



INFORMATIONAL REPORT

DATE ISSUED: September 15, 2020 **REPORT NO:** HCR20-077

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of September 18, 2020

SUBJECT: City of San Diego Affordable Housing Fund Fiscal Year 2020 Annual Report

COUNCIL DISTRICT: Citywide

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

The City of San Diego Affordable Housing Fund Fiscal Year (FY) 2020 Annual Report (Attachment 1) covers the period of July 1, 2019, through June 30, 2020, which reflects the Fiscal Year of the City of San Diego and the San Diego Housing Commission. It is issued following closeout of the Fiscal Year and includes unaudited data. The report includes:

- Revenue collections and investments;
- Performance in meeting the goals of the previous year's Affordable Housing Fund Annual Plan;
- Information regarding the number and types of units assisted;
- Rents and sales prices of units assisted; and
- The amount of other funds leveraged.

BACKGROUND

The Affordable Housing Fund Ordinance (San Diego Municipal Code Section 98.0513) requires an annual report on activities undertaken with funds from the Affordable Housing Fund.

Respectfully submitted,

Approved by,

Christelle Van Der Windt

Jeff Davis

Christelle Van Der Windt
Finance Director – Grants & Reporting
Financial Services Department
Attachments: 1) San Diego Affordable Housing Fund FY 2020 Annual Report

Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Docket materials are available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org



SAN DIEGO
HOUSING
COMMISSION

Attachment 1

City of San Diego Affordable Housing Fund FY 2020 Annual Report

Fiscal Year 2020
(July 1, 2019 – June 30, 2020)



Paseo La Paz
160 West Seaward Avenue – City Council District 8
137 Affordable Housing Units
\$6.9 Million Affordable Housing Fund
Grand Opening: February 27, 2020

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CITY OF SAN DIEGO AFFORDABLE HOUSING FUND

Fiscal Year 2020 Annual Report

EXECUTIVE SUMMARY

In Fiscal Year (FY) 2020 (July 1, 2019 – June 30, 2020), the City of San Diego's (City) Affordable Housing Fund (AHF), which is composed of the Housing Trust Fund (HTF) and the Inclusionary Housing Fund (IHF), contributed funding for rental housing production, homeownership opportunities, housing solutions for San Diegans experiencing homelessness or at risk of homelessness, capacity building and administration and legal expenses.

During FY 2020, a total of 14 San Diego Housing Commission (Housing Commission) affordable rental housing developments with more than 1,400 affordable units closed financing. Of these developments, AHF helped finance six with a total of 946 affordable units. This exceeded the affordable rental housing production goal to close financing on 588 units, by 61 percent. One of these developments preserved the affordability of 221 units for up to 15 years, preventing the potential displacement of low- to moderate-income individuals and families. The majority of the units supported with AHF funding will be designated for individuals and families experiencing homelessness.

Despite rising housing costs and a significant slowdown in home buying due to the COVID-19 pandemic, the Homeownership program assisted 35 low- to moderate-income households to close escrow on homes in Council Districts 3 through 9. In addition to the 35 households assisted through the AHF, six households received down payment and closing cost assistance through the HOME program, and 27 households received only a Mortgage Credit Certificate. In total, through its various funding sources, the Housing Commission's Homeownership Program assisted 68 low- to moderate-income households achieve the dream of purchasing a home. While it was anticipated that with AHF assistance, the Housing Commission would issue up to five loans to finance the construction of Companion Units, this goal was postponed, partly due to COVID-19 and new priorities.

AHF assistance funded three transitional housing programs and one interim housing program during FY 2020 to support 282 beds. In FY 2020, the programs housed 701 persons from 325 households. The AHF also assisted Downtown San Diego Partnership's Family Reunification Program, which also utilized other funding, to serve 368 households composed of 414 persons.

With AHF funds, the Housing Commission's Moving Home Rapid Rehousing program of the Housing Commission's homelessness action plan, HOUSING FIRST – SAN DIEGO, served 233 households (consisting of 503 persons). Approximately 93 percent (217) of these households were permanently housed.

Additionally, a case management position funded by AHF allowed for another 55 households to be served.

Finally, an additional 304 households (consisting of 595 persons) were served using other funding (a combination of federal, state and local funding), bringing the total served by the Housing Commission Rapid Rehousing efforts to 592 households.



City of San Diego Affordable Housing Fund – FY 2020 Annual Report

HOUSING FIRST – SAN DIEGO’s Prevention and Diversion program served 479 households composed of 1,138 people, of which 172 households composed of 423 people were served through AHF funds.

The Landlord Engagement and Assistance Program (LEAP), also part of HOUSING FIRST – SAN DIEGO, served 1,081 households, which exceeded its goal of serving 850 households, by 27 percent. The households assisted through LEAP include households in HOUSING FIRST – SAN DIEGO’s Moving Home Rapid Rehousing program and Prevention and Diversion programs.

The FY 2020 AHF Annual Plan allocated \$125,000 for capacity building within the Rental Housing Finance and Homeless Housing Innovations Programs. Of the \$75,000 allocated to Homeless Housing Innovations, \$45,456 was used for developing a Permanent Supportive Housing (PSH) workshop and toolkit for the current PSH Notice of Funding Availability (NOFA) and hiring a consultant to create content that would assist developers in completing the supportive services section of the PSH NOFA application. It also funded staff attendance at conferences organized by industry leaders to learn about homelessness and housing research, innovative programming, and best practices from across the country. Of the \$50,000 allocated to Rental Housing Finance, \$10,168 was used for developer capacity review and Community Housing Development Organization’s (CHDO) certification of developments funded with AHF.

AHF funds allocated for the administration of AHF’s programs totaled \$2,938,419. This represents 10.7 percent of the total funding, which is well within best financial practices.

One of the purposes of the AHF is to leverage every \$1 of City funds with \$2 of non-City subsidy capital funds. In FY 2020, each AHF dollar leveraged approximately \$11 in additional funding, far surpassing the 2-1 goal.

INTRODUCTION

On April 16, 1990, the San Diego City Council (City Council) passed the HTF Ordinance. Funded through impact fees assessed on nonresidential development, the HTF was enacted to finance affordable housing for low-income workers. On June 3, 2003, the HTF Ordinance was amended to incorporate the IHF, a new affordable housing funding source adopted by Ordinance O-19189. The IHF provides additional affordable housing resources from fees charged to residential development. Combined, these funds make up the AHF.

The City of San Diego’s (City) AHF is a permanent, annually renewable source of funds to help meet the housing needs of the City’s very low- to moderate-income households. The City Council expressed this intent in Municipal Code Sections 98.0501-98.0518. In general, the AHF’s purposes are to:

- 1) Meet a portion of the need for housing that is affordable to households with very low to moderate incomes;
- 2) Leverage every \$1 of City funds with \$2 of non-City subsidy capital funds;
- 3) Support the Balanced Communities Policy by fostering a mix of household incomes in projects assisted by the AHF and dispersing affordable housing developments throughout the city;



City of San Diego Affordable Housing Fund – FY 2020 Annual Report

- 4) Preserve and maintain renter and ownership affordable housing; and
- 5) Encourage private sector activities that advance these goals.

Municipal Code Section 98.0513 states that the Housing Commission shall prepare and submit an annual report to the City Council on the activities undertaken with funds from the AHF following the close of each FY. The reporting requirements of the Inclusionary Affordable Housing Ordinance (Municipal Code Section 142.1311) are also addressed in this report.

Income Levels of Assisted Households

“AMI” is defined as the area median income in the San Diego Standard Metropolitan Statistical Area, adjusted for family size, as published by HUD. In FY 2020, the AMI for a family of four increased from \$86,300 to \$92,700. The current AMIs and affordable rents for San Diego County are shown on **Exhibit 7**.

Leverage

Per Municipal Code Section 98.0501(c), an AHF goal is to attract \$2 of non-City capital funds for every AHF dollar invested. For FY 2020, total AHF commitments and expenditures of \$26,758,028 leveraged more than \$304 million, far surpassing the 2-1 goal.

Exhibit 3 provides an overview of AHF leverage.

HOUSING TRUST FUND

Purpose and Use

Funds from the HTF—housing impact fees from non-residential development, or “Linkage Fees”—may be used for loans, grants, or indirect assistance to produce and maintain affordable units and related facilities.

The HTF Ordinance requires that funds be allocated as follows:

- At least 10 percent to transitional housing;
- At least 60 percent to *very low-income* households (defined as households with incomes at or below 50 percent of AMI);
- No more than 20 percent to housing for *low-income* households (defined as households with incomes between 50 percent and 80 percent of AMI); and
- No more than 10 percent to *median income* first-time homebuyers (defined as households with incomes over 80 percent of AMI)

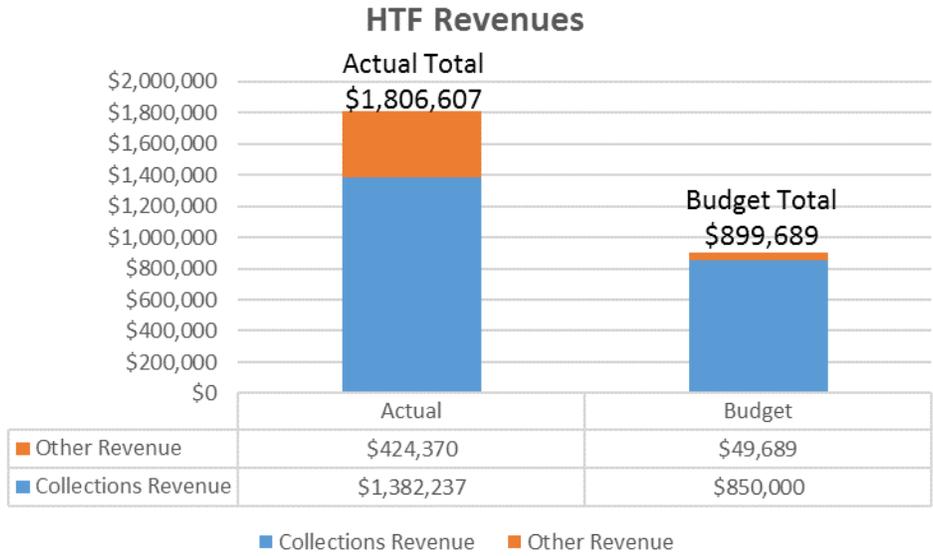
HTF Revenues

For FY 2020, HTF revenues, inclusive of fee collections and program income (other revenue), totaled \$1,806,607, approximately 101 percent more than budgeted revenues of \$899,689. Budgeted revenues are a conservative estimate based on past collections and anticipated



City of San Diego Affordable Housing Fund – FY 2020 Annual Report

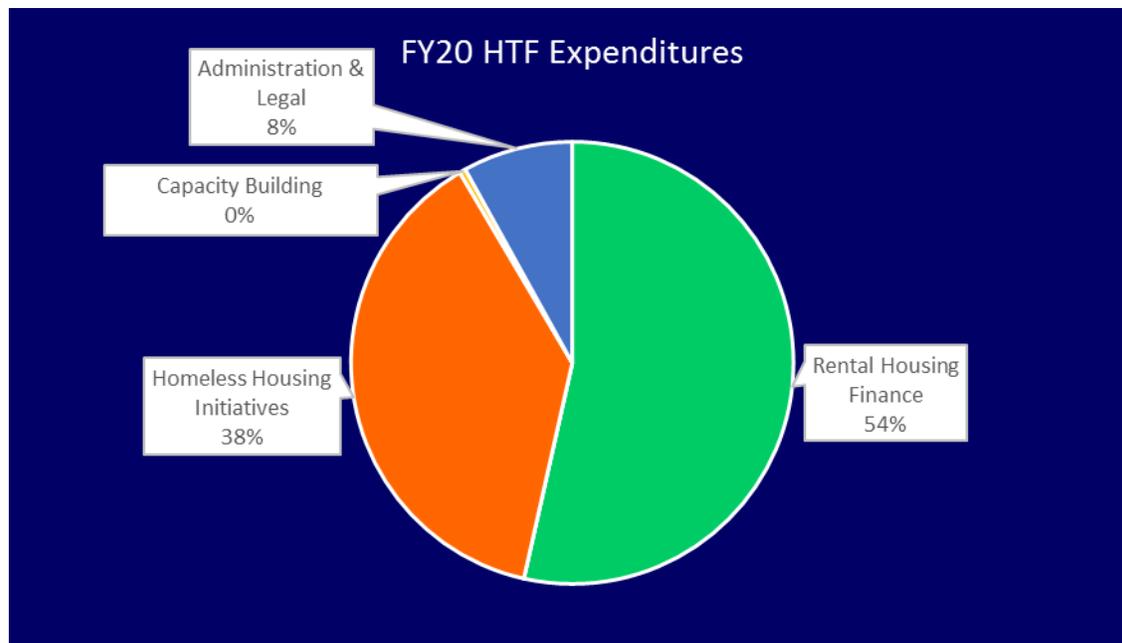
uncertainty due to ordinance changes effective in FY 2021. Revenues collected in excess of the budgeted figures are reallocated toward approved model programs in the AHF Plan the following year.



When more funds are collected than budgeted, they are committed for an approved use and then held in a fund reserve until the disbursement of funds, which depends upon timing of the completion of specific milestones. Due to the length of time required before completion of milestones in an approved project that would trigger disbursement of funds, the fund balance often is composed of projects committed in prior years.

Fund Allocation

The following chart summarizes FY 2020 expenditures of HTF funds.



In FY 2020, \$2,242,310 was committed/expended to programs and projects. The funds were allocated among several housing activities: rental housing production, housing solutions for San Diegans experiencing homelessness or at risk of homelessness, capacity building and administration and legal costs.

HTF funds, or Housing Impact Fees, were used to provide partial reimbursement in the amount of \$180,231 for AHF administration and legal expenses totaling \$2,944,554. These expenses provided partial reimbursement for costs associated with investing the funds through loans and grants, such as project solicitation/marketing, underwriting, preparation of legal documents, account setup, management, program administration and overhead expenses.

An additional \$10,168 was used to support capacity building in the Rental Housing Finance Projects by financing developer capacity reviews and Community Housing Development Organization's (CHDO) certification of developments funded with AHF.

The City of San Diego was reimbursed \$43,581 for staff time assessing Housing Impact Fees.

Uncommitted program funds will be utilized for future HTF activities in the Model Programs as approved by the City Council.

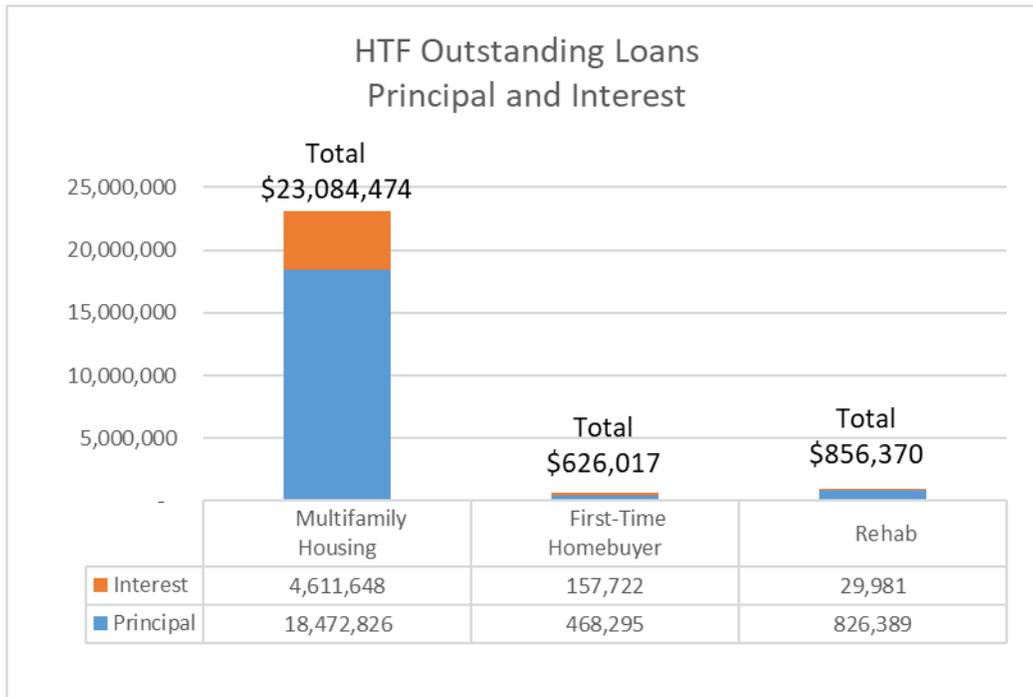
Exhibit 2, "Affordable Housing Fund FY 2020 Detail of Funded Projects" provides project details for each funding award made in FY 2020.

HTF Loan Portfolio Status

As of June 30, 2020, all previously funded HTF loans were in good standing. The following chart shows the outstanding loan principal and interest amounts:



City of San Diego Affordable Housing Fund – FY 2020 Annual Report





INCLUSIONARY HOUSING FUND

Purpose and Use

On June 3, 2003, the City Council adopted an Inclusionary Affordable Housing Program pursuant to Ordinance O-19189, which requires developers of two or more residential units to pay an affordable housing fee unless they qualify for exemption under the Ordinance. Fees are deposited into the IHF and may be used for rental housing development, first-time homebuyer assistance and related programs.

Revenues

Apartment construction remained strong, which resulted in increased revenue collections for the IHF. Revenues, inclusive of fee collections and program income (other revenue), totaled \$19,779,853. This is approximately 224 percent higher than budgeted revenues of \$6,098,687. Budgeted revenues are a conservative estimate based on past collections and anticipated uncertainty due to ordinance changes effective in FY 2021. Revenues collected in excess of the budgeted figures are reallocated toward approved model programs in the AHF Plan the following year.

When more funds are collected than budgeted, they are committed for an approved use and held in a fund reserve until funds are disbursed, which depends upon timing of the completion of specific milestones. Due to the length of time required to complete milestones in an approved project that would trigger disbursement of funds, the fund balance often is composed of projects committed in prior years.

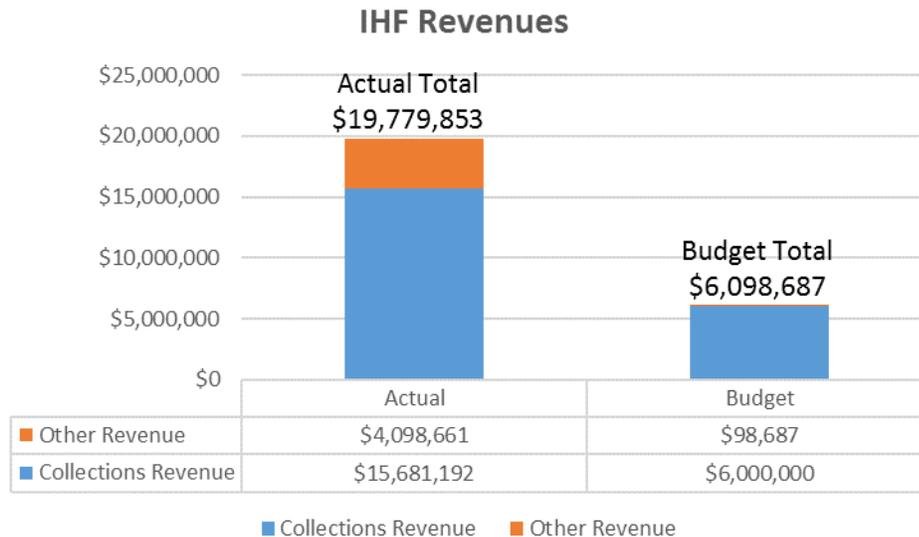
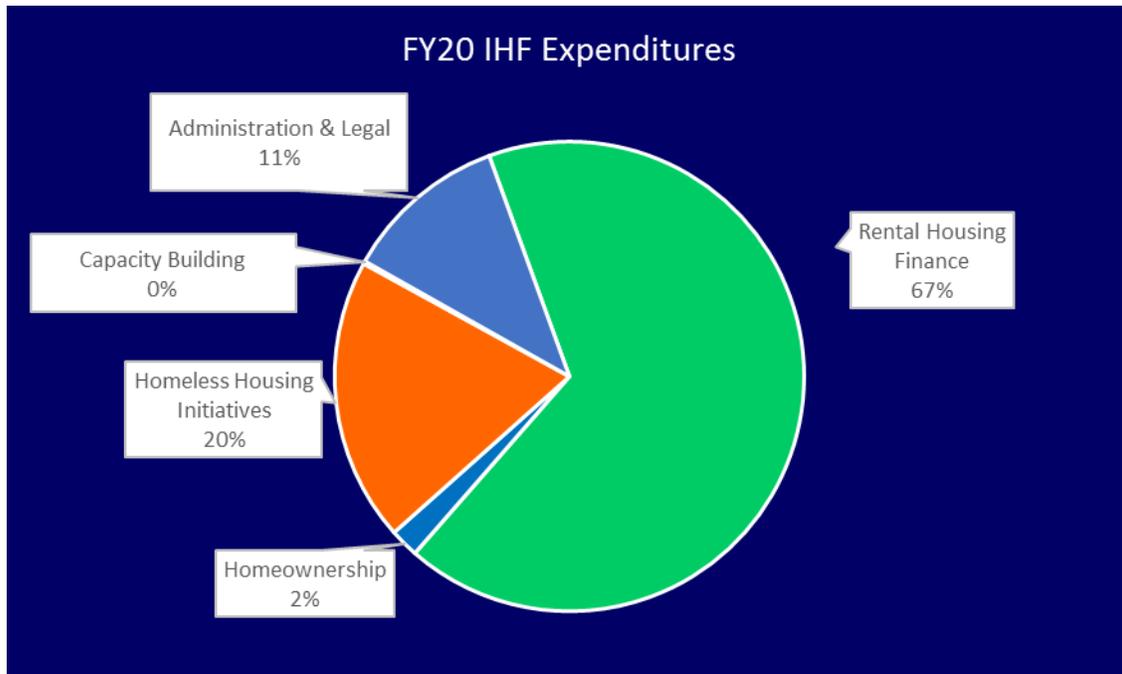


Exhibit 4 shows the net IHF Fees collected and committed in each Community Plan Area (CPA). The Inclusionary Housing Ordinance prioritizes spending IHF revenues in the CPA of origin. Funds may be invested citywide when there is no match between the area of collection and investment opportunities.



Fund Allocation

The following chart summarizes FY 2020 expenditures of IHF funds.



In FY 2020, \$24,515,719 was committed/expended to programs and projects. The funds were allocated among several housing activities: rental housing production, homeownership opportunities, housing solutions for San Diegans experiencing homelessness or at risk of homelessness, capacity building and administration and legal costs.

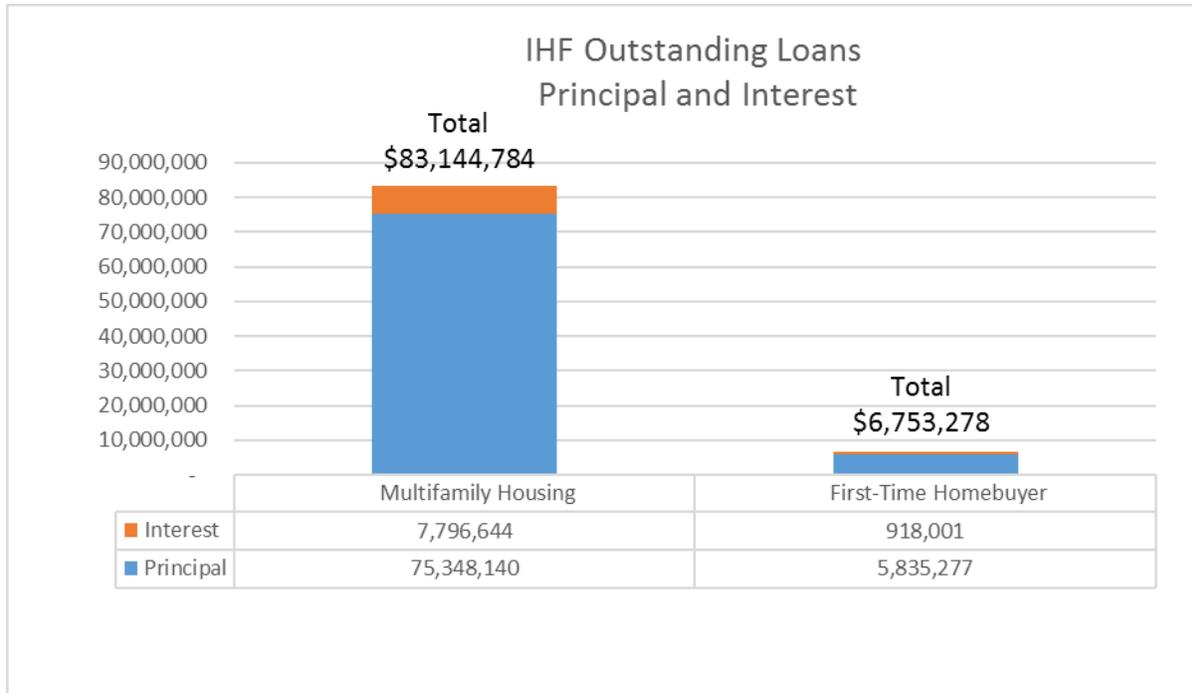
IHF funds were used to provide partial reimbursement in the amount of \$2,764,323 for AHF administration and legal expenses totaling \$2,944,554. These expenses provided partial reimbursement for costs associated with investing the funds through loans and grants, such as project solicitation/marketing, underwriting, preparation of legal documents, account setup, management, program administration and overhead expenses. An additional \$45,456 was used to support capacity building in the Homeless Housing Innovations Programs.

Uncommitted program funds will be utilized for future IHF activities in the Model Programs as approved by the City Council.



IHF Loan Portfolio Status

As of June 30, 2020, all previously funded IHF loans were in good standing. The following chart shows outstanding loan principal and interest amounts.





AFFORDABLE HOUSING FUND PERFORMANCE

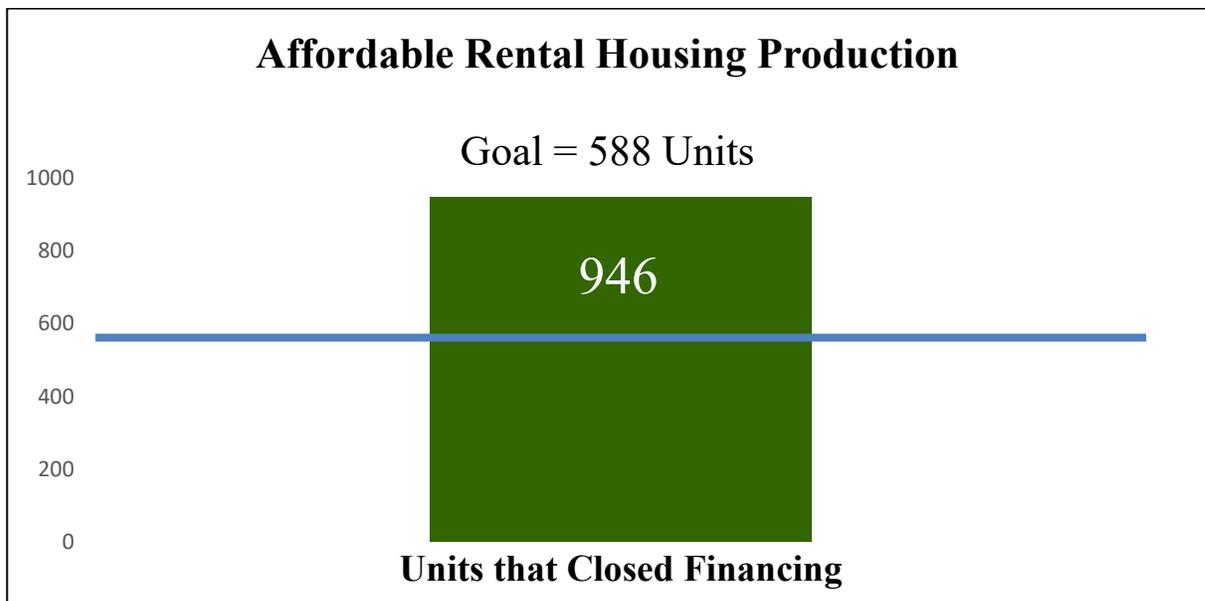
During FY 2020, the AHF committed \$26,758,028 to affordable housing activities to assist 3,222 households.

Rental Housing Finance

Affordable Rental Housing Production

Six projects closed construction financing in FY 2020. These projects have AHF commitments totaling \$17,623,631 and will produce 946 affordable rental housing units in the City of San Diego.

Note: Maximum rents are calculated according to HUD standards of affordability; Housing costs (including utilities) must not exceed 30 percent of income, adjusted for household size and designated income levels. All AHF projects are required to use this standard as a maximum for setting rents. In general, target rents are also at least 10 percent below market rate.



161% of Goal Met

The rental housing production program exceeded its goal to close construction financing on 588 units in FY 2020 by 61 percent. Five housing developments are currently in construction and will contribute 725 affordable housing units to the City’s housing supply. More than half of these units are from developments that serve individuals and families experiencing homelessness. One development preserved the affordability of 221 units for up to 15 years, preventing the potential displacement of low- to moderate-income individuals and families.



During FY2020, seven developments were completed and occupied. These seven completed developments added 499 affordable rental housing units. Additionally, one development was preserved, extending the affordability of 221 rental housing units.

Exhibit 5 shows Rental Housing Production’s Current and Prior Year Activities & Project Completions.

Homeownership

In FY 2020, the AHF provided \$488,528 in Inclusionary Funds for the Housing Commission’s Homeownership Program. The Homeownership Program provides deferred-payment loans of up to 17 percent of the purchase price and closing cost grants of up to \$10,000 to assist low- to moderate-income households in the purchase of a home in the City of San Diego. In FY 2020, \$155,275 was used for deferred-payment loans and \$333,253 was used for closing cost grants. The AHF provided assistance for 35 households—three received a deferred-payment loan and closing cost grant and 32 received a closing cost grant in conjunction with a deferred-payment loan funded by the federal HOME program. In addition to the 35 households assisted with AHF, the Homeownership Program helped six households with assistance solely from the HOME program. This has resulted in the Homeownership program assisting an overall total of 68 households in buying their first home in San Diego. The program has spent 98 percent of its FY 2020 AHF fund allocation and leveraged almost \$10 million in private funds.





83% of Goal Met

The Homeownership program assisted 35 low-income households to close escrow on homes in Council Districts 3-9, meeting 83 percent of its goal to assist 42 homes with the AHF. Due to the impact of COVID; only 35 households were assisted through the AHF, nearly 98 percent of the FY 2020 allocation was spent. In addition to the 35 households assisted through the AHF, six households received down payment and closing cost assistance through the HOME program and 27 households received only a Mortgage Credit Certificate. In total, through its various funding sources, the Housing Commissions Homeownership Program assisted 68 low- to moderate-income households achieve the dream of purchasing a home.

Home prices ranged from \$215,000 to \$477,000 for both attached and detached units. The average sales price for the assisted units was \$354,922—down from an average of \$361,412 in FY 2019.

Sales Prices

Effective April 30, 2020, the maximum home price limit for Housing Commission loans and grants is \$445,550 for attached units and \$679,250 for detached units. Previously, the maximum home price limit was \$410,875 for attached units and \$622,250 for detached units. These limits are based on the HUD-approved maximum purchase price allowed for single-family homes. Buyers must contribute a minimum of 30 percent of their monthly gross income toward housing to be eligible for a deferred-payment loan under the First-Time Homebuyer Program. For the purpose of this calculation, housing expenses include loan principal and interest, property taxes, property insurance and homeowners' association fees.

The buyer's debt-to-income ratio of monthly housing costs, plus all other household monthly debt (including credit cards, automobile payments, etc.), cannot exceed 45 percent of the borrower's gross income. If the total debt ratio exceeds 45 percent, the application must be presented to the Loan Committee for approval.

The following table summarizes the First-Time Homebuyer Inclusionary Housing programs.



First-Time Homebuyer Inclusionary Housing Program			
Program	AMI	Loan/Grant Amount	Maximum Purchase Price Effective 4/15/2020
3% Interest, Deferred-Payment Loan	100%	17% of purchase price or appraised value; whichever is less. The minimum loan amount is \$1,000	Attached: \$445,550 Detached: \$679,250
Closing Cost Assistance Program	100%	Up to 4% of purchase price or appraised value, whichever is less, not to exceed \$10,000 Grant can be used for all closing costs not covered by seller or lender credits. Forgiven at the close of escrow.	Attached: \$445,550 Detached: \$679,250

Companion Unit Finance Program

While it was anticipated that with AHF assistance, the Housing Commission would issue up to five loans to finance the construction of Companion Units, this goal was postponed, partly due to COVID-19 and new priorities.

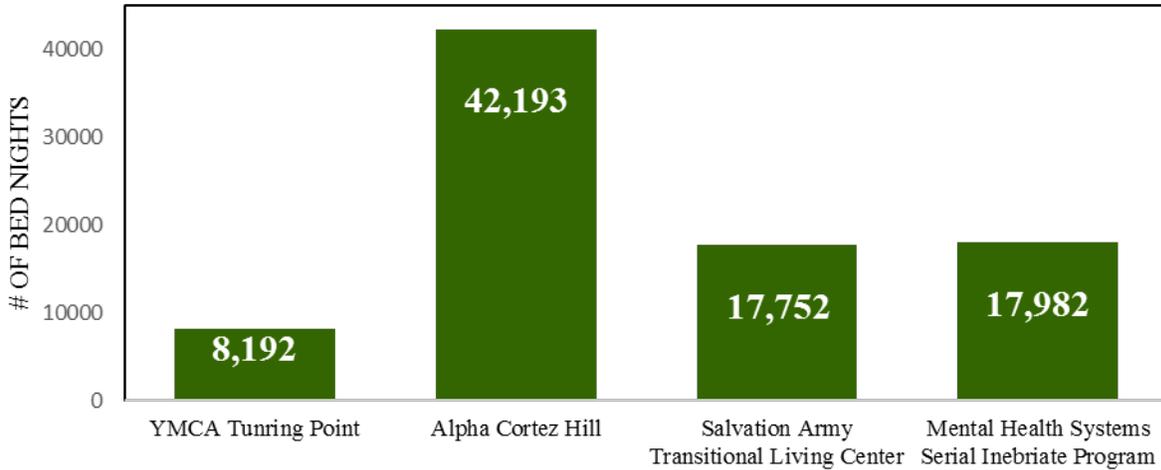
Homeless Housing Innovations

Transitional Housing & Interim Housing

Four social services agencies provided housing and services through three transitional housing programs and one interim housing program to serve 325 extremely low- to very low-income households (consisting of 701 individual), using \$1,017,609 from the HTF and IHF.



Transitional & Interim Housing: Bed Nights Provided

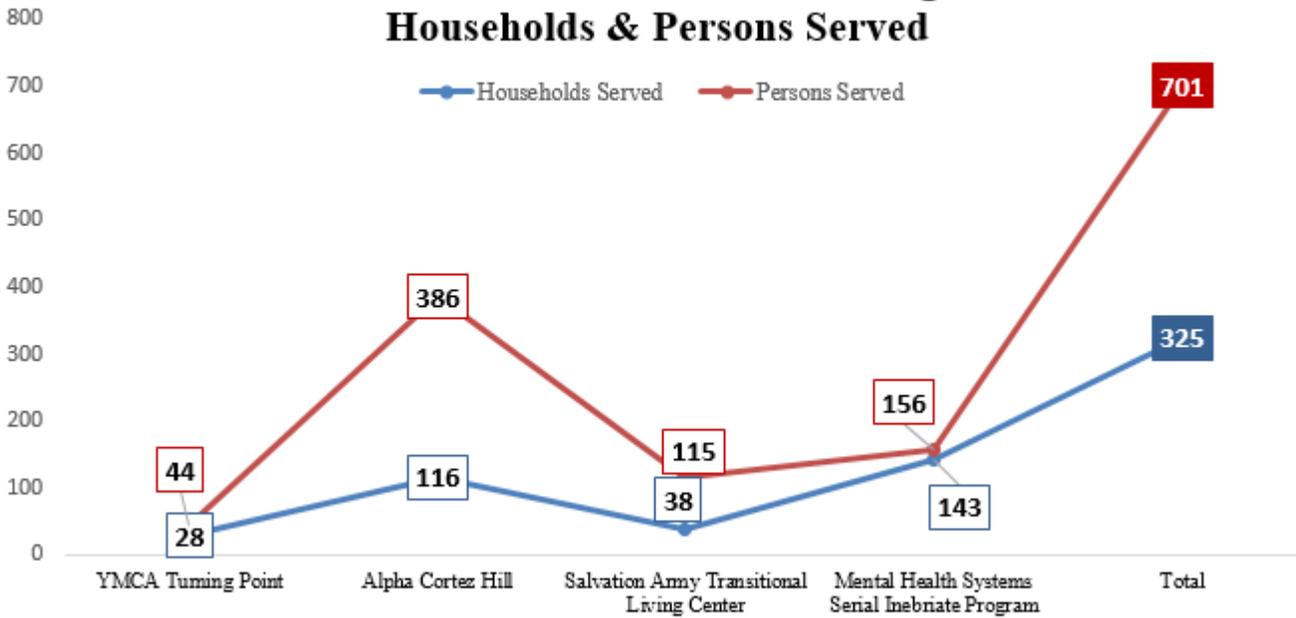


84% of Bed Availability Goal Met

The AHF-funded transitional and interim housing programs provided a combined total of 86,119 bed nights, with 282 beds contracted and available on any given night. Cortez Hill Family Center is further supported with a combination of AHF assistance and other sources. Although the number of bed nights available is based on the contracted number of bed nights, bed availability was limited due to the construction activities occurring at the program site, therefore resulting in a reduced percentage of bed utilization. In late February and early March 2020, families residing at Cortez Hill Family Center relocated to another location. In addition, families located at the City’s Golden Hall Family shelter relocated to other sites as a result of the onset of COVID-19. The Cortez Hill program temporarily absorbed supportive service activities for these families due to this strategic response by the City to address impacts of the pandemic. Due to both needed maintenance at the Cortez Hill shelter site and the impacts of COVID-19, bed availability and occupancy fluctuated, with a resulting utilization rate of 84 percent for FY 2020. Please note, the Salvation Army’s Transitional Living Center continued to undergo construction activities throughout the FY, which affected their daily minimum number of beds available for occupancy.



Transitional & Interim Housing: Households & Persons Served



In FY 2020, 282 transitional and interim beds housed 701 new, unduplicated persons in 325 households for more than 86,000 bed nights with AHF assistance.

A total of \$872,809 was awarded to three transitional housing programs and one interim housing program to provide 282 beds on a daily basis. Due to the City’s response to COVID-19, additional AHF funds were expended to temporarily increase the number of bed nights available under the Cortez Hill program to mitigate the pandemic’s impact on households experiencing homelessness. As a result, program expenditures totaled 102 percent of awarded funds.


City of San Diego Affordable Housing Fund – FY 2020 Annual Report

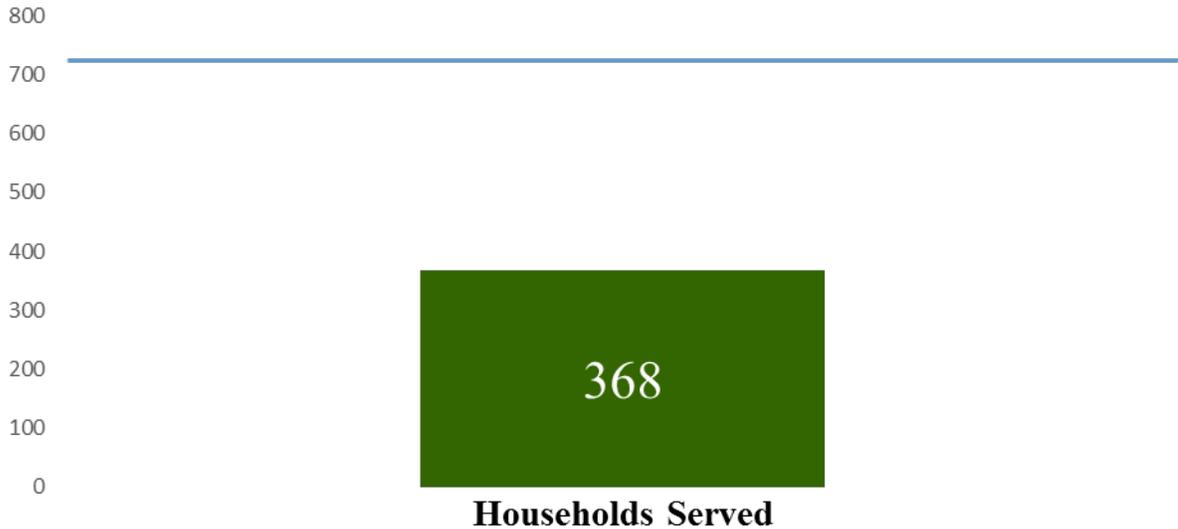
Name of Program	Number of Beds Provided (nightly bed capacity)	Population Served	Council District	AHF Award Amount	AHF Expended Amount
Alpha Project Cortez Hill	156	Very low income (homeless)	3	\$439,000	\$586,235
YMCA Turning Point	24	Very low income (homeless)	3	\$50,000	\$47,565
Salvation Army TLC	46	Very low income (homeless)	7	\$232,309	\$232,309
MHS SIP	56	Very low income (homeless)	2	\$151,500	\$151,500
Totals	282	-	-	\$872,809	\$1,017,609

Family Reunification

The Family Reunification program expended \$242,427 in AHF funds to serve 368 households (consisting of 414 persons).

Family Reunification Program

Goal = 732 Households



[08]

51% of Goal Met

The Family Reunification Program is supported with AHF and other funding sources. During the fiscal year, the overall program served 368 households, consisting of 414 persons. The program was heavily impacted by COVID-19, essentially halting all travel through the end of the fiscal year. At the onset of FY 2020, the program was expanded into seven additional service areas, including Downtown, Bankers Hill, Balboa Park, Hillcrest, Barrio Logan, Golden Hill and Sherman Heights. Additional non-AHF funding sources were allocated to the program to support the expansion. As the expansion into the additional service areas didn't yield the anticipated results, the program was further expanded into additional service areas within Downtown, Ocean Beach and Midway, containing higher concentrations of persons experiencing homelessness. Hiring new staff to expand the operator's original capacity was not met until late fall and spring for the respective expansions, which delayed the ability to expeditiously serve more persons. This combination of factors and events contributed to the underutilization of the program during FY 2020.

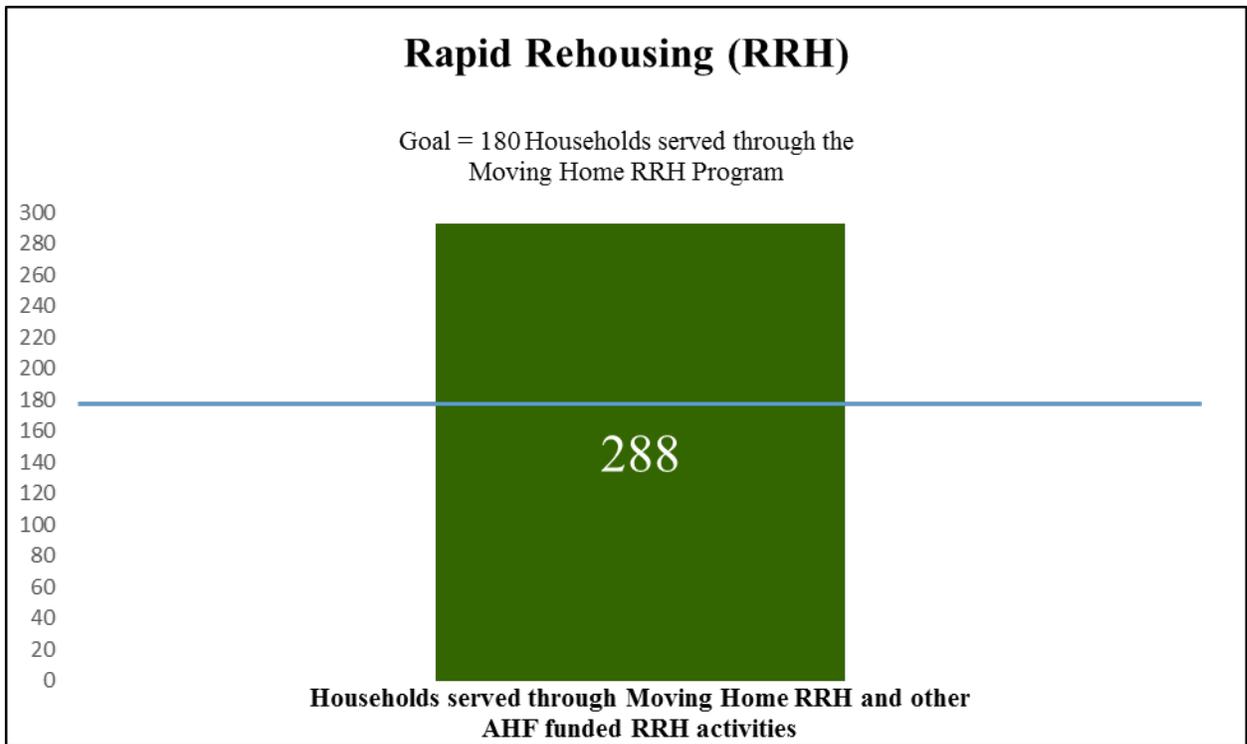
HOUSING FIRST – SAN DIEGO Programs

Rapid Rehousing

With \$1,555,011 of AHF assistance, the Housing Commission's Moving Home Rapid Rehousing program provided assistance to 233 households. Of these households, 217 (93 percent) were permanently housed, including households who were originally housed in FY 2019 and continued to receive assistance in FY 2020. AHF funding

provided assistance to an additional 55 households, who were also assisted with other funding sources.

AHF assistance funds a Rapid Rehousing Case Management position allocated to the nonprofit organization People Assisting the Homeless (PATH). The Housing Commission also contracts with PATH to operate two Rapid Rehousing programs funded by HUD CoC and ESG funds. In FY 2020, these two Rapid Rehousing programs housed 40 households (consisting of 50 persons) and served 60 households (consisting of 138 persons).



160% of Goal Met

In FY 2020, the AHF Rapid Rehousing funds and other funded Rapid Rehousing activities served 641 people within 288 households; exceeding the AHF households served goal by 60 percent and 108 households.

Moving Home Rapid Rehousing is designed to move individuals and families who are experiencing homelessness into housing as quickly as possible and then provide supportive services and connections to community services to promote stability in housing. Individuals and families who are experiencing homelessness are identified through the Regional Task Force on the Homeless' Coordinated Entry System, which determines if they are best served by rapid rehousing. The Moving Home Rapid Rehousing program can provide the following assistance in addition to case management supportive services:

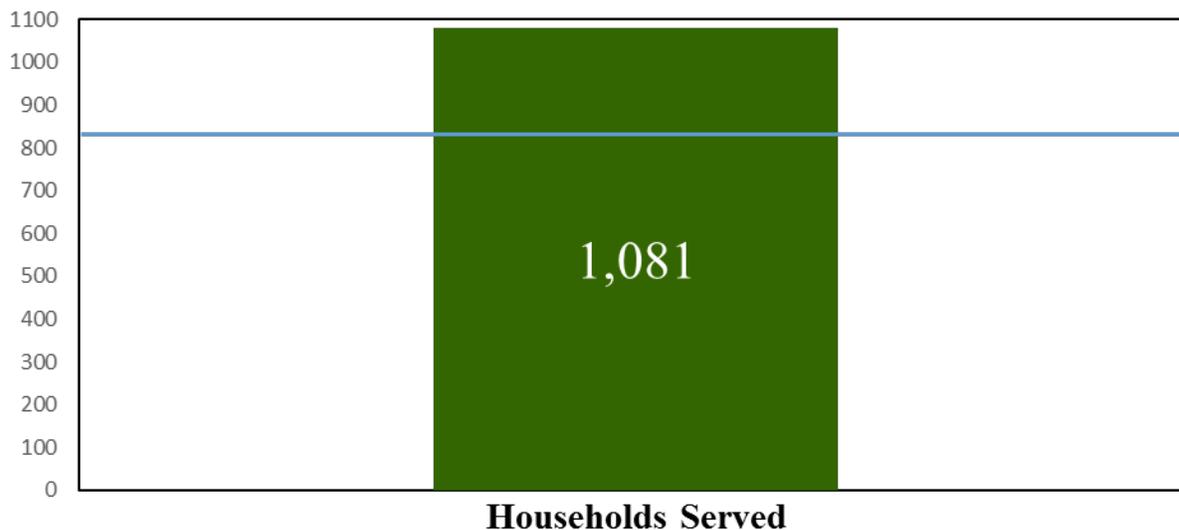
- Security deposits
- Temporary Rental Assistance
- Overdue, unpaid rent and utility expenses
- Identifying and addressing barriers to becoming a tenant
- Reviewing rental and lease agreements
- Moving costs
- Obtaining necessary documents, such as identification cards
- Searching for rental housing
- Obtaining basic furnishings and household supplies

Landlord Engagement and Assistance Program (LEAP)

With \$2,151,220 in IHF assistance, the LEAP program assisted 1,081 households, including households in HOUSING FIRST – SAN DIEGO’s Moving Home Rapid Rehousing program and Prevention and Diversion programs.

Landlord Engagement and Assistance

Goal = 850 Households



127% of Goal Met

The Landlord Engagement and Assistance Program (LEAP) served 1,081 households, exceeding its goal to serve 850 households in FY 2020 by 27 percent.

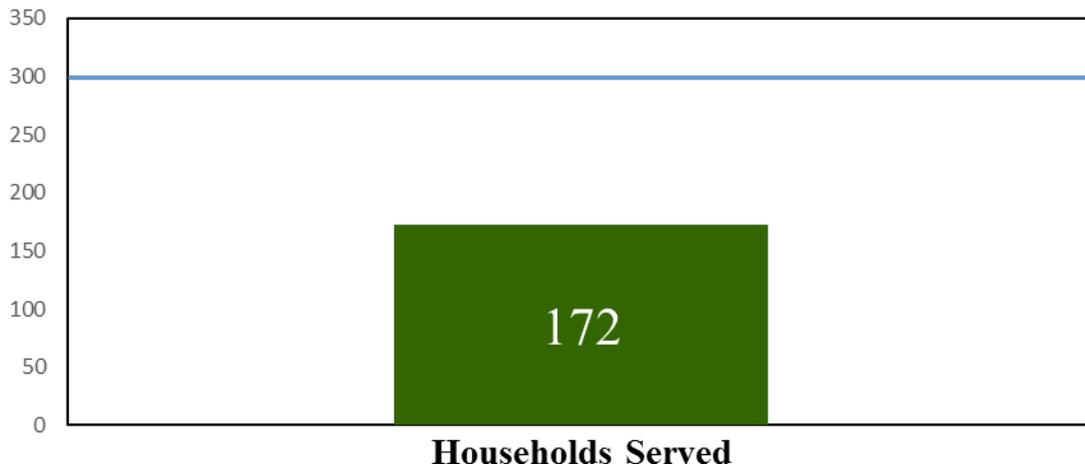
LEAP assists individuals and families experiencing homelessness by increasing access to rental units. LEAP focuses on enlisting landlords through community-wide recruitment efforts to quickly house individuals and families referred by partner service provider agencies in the community. LEAP provides financial incentives to participating landlords, including security deposits, bonuses per unit rented to clients, utility assistance and access to a contingency fund of up to \$5,000.

Prevention & Diversion

The Prevention & Diversion program utilized \$679,424 of AHF funding to serve 423 individuals within 172 households.

Prevention and Diversion

Goal = 300 Households



57% of Goal Met

The Prevention and Diversion program served 172, 43 percent short of its goal to serve 300 households.

The Housing Commission launched its Homelessness Prevention and Diversion program on July 1, 2017. It was the first program of its kind within the San Diego community. The Homelessness Prevention and Diversion program served a total of 354 households in FY 2020 using funding sources in addition to AHF, including City HEAP and RTFH HEAP funds awarded in FY 2020. This year, the program has been impacted by COVID-19, and the implementation of an eviction moratorium. As a result, in the last three months of the fiscal year, the program saw a significant decrease in referrals.

Capacity Building

The FY 2020 AHF Annual Plan allocated \$125,000 for capacity building within the Rental Housing Finance and Homeless Housing Innovations Programs. Of the \$75,000 allocated to Homeless Housing Innovations, \$45,456 was used for developing a PSH workshop and toolkit for the current PSH NOFA and hiring a consultant to create content that would assist developers in completing the supportive services section of the PSH NOFA application. Of the \$50,000 allocated to Rental Housing Finance, \$10,168 was used for developer capacity review and CHDO’s certification of developments funded with AHF

EXHIBITS

Exhibit 1 - Housing Trust Fund FY 2020 Ordinance Test

EXHIBIT 1

Housing Trust Fund FY20 Ordinance Tests

Housing Program Funds (below):	\$1,801,911
Admin/Legal:	\$206,879
Other Expenses (City Staff Time)	\$43,581
Total HTF:	\$2,052,371

		Income Level/Percentage of Area Median Income		
		Very Low	Low	Med.-Mod.
		0-50% AMI	51-80% AMI	81-100% AMI
Program	Project			
Rental Housing Production	Benson	\$ 100,000		
	The Ivy Senior	\$ 100,000		
	East Block Senior	\$ 410,870	\$ 339,130	
Transitional Housing	Serial Inebriate Program (MHS)	\$ 75,750		
	Transitional Living Center (The Salvation Army)	\$ 116,155		
	Turning Point (YMCA)	\$ 23,783		
Interim Housing	Cortez Hill (YWCA/Alpha Project)	\$ 294,051		
Rapid Rehousing	SDHC Moving Home - Rental and Moving Cost Assistance	\$ 342,172	\$ -	
TOTAL HOUSING PROGRAM FUNDS		\$ 1,462,781	\$ 339,130	\$ -

<u>Ordinance Tests</u>	
<u>Required Percent</u>	<u>Actual Percent</u>
Transitional Housing - 10% minimum	28%
Very Low Income - 60% minimum	81%
Low Income - 20% Maximum	19%
Med/Mod Inc. Homebuyers - 10% Maximum	0%

Exhibit 2 - Affordable Housing Fund FY 2020 Detail of Funded Projects

Exhibit 2

AFFORDABLE HOUSING FUND FY2020 DETAIL OF COMMITMENTS

Activity/Sponsor	Project	Community Area	Amount Committed / Expended	Units/Beds Assisted	Council District	Income Level
Rental Housing Production						
Chelsea	14C VHHP	Downtown	\$ 2,450,000	80	3	40 VLI/40 LI
Chelsea	14th & Commercial	Downtown	\$ 2,350,000	323	3	60 ELI/221 VLI/42 LI
Chelsea	Benson	Otay Mesa-Nestor	\$ 100,000	82	8	82 VLI
Wakeland	Trinity Place Apartments	Clairemont	\$ 200,000	73	6	73 VLI
Wakeland	The Ivy Senior Apartments	Clairemont	\$ 4,500,000	52	6	26VLI/26 LI
Chelsea	East Block Senior	Mid-City Kensington-Talmadge	\$ 5,000,000	115	9	7 VLI/ 108 LI
TOTAL			\$ 14,600,000	725		60 ELI/449 VLI/216 LI
Rental Housing Preservation						
J Street Inn LP	J Street	Downtown	\$ 3,023,631	221	3	13 VLI/208 LI
Homeownership						
San Diego Housing Commission	Loans/Closing Cost Grants	Citywide	\$ 488,528	35	3,4,5,6,7,8,9	1 VLI/34 LI
Transitional and Interim Housing						
Mental Health Systems	Serial Inebriate Program	City Heights	\$ 151,500	143	3	143 ELI
The Salvation Army	Transitional Living Center	Kearny Mesa	\$ 232,309	38	6	38 ELI
YMCA	Turning Point	City Heights	\$ 47,565	28	3	28 ELI
Alpha Project	Cortez Hill	Cortez Hill	\$ 586,235	116	3	116 ELI
TOTAL			\$ 1,017,609	325		325 ELI
Family Reunification Program						
Downtown San Diego Partnership	Family Reunification Program	Downtown	\$242,427	368	3	367 ELI/1 LI
Housing First San Diego						
San Diego Housing Commission	Moving Home Rapid Rehousing	Citywide	\$1,555,011	288	Citywide	255 ELI/28 VLI/5 LI
San Diego Housing Commission	Landlord Engagement & Assistance	Citywide	\$2,151,220	1081	Citywide	1014 ELI/59 VLI/8 LI
San Diego Housing Commission	Prevention & Diversion	Citywide	\$679,424	172	Citywide	75 ELI/80 VLI/17 LI
TOTAL			\$4,385,655	1541		1344 ELI/167 VLI/172 LI

TOTAL	\$ 23,757,850
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ELI	Extremely Low Income
VLI	Very Low Income
LI	Low Income
MI	Moderate Income

Exhibit 3 - Affordable Housing Fund FY 2020 Summary of Funding & Leverage

EXHIBIT 3

AFFORDABLE HOUSING FUND FY2020 SUMMARY OF COMMITMENTS & LEVERAGE

Activity	Amount Committed	Assisted Units/Households	Leverage			
			Private	Local-Other	State	Federal
Rental Housing Production	\$ 17,623,631	946	\$ 25,663,527	\$ 72,025,464	\$ 173,044,315	\$ 15,710,000
Homeownership	\$ 488,528	35	\$ 9,839,056			\$ 1,876,174
Transitional Housing	\$ 431,374	209	\$ 451,113	\$ 1,624,406	\$ 300,000	\$ 492,096
Interim Housing	\$ 586,235	116				\$ 531,180
Rapid Re Housing	\$ 1,555,011	288		\$ 504,100		\$ 736,157
Landlord Engagement & Assistance	\$ 2,151,220	1081		\$ 327,019	\$ 428,151	
Prevention & Diversion	\$ 679,424	172		\$ 696,769	\$ 436,713	
Family Reunification	\$ 242,427	368			\$ 17,511	
TOTAL	\$ 23,757,850	3215	\$ 35,953,696	\$ 75,177,758	\$ 174,226,690	\$ 19,345,607
			TOTAL LEVERAGE	\$ 304,703,751		

Exhibit 4 - San Diego IHF Affordable Housing Fee Collections

CD	COMMUNITY	FY04-FY19	FY20	Total
8	Barrio Logan	\$66,086.81	\$0.00	\$66,086.81
5	Carmel Mountain Ranch	\$224,525.00	\$0.00	\$224,525.00
1	Carmel Valley	\$2,676,591.83	\$0.00	\$2,676,591.83
2	Centre City	\$52,838,259.16	\$0.00	\$52,838,259.16
3 & 9	City Heights	\$41,521.50	\$0.00	\$41,521.50
6	Clairemont Mesa	\$5,198,908.15	\$1,726,802.44	\$6,925,710.59
9	College	\$3,622,376.33	\$0.00	\$3,622,376.33
7	Eastern Area	\$15,596.00	\$0.00	\$15,596.00
4	Encanto	\$0.00	\$0.00	\$0.00
3 & 8	Golden Hill	\$1,084,217.42	\$2,216.52	\$1,086,433.94
6	Kearny Mesa	\$2,107,668.73	\$2,025,610.14	\$4,133,278.87
3 & 9	Kensington-Talmadge	\$3,053.75	\$0.00	\$3,053.75
1	La Jolla	\$2,915,480.23	\$31,567.25	\$2,947,047.48
6	Linda Vista	\$4,154,717.54	\$25,660.44	\$4,180,377.98
3 & 7	Mid-City	\$5,867,052.44	\$12,271.05	\$5,879,323.49
2	Midway/Pacific Hwy Corr.	\$619,063.52	\$0.00	\$619,063.52
6	Miramar Ranch North	\$0.00	\$0.00	\$0.00
5	Mira Mesa	\$854,946.09	\$0.00	\$854,946.09
2	Mission Beach	\$729,602.34	\$317,906.85	\$1,047,509.19
6	Mission Valley	\$6,560,042.39	\$7,844,402.62	\$14,404,445.01
7 & 9	Navajo	\$11,030,325.12	\$0.00	\$11,030,325.12
3	Normal Heights	\$41,430.01	\$0.00	\$41,430.01
3	North Park	\$2,274,083.30	\$71,364.10	\$2,345,447.40
2	Ocean Beach	\$445,958.37	\$0.00	\$445,958.37
2	Old Town	\$88,566.08	\$0.00	\$88,566.08
8	Otay Mesa	\$2,554,749.47	\$212,930.64	\$2,767,680.11
8	Otay Mesa/Nestor	\$2,725,380.61	\$0.00	\$2,725,380.61
2	Pacific Beach	\$2,132,320.71	\$424,572.44	\$2,556,893.15
1	Pacific Highlands Ranch	\$0.00	\$0.00	\$0.00
2	Peninsula	\$2,705,757.34	\$72,846.58	\$2,778,603.92
5	Rancho Bernardo	\$0.00	\$0.00	\$0.00
5 & 6	Rancho Penasquitos	\$8,625.00	\$0.00	\$8,625.00
5	Sabre Springs	\$122,730.00	\$0.00	\$122,730.00
8	San Ysidro	\$153,289.48	\$0.00	\$153,289.48
5	Scripps Miramar Ranch	\$250,000.00	\$2,699,449.34	\$2,949,449.34
6	Serra Mesa	\$370,697.58	\$0.00	\$370,697.58
4	Skyline/Paradise Hills	\$1,349,276.26	\$0.00	\$1,349,276.26
4 & 8	Southeastern San Diego	\$733,392.69	\$67,733.49	\$801,126.18
7	Tierrasanta	\$2,382,895.40	\$0.00	\$2,382,895.40
1	Torrey Pines	\$11,424.84	\$0.00	\$11,424.84
1	University City	\$8,147,072.20	\$6,232.20	\$8,153,304.40
2 & 3	Uptown	\$2,142,082.54	\$35,718.78	\$2,177,801.32
3	Ballpark Village contribution to 16th & Market in Centre City	\$20,244,757.00		\$20,244,757.00
	Interest	\$465,537.88	\$86,841.54	\$552,379.42
	AR-FICA		\$17,065.13	\$17,065.13
	Total Fees	\$149,494,523.23	\$15,577,284.88	\$165,071,808.11
	Total Fees, Interest and AR-FICA	\$149,960,061.11	\$15,681,191.55	\$165,641,252.66

Exhibit 5 - FY 2020 Rental Housing Production Current Year Activities

	<p>Project Name: Saint Teresa of Calcutta Villa Project Address: 1 14th Street Neighborhood/Council District: Downtown/District 3 Estimated Completion Date: January 31, 2022 Bedroom Mix: 81 total units. Affordable unit mix: 76 studios & 4 one-bedrooms AMI Range: 30%-60% AHF investment: \$2,450,000 Target Population: Individuals Experiencing Homelessness & Families</p>
	<p>Project Name: Saint Teresa of Calcutta Villa Project Address: 1 14th Street Neighborhood/Council District: Downtown/District 3 Estimated Completion Date: January 31, 2022 Bedroom Mix: 326 total units. Affordable unit mix: 281 studios, 17 one-bedrooms & 25 two-bedrooms AMI Range: 25%-50% AHF investment: \$2,350,000 Target Population: Individuals Experiencing Homelessness & Families</p>
	<p>Project Name: Benson Place Project Address: 1010 Outer Road Neighborhood/Council District: Otay Mesa-Nestor/District 8 Estimated Completion Date: June 1, 2020 Bedroom Mix: 83 total units. Affordable unit mix: 82 living units. AMI Range: 30% AHF investment: \$100,000 Target Population: Individuals Experiencing Homelessness</p>
	<p>Project Name: J Street Inn Project Address: 222 J Street Neighborhood/Council District: Downtown/District 3 Estimated Completion Date: March 18, 2020 Bedroom Mix: 221 total units. Affordable unit mix: 221 living units. AMI Range: 50%-80% AHF investment: \$3,023,631 Target Population: Preservation</p>



Project Name: Trinity Place Apartments
Project Address: 5858 Mount Alifan Drive
Neighborhood/Council District: Clairemont/District 6
Estimated Completion Date: August 2021
Bedroom Mix: 74 total units. Affordable unit mix: 73 living units.
AMI Range: 30%
AHF investment: \$200,000
Target Population: Individuals Experiencing Homelessness



Project Name: The Ivy Senior Apartments
Project Address: 5858 Mount Alifan Drive
Neighborhood/Council District: Clairemont/District 6
Estimated Completion Date: January 2022
Bedroom Mix: 53 total units. Affordable unit mix: 52 studios.
AMI Range: 30%-50%
AHF investment: \$4,500,000
Target Population: Individuals Experiencing Homelessness



Project Name: East Block Senior
Project Address: Fairmount Avenue and El Cajon Boulevard
Neighborhood/Council District: Mid-City-Kensington-Talmadge/District 9
Estimated Completion Date: May 2022
Bedroom Mix: 117 total units – 115 affordable one-bedrooms
AMI Range: 40%-60%
AHF investment: \$5,000,000
Target Population: Seniors

Exhibit 6 - Inclusionary Reporting

		# of applicants and developments that came before the City for ministerial or discretionary approval	# of applicants and developments that were subject to the requirements of this division (Inclusionary Affordable Housing Regulations)	# of Affordable Units	# of Market Rate Units	Total Inclusionary Affordable Housing Fees Paid
CD	Zip	32,938	132	3	6	\$15,329,007.82
1	92014	192				
1	92037	1944		5		
1	92067	1				
1	92093	41				
1	92109	6				
1	92121	1387				
1	92122	838				
1	92129	1				
1	92130	1776				
1	92145	2				
1	92161	1				
2	92101	157				
2	92106	641				
2	92107	909		10		
2	92109	1541		54		
2	92110	816		9		
2	92111	99				
2	92117	323				
2	92140	13				
3	92101	3707		3		
3	92102	754		2		
3	92103	1171		1		
3	92104	1142		5		
3	92105	14				
3	92108	30				
3	92110	156				
3	92113	12				
3	92116	755		4		
4	92102	469				
4	92105	118				
4	92113	59				
4	92114	766		4		
4	92115	140				
4	92139	221				

5	92027	23		
5	92029	1		
5	92064	2		
5	92127	465		
5	92128	541		
5	92129	609		
5	92130	19		
5	92131	399	10	
6	92111	654	1	
6	92117	288		
6	92121	1388		
6	92123	607		
6	92126	709		
6	92129	72		
6	92145	7		
7	91942	2		
7	92071	6		
7	92108	1436	4	
7	92110	1		
7	92111	317	7	
7	92119	182		
7	92120	413		
7	92123	357		
7	92124	148		
7	92145	17		
8	92101	3		
8	92102	180		
8	92113	406	5	
8	92136	20		
8	92154	1307		
8	92173	356		
9	92102	106		
9	92104	73	2	
9	92105	574	2	2
9	92113	185	4	1
9	92115	719		
9	92116	115		
9	92120	24		
9	92182	5		

		# of Applicants and Developments that Applied for Waiver, Variance, Reduction or Adjustments	# of Applicants and Location of Developments that were Granted a Waiver, Variance, Reduction or Adjustment	Terms of granted waivers, variances, reductions or adjustments
CD	Zip	1		
1	92014			
1	92037			
1	92067			
1	92093			
1	92109			
1	92121			
1	92122			
1	92129			
1	92130			
1	92145			
1	92161			
2	92101			
2	92106			
2	92107			
2	92109			
2	92110			
2	92111			
2	92117			
2	92140			
3	92101			
3	92102			
3	92103			
3	92104			
3	92105			
3	92108			
3	92110			
3	92113			
3	92116			
4	92102			
4	92105			
4	92113			
4	92114			
4	92115			
4	92139			

5	92027			
5	92029			
5	92064			
5	92127			
5	92128			
5	92129	1		
5	92130			
5	92131			
6	92111			
6	92117			
6	92121			
6	92123			
6	92126			
6	92129			
6	92145			
7	91942			
7	92071			
7	92108			
7	92110			
7	92111			
7	92119			
7	92120			
7	92123			
7	92124			
7	92145			
8	92101			
8	92102			
8	92113			
8	92136			
8	92154			
8	92173			
9	92102			
9	92104			
9	92105			
9	92113			
9	92115			
9	92116			
9	92120			
9	92182			

Exhibit 7 - San Diego Housing Income and Rent Calculations

U.S. Department of Housing and Urban Development **2020** SAN DIEGO MEDIAN INCOME:

\$92,700

Note: The table contains income limits for 2020 extremely low, very low and low income, as adjusted for family size and other factors adopted and amended from time to time by the U.S. Department of Housing and Urban Development (HUD). HUD adjusted San Diego Very Low Income limits for a "high housing cost area" factor.

Family Size	Unit Size	Extremely Low Income 30% AMI (Adjusted by HUD)			35% AMI (Adjusted by HUD)			40% AMI (Adjusted by HUD)		
		ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³
ONE	STUDIO	\$24,300	\$608	\$608	\$28,350	\$709	\$707	\$32,350	\$809	\$809
TWO	1-BR	\$27,750	\$694	\$649	\$32,400	\$810	\$758	\$37,000	\$925	\$866
THREE	2-BR	\$31,200	\$780	\$780	\$36,450	\$911	\$910	\$41,600	\$1,040	\$1,040
FOUR	3-BR	\$34,650	\$866	\$901	\$40,450	\$1,011	\$1,051	\$46,200	\$1,155	\$1,201
FIVE	4-BR	\$37,450	\$936	\$1,005	\$43,700	\$1,093	\$1,172	\$49,900	\$1,248	\$1,340
SIX	5-BR	\$40,200	\$1,005	\$1,109	\$46,950	\$1,174	\$1,294	\$53,600	\$1,340	\$1,479
SEVEN	6-BR	\$43,000	\$1,075		\$50,200	\$1,255		\$57,300	\$1,433	
EIGHT		\$45,750			\$53,400			\$61,000		

Family Size	Unit Size	Very Low Income 50% AMI (Adjusted by HUD)				60% AMI (Adjusted by HUD)			65% AMI (Adjusted by HUD)		
		ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	*Low HOME ³	ANNUAL INCOME ¹	GROSS RENT ²	TCAC ³	ANNUAL INCOME ¹	GROSS RENT ²	*High HOME ³
ONE	STUDIO	\$40,450	\$1,011	\$1,011	\$1,011	\$48,540	\$1,214	\$1,213	\$52,550	\$1,314	\$1,294
TWO	1-BR	\$46,200	\$1,155	\$1,083	\$1,083	\$55,440	\$1,386	\$1,299	\$60,100	\$1,503	\$1,388
THREE	2-BR	\$52,000	\$1,300	\$1,300	\$1,300	\$62,400	\$1,560	\$1,560	\$67,600	\$1,690	\$1,667
FOUR	3-BR	\$57,750	\$1,444	\$1,501	\$1,501	\$69,300	\$1,733	\$1,802	\$75,100	\$1,878	\$1,918
FIVE	4-BR	\$62,400	\$1,560	\$1,675	\$1,675	\$74,880	\$1,872	\$2,010	\$81,100	\$2,028	\$2,120
SIX	5-BR	\$67,000	\$1,675	\$1,848	\$1,848	\$80,400	\$2,010	\$2,218	\$87,100	\$2,178	\$2,321
SEVEN	6-BR	\$71,650	\$1,791		\$2,021	\$85,980	\$2,150		\$93,100	\$2,328	\$2,521
EIGHT		\$76,250				\$91,500			\$99,150		

Family Size	Unit Size	70% AMI (Adjusted by HUD)		Low Income 80% AMI (Adjusted by HUD)		100% Area Median Income (No HUD adjustment)		120% AMI (No HUD adjustment)	
		ANNUAL INCOME ¹	GROSS RENT ²	ANNUAL INCOME ¹	GROSS RENT ²	ANNUAL INCOME ¹	GROSS RENT ²	ANNUAL INCOME ¹	GROSS RENT ²
ONE	STUDIO	\$56,600	\$1,415	\$64,700	\$1,618	\$64,900	\$1,623	\$77,900	\$1,948
TWO	1-BR	\$64,700	\$1,618	\$73,950	\$1,849	\$74,150	\$1,854	\$89,000	\$2,225
THREE	2-BR	\$72,750	\$1,819	\$83,200	\$2,080	\$83,450	\$2,086	\$100,150	\$2,504
FOUR	3-BR	\$80,850	\$2,021	\$92,400	\$2,310	\$92,700	\$2,318	\$111,250	\$2,781
FIVE	4-BR	\$87,300	\$2,183	\$99,800	\$2,495	\$100,100	\$2,503	\$120,150	\$3,004
SIX	5-BR	\$93,800	\$2,345	\$107,200	\$2,680	\$107,550	\$2,689	\$129,050	\$3,226
SEVEN	6-BR	\$100,250	\$2,506	\$114,600	\$2,865	\$114,950	\$2,874	\$137,950	\$3,449
EIGHT		\$106,700		\$122,000		\$122,350		\$146,850	

* TCAC = Tax Credit Allocation Committee

1. Annual Income = Gross annual income adjusted by family size for Area Median Income (AMI) level. May contain additional adjustments as determined annually by HUD.
2. Gross rent minus utility allowance = maximum cash rent. See the "San Diego Housing Commission Utility Allowance Schedule" to calculate the utility allowance based on the project's actual utility mix.
3. For projects with multiple funding sources, use the lowest rents applicable and/or apply HUDs MTSP "Hold Harmless" policy. "Low HOME" and "High HOME" rents effective July 1, 2020

Note: Due to the Housing and Economic Recovery Act of 2008 the data presented in this chart may not be applicable to projects financed with Section 42 Low Income Housing Tax Credits (LIHTC) or section 142 tax exempt private equity bonds (MTSP). If you believe your affordable housing project is affected by this change and have questions regarding Rent & Income limits, please contact Irma Belancourt at irmab@sdhc.org.

This general income and rental rate information is derived from the U.S. Department of Housing and Urban Development very low income figures effective April 1, 2020. HOME Rents effective July 1, 2020.