



SAN DIEGO
HOUSING
COMMISSION

INFORMATIONAL REPORT

DATE ISSUED: September 3, 2026

REPORT NO: HCR26-050

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of September 11, 2026

SUBJECT: Investment Report – Fourth Quarter Fiscal Year 2026

COUNCIL DISTRICT: Citywide

NO ACTION IS REQUIRED ON THE PART OF SDHC BOARD OF COMMISSIONERS

SUMMARY

The attached Quarterly Investment Report details the San Diego Housing Commission's (SDHC) investment portfolio as of June 30, 2026. The report includes both summary and detailed information on all liquid cash and cash equivalents and core investments that SDHC owned. These funds, however, are not indicative of funds available for discretionary use as they are: 1) earmarked for loans and grants that SDHC has committed to fund through approval by the SDHC Board of Commissioners (Board), or 2) restricted to federal, state and/or local programmatic requirements and designated for purposes in SDHC's Housing Authority-approved budget.

Fourth Quarter – As of June 30, 2026

The market value of the portfolio on June 30, 2026, was \$142.21 million, compared to \$137.80 million in the previous quarter, resulting in an overall investment portfolio increase of \$4.41 million. On June 30, 2026, the overall investment portfolio had a yield to maturity of 3.87 percent and average days to maturity of 559, or 1.53 years, compared to the overall investment portfolio on March 31, 2026, which had a yield to maturity of 3.81 percent and average days to maturity of 491 or 1.35 years.

Cash and cash equivalents (liquid)

1. \$59.99 million is held in various accounts, including SDHC's bank, US Bank (\$41.82 million) and other various authorized accounts required by lending agreements and program obligations (\$18.17 million).
2. \$18.54 million is held in pooled investment funds. Pooled funds include California's Local Agency Investment Fund (LAIF) and the San Diego County Investment Pool (SDCIP).

The blended yield on pooled investment funds was 3.87 percent, an increase of 0.02 percent from the previous quarter.

The blended yield on core investments was 3.86 percent, an increase of 0.09 percent from the previous quarter.

The overall market value of the investment portfolio increased \$4.41 million compared to the prior quarter. The \$4.41 million increase during the quarter was mainly due to real estate portfolio operations receipts of \$3.4 million and Wells Fargo Foundation grant receipts of \$1.3 million.

SDHC STRATEGIC PLAN

This item relates to the Core Value “Commit to transparency and being strong financial stewards” in SDHC’s Strategic Plan for Fiscal Years (FY) 2026 – 2030.

NONDISCRIMINATION ASSURANCE

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

CONCLUSION

The SDHC investment portfolio maintains its conservative profile with high-quality, short-duration core investments and sufficient cash and liquidity to meet SDHC’s obligations. The investment portfolio will be managed with these underlying objectives in mind: focus on ensuring the safety of the principal, extending duration while maintaining sufficient liquidity to meet operational requirements, generate investment yield, and when possible, invest locally.

Recent economic news has highlighted the U.S economy remaining resilient as AI-driven investment offsets a moderating consumer. Inflation may be at or near its peak as the energy shock fades, though continuing flare-ups in the Middle East continue to remain as key risks to core inflation. The Federal Reserve has left policy rates unchanged, with no rate cuts expected and potentially at least one rate hike expected this year.

Respectfully submitted,



Adrian Aguayo
Interim Director
Financial Services Department

Approved by,



Azucena Valladolid
Chief Operating Officer
San Diego Housing Commission

Attachments: 1) SDHC Quarterly Financial Investment Report Ending June 30, 2026

A printed copy is available for review during business hours at the information desk in the main lobby of SDHC’s offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the “Governance & Legislative Affairs” section of SDHC’s website at www.sdhc.org.



We're About People

San Diego Housing Commission Q4 FY2026 Investment Report

Finance Department

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INVESTMENT POLICY SUMMARY

In 2005, SDHC approved an Investment Policy which allows the agency to invest surplus funds in accordance with the provisions of U.S. Department of Housing & Urban Development (HUD) Notice PIH 96-33 and California Government Code Sections 5922 and 53601.

The Investment Policy contains the required standards of care that include prudence, ethics, conflict of interest and delegation of authority. Additionally, the policy states the general objectives of safety, liquidity, yield and local considerations must be followed. Finally, the policy provides guidance concerning authorized financial institutions, depositories and broker/dealers; asset safekeeping and custody; authorized and suitable investment types; collateralization and diversification.

SAN DIEGO HOUSING COMMISSION

PORTFOLIO SUMMARY BY INVESTMENT TYPE

June 30, 2026

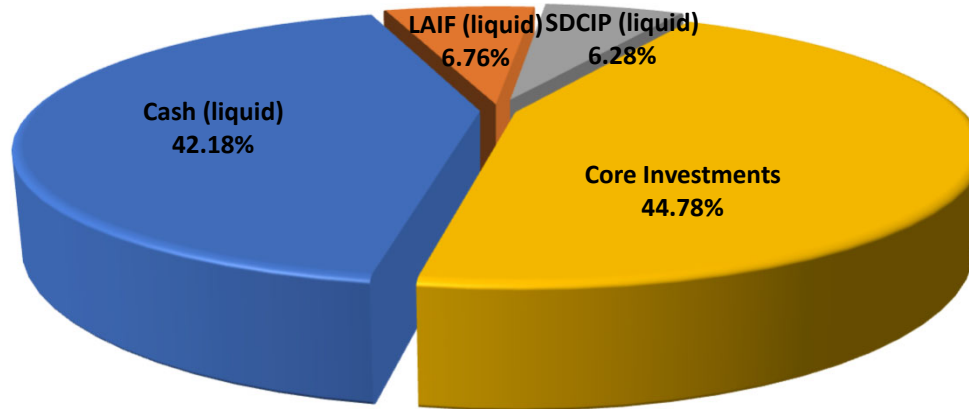
Investments	Book Value (millions)	Percent of Portfolio	Market Value (millions)	Market Price	Fair Market Value Adj.	Original Term	Yield to Maturity	Days to Maturity
Cash - unrestricted	\$41.82	29.42%	\$41.82					
Cash - restricted	\$18.17	12.78%	\$18.17					
Local Agency Investment Fund (LAIF)	\$9.61	6.76%	\$9.61	100.00%	\$0.00	1	3.82%	1
San Diego County Investment Pool (SDCIP)	\$8.93	6.28%	\$8.93	100.00%	\$0.00	1	3.93%	1
Total liquid investments	\$78.53	55.25%	\$78.53	100.00%	\$0.00	1	3.87%	1
Agency Bonds	\$63.60	44.75%	\$63.68	100.61%	\$0.08	1,172	3.86%	722
Certificate of Deposits (FDIC)	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0	0.00%	0
Total core investments	\$63.60	44.75%	\$63.68	100.61%	\$0.08	1,172	3.86%	722
Total liquid and core investments	\$142.13	100%	\$142.21	100.27%	\$0.08	907	3.87%	559
Current Portfolio Average Maturity		1.53	Years					

March 31, 2026

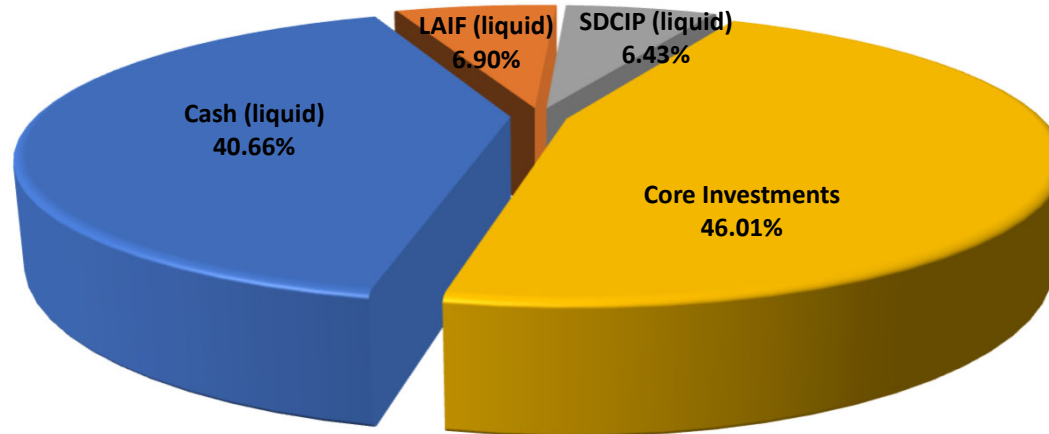
Investments	Book Value (millions)	Percent of Portfolio	Market Value (millions)	Market Price	Fair Market Value Adj.	Original Term	Yield to Maturity	Days to Maturity
Cash - unrestricted	\$40.42	29.31%	\$40.42					
Cash - restricted	\$15.61	11.32%	\$15.61					
Local Agency Investment Fund (LAIF)	\$9.51	6.90%	\$9.51	100.00%	\$0.00	1	3.83%	1
San Diego County Investment Pool (SDCIP)	\$8.86	6.42%	\$8.86	100.00%	\$0.00	1	3.87%	1
Total liquid investments	\$74.40	53.95%	\$74.40	100.00%	\$0.00	1	3.85%	1
Agency Bonds	\$63.51	46.05%	\$63.40	99.83%	-\$0.11	1,232	3.77%	633
Certificate of Deposits (FDIC)	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0	0.00%	0
Total core investments	\$63.51	46.05%	\$63.40	99.83%	-\$0.11	1,232	3.77%	633
Total liquid and core investments	\$137.91	100%	\$137.80	99.92%	-\$0.11	956	3.81%	491
Current Portfolio Average Maturity		1.35	Years					

ASSET ALLOCATION BY QUARTER

June 30, 2026



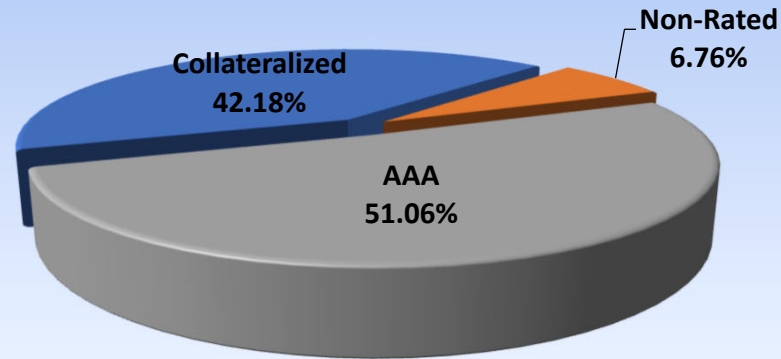
March 31, 2026



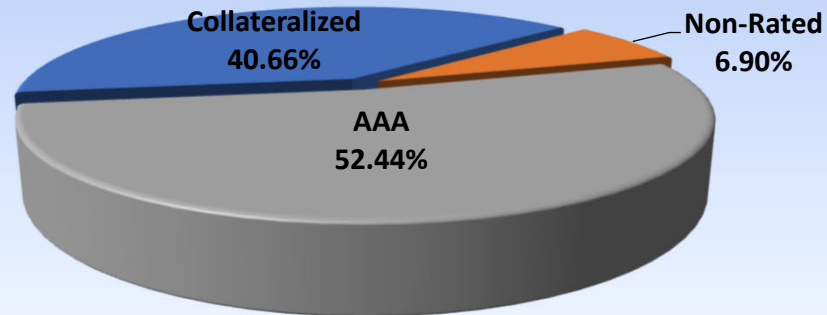
Market Value in Millions			
	03/31/26	06/30/26	Variance
Cash (liquid)	\$ 56.03	\$ 59.99	\$ 3.96
LAIF (liquid)	\$ 9.51	\$ 9.61	\$ 0.10
SDCIP (liquid)	\$ 8.86	\$ 8.93	\$ 0.07
Core Investments	\$ 63.40	\$ 63.68	\$ 0.28
Total	\$ 137.80	\$ 142.21	\$ 4.41

PORTFOLIO CREDIT QUALITY* BY QUARTER

June 30, 2026



March 31, 2026

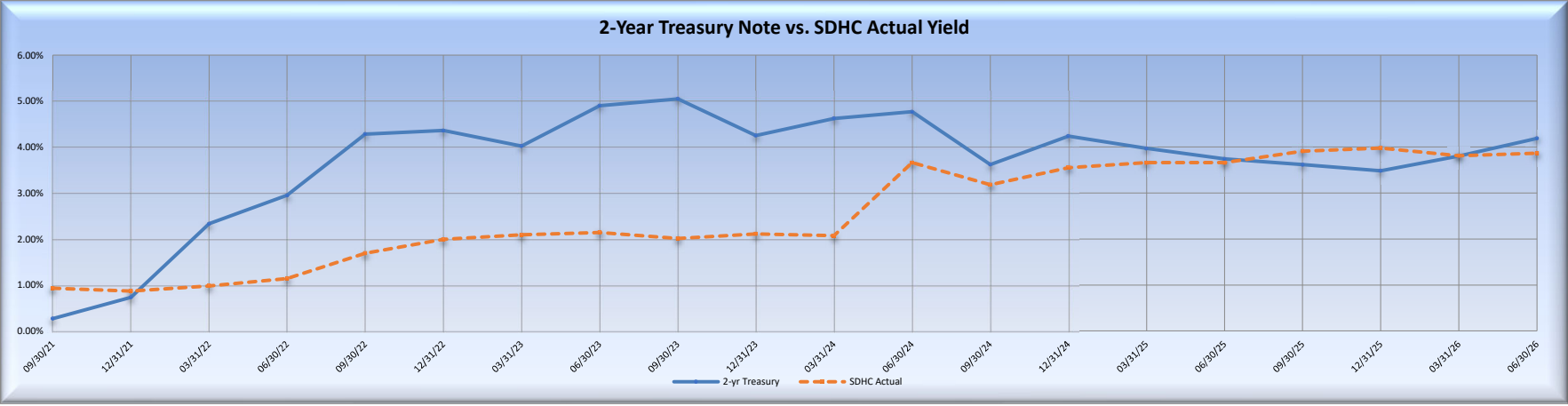


Note: Mortgage-backed securities (MBS) are included with other AAA rated securities. While the rating agencies do not specifically rate MBS, they carry an implied AAA rating based on the collateral and the rating of the Agency (Fannie/Freddie) that issues/guarantees them.

Non-Rated securities in SDHC's portfolio represents investments in the State of California's Local Agency Investment Fund (LAIF). The lack of a rating does not imply a negative credit quality.

Portfolio Maturity Schedule

Investments	1 day to 90 days	91 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Total by Asset
Cash	59.99	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59.99
LAIF	9.61	-	-	-	-	-	\$ 9.61
SDCIP	8.93	-	-	-	-	-	\$ 8.93
Agency Bonds	1.89	7.36	16.84	29.11	8.48	-	\$ 63.68
CD (FDIC)	-	-	-	-	-	-	\$ -
Total	\$ 80.42	\$ 7.36	\$ 16.84	\$ 29.11	\$ 8.48	\$ -	\$ 142.21
Percent	56.55%	5.18%	11.84%	20.47%	5.96%	0.00%	100.00%



GLOSSARY OF INVESTMENT TERMS

Agency - Privately owned, publicly chartered entities, such as Fannie Mae or Freddie Mac, created by Congress to reduce the cost of capital for certain borrowing sectors of the economy.

Blended Rate of Return - See Weighted Average Return.

Book Value - The value at which a security is carried on the financial records of an investor. The book value may differ significantly from the security's current value in the market or market value.

Basis Point (BP) - is one hundredth of a percentage point (0.01%). Basis points are often used to measure changes in yields between securities that often move in very small

Certificate of Deposit (CD) - A time deposit with a specific maturity evidenced by a certificate. CDs are 100% collateralized and/or FDIC insured.

Collateralization - Process by which financial institutions pledge securities, property, or other deposits for the purpose of securing cash and investments.

CUSIP - Committee on Uniform Security Identification Procedures. A unique 9-character alphanumeric identifier assigned to a bond at the time it is issued.

Debenture - A bond secured only by the general credit of the issuer.

Effective Duration - A measure of price sensitivity of a fixed income portfolio given a parallel shift in interest rates. Lower duration (in years) = lower price sensitivity.

FDIC - Federal Deposit Insurance Corporation a federally sponsored corporation that insures accounts in national banks and other qualified institutions.

FFCB - Federal Farm Credit Bank, a GSE.

FHLB - Federal Home Loan Banks, a GSE.

FHLMC - Federal Home Loan Mortgage Corporation or Freddie Mac, a GSE.

FNMA - Federal National Mortgage Association or Fannie Mae, a GSE.

GSE (Agency) - Government Sponsored Enterprise. Privately owned, publicly chartered entities, such as Fannie Mae or Freddie Mac, created by Congress to reduce the cost of capital for certain borrowing sectors of the economy.

Liquidity - The ability to convert an asset to cash quickly.

Market Value - An estimation of the price that could be obtained for a particular investment or asset if it were sold in an arm's length transaction on the current market.

MBS - Mortgage-Backed Security is a type of asset-backed security that is secured by a mortgage or collection of mortgages where monthly interest and principle payments are often redirected to bondholders.

SDCIP - San Diego County Investment Pool.

SLY - Safety, Liquidity & Yield. An investment strategy where the primary objective is the Safety of principle first, the Liquidity of investments to meet operating requirements second and where Yield only considered after the requirements of Safety and Liquidity have been met.

S&P - Standard and Poors, a credit ratings agency

Unrealized Gain (Loss) - The difference between the book value of an investment and the current market value/price.

Weighted Average Return - The average yield on a group of investment that takes into account the proportional relevance of each component.

Yield-To-Maturity (YTM) - The rate of return yielded on a bond or other investment if it is held until the maturity date.