



SAN DIEGO  
HOUSING  
COMMISSION

## INFORMATIONAL REPORT

**DATE ISSUED:** September 7, 2023 **REPORT NO:** HCR23-077

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of September 15, 2023

**SUBJECT:** City of San Diego Affordable Housing Fund Fiscal Year 2023 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) 2023 Annual Report (Attachment 1) covers the period of July 1, 2022, through June 30, 2023, 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.

#### **HOUSING COMMISSION STRATEGIC PLAN**

This item relates to the Housing Commission Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024 Core Value: Believe in transparency and being good financial stewards.

#### 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,

*Christelle Van Der Windt*  
Christelle Van Der Windt  
Vice President of Financial Operations  
San Diego Housing Commission

Approved by,

*Jeff Davis*  
Jeff Davis  
Interim President & Chief Executive Officer  
San Diego Housing Commission

Attachments: 1) San Diego Affordable Housing Fund FY 2023 Annual Report

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



SAN DIEGO  
HOUSING  
COMMISSION

**City of San Diego**  
**Affordable Housing Fund**  
**Fiscal Year 2023 Annual Report**  
July 1, 2022 – June 30, 2023



Harris Family Senior Residence  
(formerly East Block Senior Apartments)  
4320 44th Street – City Council District 9  
115 Affordable Housing Units for Seniors  
\$5 Million Affordable Housing Fund  
Development Loan Approval: June 14, 2019  
Grand Opening: November 14, 2022

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## **CITY OF SAN DIEGO AFFORDABLE HOUSING FUND**

### **Fiscal Year 2023 Annual Report**

#### **EXECUTIVE SUMMARY**

In Fiscal Year (FY) 2023 (July 1, 2022 – June 30, 2023), 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 expenses.

During FY 2023, five San Diego Housing Commission (Housing Commission) collaborative affordable rental housing developments with a total of 400 affordable rental housing units closed financing. This exceeded the AHF affordable rental housing production goal by 182 percent. The FY 2023 goal was to close financing on 142 units. The majority of the units supported with AHF funding will be designated for individuals and families with low income, including those experiencing homelessness.

The Homeownership Program continued to experience several external real estate market challenges in FY 2023. The extraordinarily high price of homes, limited inventory, multiple offers for available homes, doubling of interest rates, and other market factors in the San Diego region made it extremely competitive and very difficult for first-time homebuyers to purchase a home. However, the Homeownership Program succeeded in assisting 23 low-income households in closing escrow on homes, 15 percent higher than the FY 2023 goal of assisting 20 households. Assisted households predominantly bought homes in Council Districts 3, 4, 5, 7, 8 and 9.

AHF assistance funded three transitional housing programs during FY 2023 to support 143 beds for individuals and families experiencing homelessness. In FY 2023, these programs provided temporary housing to 301 people from 169 households.

With AHF funds, the Housing Commission's Moving Home Rapid Rehousing program, which is part of the Housing Commission's homelessness action plan, HOUSING FIRST – SAN DIEGO, served 19 households consisting of 49 people. All of these households were permanently housed. Additionally, an AHF-funded Rapid Rehousing case management position with People Assisting the Homeless (PATH) allowed for another 31 households to be served, for a total of 50 households. Funds previously allocated to the Family Reunification Program were reallocated to three subrecipient operated Homeless Housing, Assistance and Prevention (HHAP) Rapid Rehousing programs, which served 142 households, consisting of 272 persons. Overall, through a combination of AHF and federal, state and local funding, the Housing Commission Rapid Rehousing efforts served a total of 332 households.



## **City of San Diego Affordable Housing Fund – FY 2023 Annual Report**

HOUSING FIRST – SAN DIEGO’s Prevention and Diversion program served 177 households consisting of 424 people.

The Landlord Engagement and Assistance Program (LEAP), also part of HOUSING FIRST – SAN DIEGO, served 958 households. The households assisted through LEAP can also include households in HOUSING FIRST – SAN DIEGO’s Moving Home Rapid Rehousing program, Prevention and Diversion, and Flexible Funding Pool (FLEX) programs.

The FLEX program serves as an innovative resource to expedite housing and increase opportunities and services for individuals and families experiencing homelessness, who are either currently in a City-funded shelter or are 55 years of age or older and on a fixed income. The FLEX program served 32 households consisting of 42 people during FY 2023.

The FY 2023 AHF Annual Plan allocated funding for capacity building within the Homeless Housing Innovations Programs and for Technical Assistance for the Accessory Dwelling Unit (ADU) Finance Program. Total expenditures in FY 2023 were \$43,013.

The funding was used to provide technical assistance and consultation services to the Housing Commission’s Strategic Initiatives and Homelessness Innovations Division on activities including providing support for the longitudinal evaluation of Plaza Hotel, support to strengthen the provision of wraparound supportive services at permanent supportive housing sites and identifying system-level issues, and the development of a compensation analysis of frontline staff in the homelessness services sector. Funding also supported targeted training for Housing Commission-contracted homelessness service providers about working with unhoused, undocumented households.

The ADU Finance Program helps homeowners with low income in the City of San Diego build ADUs on their property. The program provides financial assistance in the form of construction loans (up to \$250,000) and technical assistance that helps homeowners understand and complete the process of building an ADU. The technical assistance provided to the homeowner is through the utilization of an ADU consultant who helps with all aspects of the ADU construction from pre-design, vendor selection, permits to construction management – at no cost to the homeowner. In FY 2023, \$1,500 was expended toward services provided by the ADU consultant.

AHF funds allocated for the administration of AHF’s programs totaled \$1,533,374. This represents 9 percent of the total funding, which is well within best financial practices.

One of the AHF’s purposes is to leverage every \$1 of City funds with \$2 of non-City subsidy capital funds. In FY 2023, each AHF dollar leveraged approximately \$13 in additional funding, far surpassing the 2:1 goal.





## City of San Diego Affordable Housing Fund – FY 2023 Annual Report

### INTRODUCTION

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On April 16, 1990, the San Diego City Council (City Council) approved the Housing Trust Fund (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 Inclusionary Housing Fund (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;
- 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 Fiscal Year. 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 the area median income in the San Diego Standard Metropolitan Statistical Area, adjusted for family size, as published by the U.S. Department of Housing and Urban Development (HUD). In FY 2023, the AMI for a family of four increased from \$106,900 to \$116,800. The current AMI amounts and affordable rents for San Diego County are shown on **Exhibit 7**.



## City of San Diego Affordable Housing Fund – FY 2023 Annual Report

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### 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. In FY 2023, total AHF commitments and expenditures of \$17,813,524 leveraged more than \$233 million, far surpassing the 2:1 goal.

**Exhibit 3** provides an overview of AHF leverage.

## HOUSING TRUST FUND

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### Purpose and Use

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

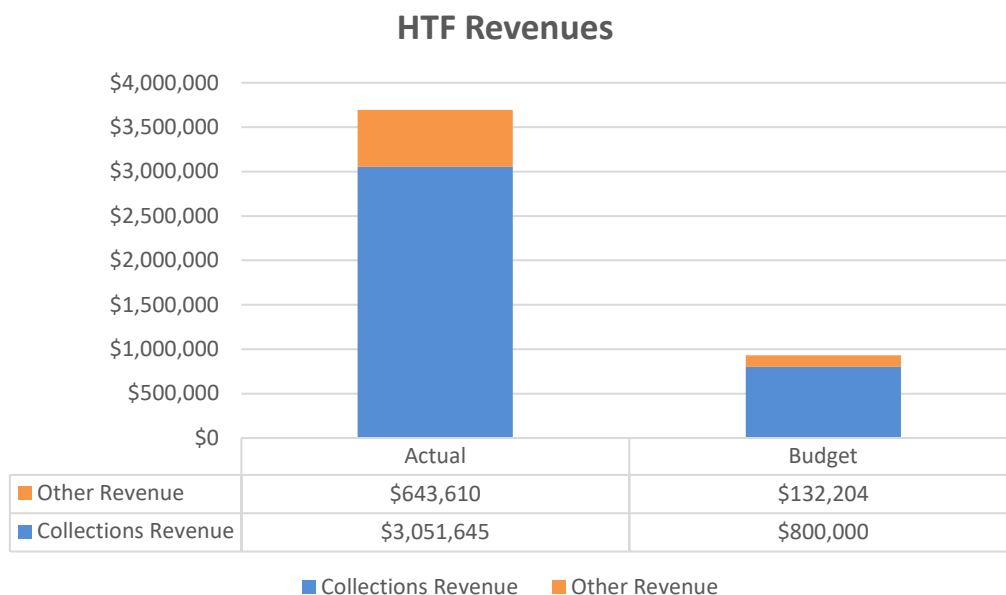
The HTF Ordinance requires that funds be allocated as follows:

- 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

In FY 2023, HTF revenues, inclusive of fee collections and program income (other revenue), totaled \$3,695,254. This was approximately 296 percent higher than the \$932,204 that was budgeted. Budgeted revenues are a conservative estimate based on past collections. Revenues collected in excess of the budgeted figures are reallocated toward approved model programs in the AHF Annual Plan the following year.

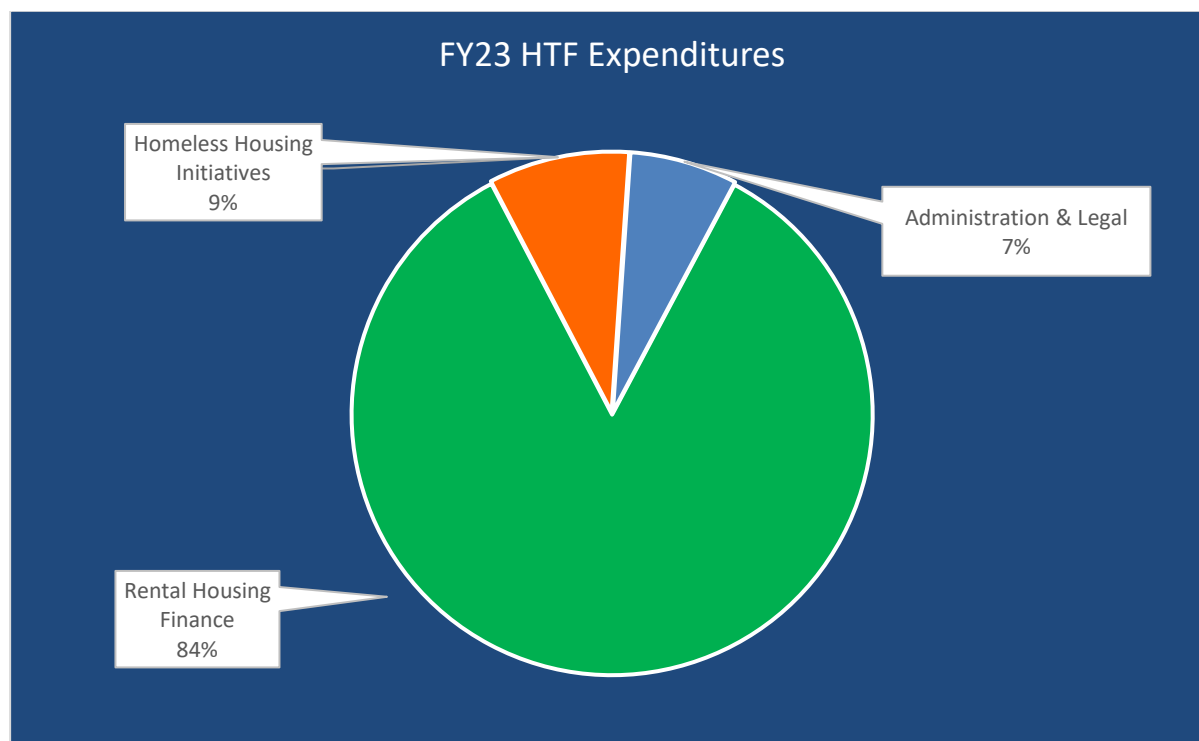




When more funds are collected than budgeted, they are committed for an approved use and then held in a fund reserve until the disbursement of funds, which depends upon timing of the completion of specific milestones. Due to the length of time required before completion of milestones in an approved project 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 2023 expenditures of HTF funds.



In FY 2023, \$4,948,841 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, and administration costs.

HTF funds, or Housing Impact Fees, were used to provide partial reimbursement in the amount of \$331,920 toward AHF administration expenses, which totaled \$1,533,374. These expenses provided partial reimbursement for costs associated with investing the funds through loans and grants, such as project solicitation/outreach, underwriting, preparation of legal documents, account setup, management, program administration and overhead expenses.

The City of San Diego was reimbursed \$23,537.01 for staff time assessing Housing Impact Fees.

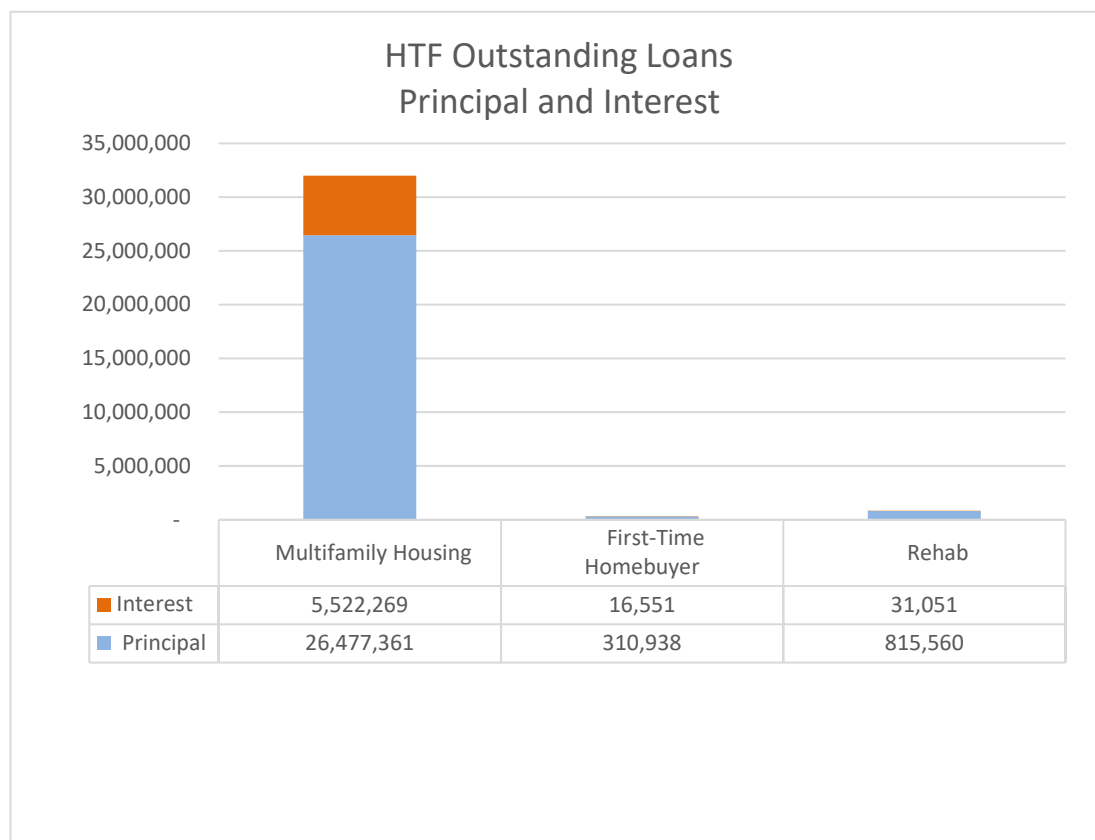
Uncommitted program funds will be utilized for future HTF activities in the Model Programs as approved by the City Council.

**Exhibit 2**, “Affordable Housing Fund FY 2023 Detail of Funded Projects” provides project details for each funding award made in FY 2023.



## HTF Loan Portfolio Status

As of June 30, 2023, all previously funded HTF loans were in good standing. The following chart shows the outstanding loan principal and interest amounts:





## INCLUSIONARY HOUSING FUND

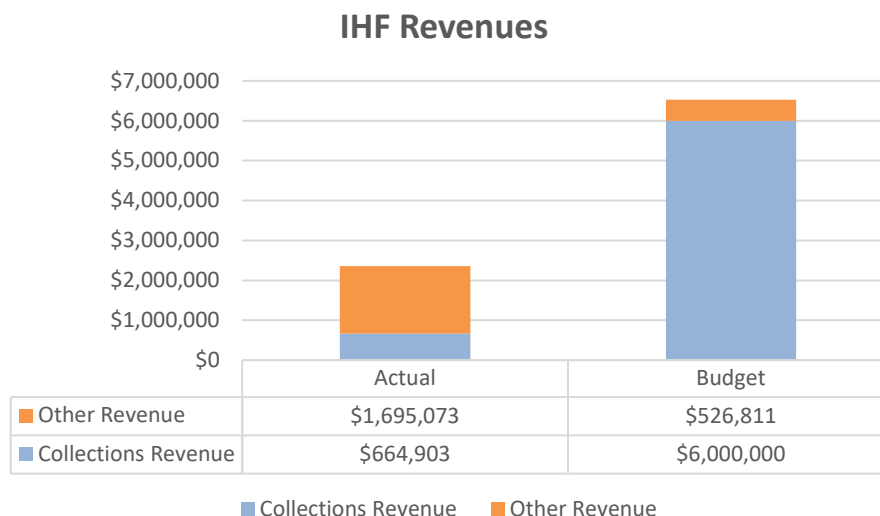
### Purpose and Use

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

Revenues, inclusive of fee collections and program income (other revenue), totaled \$2,359,976. This is approximately 64 percent lower than budgeted revenues of \$6,526,811. Fee collections can fluctuate greatly from year to year. Budgeted revenues are a conservative estimate based on past collections and anticipated uncertainty due to the change in fee structure that the City Council adopted in December 2019, which took effect in FY 2021 and is being phased in over five years. Revenues collected in excess of the budgeted figures are reallocated toward approved model programs in the AHF Plan the following year. When collections are lower than budgeted, spending in the following years may be reduced to maintain a balanced budget.

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.

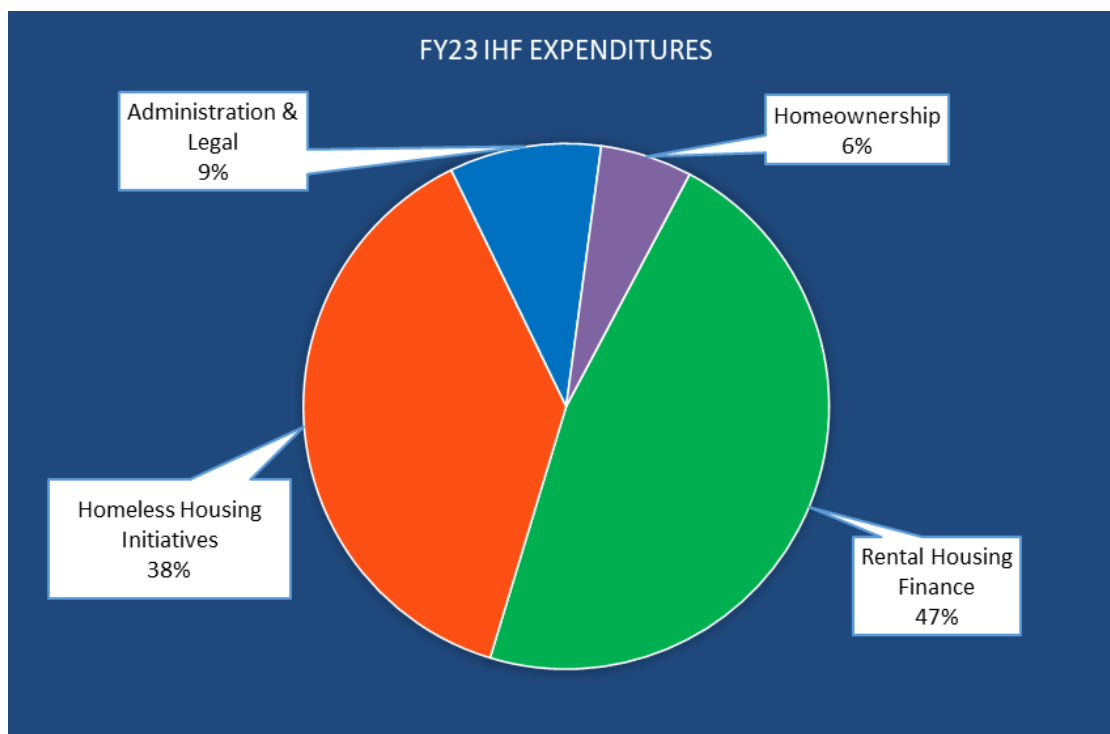


**Exhibit 4** shows the net IHF Fees collected and committed in each Community Plan Area (CPA). The Inclusionary Housing Ordinance prioritizes spending IHF revenues in the CPA of origin. Funds may be invested citywide when there is no match between the area of collection and investment opportunities.



## Fund Allocation

The following chart summarizes FY 2023 expenditures of IHF funds.



In FY 2023, \$12,864,683 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 costs.

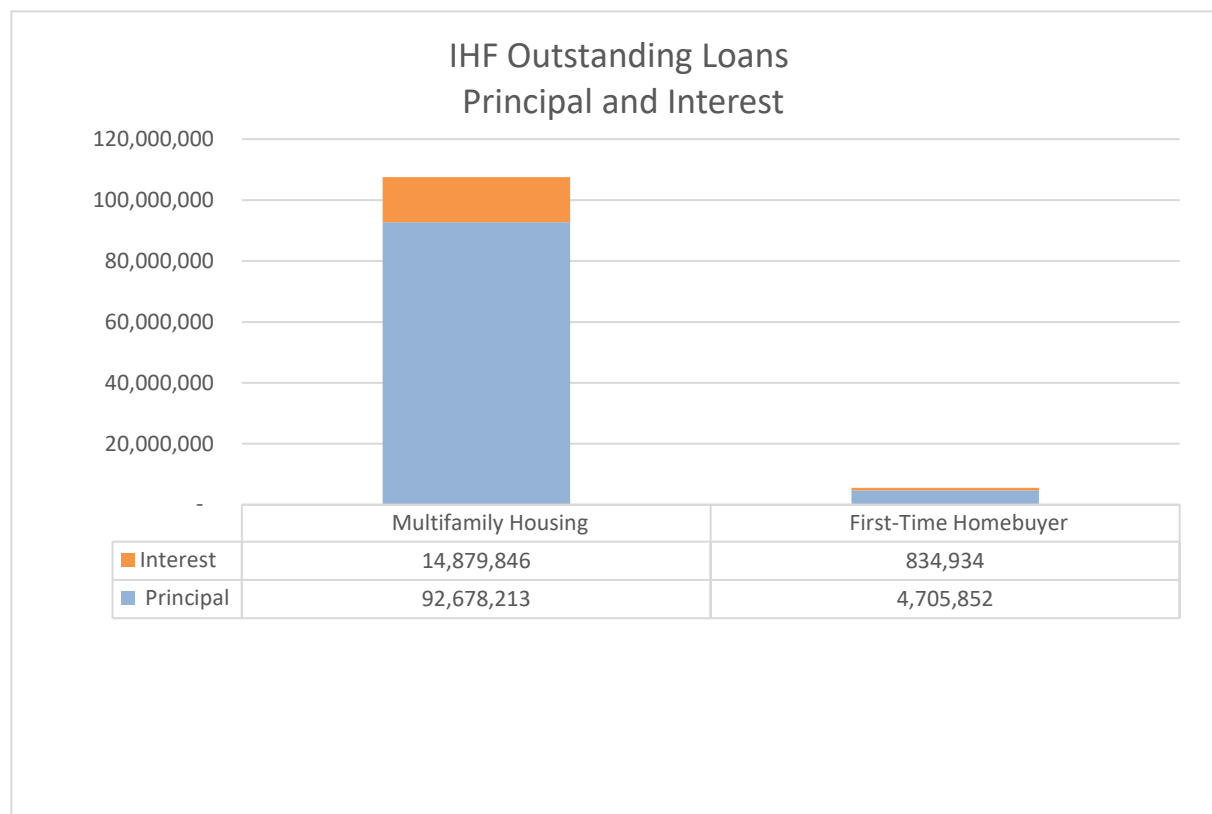
IHF funds were used to provide partial reimbursement in the amount of \$1,201,454 toward AHF administration expenses, which totaled \$1,533,374. These expenses provided partial reimbursement for costs associated with investing the funds through loans and grants, such as project solicitation/outreach, underwriting, preparation of legal documents, account setup, management, program administration and overhead expenses. An additional \$43,013 was used to support capacity building in the Homeless Housing Innovations Programs and for Technical Assistance for the Accessory Dwelling Unit (ADU) Finance Program.

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, 2023, all previously funded IHF loans were in good standing. The following chart shows outstanding loan principal and interest amounts.







## AFFORDABLE HOUSING FUND PERFORMANCE

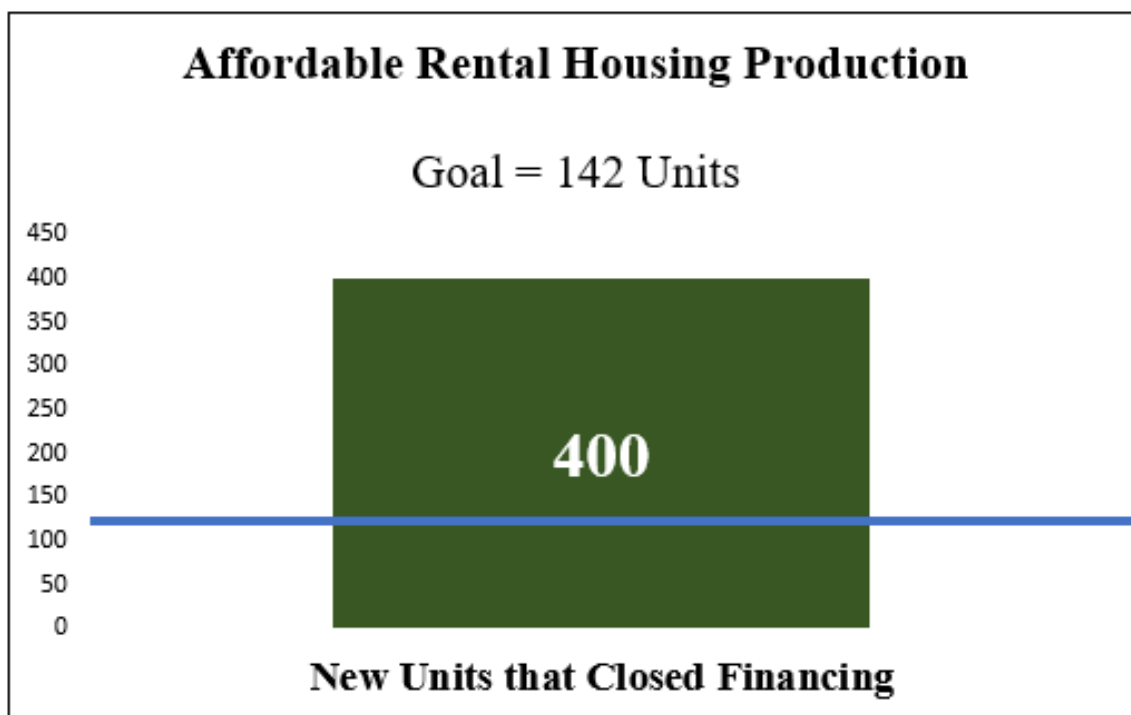
During FY 2023, the AHF committed \$17,813,524 to affordable housing activities to assist 1,951 households.

### Rental Housing Finance

#### Affordable Rental Housing Production

Five projects closed construction financing in FY 2023. These projects have AHF commitments totaling \$10,217,000 and will produce 400 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.*



### **282% of Goal Met**

The rental housing production program exceeded its goal to close construction financing on 142 units (new closings in FY 2023) by 182 percent. Five housing developments closed financing and will contribute 400 affordable housing units to the City's housing supply. All of these units are from developments that serve low-income individuals and families, including those experiencing homelessness.

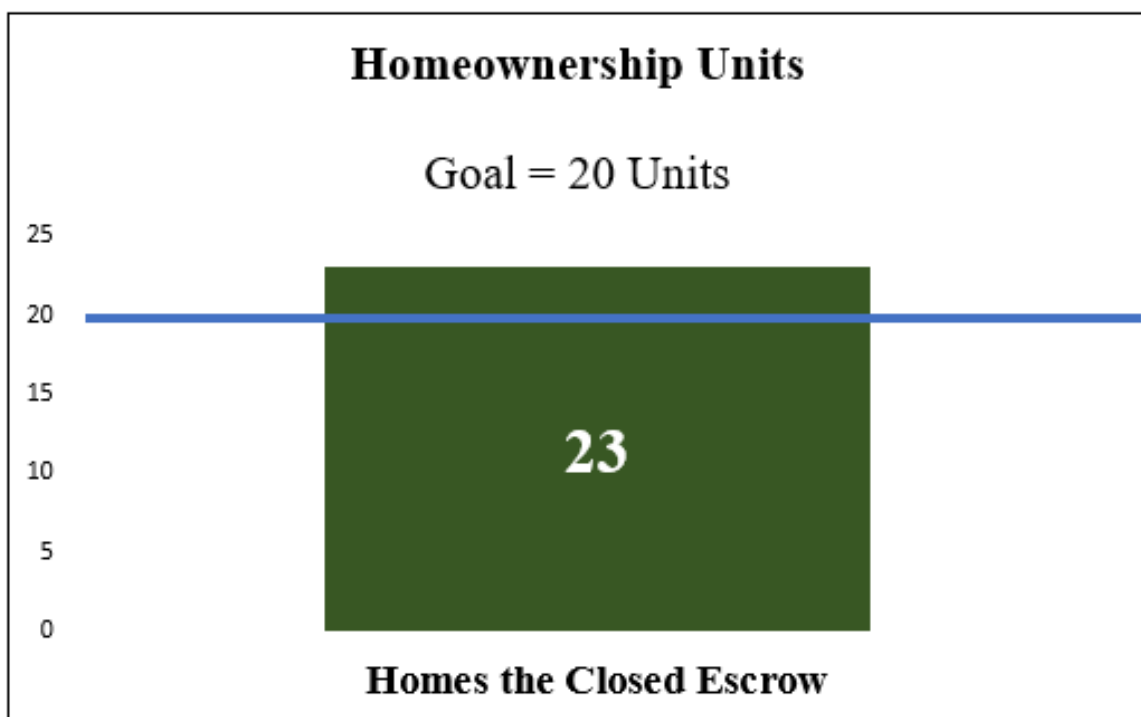
**City of San Diego Affordable Housing Fund – FY 2023 Annual Report**

During FY 2023, six AHF-financed developments were completed and began leasing. These completed developments added 637 affordable housing units.

**Exhibit 5** shows Rental Housing Production's Current Year Activities.

**Homeownership**

In FY 2023, the AHF provided \$324,730 from the IHF for the Housing Commission's Homeownership Program. The Homeownership Program provides deferred-payment loans of up to 22 percent of the purchase price and closing cost grants of up to \$10,000 to assist low-income households in the purchase of a home in the City of San Diego. In FY 2023, \$223,405 was used for closing cost grants. The AHF provided assistance for 23 households. The program spent 48 percent of its FY 2023 AHF fund allocation and leveraged approximately \$9.8 million in private, state and federal funds.





### 115% of Goal Met

The Homeownership program utilized AHF to help 23 very low- to low-income households close escrow on homes in Council Districts 3, 4, 5, 7, 8 and 9.

Home prices ranged from \$261,500 to \$650,000 for both attached and detached units. The average sales price for the assisted units remains high at \$456,322.

#### *Sales Prices*

Effective December 1, 2022, the maximum home price limit for Housing Commission loans and grants is \$603,250 for attached units and \$1,030,750 for detached units. Previously, the maximum home price limit was \$657,500 for attached units and \$975,000 for detached units. These limits are based on the HUD-approved maximum purchase price allowed for single-family attached and detached 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.

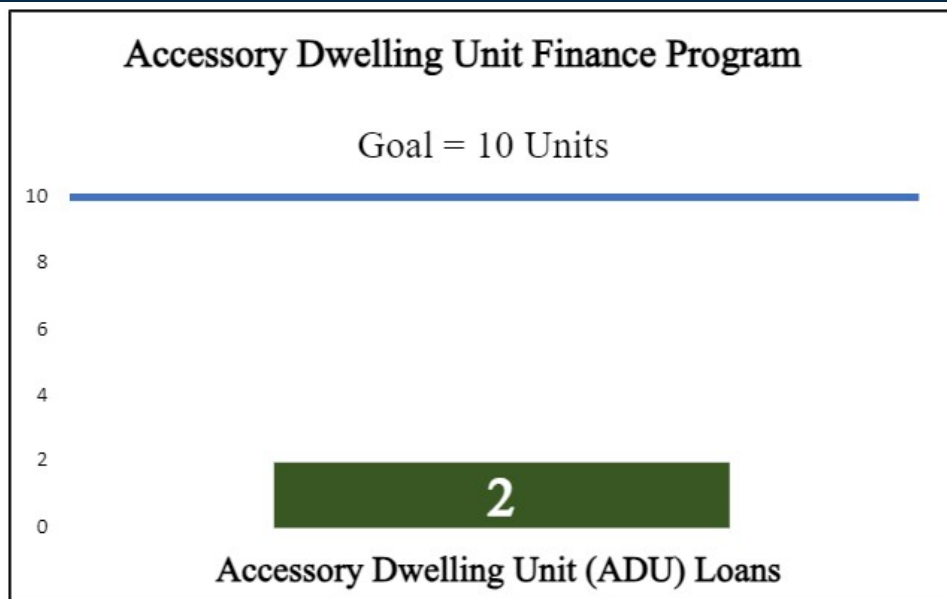
The following table summarizes the First-Time Homebuyer Inclusionary Housing programs.



First-Time Homebuyer Program			
Program	AMI	Loan/Grant Amount	Maximum Purchase Price Effective 12/1/2022
<b>3% Interest, Deferred-Payment Loan</b>	80%	22% of purchase price or appraised value; whichever is less. The minimum loan amount is \$1,000	Attached: \$603,250 Detached: \$1,030,750
<b>Closing Cost Assistance Program</b>	100%	Up to 4% of purchase price or appraised value, whichever is less, not to exceed \$10,000  Assistance can be used for all closing costs not covered by seller or lender credits.	Attached: \$603,250 Detached: \$1,030,750

#### **Accessory Dwelling Unit (ADU) Finance Program**

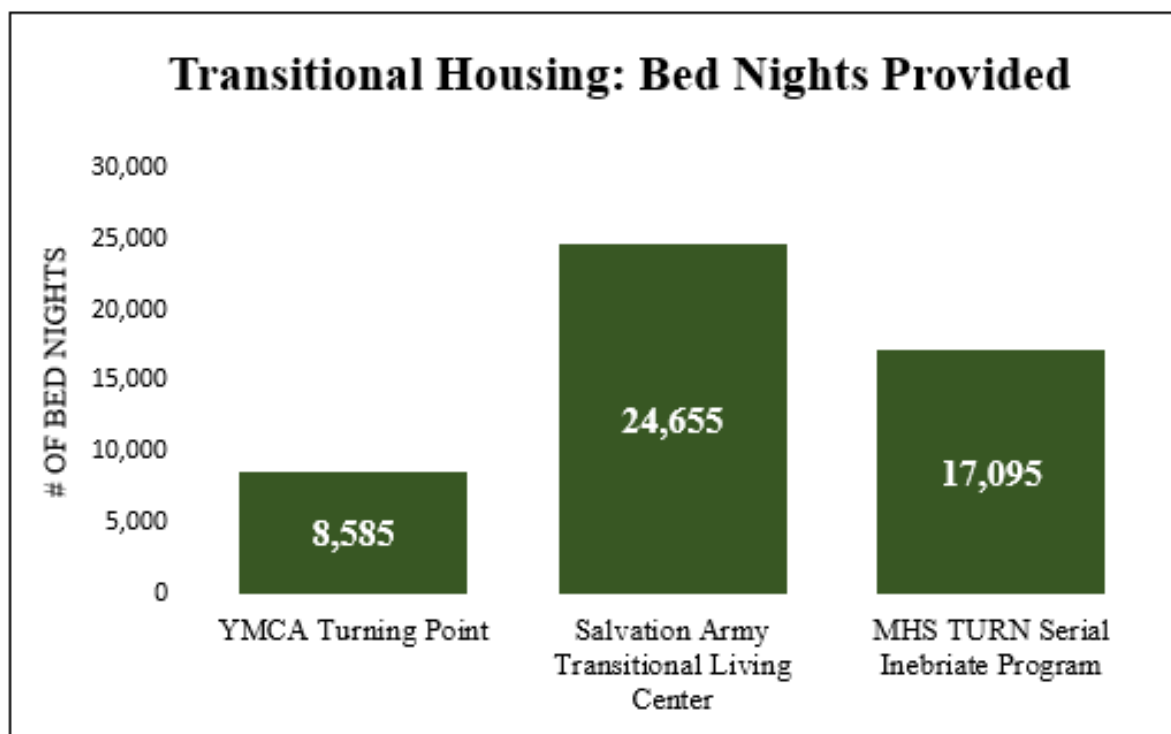
The Housing Commission launched a new ADU Finance program in April 2022, which helps homeowners with low income in the City of San Diego build ADUs on their property. The program provides financial assistance in the form of a construction loan up to \$250,000 per homeowner, and also technical assistance with an ADU Consultant who helps the homeowner understand and complete the process of building an ADU. In order to continue to accomplish the goals of increasing affordable housing supply in San Diego through construction of ADUs, in June 2023, there were two revisions to the ADU Finance Program's parameters: 1) Increasing the maximum annual income for the homeowner from the previous maximum of 80% of AMI to 120% of AMI; and 2) Increasing the ADU Construction loan amount from the previous \$200,000 to \$250,000. The ADU Finance program approved and committed funds to two ADU projects in FY 2023. The program disbursed \$1,500 in FY 2023 with the remaining funds to be disbursed in FY 2024 when construction starts and is expected to be completed.



### Homeless Housing Innovations

#### Transitional Housing

Three social services agencies provided housing and services through transitional housing programs to serve 169 extremely low-income, very low-income, and low-income households consisting of 301 individuals. These programs used \$432,920 from the AHF.

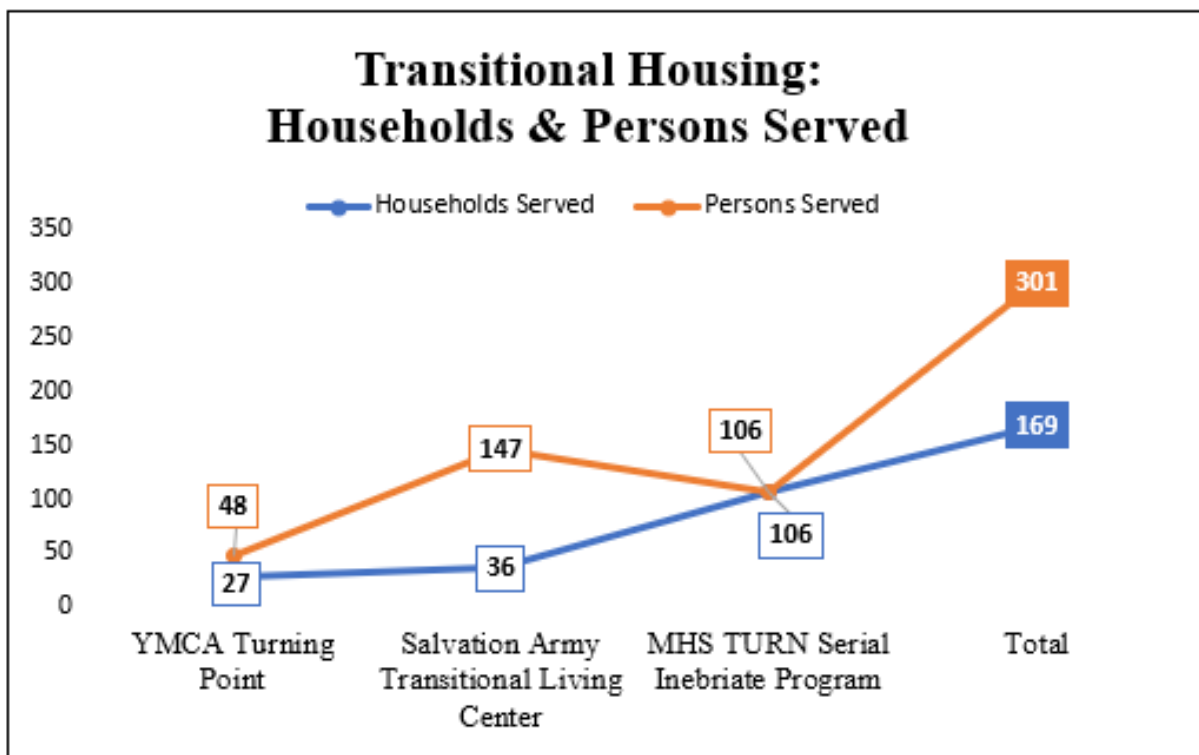




### **96% of Bed Availability Goal Met**

The AHF-funded transitional housing programs provided a combined total of 50,335 bed nights, with 143 beds contracted and available on any given night. The number of bed nights available is based on the contracted number of bed nights.





In FY 2023, 143 transitional housing beds housed 301 new, unduplicated persons in 169 households for more than 50,000 bed nights with AHF assistance.


**City of San Diego Affordable Housing Fund – FY 2023 Annual Report**

A total of \$433,809 was awarded to three transitional housing programs to provide 143 beds nightly.

<b>Name of Program</b>	<b>Number of Beds Provided (nightly bed capacity)</b>	<b>Population Served</b>	<b>Council District</b>	<b>AHF Award Amount</b>	<b>AHF Expended Amount</b>
<b>YMCA Turning Point</b>	24	Very low income (experiencing homelessness)	3	\$50,000	\$49,237
<b>Salvation Army TLC</b>	63	Very low income (experiencing homelessness)	6	\$232,309	\$232,309
<b>Mental Health Systems SIP</b>	56	Very low income (experiencing homelessness)	3	\$151,500	\$151,374
<b>Totals</b>	<b>143</b>	-	-	<b>\$433,809</b>	<b>\$432,920</b>



## **HOUSING FIRST – SAN DIEGO Programs**

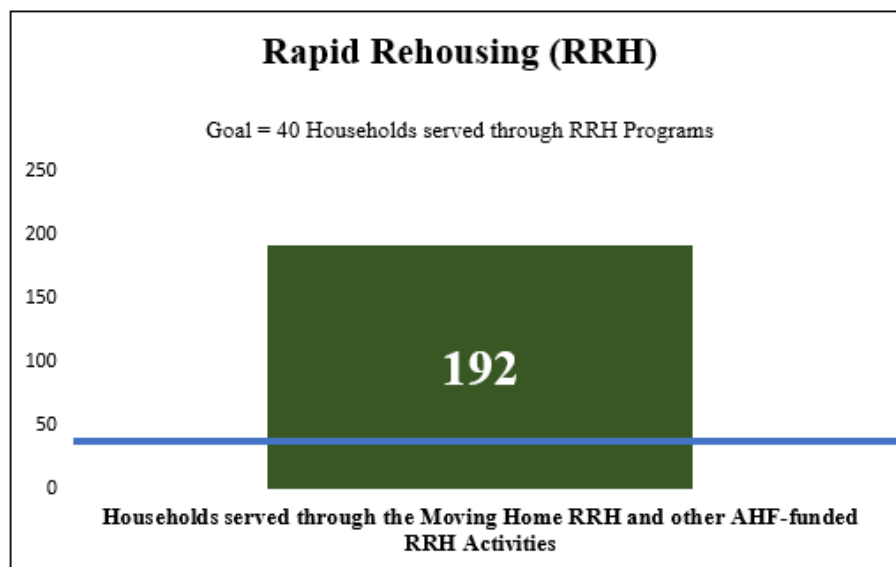
### **Rapid Rehousing**

With \$856,006 from AHF, the Housing Commission was able to fund several Rapid Rehousing programs.

The Housing Commission's Moving Home Rapid Rehousing program assisted 19 households. Of these households, 100 percent were permanently housed, including households who were originally housed in a prior fiscal year and continued to receive assistance in FY 2023. Moving Home served an additional 38 households through Moving to Work (MTW) and Emergency Solutions Grant (ESG) funds, for a total of 57 households served in FY 2023.

AHF assistance funds a Case Management position to support two Rapid Rehousing programs funded by HUD Continuum of Care (CoC) and Emergency Solutions Grant (ESG) funds and operated by the nonprofit organization People Assisting the Homeless (PATH). In FY 2023, these two Rapid Rehousing programs served 75 households. Of the 75 households served by these programs, the AHF-funded case management position provided assistance to 31 households (60 people).

Finally, funds previously allocated to the Family Reunification Program were reallocated to three subrecipient operated Homeless Housing, Assistance and Prevention (HHAP) Rapid Rehousing programs, which served 142 households, consisting of 272 persons.



**480% of Goal  
Met**

In FY 2023, the AHF Rapid Rehousing funds served 381 people within 192 households, exceeding the AHF goal of 40 households by 380 percent and 152 households.

**City of San Diego Affordable Housing Fund – FY 2023 Annual Report**

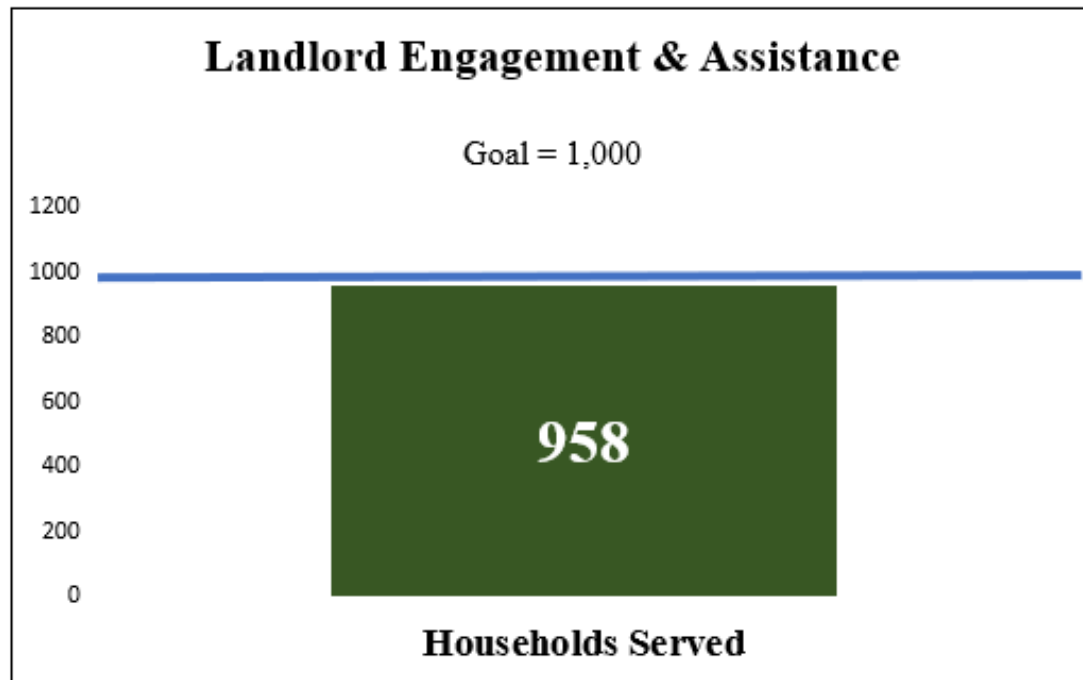
Moving Home Rapid Rehousing is designed to move individuals and families experiencing homelessness into housing as quickly as possible and then provide supportive services and connections to community services to promote stability in housing. Individuals and families experiencing homelessness are identified through the Regional Task Force on Homelessness' (RTFH) 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 \$2,544,896 from the AHF, the LEAP program assisted 958 households, including households in HOUSING FIRST – SAN DIEGO’s Moving Home Rapid Rehousing program, Prevention, Diversion, and FLEX programs. LEAP served an additional 380 households using funds through the HUD-Veterans Affairs Supportive Housing (VASH) voucher program, Emergency Housing Voucher (EHV) program and the ESG Security Deposit Plus program, for a total of 1,338 households served during FY 2023.



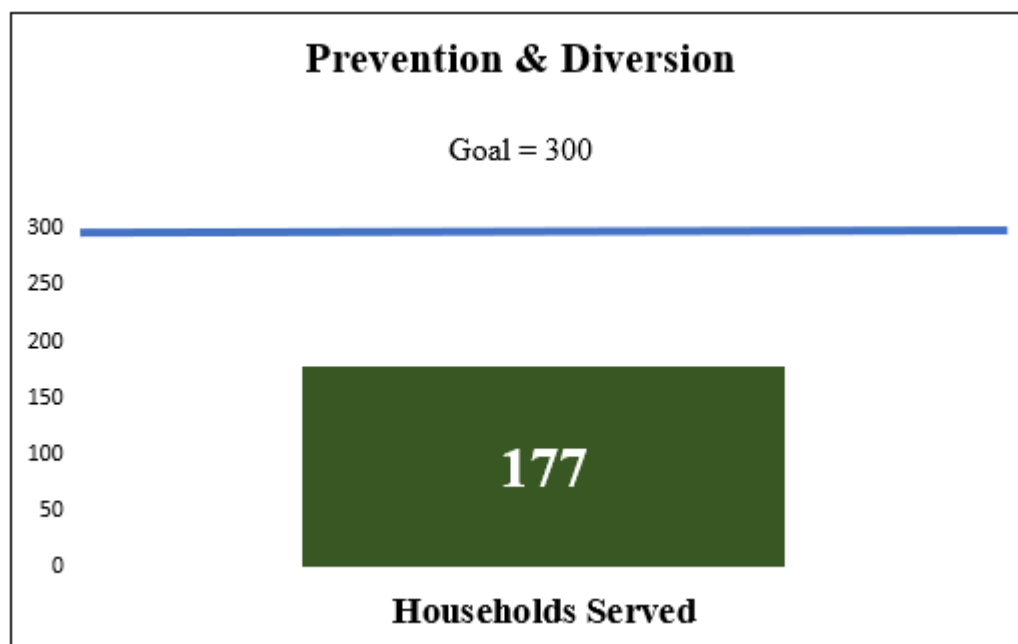
### **96% of Goal Met**

The Landlord Engagement and Assistance Program (LEAP) served 958 households, meeting 96% of the goal to serve 1,000 households in FY 2023.

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, application fees, bonuses per unit rented to clients, utility assistance and access to a Landlord Contingency Fund.

### **Prevention & Diversion**

The Prevention & Diversion program utilized \$1,347,626 of AHF funding to serve 424 individuals within 177 households.



### 59% of Goal Met

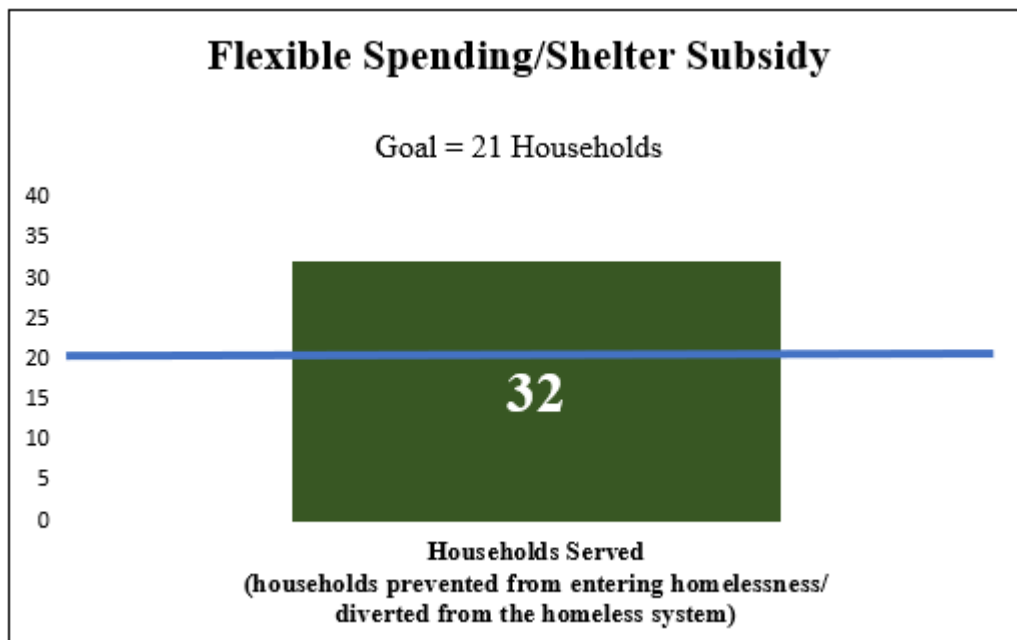
The Prevention and Diversion program served 177 households, meeting 59% percent of its goal to serve 300 households.

The Homelessness Prevention and Diversion program served a total of 177 households in FY 2023 with AHF. The Homelessness Prevention and Diversion program is in the process of ramping up staffing to meet the needs of the volume of referrals the Housing Commission receives. The Housing Commission has seen a significant increase in referrals since the eviction moratorium ended. The Housing Commission added two additional positions to the team during the third quarter of the fiscal year and is currently recruiting for additional staff for Fiscal Year 2024.

### Flexible Spending/Shelter Subsidy

With \$113,959 of AHF funds, FLEX programs served 32 households consisting of 42 persons, exceeding its goal to serve 21 households.





### **Capacity Building**

The FY 2023 AHF Annual Plan allocated funding for capacity building within the Homeless Housing Innovations Programs and for Technical Assistance for the Accessory Dwelling Unit (ADU) Finance Program. Total expenditures in FY 2023 were \$43,013.

The funding was used to provide technical assistance and consultation services to the Housing Commission's Strategic Initiatives and Homelessness Innovations Division on activities, including providing support for the longitudinal evaluation of Plaza Hotel, support to strengthen the provision of wraparound supportive services at permanent supportive housing sites and identifying system-level issues, and the development of a compensation analysis of frontline staff in the homelessness services sector. Funding also supported targeted training on working with unhoused undocumented households to service providers contracted to do homelessness services on behalf of the Housing Commission.

The ADU Finance Program helps homeowners with low income in the City of San Diego build ADUs on their property. The program provides financial assistance in the form of construction loans (up to \$250,000) and technical assistance that helps homeowners understand and complete the process of building an ADU. The technical assistance provided to the homeowner is through the utilization of an ADU Consultant who helps with all aspects of the ADU construction from pre-design, vendor selection, permits to construction management – at no cost to the homeowner. In FY 2023, \$1,500 was expended toward services provided by the ADU Consultant.



## EXHIBITS



## Exhibit 1 - Housing Trust Fund FY 2023 Ordinance Test

## EXHIBIT 1

## Housing Trust Fund FY23 Ordinance Tests

Housing Program Funds (below):	\$	4,616,920
Admin/Legal:		308,383
Other Expenses (City Staff Time)		23,537
<b>Total HTF:</b>	<b>\$</b>	<b>4,948,841</b>

Program	Project	Income Level/Percentage of Area Median Income		
		Very Low	Low	Med.-Mod.
		0-50% AMI	51-80% AMI	81-100% AMI
Rental Housing Production				
	Ventana al Sur	\$ 1,500,000	\$ -	\$ -
	Tranquility at Post 310	\$ 404,762	\$ 95,238	\$ -
	Modica	\$ 263,441	\$ 236,559	\$ -
	Cortez Hill	\$ 1,684,000	\$ -	\$ -
Transitional Housing				
	Serial Inebriate Program (MHS)	\$ 151,374		
	Transitional Living Center (The Salvation Army)	\$ 232,309		
	Turning Point (YMCA)	\$ 49,237		
<b>TOTAL HOUSING PROGRAM FUNDS</b>		<b>\$ 4,285,123</b>	<b>\$ 331,797</b>	<b>\$ -</b>

Ordinance Tests

<u>Required Percent</u>	<u>Actual Percent</u>
Transitional Housing - 10%	9%
Very Low Income - 60% minimum	93%
Low Income - 20% Maximum	7%
Med/Mod Inc. Homebuyers - 10% Maximum	0%



# City of San Diego Affordable Housing Fund – FY 2023 Annual Report

## Exhibit 2 - Affordable Housing Fund FY 2023 Detail of Funded Projects

Exhibit 2

### AFFORDABLE HOUSING FUND FY2023 DETAIL OF COMMITMENTS

Activity/Sponsor	Project	Community Area	Amount Committed / Expended	Units/Beds Assisted	Council District	Income Level
<b>Rental Housing Production</b>						
MAAC/Kingdom Development	Ventana al Sur	San Ysidro	\$ 2,900,000	100	8	25 ELI / 75 VLI
Hitzke Development Corporation / Housing Innovation Partners	Tranquility at Post 310	Encanto	\$ 2,883,000	42	4	20 ELI / 14 VLI / 8 LI
Chelsea Investment Corporation	Modica	Clairemont	\$ 600,000	93	2	22 ELI / 27 VLI / 44 LI
Community Housing Works	Cortez Hill	Cortez Hill Active Residents Group	\$ 1,684,000	87	3	54 ELI / 33 VLI
Chelsea Investment Corporation	Mt Etna - Messina	Clairemont	\$ 2,150,000	78	6	9 ELI / 40 VLI / 29 LI
<b>TOTAL</b>			<b>\$ 10,217,000</b>	<b>400</b>		<b>130 ELI / 189 VLI / 81 LI</b>
<b>Homeownership</b>						
San Diego Housing Commission	Loans/Closing Cost Grants	Citywide	\$ 324,730	23	3, 4, 5, 7, 8, 9	23 LI
San Diego Housing Commission	Accessory Dwelling Unit Loans	Citywide	\$ 400,000	2	4, 9	1 LI / 1 VLI
<b>TOTAL</b>			<b>\$ 724,730</b>	<b>25</b>		<b>24 LI / 1 VLI</b>
<b>Transitional and Interim Housing</b>						
Mental Health Systems	Serial Inebriate Program	City Heights	\$ 151,374	106	3	96 ELI / 9 VLI / 1 LI
The Salvation Army	Transitional Living Center	Kearny Mesa	\$ 232,309	36	6	33 ELI / 3 VLI
YMCA	Turning Point	City Heights	\$ 49,237	27	3	25 ELI / 2 VLI
<b>TOTAL</b>			<b>\$ 432,920</b>	<b>169</b>		<b>154 ELI / 14 VLI / 1 LI</b>
<b>Housing First San Diego</b>						
San Diego Housing Commission	Moving Home / Rapid Rehousing	Citywide	\$ 856,006	192	Citywide	180 ELI / 11 VLI / 1 LI
San Diego Housing Commission	Landlord Engagement &	Citywide	\$ 2,544,896	958	Citywide	877 ELI / 67 VLI / 14 LI
San Diego Housing Commission	Prevention & Diversion	Citywide	\$ 1,347,626	177	Citywide	74 ELI / 71 VLI / 32 LI
San Diego Housing Commission	Flexible Spending/Shelter Subsidy	Citywide	\$ 113,959	32	Citywide	25 ELI / 7 VLI
<b>TOTAL</b>			<b>\$ 4,862,487</b>	<b>1359</b>		<b>1156 ELI / 156 VLI / 47 LI</b>
<b>TOTAL</b>			<b>\$ 16,237,137</b>			

<b>ELI</b>	<b>Extremely Low Income (0-30%)</b>
<b>VLI</b>	<b>Very Low Income (31-50%)</b>
<b>LI</b>	<b>Low Income (51-80%)</b>
<b>MI</b>	<b>Moderate Income (81-120%)</b>



# City of San Diego Affordable Housing Fund – FY 2023 Annual Report

## Exhibit 3 - Affordable Housing Fund FY 2023 Summary of Funding & Leverage

EXHIBIT 3

### AFFORDABLE HOUSING FUND FY2023 SUMMARY OF COMMITMENTS & LEVERAGE

Activity	Amount Committed	Assisted Units/Households	Leverage			
			Private	Local-Other	State	Federal
Rental Housing Production	\$ 10,217,000	400	\$ 40,201,962	\$ 33,827,926	\$ 85,654,395	\$ 59,452,312
Homeownership	\$ 724,730	25	\$ 7,777,945	\$ -	\$ 1,484,881	\$ 581,930
Transitional Housing	\$ 432,920	169	\$ 565,002	\$ 2,181,250	\$ 350,000	\$ 177,096
Rapid Re Housing	\$ 856,006	192	\$ 47,923	\$ -	\$ 1,135,027	\$ -
Landlord Engagement & Assistance	\$ 2,544,896	958	\$ -	\$ -	\$ -	\$ -
Prevention & Diversion	\$ 1,347,626	177	\$ -	\$ -	\$ -	\$ -
Flexible Spending/Shelter Subsidy	\$ 113,959	32	\$ -	\$ -	\$ -	\$ -
Capacity Building	\$ 43,013	-	\$ -	\$ -	\$ -	\$ -
Admin	\$ 1,533,374	-	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 17,813,524</b>	<b>1953</b>	<b>\$ 48,592,832</b>	<b>\$ 36,009,176</b>	<b>\$ 88,624,303</b>	<b>\$ 60,211,338</b>
			<b>TOTAL LEVERAGE</b>	<b>\$ 233,437,649</b>		

## City of San Diego Affordable Housing Fund – FY 2023 Annual Report



## Exhibit 4 - San Diego IHF Affordable Housing Fee Collections

Exhibit 4 - San Diego IHF Affordable Housing Fee Collections				
CD	COMMUNITY	FY04-FY22	FY2023	TOTAL
8	Barrio Logan	\$ 66,086.81	\$ -	\$ 66,086.81
5	Carmel Mountain Ranch	\$ 224,525.00	\$ -	\$ 224,525.00
1	Carmel Valley	\$ 3,101,086.30	\$ -	\$ 3,101,086.30
2	Centre City	\$ 56,046,346.46	\$ -	\$ 56,046,346.46
3 & 9	City Heights	\$ 41,521.50	\$ -	\$ 41,521.50
6	Clairemont Mesa	\$ 6,925,710.59	\$ 146,736.00	\$ 7,072,446.59
9	College	\$ 4,478,592.92	\$ 58,866.41	\$ 4,537,459.33
7	Eastern Area	\$ 15,596.00	\$ -	\$ 15,596.00
4	Encanto	\$ -	\$ -	\$ -
3 & 8	Golden Hill	\$ 1,290,382.67	\$ -	\$ 1,290,382.67
6	Kearny Mesa	\$ 5,683,019.47	\$ -	\$ 5,683,019.47
3 & 9	Kensington-Talmadge	\$ 3,053.75	\$ -	\$ 3,053.75
1	La Jolla	\$ 2,947,050.03	\$ 2.55	\$ 2,947,052.58
6	Linda Vista	\$ 6,524,852.76	\$ -	\$ 6,524,852.76
3 & 7	Mid-City	\$ 5,990,459.16	\$ 56,518.56	\$ 6,046,977.72
2	Midway/Pacific Hwy Corr.	\$ 7,129,249.17	\$ -	\$ 7,129,249.17
6	Miramar Ranch North	\$ -	\$ -	\$ -
5	Mira Mesa	\$ 854,946.09	\$ -	\$ 854,946.09
2	Mission Beach	\$ 1,047,511.35	\$ 6,726.90	\$ 1,054,238.25
6	Mission Valley	\$ 19,485,382.64	\$ -	\$ 19,485,382.64
7 & 9	Navajo	\$ 11,030,325.12	\$ -	\$ 11,030,325.12
3	Normal Heights	\$ 41,430.01	\$ -	\$ 41,430.01
3	North Park	\$ 2,549,836.11	\$ 259,909.81	\$ 2,809,745.92
2	Ocean Beach	\$ 451,514.82	\$ -	\$ 451,514.82
2	Old Town	\$ 88,566.08	\$ -	\$ 88,566.08
8	Otay Mesa	\$ 3,355,777.84	\$ -	\$ 3,355,777.84
8	Otay Mesa/Nestor	\$ 2,725,380.61	\$ -	\$ 2,725,380.61
2	Pacific Beach	\$ 2,941,345.19	\$ -	\$ 2,941,345.19
1	Pacific Highlands Ranch	\$ -	\$ -	\$ -
2	Peninsula	\$ 2,833,448.67	\$ 133,978.12	\$ 2,967,426.79
5	Rancho Bernardo	\$ -	\$ -	\$ -
5 & 6	Rancho Penasquitos	\$ 8,625.00	\$ -	\$ 8,625.00
5	Sabre Springs	\$ 696,636.59	\$ -	\$ 696,636.59
8	San Ysidro	\$ 153,289.48	\$ -	\$ 153,289.48
5	Scripps Miramar Ranch	\$ 2,949,449.34	\$ -	\$ 2,949,449.34
6	Serra Mesa	\$ 370,697.58	\$ -	\$ 370,697.58
4	Skyline/Paradise Hills	\$ 1,355,396.26	\$ -	\$ 1,355,396.26
4 & 8	Southeastern San Diego	\$ 837,736.33	\$ 31.85	\$ 837,768.18
7	Tierrasanta	\$ 2,382,895.40	\$ -	\$ 2,382,895.40
1	Torrey Pines	\$ 11,424.84	\$ -	\$ 11,424.84
1	University City	\$ 8,153,304.40	\$ -	\$ 8,153,304.40
2 & 3	Uptown	\$ 2,242,418.94	\$ -	\$ 2,242,418.94
3	Ballpark Village contribution to 16th & Market in Centre City	\$ 20,244,757.00		\$ 20,244,757.00
	Interest	\$ 616,259.11	\$ 2,132.37	\$ 618,391.48
	AR-FICA	\$ 17,065.13		\$ 17,065.13
	<b>Total Fees, Interest &amp; AR-FICA</b>	<b>\$ 187,912,952.52</b>	<b>\$ 664,902.57</b>	<b>\$ 188,577,855.09</b>





## City of San Diego Affordable Housing Fund – FY 2023 Annual Report

### Exhibit 5 - FY 2023 Rental Housing Production Current Year Activities



**Project Name:** Post 310

**Project Address:** 465 47th Street

**Neighborhood/Council District:** Encanto Neighborhood/District 4

**Estimated Completion Date:** April 2024

**Bedroom Mix:** 43 total units. Affordable units: 42 one-bedroom

**AMI Range:** 30%-60%

**AHF investment:** \$2,883,000

**Target Population:** Low-income individuals/veterans, including those experiencing homelessness.



**Project Name:** Ventana al Sur

**Project Address:** 4132 Beyer Blvd

**Neighborhood/Council District:** San Ysidro /District 8

**Estimated Completion Date:** June 2024

**Bedroom Mix:** 101 total units. Affordable units: 80 one-bedroom, 20 two-bedroom

**AMI Range:** 20%-50%

**AHF investment:** \$2,900,000

**Target Population:** Low-income individuals, including those experiencing homelessness.



**Project Name:** Cortez Hill

**Project Address:** 915 Beech Street

**Neighborhood/Council District:** Cortez/District 3

**Estimated Completion Date:** December 2024

**Bedroom Mix:** 88 total units. Affordable units: 79 one-bedroom, 8 two-bedroom

**AMI Range:** 30%-40%

**AHF investment:** \$1,684,000

**Target Population:** Very low- and low-income individuals & Households experiencing chronic homelessness.



## City of San Diego Affordable Housing Fund – FY 2023 Annual Report



**Project Name:** Mt. Etna - Messina  
**Project Address:** 5255 Mt. Etna Drive  
**Neighborhood/Council District:** Clairemont Mesa/District 2  
**Estimated Completion Date:** December 2025  
**Bedroom Mix:** 79 total units. Affordable units: 5 studio, 73 one-bedroom  
**AMI Range:** 30%-80%  
**AHF investment:** \$2,150,000  
**Target Population:** Low-income seniors.



**Project Name:** Mt. Etna - Modica  
**Project Address:** 5255 Mt. Etna Drive  
**Neighborhood/Council District:** Clairemont Mesa/District 2  
**Estimated Completion Date:** December 2025  
**Bedroom Mix:** 94 total units. Affordable units: 42 one-bedroom, 26 two-bedroom, 25 three-bedroom.  
**AMI Range:** 30%-60%  
**AHF investment:** \$600,000  
**Target Population:** Low-income families.



## Exhibit 6 - Inclusionary Reporting

## INCLUSIONARY REPORTING REQUIREMENTS FY 2023

EXHIBIT 6

Inclusionary Affordable Housing Fees Paid	\$ 662,770
Waivers, Variance, Reductions or Adjustments Requests Approved	-

District	Permit applications (#)	Approved Projects subject to Inclusionary Ordinance (#)	Affordable Units Built (#)	Market Rate Units Built (#)
Total	67,855	30	564	4884
1	9,041	4	0	0
2	7,600	5	0	0
3	14,084	15	35	344
4	4,773	1	6	94
5	7,584	0	81	455
6	8,160	1	0	0
7	6,620	0	430	3870
8	4,712	3	12	121
9	5,281	1	0	0







## Exhibit 7 - San Diego Housing Income and Rent Calculations

U.S. Department of Housing and Urban Development				
2023 San Diego Median Income:				
<b>\$116,800</b>				
*Income Limits 80% and Below are Based on HUD Formula Income Limits Adjusted for High Housing Cost Area				

	Extremely Low Income			Very Low Income
Family Size	30% Income	35% Income	40% Income	50% Income
ONE	\$28,950	\$33,800	\$38,600	\$48,250
TWO	\$33,100	\$38,600	\$44,100	\$55,150
THREE	\$37,250	\$43,450	\$49,600	\$62,050
FOUR	\$41,350	\$48,250	\$55,100	\$68,900
FIVE	\$44,700	\$52,150	\$59,550	\$74,450
SIX	\$48,000	\$56,000	\$63,950	\$79,950
SEVEN	\$51,300	\$59,850	\$68,350	\$85,450
EIGHT	\$54,600	\$63,700	\$72,750	\$90,950

	Low Income			
Family Size	60% Income	65% Income	70% Income	80% Income
ONE	\$57,900	\$62,700	\$67,500	\$77,200
TWO	\$66,180	\$71,650	\$77,150	\$88,200
THREE	\$74,460	\$80,600	\$86,800	\$99,250
FOUR	\$82,680	\$89,550	\$96,450	\$110,250
FIVE	\$89,340	\$96,700	\$104,150	\$119,100
SIX	\$95,940	\$103,900	\$111,900	\$127,900
SEVEN	\$102,540	\$111,050	\$119,600	\$136,750
EIGHT	\$109,140	\$118,200	\$127,300	\$145,550

	Moderate Income	Moderate Income	Moderate Income	Moderate Income
Family Size	90% Income	100% Income	110% Income	120% Income
ONE	\$79,475	\$81,750	\$89,950	\$98,100
TWO	\$90,825	\$93,450	\$102,800	\$112,100
THREE	\$102,175	\$105,100	\$115,650	\$126,150
FOUR	\$113,525	\$116,800	\$128,500	\$140,150
FIVE	\$122,625	\$126,150	\$138,800	\$151,350
SIX	\$131,700	\$135,500	\$149,050	\$162,550
SEVEN	\$140,800	\$144,850	\$159,350	\$173,800
EIGHT	\$149,875	\$154,200	\$169,600	\$185,000