriers to shelter residency as possible, as well as stabilization and supportive services to prepare individuals and families experiencing homelessness for the most appropriate housing solutions.
- **The Inclement Weather Shelter Program** for San Diegans experiencing homelessness is a collaboration among SDHC, the City and shelter providers who make beds available. A determination about the inclement weather shelter beds is made each day from November through March, based on the forecast and in consultation with service providers about their staffing and capacity.
- **Outreach.** SDHC contracts with The Center to operate the SafeTAY Network Outreach Program, with a focus on serving youth experiencing unsheltered homelessness.
- **Transitional Housing** programs provide service-enhanced temporary housing for up to 24 months along with a variety of supportive services to assist individuals and families in transitioning to permanent housing.

- **The Day Center for Adults Experiencing Homelessness**, operated by Father Joe’s Villages through a contract with SDHC, is a drop-in facility where adults experiencing homelessness or at risk of homelessness may receive a variety of services and resources to meet their basic and longer-term needs, such as:
  - Information and referrals to stabilization services and other community resources and services
  - Showers and bathrooms
  - Food and water
  - Mail services
  - Cell phone charging
  - Laundry services
  - Safe space for temporary respite
- **The City’s storage centers**, operated through contracts with SDHC, serve San Diegans experiencing homelessness. They provide a safe place for people to keep their belongings as they attend to personal needs, which may include working on housing options, looking for or going to work, attending classes, meeting with service providers, seeking medical care, or other activities such as accessing cleaning or washing facilities.
- **Rapid Rehousing (RRH)** programs provide up to 24 months of rental assistance and supportive services to households experiencing homelessness. SDHC operates its Moving Home program and administers eight rapid rehousing programs, operated by five providers: The Salvation Army, People Assisting the Homeless (PATH), Home Start, Inc., South Bay Community Services Corporation, and Father Joe’s Villages.
- **Permanent Supportive Housing (PSH)** is long-term rental assistance paired with intensive wraparound supportive services to help maintain housing stability for households that experienced homelessness and have long-term disabilities, extensive service needs, and lengthy or repeated episodes of homelessness. SDHC receives grants from the HUD Continuum of Care (CoC) program to fund PSH. SDHC administers 11 PSH programs with these funds. They provide rental assistance for more than 275 units. These programs are operated by eight homelessness service providers: Father Joe’s Villages, Housing Innovation Partners, Townspeople, Mental Health Systems, Home Start, Inc., South Bay Community Services Corporation, Pathfinders, and The Center. In addition, in previous years, SDHC has collaborated with developers to provide rental housing vouchers to help pay rent at affordable housing developments for individuals and families who experienced homelessness and receive access to supportive services through their residence. SDHC also works with the U.S. Department of Veterans Affairs to help veterans experiencing homelessness obtain PSH with Veterans Affairs Supportive Housing (VASH) vouchers.



## HOUSING INSTABILITY PREVENTION PROGRAM (HIPP)

HIPP helps pay rent and other housing-related expenses for families in the City of San Diego with low income, experiencing a housing crisis and at risk of homelessness.

The program can assist approximately 300 households. The program pays \$250, \$500, \$750 or \$1,000 per month, based on the household's circumstances, for 24 months for qualifying households in the City of San Diego and assists with housing-related expenses such as security deposits, past-due rent, utilities, etc., depending on the family's need. Payments are made directly to the approved vendor, such as the landlord or utility company.

## HOUSING VOUCHERS FOR PEOPLE EXPERIENCING HOMELESSNESS

Federal rental housing vouchers are among the resources SDHC administers and has awarded to create permanent housing solutions for people experiencing homelessness in the City of San Diego. Approximately 30 percent of SDHC's rental housing vouchers are committed to addressing homelessness. However, the federal funding for the rental housing voucher program is limited and is expected to decrease. The same funding applies to vouchers for permanent supportive housing and rental assistance for families with low income in the City of San Diego. Without additional voucher funding being made available by the federal government through its annual budgeting process, SDHC will not be able to continue to commit rental housing vouchers to permanent supportive housing units in the future at anywhere near the same level that SDHC has in the past.

## HOMELESSNESS PROGRAM FOR ENGAGED EDUCATIONAL RESOURCES (PEER)

A first-of-its kind collaboration between SDHC and San Diego City College, the Homelessness PEER course provides specialized education, training and job placement assistance to develop the workforce needed for programs and services that help San Diegans experiencing homelessness. As a leader in collaborative efforts to address homelessness in the City of San Diego, SDHC identified the need for additional qualified applicants for positions in the area of homelessness programs and services. This course builds upon established San Diego City College certificate programs in mental health work, alcohol and other drug studies, gerontology, and the Associate of Arts Degree in Behavioral Health: Social Work. Students in these programs are the focus of City College outreach efforts to identify students for the new course. SDHC funds the PEER program, while San Diego City College leverages existing San Diego Community College District resources.







“

I'm living  
the dream.”  
—Phillip



## A FAMILY UNITED

Phillip and Yazmin moved into an affordable rental apartment just in time—a day before Yazmin gave birth to their daughter, Hailey. Rental assistance from SDHC made it possible.

“The Housing Commission helps us with the rent. They helped me trying to get into this place. They did a lot for us to be here,” Phillip said. “If it wasn’t for them, then we, we would still be on the streets for right now.”

The days leading up to Hailey’s birth were stressful for the family. At the time, homelessness separated them. Phillip slept on the street near the restaurant where he worked in Mission Valley. Yazmin and the children lived in a shelter downtown.

Working with a caseworker from Alpha Project, in collaboration with SDHC, the family was able to bring their baby girl and their three boys home to a three-bedroom rental apartment in Mission Valley, close to Phillip’s job at the restaurant, where he was named employee of the year.

“We have our own apartment. We watch movies. ... We can play in the living room. Back then, we couldn’t. Now we can, like, make our own food,

you know, late night snacks, just enjoying the opportunity of being with my kids,” Phillip said.

Phillip’s history with homelessness began early and spread out over the years. He ran away from home many times and became addicted. He credits meeting Yazmin on a trolley, their relationship, and their kids with helping him turn his life around to provide for his family.

With stable housing, Phillip is focusing on the future. He would like to be a manager at work one day. He would like to be able to give a struggling person a job and the opportunity to get ahead, just like the manager who hired him.

Although his work ethic remains strong—he describes himself as a bit of a “workaholic”—Phillip is focusing his free time on being there for his family.

He cherishes waking up to his son’s caress, caring for the baby, keeping food in the refrigerator, and having the opportunity to provide for the needs of his family.

“I got the most beautiful family in the world,” Phillip said. “I got my daughter, my son and my step kids too. ... I’m living the dream.”



# SDHC DIVISIONS AND DEPARTMENTS

## OPERATIONS AND SUPPORT DIVISIONS AND DEPARTMENTS

**Proposed FY 2026 Budget: \$32 million**

SDHC and its major program areas—Rental Assistance, Real Estate and Homelessness Housing Innovations—rely on the broad variety of services that SDHC’s operations and support divisions and departments provide throughout the year. These include strategic guidance from the Procurement Department for the acquisition of goods and services; core infrastructure services, security, development, cloud applications and business innovations from the Information Technology Department; human resource management issues and administrative support functions from the Human Resources Department; cash management, financial analysis and projections, investments and budget development from the Financial Services Department; and engagement with policymakers and regulators and provision of policy recommendations through the Policy Department. Operations and Support expenses include supplies, services, software, technology hardware and personnel.

Operations and Support includes:

- Board & Executive Functions, which provides strategic planning, leadership and management to implement housing programs.
- Communications & Government Relations, which fosters transparency through government relations activities, responds to public records requests, and ensures consistency and accuracy in SDHC communications.
- Community and Strategic Initiatives
- Human Resources
- Financial Services
- Information Technology
- Procurement
- Section 3 & Outreach
- Agency Policy
- City-County Reinvestment Task Force

## BOARD & EXECUTIVE FUNCTIONS

SDHC is governed by the Housing Authority, which consists of the members of the San Diego City Council. The Housing Authority has final authority over SDHC’s budget and major policy changes. The actions of the seven-member SDHC Board of Commissioners (Board) are advisory to the Housing Authority. The SDHC Board’s members are appointed pursuant to the process specified in the San Diego Municipal Code. Two of the SDHC Board’s seats are reserved for residents of agency-owned housing units or recipients of federal Section 8 Housing Choice Voucher rental assistance. One of these SDHC Board members must be 62 years of age or older. SDHC is managed by a President and Chief Executive Officer, who also serves as the Executive Director of the Housing Authority. “Board & Executive Functions” provides strategic planning, leadership and management to implement housing assistance programs.

## COMMUNICATIONS AND GOVERNMENT RELATIONS

The Communications and Government Relations Division is responsible for SDHC’s internal and external communications activities. This division identifies strategies to communicate with and to educate stakeholders, customers, lawmakers and the general public about SDHC and its initiatives to provide rental assistance, address homelessness, and create and preserve affordable housing in the City of San Diego. SDHC’s intent is to expand public awareness of SDHC and its programs by sharing SDHC’s message in a compelling manner with accuracy, creativity and transparency. Communications activities include, but are not limited to, media relations, news releases, website content, social media, video production, SDHC presentations, flyers, fact sheets, internal employee communications messages, and special reports, such as SDHC’s multimedia annual report. In addition, this division performs government relations activities that include, but are not limited to, preparing, posting and distributing agendas, staff reports and presentations for meetings of the SDHC Board and the Housing Authority, in accordance with the Brown Act. The Communications and Government Relations Division also responds to requests submitted to SDHC pursuant to the California Public Records Act.

## COMMUNITY AND STRATEGIC INITIATIVES

The Community and Strategic Initiatives Division is responsible for SDHC’s Strategic Plan development and implementation, Moving to Work designation, and Community Liaison/ Ombudsperson. This division also includes staff for the City-County Reinvestment Task Force, Fund Development, and Fair Housing, and efforts to ensure high-quality and unbiased processing of all of SDHC’s programs and initiatives.



## HUMAN RESOURCES

The Human Resources (HR) Department provides overall policy direction on human resource management issues and administrative support functions related to the management of employees for all SDHC departments. The mission of the department is to be a strategic partner by providing HR programs that attract, develop, retain and engage a skilled and diverse workforce.

## FINANCIAL SERVICES

The Financial Services Department plans, organizes, leads and monitors SDHC’s financial activities, including Accounting Services such as Accounts Payable, Accounts Receivable, Financial Reporting, Internal Controls and Audits, and Financial Services such as Cash Management, Financial Analysis and Projections, Investments and Budget Development. The department also provides pre-award grant review and post-award grant setup, establishes grant administration guidelines, and monitors grant compliance. For the past 16 consecutive years, the Financial Services Department has achieved the highest level of recognition from the Government Finance Officers Association of the United States and Canada (GFOA)—a Certificate of Achievement for Excellence in Financial Reporting for SDHC’s Annual Comprehensive Financial Report.

## INFORMATION TECHNOLOGY

The Information Technology (IT) Department delivers core infrastructure services, security, development and cloud applications while supporting business innovation, technical efficiency and data-driven projects.

## PROCUREMENT

The Procurement Department’s mission is to provide SDHC with strategic guidance in the acquisition of goods and services while ensuring superior service for both internal and external customers. The Procurement Department is committed to fair and open procurement procedures consistent with applicable laws and regulations while adhering to SDHC’s core values and delivering efficient, cost-effective and ethical business practices. SDHC’s Procurement Department has received an Achievement of Excellence in Procurement Award for the past eight consecutive years from the National Procurement Institute, Inc.

## SECTION 3 & LABOR COMPLIANCE

SDHC’s Section 3 Unit leads the agencywide implementation and compliance with Section 3, a federally mandated HUD program. Under Section 3 of the HUD Act of 1968, federal funds invested in housing and community development shall provide contracts, employment, training, and other economic opportunities to low- and very low-income persons in the local jurisdiction, referred to as “Section 3 Workers;” and to businesses that employ such persons, referred to as “Section 3 Business Concerns.” Section 3 requires that “to the greatest extent feasible,” businesses working on projects that receive certain financial assistance from HUD must make a good faith effort to train and hire Section 3 Workers, and contract with Section 3 Business Concerns. SDHC’s Section 3 Unit’s roles include: administering the program; monitoring compliance; certifying Section 3 Workers and Section 3 Business Concerns; providing technical and outreach assistance; and notifying Section 3 Workers and Section 3 Business Concerns of economic opportunities. In addition, Section 3 & Labor Compliance administers and monitors prevailing wage and apprentice utilization requirements.

## AGENCY POLICY

SDHC’s Policy Department monitors legislative and regulatory activities closely to identify issues and legislation that could affect the individuals and families SDHC’s programs serve. In addition, SDHC provides policy recommendations to address a variety of issues. SDHC works to advance policies consistent with SDHC’s vision, mission, purpose, core values and strategic priorities. SDHC engages with elected leaders and officials at local, state and federal levels of government, as well as stakeholders, on policy initiatives.

## CITY-COUNTY REINVESTMENT TASK FORCE

SDHC, the County of San Diego and corporate bank grants fund the City-County Reinvestment Task Force (RTF). The RTF is a public-private body that was created by the City and the County of San Diego to evaluate local bank lending practices and develop strategies for reinvestment in low- and moderate-income communities. It is co-chaired by a member of the San Diego City Council and the San Diego County Board of Supervisors, who jointly appoint 13 members, representing local governments, banks and community development nonprofits.



SAN DIEGO  

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HOUSING  

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COMMISSION

*We're About People*

1122 Broadway, Suite 300, San Diego, CA 92101

**[www.sdhc.org](http://www.sdhc.org)**

HOUSING AUTHORITY OF  
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-\_\_\_\_\_

DATE OF FINAL PASSAGE \_\_\_\_\_

A RESOLUTION OF THE HOUSING AUTHORITY OF  
THE CITY OF SAN DIEGO APPROVING THE SAN DIEGO  
HOUSING COMMISSION'S FISCAL YEAR 2026 BUDGET  
AND DELEGATING LIMITED AUTHORITY TO AMEND  
THAT BUDGET.

RECITALS

The Housing Authority of the City of San Diego (Housing Authority) adopts this Resolution based on the following:

- A. By Ordinance O-12515 (Dec. 5, 1978), the Council of the City of San Diego appointed the San Diego Housing Commission (Housing Commission) to perform certain administrative functions.
- B. Housing Commission staff has prepared the proposed Housing Commission Fiscal Year 2026 Budget attached to the Housing Commission staff report HAR25-005, dated April 22, 2025, as Attachment 1 (San Diego Housing Commission Fiscal Year 2026 Proposed Budget).
- C. During Fiscal Year 2026, the Board of Commissioners of the Housing Commission may need to make certain budget adjustments involving the transfer of funds among programs or allocation of additional funds received.
- D. Certain funding resources are estimated sources of revenue and the actual amount of funds received may vary.

E. Housing Commission staff determined this activity is not a project as defined by the California Environmental Quality Act (CEQA) section 21065 and CEQA Guidelines section 15378(b)(4), as it is a government fiscal activity which does not involve any commitment to a specific project that may result in a potentially significant physical impact on the environment.

F. City staff determined this activity is exempt from the National Environmental Policy Act (NEPA) by 24 C.F.R. § 58.34(a)(3) (1998) which provides the responsible entity does not have to undertake environmental review, consultation, or other action under NEPA regarding administrative and management activities.

G. The Office of the City Attorney has drafted this Resolution based on the information provided by Housing Commission staff, and verified by the Housing Commission's General Counsel, with the understanding that this information is sufficient to allow for a proper and complete analysis of this matter.

#### ACTION ITEMS

Be it resolved by the Housing Authority of the City of San Diego:

1. The Housing Commission Fiscal Year 2026 Budget is approved.
2. The Board of Commissioners of the Housing Commission is authorized to approve amendments to the Housing Commission Fiscal Year 2026 Budget as follows:
  - (a) Line-item transfers, not to exceed \$500,000 on an individual basis, that do not increase the overall amount of the Housing Commission Fiscal Year 2026 Budget;
  - (b) Allocation of additional funding resulting from grant applications submitted in accordance with Housing Authority authorization; and
  - (c) Allocation of additional funding from other sources, not to exceed \$500,000 on an individual basis.

3. The Housing Commission President and Chief Executive Officer is authorized to administratively amend the Housing Commission Fiscal Year 2026 Budget, whether as a transfer among line items, or as an allocation of additional funds received, for amounts not to exceed \$250,000 on an individual basis, consistent with the policies, programs, and activities approved by the Housing Commission and the Housing Authority.

APPROVED: HEATHER FERBERT, General Counsel

By \_\_\_\_\_  
Hilda R. Mendoza  
Senior Deputy General Counsel

HRM:nja  
April 23, 2025  
Or. Dept: SDHC  
Doc. No. 4035223



The City of San Diego  
**Item Approvals**

**Item Subject:** San Diego Housing Commission Proposed Fiscal Year 2026 Budget.

<b>Contributing Department</b>	<b>Approval Date</b>
DOCKET OFFICE	04/22/2025
ENVIRONMENTAL ANALYSIS	04/23/2025
FINANCE	04/24/2025

<b>Approving Authority</b>	<b>Approver</b>	<b>Approval Date</b>
HOUSING COMMISSION FINAL DEPARTMENT APPROVER	MARSHALL, SCOTT	04/22/2025
EXECUTIVE VICE PRESIDENT	DAVIS, JEFF	04/24/2025
CITY ATTORNEY	MENDOZA, HILDA	05/22/2025