



SAN DIEGO
HOUSING
COMMISSION

SDHC FISCAL YEAR 2027 BUDGET REPORT



We're About People

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SDHC STRATEGIC PLAN

The San Diego Housing Commission's (SDHC) Strategic Plan for Fiscal Years 2026 - 2030 is the blueprint for SDHC's focus, goals and actions over the Strategic Plan period. It is an essential guide for SDHC to navigate through a reality defined by constrained resources and growing needs.

Mission: The San Diego Housing Commission fosters social and economic stability by ensuring the development and preservation of quality, affordable housing solutions for San Diegans.

Purpose: Provide stable, quality housing solutions so the community can thrive.

Core Values: At SDHC, we:

- Treat our clients, staff, community, and partners fairly and with dignity and respect.
- Commit to excellence and innovation in all we do.
- Ensure that our programs are informed by the input of those we serve.
- Commit to transparency and being strong financial stewards.
- Collaborate with partners for the best outcomes for San Diegans.

Strategic Priority Areas:

- Reimagine the Agency
- Reassess Annually
- Create and Preserve Housing
- Embody Person-Centered Operations
- Address and Prevent Homelessness

MESSAGE FROM THE PRESIDENT AND CEO

For more than a year, the San Diego Housing Commission (SDHC) has been navigating fiscal challenges, as federal policy priorities shift and program and operating costs continue to rise. Throughout this time and in preparation for Fiscal Year (FY) 2027, SDHC's focus has been on achieving long-term stability to be able to continue to support the thousands of families who rely on SDHC and the staff who serve these families and the community.



SDHC has been proactive and made the necessary tough decisions to stabilize our budget and continue to serve the community. Steps SDHC has taken to contain costs and, where possible, generate revenue, have enabled SDHC to develop a balanced budget that mitigates the amount SDHC needs from depleted and diminishing reserves and makes the agency more fiscally stable for the future.

SDHC's Strategic Plan for Fiscal Years 2026 - 2030 also includes a variety of cost-containment and revenue-generating strategies that will guide SDHC's efforts in the coming years to sustain fiscal stability.

Our goal is to make sure that families currently in our programs remain stably housed and that our unhoused neighbors continue to have access to shelter, services and the support they need on their path to housing.

Community partners are integral to these efforts. We thank the community-based organizations collaborating with us to support these families and provide additional resources to meet their needs. Developers, property owners and landlords, service providers, and government agencies also continue to be among our valued and essential partners to provide housing solutions for our community to thrive.

We are also grateful for the leadership and support of Council President Joe LaCava and the City Council, Mayor Todd Gloria, and the SDHC Board of Commissioners as we continue to navigate challenging times.

Fiscal challenges often require difficult decisions. We have made those decisions to prepare our agency as we developed the proposed Fiscal Year 2027 budget. The initiatives we are undertaking provide us more fiscal stability and move us toward a stronger financial footing for the years to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa Jones".

Lisa Jones
President and Chief Executive Officer
San Diego Housing Commission

“ Our goal is to make sure that families currently in our programs remain stably housed and that our unhoused neighbors continue to have access to shelter, services and the support they need on their path to housing. ”

Lisa Jones
President and CEO
San Diego Housing Commission

MAYOR, CITY OF SAN DIEGO



TODD GLORIA

HOUSING AUTHORITY OF THE CITY OF SAN DIEGO



JOE LACAVAL
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
Councilmember
District 9

SDHC BOARD OF COMMISSIONERS



EUGENE "MITCH" MITCHELL
Chair of the Board



KELLEE HUBBARD
Commissioner



JOHANNA HESTER
Commissioner



MELINDA VÁSQUEZ
Commissioner



ANTOINE "TONY" JACKSON
Commissioner

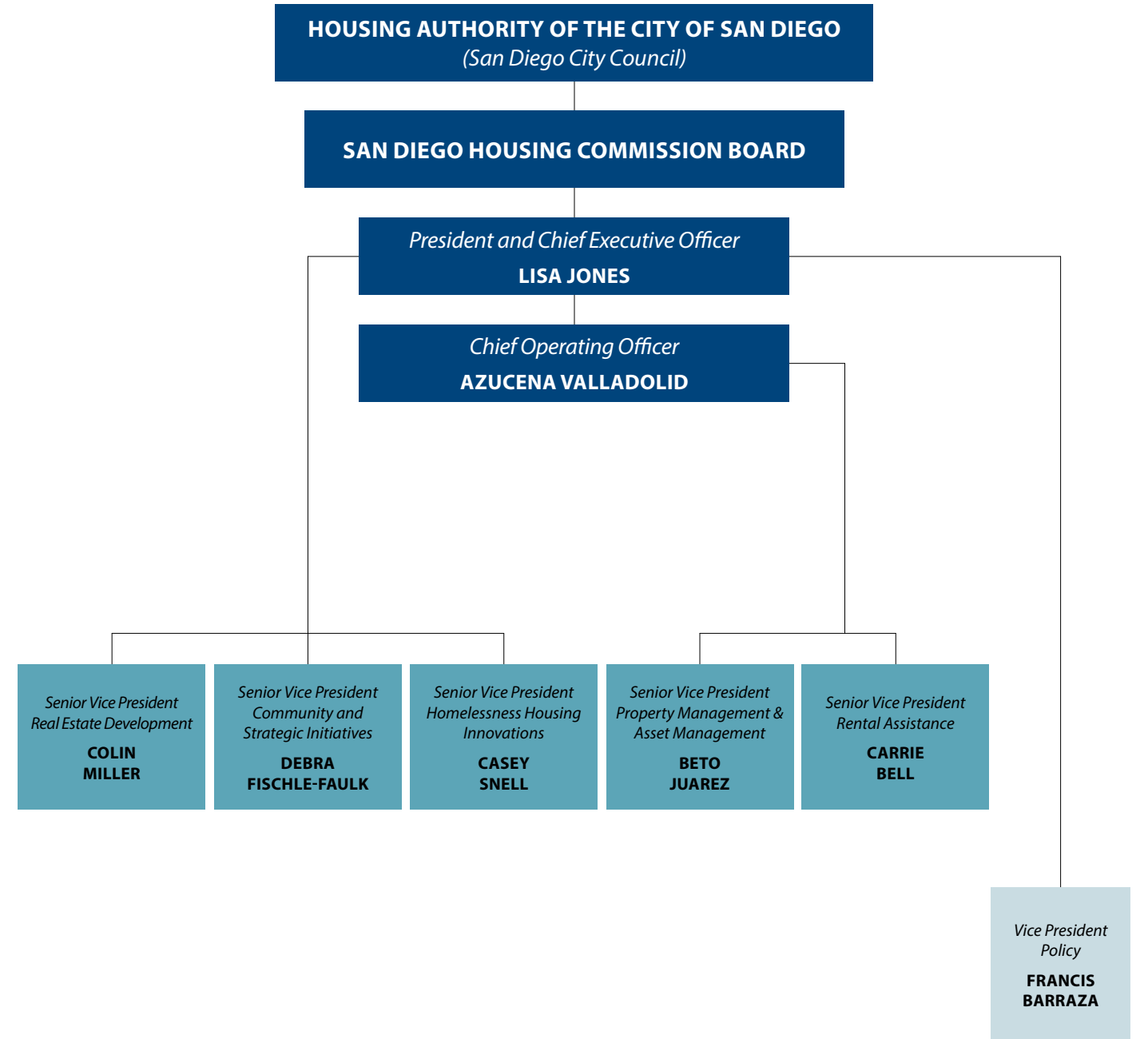


STEPHEN P. CUSHMAN
Commissioner



KWOFI REED
Commissioner

SDHC ORGANIZATIONAL CHART



PROPOSED FISCAL YEAR 2027 BUDGET

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 for rental housing for approximately 17,000 households with low income by providing federal Housing Choice Voucher (HCV) rental assistance. HCV participants pay a portion of their income toward their housing. This is known as their “family contribution.” SDHC administers federal funds to pay the difference between the family contribution and the total due to the landlord for the family’s rental housing costs, up to the applicable payment standard for the rental home. 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) 2027 SDHC Budget anticipates available funding sources of \$694 million.

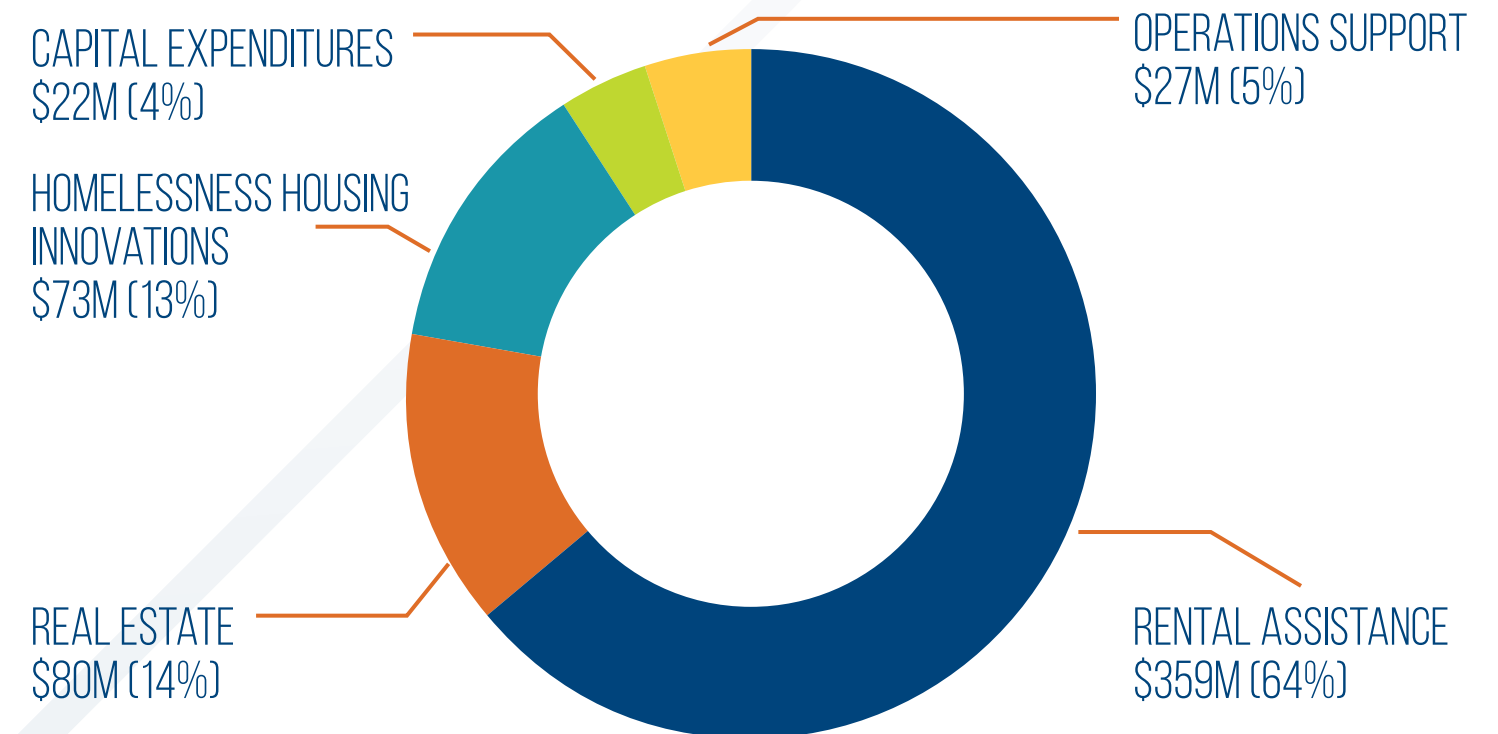
The proposed budget reflects a net decrease of \$22,163,000 (approximately 3 percent) from the FY 2026 approved budget. SDHC’s proposed FY 2027 Budget consists of SDHC’s four major divisions, described in detail later in this report:

- Rental Assistance - \$359 million
- Real Estate - \$102 million
- Homelessness Housing Innovations - \$73 million
- Operations Support - \$27 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 \$133.3 million. The ending fund balance includes funds restricted by use. They are committed for use to create and preserve affordable housing and for specific reserves:

- Operating Reserve: Minimum of one month of budgeted operating expenses, with two months recommended.
- Replacement Reserve: Recommended level for three years of the Physical Needs Assessment to fund major repairs, capital improvements or the replacement of critical infrastructure at SDHC’s affordable housing real estate portfolio.
- Debt Service Reserve: Six months of debt service payments to ensure SDHC meets its contractual financial obligations.

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



PERSONNEL

The proposed FY 2027 budget includes a total of 361 Full-Time Equivalent (FTE) positions, representing a net decrease of 41 positions from the FY 2026 staff positions. During FY 2026, SDHC eliminated 58 positions through layoffs and positions that were vacant. These workforce reductions are offset by the addition of three positions for property management at SDHC's recently acquired Starling Place property; a direct hire position to serve as a homeownership advisor for first-time homebuyers (a position funded by a grant from the Wells Fargo Foundation); and the addition of 13 positions for SDHC to manage more SDHC affordable housing properties in-house, which results in cost savings of approximately \$700,000.

SDHC	FY 2027 Budget	FY 2026 Budget	Change
Total Full-Time Equivalents	361	402	-41

PROGRAM OBJECTIVES

The proposed FY 2027 Budget will allow SDHC to:

Provide Rental Assistance to Households with Lower Income:

- Assist approximately 17,000 households to pay for their rental housing.
- Lease 191 new project-based housing voucher units for households with low income or experiencing homelessness in FY 2027.
- Support career planning, job readiness, and financial education through the SDHC Achievement Academy by facilitating programing and connecting participants to key community resources that promote financial self reliance.

Create and Preserve Affordable Housing:

- Award up to \$22 million to developers through a competitive Notice of Funding Availability to create new permanent affordable rental housing units.
- Continue to own and/or manage 4,144 affordable rental housing units in the City of San Diego, including SDHC's nonprofit affiliate and federal public housing units.
- Expend \$7.9 million to address immediate needed maintenance at SDHC's aging real estate portfolio.
- Dedicate \$3.4 million to help approximately 40 households become first-time homebuyers.

Address Homelessness:

Administer:

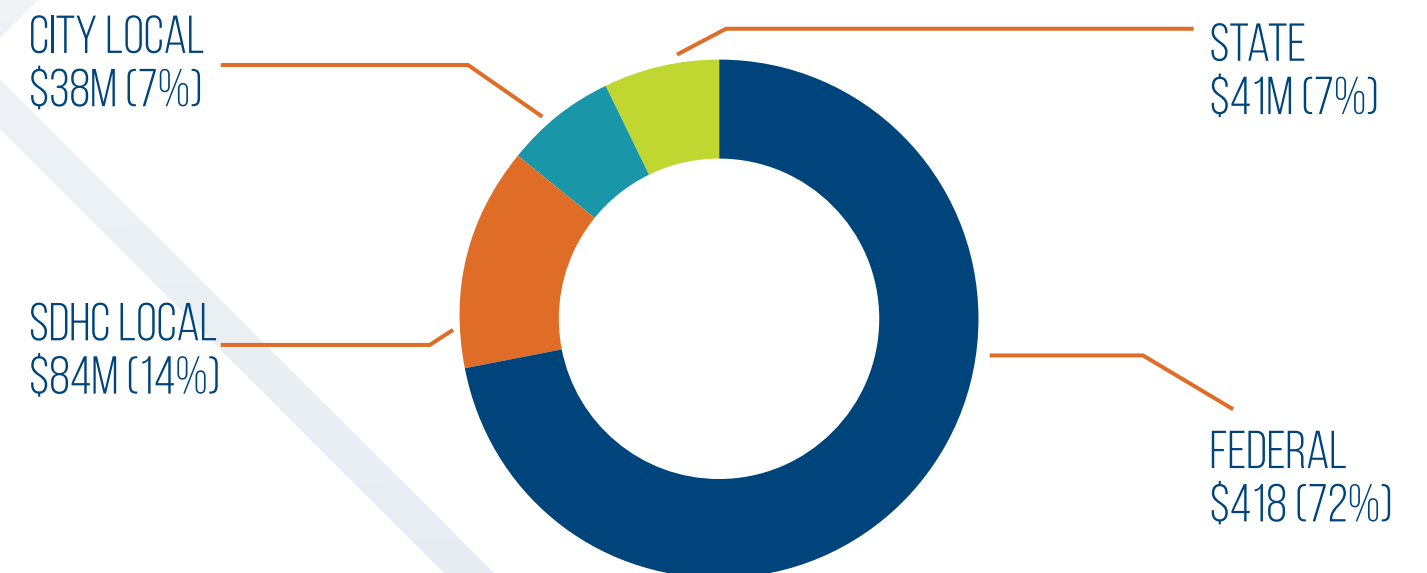
- \$45.7 million for homelessness shelters and services programs
- \$11.9 million for Permanent Supportive Housing and Rapid Rehousing programs
- \$6.7 million for the Housing Instability Prevention Program
- \$5.8 million for the Prevention and Diversion programs
- \$3.0 million for the Eviction Prevention Program

SOURCES OF FUNDS

The proposed budget anticipates available funding sources of \$694 million. The proposed budget reflects a net decrease of \$22,163,000 (approximately 3 percent) from the FY 2026 approved budget. Funding sources are classified into three categories, Federal, Local and State.

	FY 27 Budget	FY 26 Budget	FY27 vs FY26 Budget	
			\$ Variance	% Variance
Section 8/MTW Rental Assistance	\$370,057,000	\$371,556,000	(\$1,499,000)	(0%)
HOME	31,786,000	27,753,000	4,033,000	15%
Housing Innovation Funds	13,356,000	12,082,000	1,274,000	11%
CDBG	505,000	75,000	430,000	573%
Other Federal Funds	1,668,000	1,594,000	74,000	5%
Homekey Acquisition - Federal (via City/County)	1,000,000	18,543,000	(17,543,000)	(95%)
TOTAL FEDERAL	\$418,372,000	\$431,603,000	(\$13,231,000)	(3%)
LOCAL				
SDHC Real Estate	\$61,595,000	\$56,022,000	\$5,573,000	10%
Affordable Housing Fund	5,463,000	5,152,000	311,000	6%
City General Funds and Other Local Funds	49,277,000	42,295,000	6,982,000	17%
Bond and Other Discretionary Local Funds	5,468,000	5,148,000	320,000	6%
TOTAL LOCAL	\$121,803,000	\$108,617,000	\$13,186,000	12%
STATE				
Homekey Acquisition - State	\$7,275,000	\$27,000,000	(\$19,725,000)	(73%)
Other State Funds	33,841,000	36,879,000	(3,038,000)	(8%)
TOTAL STATE	\$41,116,000	\$63,879,000	(\$22,763,000)	(36%)
TOTAL NEW REVENUE	\$581,291,000	\$604,099,000	(\$22,808,000)	(4%)
TOTAL BEGINNING FUND BALANCE	\$112,665,000	\$112,020,000	\$645,000	1%
TOTAL SOURCES OF FUNDS	\$693,956,000	\$716,119,000	(\$22,163,000)	(3%)

NEW FUNDING SOURCES FOR FY27 (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 Housing Authority's Executive Director.

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. Funding uses (expenditures and ending fund balance) do not exceed the available funding sources (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.

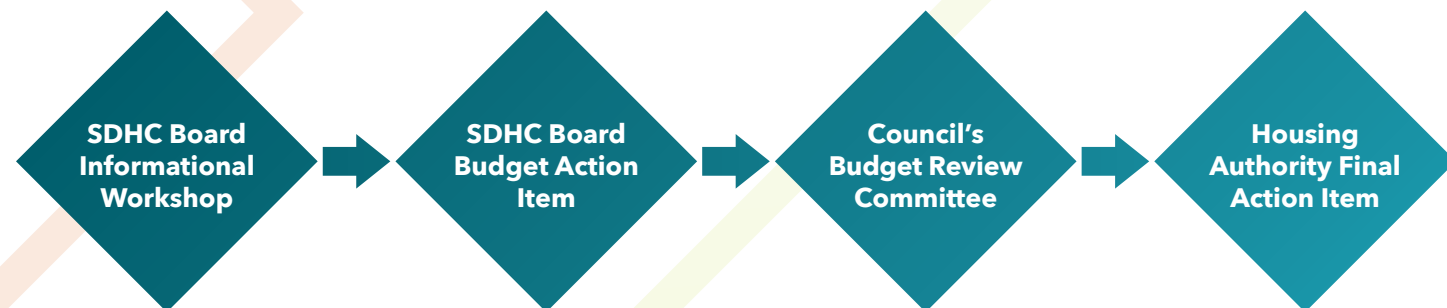
Achieving a balanced budget in FY 2027 continues to require SDHC to deplete diminishing reserves. However, SDHC has been proactive and made tough decisions necessary to stabilize its budget and continue to serve the community. SDHC's proposed budget mitigates the amount SDHC needs from reserves and makes SDHC more fiscally stable going forward.

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 also 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.



Healthcare Career Catalyst Graduation -12.19.25

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, 138 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 2027 Budget: \$359 million

- Assist approximately 17,000 households to pay for their rental housing.
- Lease 191 new project-based housing voucher units for households with low income or experiencing homelessness in FY 2027.
- Support career planning, job readiness, and financial education through the SDHC Achievement Academy by facilitating programing and connecting participants to key community resources that promote financial self reliance.

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 for their rental housing 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 84 percent since FY 2020.

Federal funding is not sufficient to support rental assistance for the families currently in SDHC's rental housing voucher programs. This has required SDHC to use diminishing Moving to Work reserves to achieve a balanced budget. In the second quarter of FY 2027, SDHC's HUD-approved updates to the way it calculates each family's contribution toward their housing will take effect in SDHC's rental housing voucher and public housing programs. Without these increases in family contribution amounts, hundreds of families could lose their rental assistance entirely. By making these updates, SDHC expects to be able to continue to help every eligible household currently in SDHC's Housing Choice Voucher and public housing programs.

SDHC ACHIEVEMENT ACADEMY

In collaboration with a variety of community partners, the SDHC Achievement Academy offers programs that emphasize career planning, job skills, job placement and personal financial education, such as budgeting and understanding credit.

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).



Every goal is achievable if you put your mind to it.”

—Anna



MOTHER ACHIEVES HER GOALS

For nearly four years, Anna and her family shuffled between shelters and hotels while experiencing homelessness. Now, she has a safe place to call home and a steady job with skills she developed in SDHC Achievement Academy programs, including Family Self-Sufficiency (FSS).

“That’s a big thing when you want to start working—having a safe place to go home,” Anna said. “You don’t want to be judged that you don’t have a place to go.”

Born in San Diego and a mother of seven, Anna became homeless before the COVID-19 pandemic. When she completed a shelter program, she received an opportunity through her case manager for a rental housing voucher through The Monarch School Project, an SDHC partnership with the Monarch School to provide rental housing vouchers for up to 25 families with at least one child enrolled at the school.

“I felt that it was a good opportunity for me to take advantage of the time frame and start working on the goals and having that home where I can go home to,” she said.

Anna enrolled in FSS with the goal of obtaining a good job where she could earn enough income to afford housing without the voucher. She obtained an office administration certification. She also received guidance on how to make her resume stand out to employers, participated in mock interviews, and improved her budgeting skills.

With the training she received, she was hired for an administrative position. Through it all, she felt her family’s support.

“They were just always very supportive of me, very proud of my goals that I had reached,” she said. “And I didn’t realize that so much time passed by, and I was already at the end of the program.”

With stable housing and new skills, Anna now wants to move up in her current job and ultimately return to school to pursue a law degree.

“I’ll probably be 65 when I graduate, but that’s OK,” she said. “At least I’ll be, ‘I did it, kids.’ But I just want to show them that it is achievable. Every goal is achievable if you put your mind to it.”

SDHC DIVISIONS AND DEPARTMENTS

REAL ESTATE DIVISION

Proposed FY 2027 Budget: \$102 million

- Award up to \$22 million to developers through a competitive Notice of Funding Availability to create new permanent affordable rental housing units.
- Continue to own and/or manage 4,144 affordable rental housing units in the City of San Diego, including SDHC's nonprofit affiliate and federal public housing units.
- Expend \$7.9 million to address immediate needed maintenance at SDHC's aging real estate portfolio.
- Dedicate \$3.4 million to help approximately 40 households become first-time homebuyers

SDHC's Real Estate Division supports the creation and preservation of affordable housing by providing financing to developers, and operating affordable rental housing properties that SDHC owns. More than 29,000 affordable rental housing units are in service in the City of San Diego, of which more than 27,000 involved SDHC's participation, including land use programs administered through SDHC's Policy and Land Use Department.

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
- State of California Local Housing Trust Funds awarded to SDHC
- State of California Housing and Community Development Infill Infrastructure Grant
- The City of San Diego Affordable Housing Fund, which consists of 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 4,144 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. The proposed FY 2027 budget includes the addition of 13 staff positions for SDHC to manage more SDHC affordable housing properties in-house, which results in cost savings of approximately \$700,000. 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.

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 or middle income buy their first home. The program for low-income homebuyers assists households earning up to 80 percent of San Diego's Area Median Income (AMI). Eligible buyers may qualify for a deferred-payment, second trust deed loan of up to 19 percent of the purchase price, with the interest rate set at 3 percent, and a closing cost assistance grant of up to \$10,000. This program is funded primarily through federal U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program grants to the City of San Diego that are administered by SDHC. Additional funding sources include federal Community Development Block Grant funds, State CalHome Program funds, and City of San Diego Affordable Housing Funds. The program for middle-income homebuyers assists households earning between 80 percent and 150 percent of AMI. Eligible buyers may qualify for a \$40,000 deferred down-payment assistance loan and a \$10,000 closing costs assistance grant. This program is funded by a grant from the Wells Fargo Foundation.

Since 1988, SDHC has helped more than 6,100 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 helps low- and moderate-income first-time homebuyers purchase a deed-restricted home at a below-market price. To buy a home in one of these developments, the household's gross annual income must be at or below AMI restrictions for the development. The household must currently live and work in the County of San Diego for more than two years and attend a homebuyer education class. The program assists first-time homebuyers (applicants cannot have owned a home in the last three years) to buy one of these affordable for-sale homes. No all-cash buyers are permitted, and asset limitations apply. SDHC First-Time Homebuyer Program loans and grants cannot be used in conjunction with the Affordable For-Sale Housing Program. There are deed-restricted homes in six developments with long-term affordability requirements that are currently owned by families and individuals. When the current owner sells the property, they must work with SDHC to sell their home at a below-market price to an eligible buyer 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.

HOMEOWNERSHIP DREAM REALIZED

After years of renting in San Diego's North Park neighborhood, the "stars aligned" for Alexandra to achieve homeownership nearby with help from SDHC's First-Time Homebuyer Program.

"So, when I actually was able to buy my house, I had a lot of people ask me, 'How did you do it? How are you able to get to where you are now as a homebuyer, especially right now in this economy?'" Alexandra said. "And it was exciting to say, 'There are programs out there for you to take advantage of.'"

With a stable career as a business systems analyst, combined with minimal debt and a good credit score, Alexandra started researching first-time homebuyer programs in California and discovered SDHC's website. There, she learned about SDHC's deferred-payment loans and homeownership grants available to help low- and moderate-income first-time homebuyers buy their first homes, along with a list of participating lenders.

"Luckily, the program listed approved lenders," Alexandra said. "And out of all those - I don't know, so many lenders - I so happened to pick my lender, who was amazing, and she was so knowledgeable about the whole process."

Alexandra decided to pursue a home she had seen at an open house in her neighborhood, a one-bedroom, one-bathroom condominium. She loved its large windows overlooking the street, how well it was maintained by its previous owners and the community's walkability.

Through SDHC's First-Time Homebuyer Program, she received a deferred-payment loan for the down payment and \$10,000 in closing cost assistance—funding that she said got her "through the finish line."

She finalized the purchase of her home in December 2024, weeks before the Christmas holiday. She recalled the excitement of setting up her Christmas tree and sitting on the floor of the condo to absorb the moment. Since then, she has furnished the condo and repainted its walls to reflect her personal style.

Alexandra said being able to buy her condo with SDHC's assistance "meant a lot to not just me, but a lot of people around me."

"I definitely don't think it would've been possible, at least not as soon as I'd done it, without the program," she said.

“ I definitely don't think it would've been possible, at least not as soon as I'd done it, without the program.”
—Alexandra,
First-Time Homebuyer



SDHC DIVISIONS AND DEPARTMENTS

HOMELESSNESS HOUSING INNOVATIONS DIVISION

Proposed FY 2027 Budget: \$73 million

- \$45.7 million for homelessness shelters and services programs
- \$11.9 million for Permanent Supportive Housing and Rapid Rehousing programs
- \$6.7 million for the Housing Instability Prevention Program
- \$5.8 million for the Prevention and Diversion programs
- \$3.0 million for the Eviction Prevention Program

SDHC operates programs that provide services directly to San Diegans at risk of or experiencing homelessness, administers City of San Diego homelessness shelters and services programs, and is a leader in collaborative initiatives, including the Community Action Plan on Homelessness for the City of San Diego. Through these efforts, SDHC participates in a spectrum of interventions to assist individuals and families, from shallow subsidies for people who are at risk of homelessness, homelessness prevention for people who are at imminent risk of homelessness and housing for people who are experiencing homelessness. SDHC collaborates with the City of San Diego, the County of San Diego, the San Diego Regional Task Force on Homelessness (RTFH), federal and state government agencies, homelessness service providers, landlords, developers and community organizations on a variety of homelessness solutions.

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 2027 budget, SDHC worked with the City's Homelessness Strategies and Solutions Department to identify reductions in expenditures for City-funded homelessness shelters and services programs that SDHC administers.



WeAllCount Point-in-Time Count - 1.29.26

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. On May 20, 2025, SDHC, the City of San Diego and RTFH presented an update to the San Diego City Council about the Community Action Plan.

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** facilitates access to the City's portfolio of emergency shelter and safe sleeping programs seven days a week. SDHC's Coordinated Shelter Intake Team assesses each referral and will match clients with the available and most appropriate shelter intervention. The program works closely with over 35 referring partners composed of City-funded outreach teams, law enforcement and homelessness service providers. Before the implementation of the Coordinated Shelter Intake Program, clients and outreach staff struggled to identify bed availability as well as to navigate each shelter's eligibility criteria and referral processes.
- **Shelter Programs** provide interim housing for San Diegans experiencing unsheltered homelessness. City-funded shelter programs administered by SDHC maintain low barriers to entry while providing a safe and welcoming environment along with housing-focused stabilization and supportive services, which promote pathways to permanent housing.
- **The Inclement Weather Shelter Program** provides overnight shelter accommodations for San Diegans experiencing unsheltered homelessness and is active between the months of November and March when low temperatures and rates of precipitation are most prevalent. During this period, SDHC staff monitor the forecast daily and the determination to activate is based on conditions meeting the adopted activation criteria as well as service providers staffing availability and capacity. The program is a collaborative effort, including SDHC, the City and shelter providers.
- **Transitional Housing** programs provide temporary housing for up to 24 months along with a housing-focused stabilization and supportive services, which promote pathways to permanent housing.
- **Storage Centers** provide individuals experiencing unsheltered homelessness with a safe place to store their belongings, allowing them to address their personal and medical needs as well as pursue employment, educational and housing opportunities without fear of losing their property.
- **Rapid Rehousing (RRH)** programs provide up to 24 months of rental assistance and supportive services for 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)** provides 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 10 PSH programs with these funds. They provide rental assistance for 327 units. These programs are operated by seven homelessness service providers: Father Joe's Villages, Housing Innovation Partners, Townspeople, TURN Behavioral Health Services, South Bay Community Services Corporation, Pathfinders, and The Center. 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.



Deanna - HIPP Participant

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. HIPP gives priority to Seniors aged 55 and older, transition-age youth, families with minor children and households in which at least one member has a disability. The program can assist approximately 350 households. The program pays \$250, \$500, \$750 or \$1,000 per month, based on the household's circumstances, for up to 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 has not kept pace with the rising rental assistance expenses in recent years. 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.

'SUPER GRATEFUL' FOR HER HOME

Three days from being evicted and managing chronic health issues, Noreen was able to stabilize her housing and return to a more active lifestyle with the assistance she receives from SDHC's Housing Instability Prevention Program (HIPP).

"I was totally worried, yeah," Noreen said. "Plus, I need hip surgery, so I'm in a lot of pain like 24/7. So, it was scary to me that I would have to live in my car or go downtown and walk around old with pain. It was scary, but I still tried not to worry, and I have faith, and I believed in God, and it was like, that's why I say it was like a miracle."

““ Having a home base really means a lot.”
—Noreen

Before receiving the eviction notice, Noreen's budget was already strained. A retired grocery store cashier, she was paying \$1,285 a month in rent for her Linda Vista apartment—roughly 95 percent of her income from Social Security and Supplemental Security Income.

That left her with about \$60 a month for the rest of her expenses.

"My budget was tight, and you learn how to live with what you have," she said.

Ultimately, she fell behind on her rent payments, and the eviction notice left her feeling "hopeless."

Noreen contacted her former pastor, who recommended she call 211 San Diego, which connected her with HIPP. An SDHC housing specialist spoke to her landlord, who agreed to hold off on the eviction.

Now that she's enrolled in HIPP, she said her life - and her budget - have greatly improved.

With better financial standing has come better health for Noreen. Once depressed and living as a "recluse" in her apartment, she's now taking regular walks and bike rides and enjoys swimming in a pool near her daughter's house.

"Having a home base really means a lot. My grandkids and my family, they don't worry about me. They know I have a place where I'm happy. I have good neighbors," Noreen said. "I'm very grateful to have this home. Super grateful."



SDHC DIVISIONS AND DEPARTMENTS

OPERATIONS AND SUPPORT DIVISIONS AND DEPARTMENTS

Proposed FY 2027 Budget: \$27 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 and Land Use 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 & Labor Compliance
- Policy and Land Use
- 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 16 consecutive years, the Financial Services Department 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 & LABOR COMPLIANCE

The Procurement & Labor Compliance Department provides strategic procurement, contracting, and compliance services that support SDHC's operational and development objectives. The department promotes fair, open, and competitive procurement practices consistent with applicable laws, regulations, and agency policies while delivering efficient, cost-effective, and ethical business solutions. The department supports both internal and external stakeholders through procurement planning, solicitation management, contract administration, labor compliance oversight, Section 3 compliance, prevailing wage monitoring, and apprenticeship utilization compliance. SDHC has received the Achievement of Excellence in Procurement Award from the National Procurement Institute for nine consecutive years.

POLICY AND LAND USE

SDHC's Policy and Land Use 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. In addition, 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.

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

HOUSING

COMMISSION

We're About People

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