



SAN DIEGO
HOUSING
COMMISSION

INFORMATIONAL REPORT

DATE ISSUED: September 7, 2018 **REPORT NO:** CCR18-004

ATTENTION: Council President and Members of the City Council
For the Agenda of September 25, 2018

SUBJECT: City of San Diego Affordable Housing Fund Fiscal Year 2018 Annual Report

COUNCIL DISTRICT: Citywide

NO ACTION IS REQUIRED ON THE PART OF THE CITY COUNCIL

SUMMARY

The City of San Diego Affordable Housing Fund Fiscal Year (FY) 2018 Annual Report (Attachment 1) covers the period of July 1, 2017, through June 30, 2018, 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,

Jasmine Kotlarz

Jasmine Kotlarz
Manager
Special Programs & Compliance Department

Approved by,

Jeff Davis

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

Attachments: 1) San Diego Affordable Housing Fund FY 2018 Annual Report

Hard copies are available for review during business hours at the security information desk in the main lobby and at the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Public Meetings" section of the San Diego Housing Commission website at www.sdhc.org



City of San Diego

Affordable Housing Fund

FY2018 Annual Report

Fiscal Year 2018
(July 1, 2017 – June 30, 2018)



Mesa Verde Apartments
7785 Mission Gorge Road– City Council District 7
89 Affordable Housing Units
\$7,100,000 Inclusionary Housing Funds
\$500,000 Housing Trust Funds
Grand Opening: May 31, 2018



TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	3
INTRODUCTION.....	4
Income Levels of Assisted Households	5
Leverage.....	5
HOUSING TRUST FUND (HTF)	5
Purpose and Use.....	5
HTF Revenues.....	5
Fund Allocation.....	6
HTF Loan Portfolio Status	7
INCLUSIONARY HOUSING FUND (IHF)	8
Purpose and Use.....	8
Revenues	8
Fund Allocation.....	9
IHF Loan Portfolio Status	10
AFFORDABLE HOUSING FUND PERFORMANCE	11
Rental Housing Production	11
Homeownership	12
Homeless Housing Initiatives	14
Rapid Rehousing	14
Transitional Housing.....	15
Landlord Engagement and Assistance Program (LEAP)	17
Prevention & Diversion	18
Transit-Oriented Development	18
Capacity Building	18
EXHIBITS	
• Exhibit 1 – Housing Trust Fund Fiscal Year (FY) 2018 Ordinance Tests	
• Exhibit 2 – Affordable Housing Fund FY 2018 Detail of Funded Projects	
• Exhibit 3 – Affordable Housing Fund FY2018 Summary of Funding & Leverage	
• Exhibit 4– Inclusionary Housing Fund Affordable Housing Fee Collections & Commitments by Community Plan Area	
• Exhibit 5 - Rental Housing Production Current and Prior Year Activities & Project Completions	
• Exhibit 6 – San Diego Housing Commission Income and Rent Calculations	



CITY OF SAN DIEGO AFFORDABLE HOUSING FUND

Fiscal Year 2018 Annual Report

EXECUTIVE SUMMARY

In Fiscal Year (FY) 2018 (July 1, 2017 – June 30, 2018), 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 the fiscal year, 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 projects, eight developments with 618 units were supported with funding from the AHF. This exceeded the rental housing finance program's affordable rental housing production goal by 29 percent. The majority of these units will be designated for individuals and families experiencing homelessness.

The homeownership program exceeded its AHF goal of 10 units. Despite rising housing costs, the program assisted 13 low-to-median income households to close escrow on homes in Council districts 8, 6, 4 and 3. In addition to the 13 households that received assistance through AHF, the Housing Commission's Homeownership team provided assistance to 69 households to close escrow in FY2018 through other funding sources.

The transitional housing program funded 416 beds for the FY2018 operating year. A competitive solicitation released for the FY2018 operating year resulted in a reduction in the number of transitional housing providers under contract. Four providers were considered competitive and were awarded five contracts. Due to the unanticipated decrease in providers, the number of beds was below the FY2018 AHF Annual Plan's estimate of 625 beds. In FY2018, 416 beds housed 1,359 persons in 570 households for more than 129,517 bed nights.

With AHF funds, the Housing Commission's Moving Home Rapid Rehousing program of HOUSING FIRST – SAN DIEGO, the Housing Commission's homelessness action plan, served 285 households composed of 536 people—which is 58 percent higher than the goal of 180 households. Of the households served, 206 households (72 percent), composed of 388 persons, were permanently housed during the year. With U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC), Emergency Solutions Grants (ESG) and SDHC funds, the Rapid Rehousing program housed, in total, 471 persons, served 645 persons and served 400 households.

The Landlord Engagement and Assistance Program (LEAP), also part of HOUSING FIRST – SAN DIEGO, assisted 1,200 households, which exceeded its goal of serving 850 households. The households assisted by LEAP include households in HOUSING FIRST – SAN DIEGO's Moving Home Rapid Rehousing program and Prevention and Diversion programs.



City of San Diego Affordable Housing Fund – FY 2018 Annual Report

HOUSING FIRST – SAN DIEGO’s Prevention and Diversion programs served a total of 882 households composed of 1,157 people of which 80 households composed of 167 people were served through AHF funds. The total number served includes one-time funds received from the City for Prevention and Diversion efforts. The FY2018 AHF Annual Plan goal for Prevention and Diversion was 300 households.

The FY2018 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, \$8,359 was used for conference attendance costs for SDHC staff and to provide a Diversion training for service providers and systems leaders.

Due to changes in funding priorities, the Transit Oriented Development (TOD) Fund has been delayed, and \$10,000,000 was not allocated to the fund in FY2018. These funds have been included as a funding source for Notices of Funding Availability that the Housing Commission announced on September 4, 2018, for the development of permanent supportive housing and affordable rental housing. This approach creates the opportunity to expedite the development of the projects in the pipeline for construction that need gap financing. The Housing Commission continues to work with the City and additional partners on efforts to foster the creation of transit-oriented development, which include the potential implementation of a TOD Fund in the future.

Approximately \$2,200,000 was expended on the administration of the various programs. This represents 8.7 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 FY2018, each AHF dollar leveraged approximately \$7 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, which was 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



City of San Diego Affordable Housing Fund – FY 2018 Annual Report

- 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 defined as 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 FY2018, the AMI for a family of four increased from \$79,300 to \$81,800. The current AMIs and affordable rents for San Diego County are shown on **Exhibit 6**.

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 FY2018, total AHF commitments of \$25,186,593 million leveraged more than \$199 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:

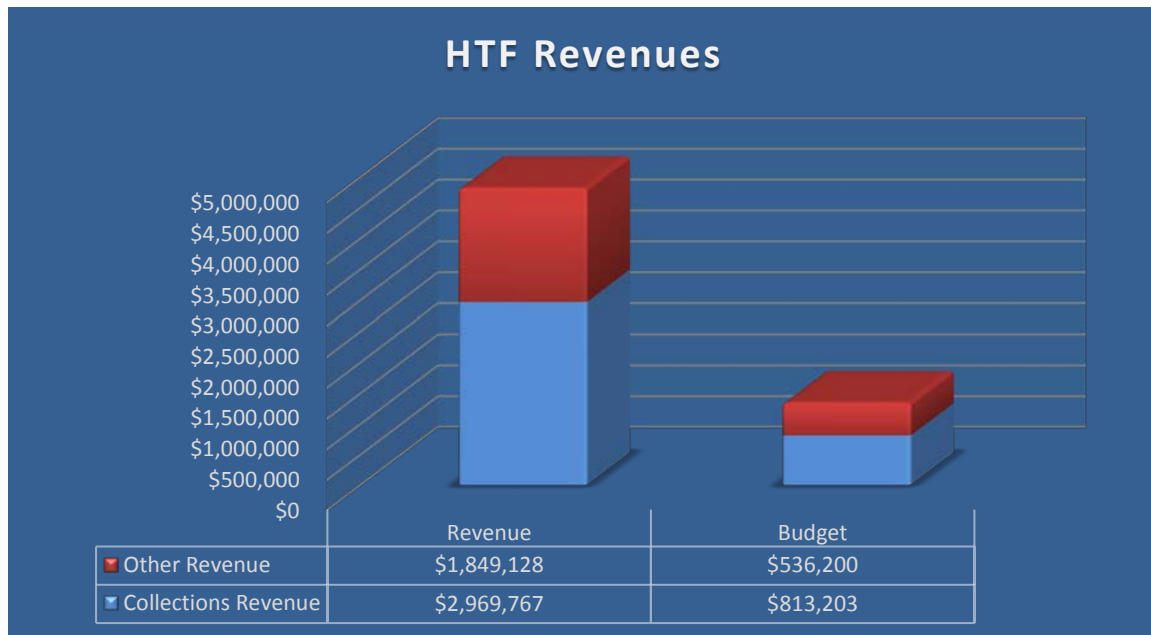
- At least 10 percent to transitional housing;
- At least 60 percent to *very low-income* households (defined as households with incomes at or below 50 percent of AMI);
- No more than 20 percent to housing for *low-income* households (defined as households with incomes between 50 percent and 80 percent 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 FY2018, HTF revenues, inclusive of fee collections and program income (other revenue), totaled \$4,818,896, approximately 357 percent more than budgeted revenues of \$1,349,403.

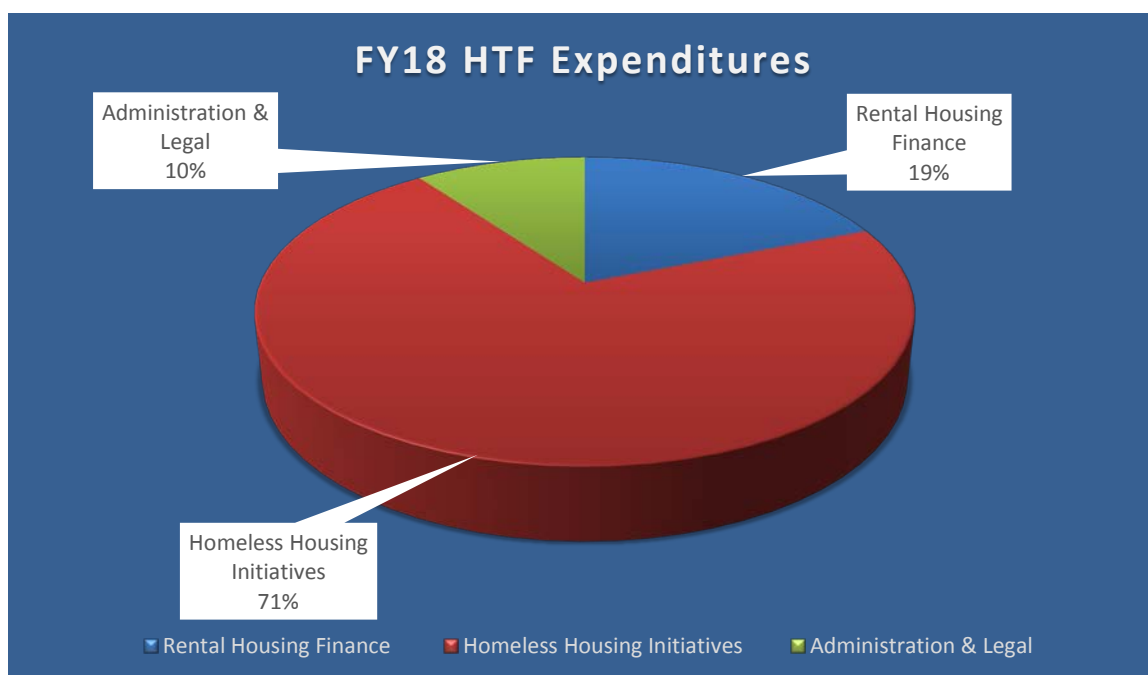


When more funds are collected than budgeted, they are committed for an approved use, and then held in a fund reserve until the disbursement of funds, which depends upon timing of the completion of specific milestones. Due to the length of time required before completion of milestones in an approved project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



Fund Allocation

The following chart summarizes FY2018 expenditures of HTF funds.



City of San Diego Affordable Housing Fund – FY 2018 Annual Report



In FY2018, \$1,898,067 was committed 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.

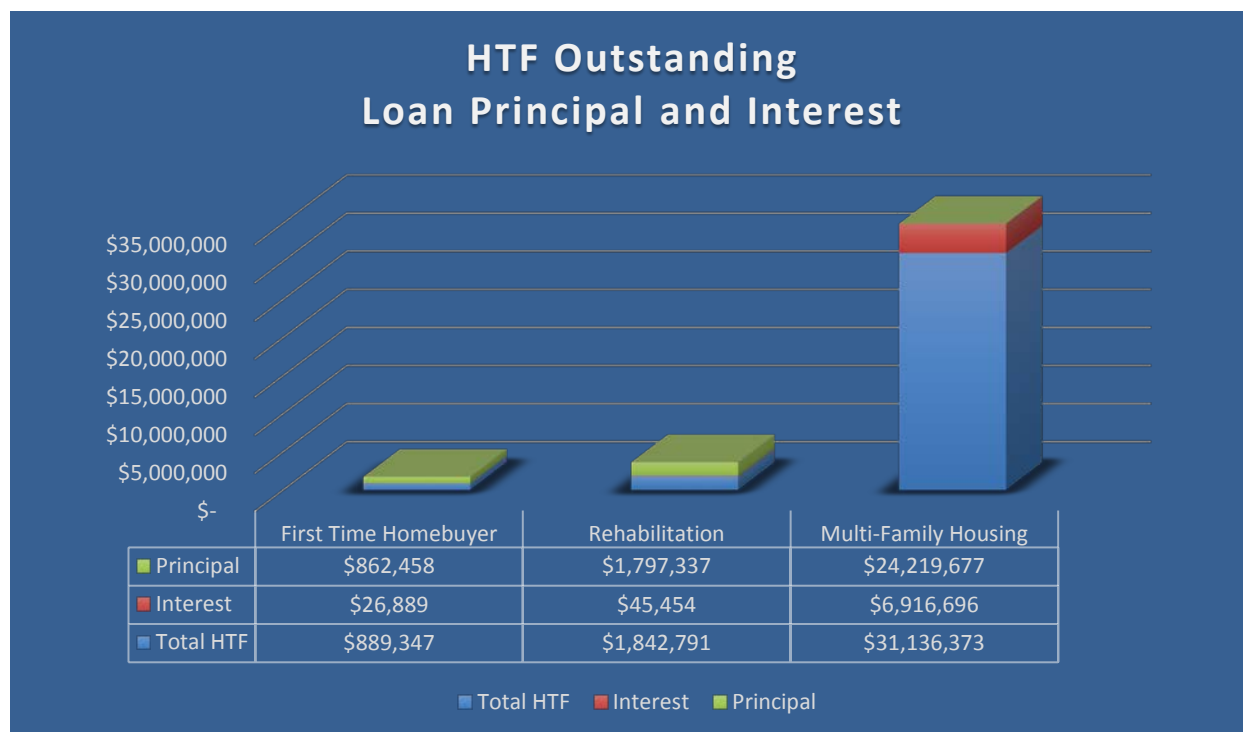
HTF funds, or Housing Impact Fees, were used to provide partial reimbursement in the amount of \$209,123 for Affordable Housing Fund administration and legal expenses totaling \$2,237,556. These expenses provided partial reimbursement for costs associated with investing the funds through loans and grants, such as project solicitation/marketing, underwriting, preparation of legal documents, account setup, management, program administration and overhead expenses. The City was reimbursed \$71,296 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 2018 Detail of Funded Projects” provides project details for each funding award made in FY 2018.

HTF Loan Portfolio Status

As of June 30, 2018, 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. They may not be used for rental assistance.

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 \$20,246,460. This is approximately 209 percent higher than budgeted revenues of \$9,700,000.

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 comprised of projects committed in prior years.

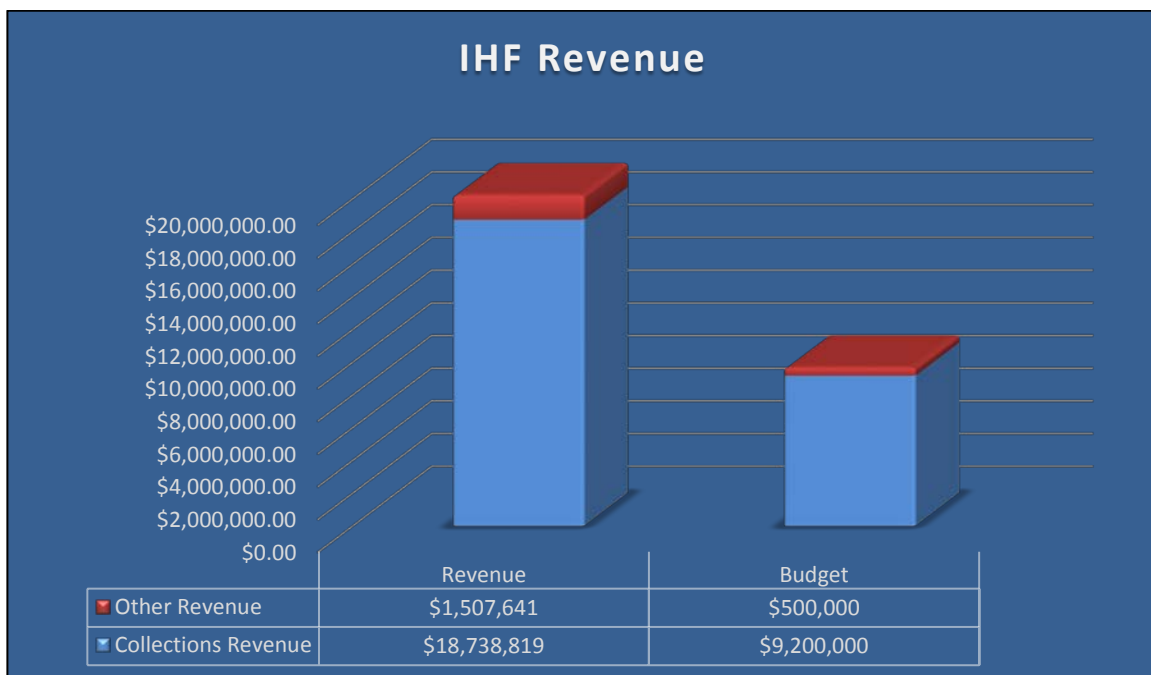
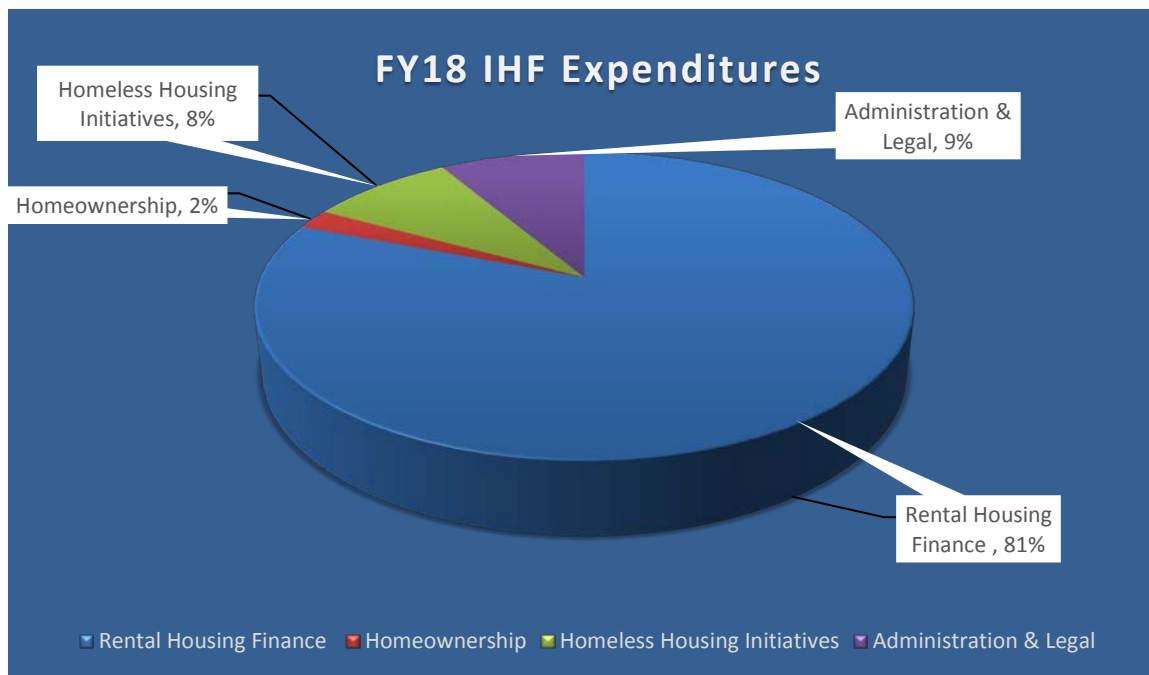


Exhibit 4 shows the net IHF Fees collected and committed in each Community Plan Area (CPA), minus administrative fees. The Inclusionary Housing Ordinance prioritizes spending IHF revenues in the CPA of origin, resulting in 23 separate accounts. Funds may be invested citywide when there is no match between the area of collection and investment opportunities.



Fund Allocation

The following chart summarizes FY2018 expenditures of IHF funds.

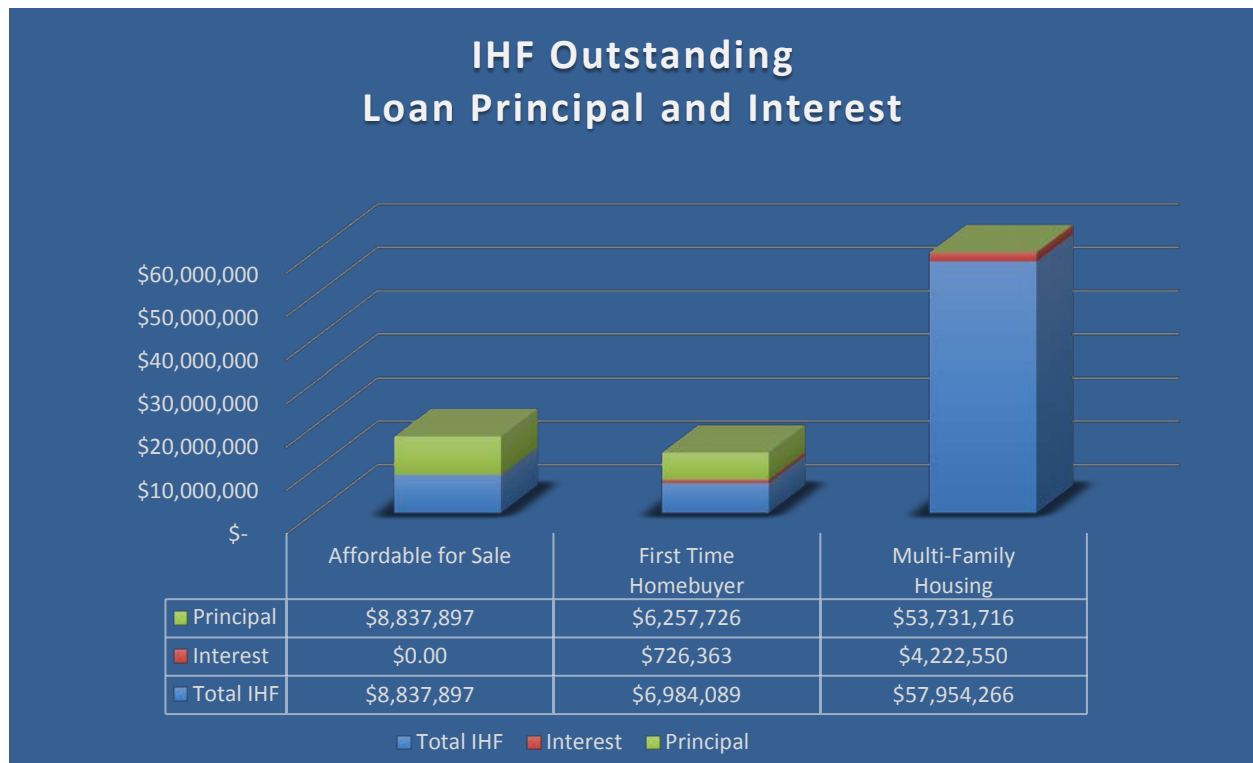


IHF funds were used to provide partial reimbursement in the amount of \$2,028,433 for Affordable Housing Fund administration and legal expenses totaling \$2,237,556. These expenses provided partial reimbursement for costs associated with investing the funds through loans and grants, such as project solicitation/marketing, underwriting, preparation of legal documents, account setup, management, program administration and overhead expenses. An additional \$8,359 was used to support capacity building in the Homeless Housing Innovations Programs.



IHF Loan Portfolio Status

As of June 30, 2018, all previously funded IHF loans were in good standing. The following charts shows outstanding loan principal and interest amounts.





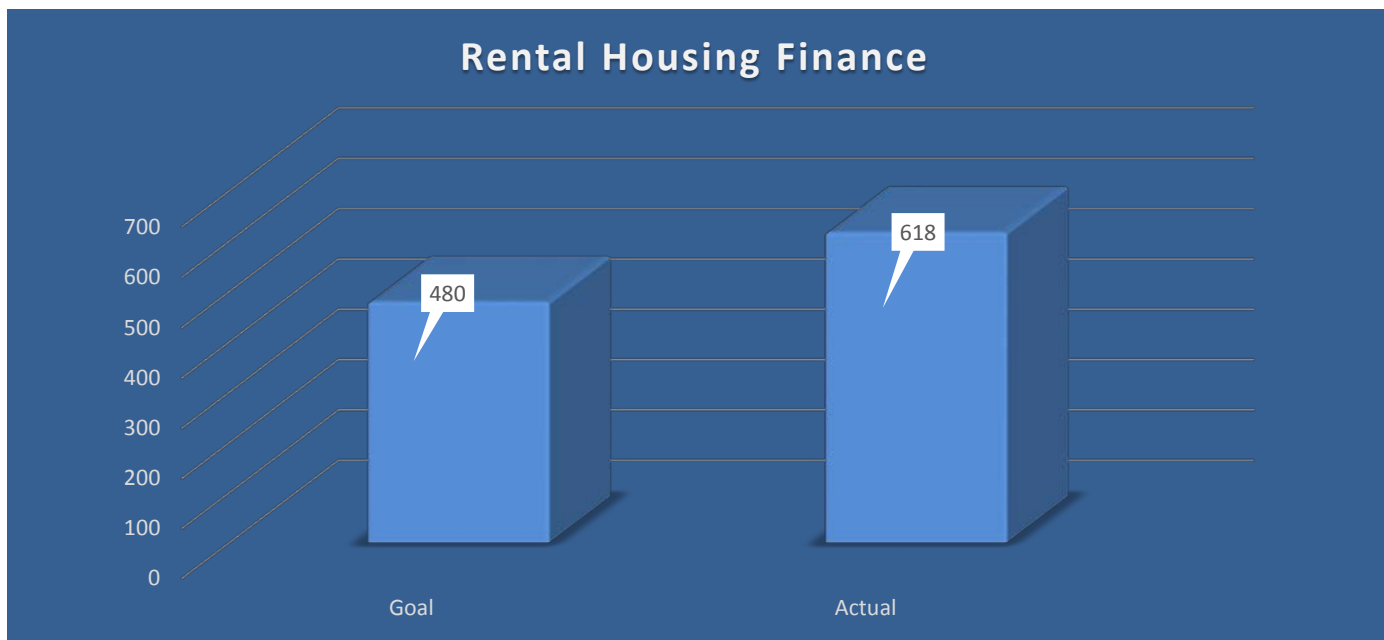
AFFORDABLE HOUSING FUND PERFORMANCE

During FY2018, the AHF committed more than \$25,186,593 to affordable housing activities that will assist 2,612 households and individuals.

Rental Housing Finance

Eight projects closed construction financing in FY2018. These projects have AHF commitments totaling \$21,178,500 that will produce 618 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.



129% of Goal Met

The rental housing finance program exceeded its affordable rental housing production goal by 29 percent from projects that closed financing in FY2018. Eight housing developments are currently in construction and will contribute 618 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.

City of San Diego Affordable Housing Fund – FY 2018 Annual Report



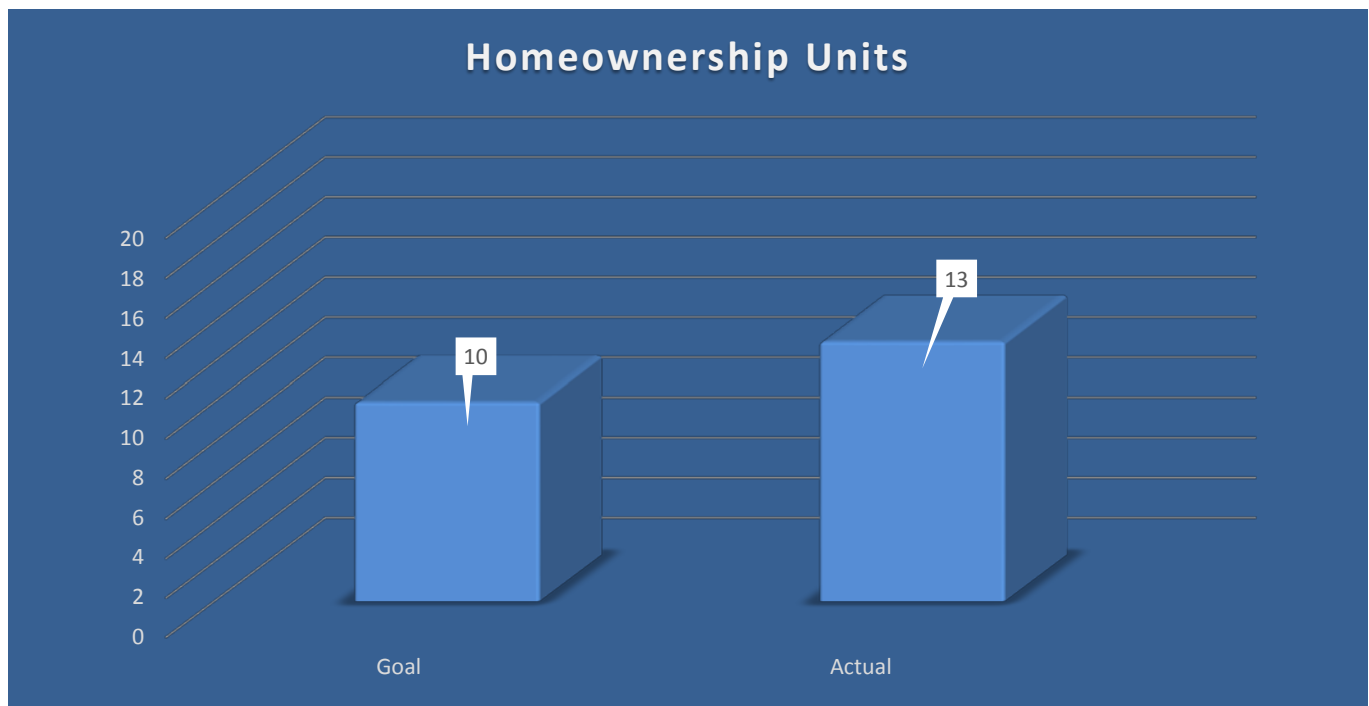
The AHF currently has \$5,900,000 previously committed to two rental housing developments that are under construction, with units anticipated to be complete within the next three to six months. Upon completion, these developments will add a total of 117 affordable housing rental units in the City of San Diego.

During FY2018, three developments were completed and occupied. These three completed developments added 226 affordable rental housing units.

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

Homeownership

In FY2018, the AHF provided \$496,819 for the Housing Commission's Homeownership Program. These funds provided loans and grants to 13 households and leveraged more than \$4 million in funding from private lenders and other public funding sources. In addition to the 13 households that received assistance through AHF, through other funding sources the Housing Commission's Homeownership team provided assistance to 69 households to close escrow in FY2018.



130% of Goal Met

The homeownership program exceeded its goal of 10 units. Despite rising housing costs, the program assisted 13 low-to-median income households to close escrow on homes in Council Districts 8, 6, 4 and 3.

City of San Diego Affordable Housing Fund – FY 2018 Annual Report



Home prices ranged from \$225,000 to \$500,000 for both attached and detached units. The average sales price for the assisted units was \$361,412—down from an average of \$366,133 in FY2017.

Sales Prices

Effective May 15, 2018, the maximum home price limit for Housing Commission loans and grants is \$417,050 for attached units and \$665,000 for detached units. Prior to that, the maximum home price limit was \$375,250 for attached units and \$570,000 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 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.

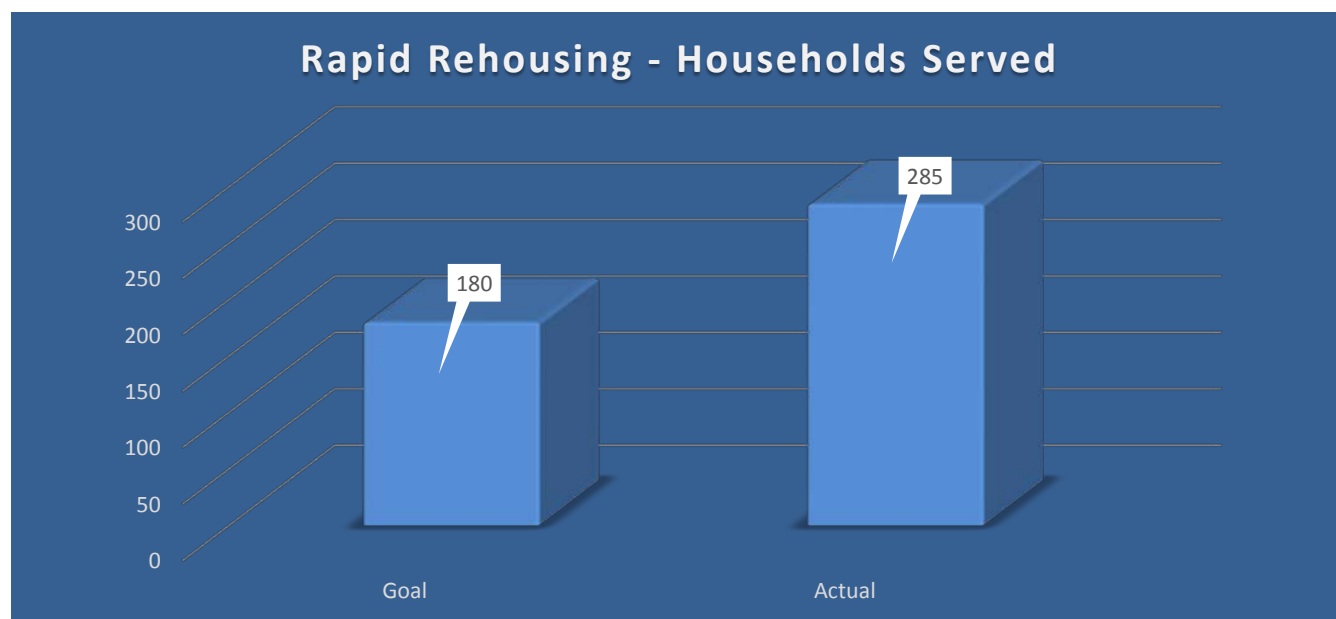
First-Time Homebuyer Inclusionary Housing Program			
Program	AMI	Loan/Grant Amount	Maximum Purchase Price Effective 5/15/2018
3% Interest, Deferred-Payment Loan	100%	17% of purchase price or appraised value; whichever is less. The minimum loan amount is \$1,000	Attached: \$417,050 Detached: \$665,000
Closing Cost Assistance Grant	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: \$471,050 Detached: \$665,000



Homeless Housing Innovations

Rapid Rehousing

With \$1,113,620 of HTF assistance, the Housing Commission's Moving Home Rapid Rehousing program provided assistance to 285 households, with 72 percent of those households placed in permanent housing. With HUD, CoC, ESG, and SDHC funds, the Rapid Rehousing program housed 471 persons, served 645 persons and 400 households.



158% of Goal Met

In FY2018, the Rapid Rehousing Program served 536 people within 285 households; 105 households more than the goal were served. Of the total households served, 72 percent (206) were permanently housed.

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 in order 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, a system that determines if they are best served by rapid rehousing. The Moving Home Rapid Rehousing program can provide the following assistance:

- Security deposits
- Temporary Rental Assistance
- Moving costs

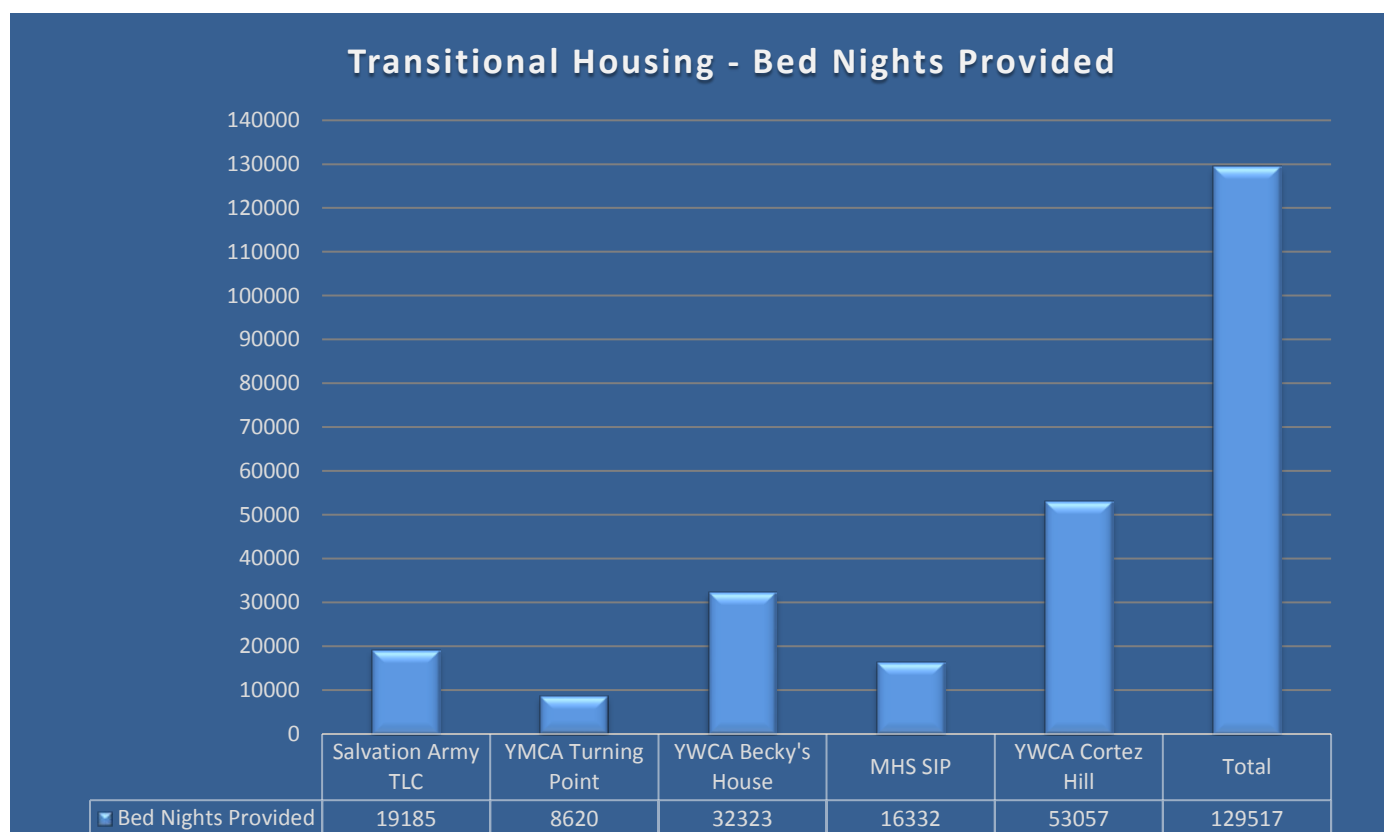


City of San Diego Affordable Housing Fund – FY 2018 Annual Report

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

Transitional Housing

Four social services agencies provided housing and services through five transitional housing programs for 570 extremely low- to very low-income households, using \$748,893 from the HTF and IHF.



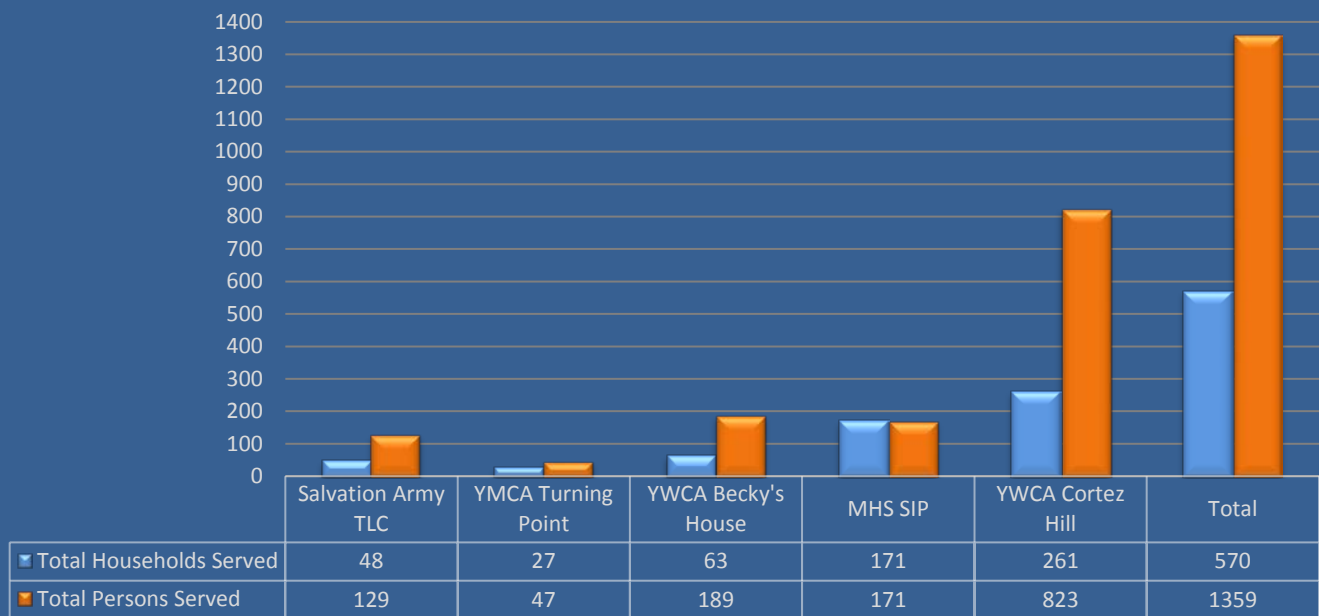
67% of Bed Availability Goal Met

The five transitional housing programs provided a combined total of 129,517 bed nights, with 416 beds available on any given night. Mental Health Systems Serial Inebriate Program began FY2018 with only 32 available beds and gradually added 24 beds between July 2017 and January 2018, for a total of 56 available beds per night beginning in January 2018. Salvation Army TLC, YMCA Turning Point, YWCA Becky's House and YWCA Cortez Hill all serve families as well as individuals.

City of San Diego Affordable Housing Fund – FY 2018 Annual Report



Transitional Housing - Total Households & Persons Served



The five transitional housing programs served 570 extremely low- to very low-income households and 1,359 persons.

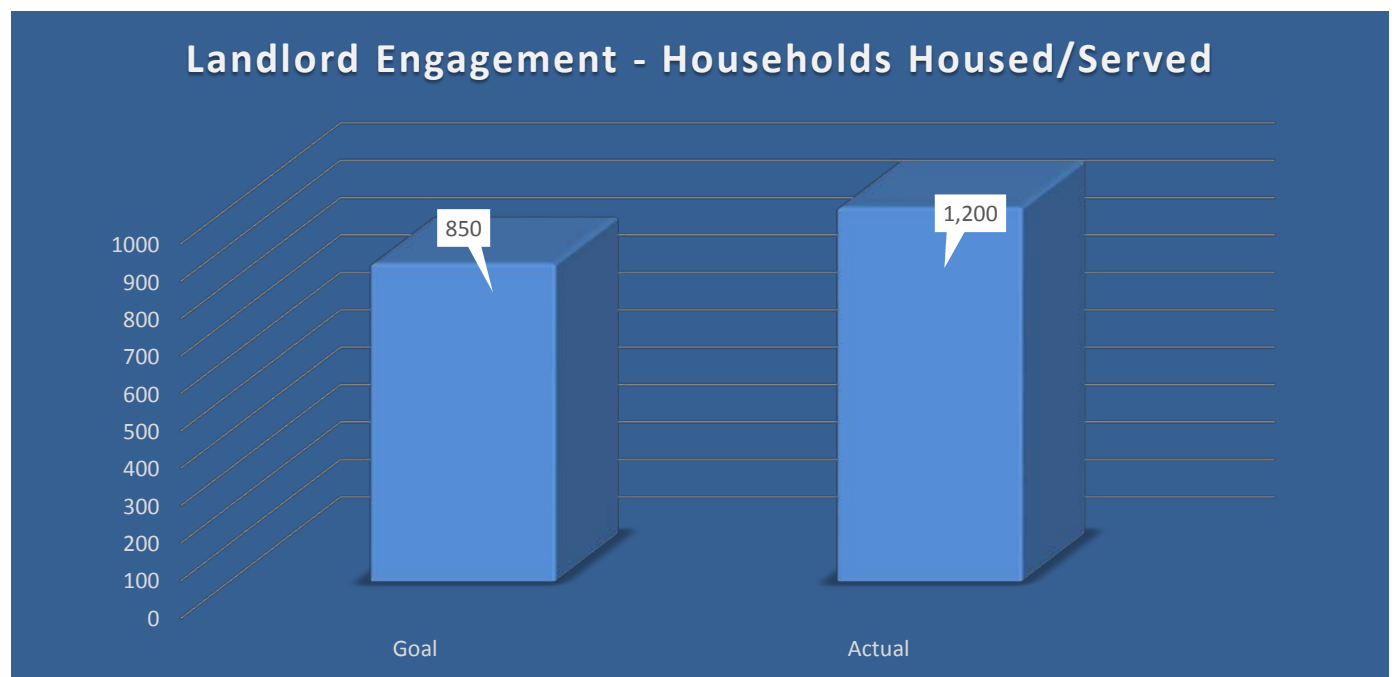
A total of \$758,587 was awarded to five Transitional Housing programs that provide 416 beds nightly. All programs spent 99 percent of awarded funds.

Name of Program	Number of Beds Provided (nightly bed capacity)	Population Served	Council District	AHF Award Amount	AHF Expended Amount
YWCA Becky's House	122	Very low income (homeless)	Not reported-Domestic Violence Shelter	\$223,120	\$223,120
YWCA Cortez Hill	156	Very low income (homeless)	3	\$200,000	\$200,000
YMCA Turning Point	24	Very low income (homeless)	3	\$60,000	\$59,121

Name of Program	Number of Beds Provided	Population Served	Council District	AHF Award Amount	AHF Expended Amount
Salvation Army TLC	58	Very low income (homeless)	7	\$201,467	\$201,467
MHS SIP	56	Very low income (homeless)	2	\$74,000	\$65,185
Totals	416	-	-	\$758,587	\$748,893

Landlord Engagement and Assistance Program (LEAP)

With \$1,469,009 in IHF assistance, the LEAP program assisted 1,200 households, including households in HOUSING FIRST – SAN DIEGO’s Moving Home Rapid Rehousing program and Prevention and Diversion programs.



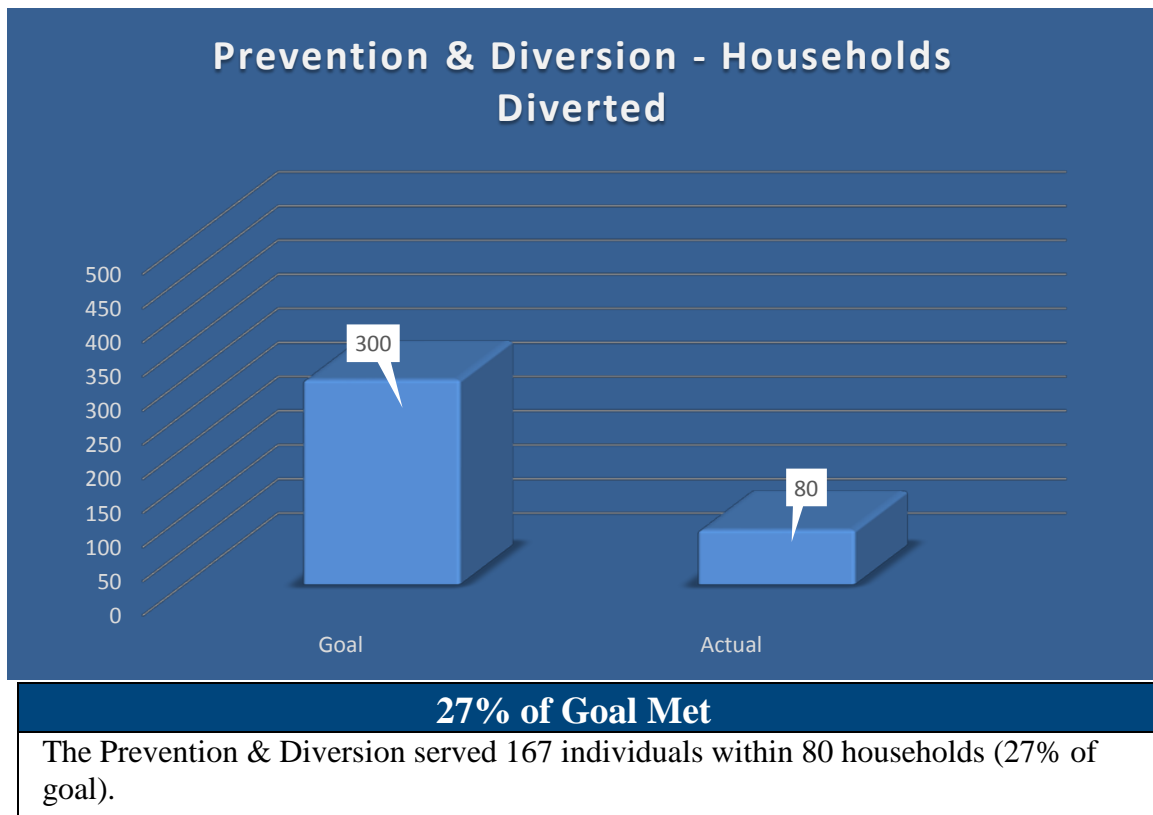
141% of Goal Met

The Landlord Engagement and Assistance Program (LEAP) exceeded its goal of serving 850 households. LEAP served 1,200 households.

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

With the additional one-time funds from the City for Prevention and Diversion efforts, the Prevention & Diversion program utilized \$171,393 of AHF funding to serve 167 individuals within 80 households.



The Housing Commission launched its Homelessness Prevention and Diversion program on July 1, 2017, which was the first of its kind within the San Diego community. Factors that affected the Housing Commission's ability to fund activities through AHF in FY2018 included a ramp-up period to hire staff and develop the program, an interim program evaluation that showed that the program needed additional staff to continue to scale it up and to provide diversion and case management services, and the receipt of \$1,066,086 in unanticipated additional funds from the City for prevention and diversion efforts. In addition to the 80 households served through AHF, the program also served an additional 802 households using other funds, including one-time funds received from the City for Prevention and Diversion efforts. The Housing Commission has addressed the factors related to program development and anticipates utilizing all AHF funds allocated for prevention and diversion in FY2019.

Transit Oriented Development Fund

The Transit Oriented Development Fund (TOD Fund) being developed in partnership with CivicSD was placed on hold during this reporting period. The Housing Commission re-prioritized its \$10 million funding commitment to the TOD Fund. It is anticipated that the development of the TOD Fund will continue in a future fiscal year.

Capacity Building Program: The FY2018 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, \$8,359 was used for conference attendance costs for Housing Commission staff and to provide a Diversion training for service providers and systems leaders.

EXHIBIT 1

HOUSING TRUST FUND FY18 ORDINANCE TESTS

Housing Program Funds (below):	\$1,898,066
Admin/Legal:	\$209,123
Other Expenses (City Staff Time):	\$71,296
Total HTF	\$2,178,485

PROGRAM	PROJECT	Income Level / Percentage of Area Median Income			
		Very Low	Very Low	Low	Med.-Mod.
		Transitional	Permanent		
		0-50% AMI	0%-50% AMI	51%-80%	81%-100%
Rental Housing Production Development Loan	Encanto Village		\$0	\$0	\$0
	The Beacon		\$100,000	\$0	\$0
	Bluewater (Fairmount Family)		\$0	\$0	\$0
	Stella (Twain Veterans)		\$100,000	\$0	\$0
	Zephyr		\$100,000	\$0	\$0
	The Lofts		\$100,000	\$0	\$0
	New Palace		\$5,949	\$4,050	\$0
	Paseo La Paz (San Ysidro TOD)		\$0	\$0	\$0
	Loans/Closing Cost Grants		\$0	\$0	\$0
Homeownership First Time Homebuyers	Rental and Moving Cost Assistance		\$1,093,546	\$20,074	\$0
Rapid Re Housing Moving Home	Incentive Payments to Landlords		\$0	\$0	\$0
Landlord Engagement & Assistance	Rental Subsidies		\$0	\$0	\$0
Prevention & Diversion Transitional Housing	YMCA- Turning Point	\$29,561			
	YWCA - Becky's House	\$111,560			
	YWCA - Cortez Hill	\$100,000			
	Salvation Army – Transitional Living Center	\$100,734			
	MHS – Serial Inebriates Program	\$32,592			
TOTAL HOUSING PROGRAM FUNDS		\$374,447	\$1,499,495	\$24,124	\$0

Ordinance Tests		
Required Percent	Actual Percent	Pass
Transitional Housing 10% minimum	17.2%	X
Very Low Permanent Housing 60% min.	68.8%	X
Low Income 20% maximum	1.1%	X
Med/Mod Inc. Homebuyers 10% max.	0.00%	X
Transitional Housing 10% minimum	17.2%	X

Program	Allocation	Percent of HTF
Very Low Income - Transitional	\$374,447	17.2%
Very Low-Income - Permanent		
Rental Hsg Development	\$405,949	
Homeless Services	\$1,093,546	
First Time Homebuyers	\$0	
	\$1,499,495	68.8%
Low-Income- Permanent		
Rental Hsg Development	\$4,050	
Homeless Services	\$20,074	
First Time Homebuyers	\$0	
	\$24,124	1.1%
Median/Moderate Income - Permanent		
Rental Hsg Development	\$0	
Homeless Services	\$0	
First Time Homebuyers	\$0	
	\$0	%0
Housing Programs Total	\$1,898,066	
Administration/Legal	\$209,123	
Payment for City Staff Time	\$71,296	
Other Expenses Total	\$280,419	12.8%

AFFORDABLE HOUSING FUND FY2018 DETAIL OF FUNDED PROJECTS

Activity/Sponsor	Project	Community Area	Amount Spent	Units/Beds Assisted	Council District	Income Level
Housing Programs						
Rental Housing Development						
Chelsea Development Corp.	Paseo La Paz (San Ysidro Family TOD)	San Ysidro	\$6,900,000	137	8	15 VLI / 122 LI
National CORE	Encanto Village	Encanto	\$100,000	65	4	50 VLI / 15 LI
Wakeland Housing & Community Development	The Beacon	Downtown	\$700,000	43	3	43 VLI
Affirmed Housing	Bluewater (Fairmount Family Housing)	Navajo	\$7,468,500	79	7	12 VLI / 67 LI
Affirmed Housing	Stella (Twain Veterans Housing)	Navajo	\$3,700,000	79	7	79 VLI
Affirmed Housing	Zephyr	Navajo	\$100,000	84	7	84 VLI
Chelsea Development Corp.	The Lofts	Normal Heights	\$2,200,000	52	3	52 VLI
Housing Development Partners	New Palace	Uptown	\$10,000	79	3	47 VLI / 32 LI
Total			\$21,178,500	618	-	382 VLI / 236 LI
First Time Homebuyers						
San Diego Housing Commission	Loans/Closing Cost Grants	Citywide	\$495,666	13	Citywide	6 MI / 7 LI
Transitional Housing (HTF & Inclusionary)						
Mental Health Systems	Serial Inebriate Program	City Heights	\$74,000	56	3	166 ELI
The Salvation Army	Transitional Living Center	Kearny Mesa	\$201,467	58	6	127 ELI / 2 VLI
YMCA	Turning Point	City Heights	\$60,000	24	3	15 ELI
YWCA	Becky's House	Confidential	\$223,120	122	N/A	185 VLI
YWCA	Cortez Hill Family Center	Cortez Hill	\$200,000	156	3	258 ELI / 11 VLI / 1 LI
Total, Transitional			\$748,893	416		566 ELI / 198 VLI / 1 LI
Homeless Housing Innovations						
San Diego Housing Commission	Moving Home Rapid Rehousing	Citywide	\$1,113,620	285	Citywide	274 VLI / 11 LI
San Diego Housing Commission	Landlord Engagement and Assistance	Citywide	\$1,469,009	1,200	Citywide	1,154 VLI / 46 LI
San Diego Housing Commission	Prevention & Diversion	Citywide	\$171,393	80	Citywide	79 VLI / 1 LI
Total, Housing Programs			\$2,754,022	1,565	-	1,507 VLI / 58 LI
Capacity Building						
Homeless Housing Initiatives	Diversion Training & Conference Attendance Costs		\$8,359			
Administration & Legal						
Administration			\$2,205,532			
Administration – Legal			\$32,024			
Total Administration/Administration & Legal			\$2,237,556			
TOTAL, PROGRAMS AND ADMINISTRATION						
			\$27,422,996			

ELI – Extremely Low Income
VLI-Very low income
LI-Low income
MI-Moderate income

EXHIBIT 3**AFFORDABLE HOUSING FUND FY2018 SUMMARY OF FUNDING & LEVERAGE**

ACTIVITY	Amount Spent	Assisted Units/ Beds	LEVERAGE			
			Private	Local - Other	State	Federal
Rental Housing Finance	\$	618	\$49,339,645	\$1,960,000	\$19,425,315	\$120,314,293
Homeownership	\$	13	\$3,761,643	\$0	\$139,400	\$207,142
Transitional Housing	\$	416	\$393,315	\$1,424,640	\$481,084	\$930,695
Rapid Re Housing	\$	285	\$0	\$339,111	\$0	\$350
Landlord Engagement and Assistance	\$	1,200	\$0	\$0	\$0	\$0
Prevention & Diversion	\$	80	\$0	\$1,000,086	\$0	\$0
Total Housing Programs	\$	2201	\$53,494,603	\$4,723,837	\$20,045,799	\$121,452,480
Total Leverage			\$199,716,719			

SAN DIEGO INCLUSIONARY HOUSING FUND
Affordable Housing Fee Collections

CD	COMMUNITY	FY04-FY17	FY18	TOTAL	NET AFTER ADMIN
8	Barrio Logan	62,272.01	3,814.80	66,086.81	\$58,817.26
5	Carmel Mountain Ranch	224,525.00	0.00	224,525.00	\$199,827.25
1	Carmel Valley	2,676,591.83	0.00	2,676,591.83	\$2,382,166.73
2	Centre City	42,818,778.68	7,539,932.75	50,358,711.43	\$44,819,253.17
3 & 9	City Heights	41,521.50	0.00	41,521.50	\$36,954.14
6	Clairemont Mesa	4,110,692.18	1,088,215.97	5,198,908.15	\$4,627,028.25
9	College	3,584,609.93	37,766.40	3,622,376.33	\$3,223,914.93
7	Eastern Area	15,596.00	0.00	15,596.00	\$13,880.44
4	Encanto	0.00	0.00	0.00	\$0.00
3 & 8	Golden Hill	710,913.83	401,990.55	1,112,904.38	\$990,484.90
6	Kearny Mesa	2,107,662.40	0.00	2,107,662.40	\$1,875,819.54
3 & 9	Kensington-Talmadge	3,053.75	0.00	3,053.75	\$2,717.84
1	La Jolla	2,664,540.69	96,544.50	2,761,085.19	\$2,457,365.82
6	Linda Vista	3,968,723.96	66,750.75	4,035,474.71	\$3,591,572.49
3 & 7	Mid-City	5,472,504.65	365,460.03	5,837,964.68	\$5,195,788.57
2	Midway/Pacific Hwy Corr.	619,063.52	0.00	619,063.52	\$550,966.53
6	Miramar Ranch North	-	0.00	0.00	\$0.00
5	Mira Mesa	854,946.09	0.00	854,946.09	\$760,902.02
2	Mission Beach	599,833.76	72,850.00	672,683.76	\$598,688.55
6	Mission Valley	4,236,402.43	0.00	4,236,402.43	\$3,770,398.16
7 & 9	Navajo	4,268,321.97	4,016,466.03	8,284,788.00	\$7,373,461.32
3	Normal Heights	41,430.01	0.00	41,430.01	\$36,872.71
3	North Park	1,358,248.95	625,580.90	1,983,829.85	\$1,765,608.57
2	Ocean Beach	409,026.43	29,501.12	438,527.55	\$390,289.52
2	Old Town	2,426.00	86,140.08	88,566.08	\$78,823.81
8	Otay Mesa	869,518.91	1,230,203.52	2,099,722.43	\$1,868,752.96
8	Otay Mesa/Nestor	2,097,493.09	627,887.52	2,725,380.61	\$2,425,588.74
2	Pacific Beach	1,834,197.53	249,533.60	2,083,731.13	\$1,854,520.71
1	Pacific Highlands Ranch	-	0.00	0.00	\$0.00
2	Peninsula	2,084,652.38	270,925.22	2,355,577.60	\$2,096,464.06
5	Rancho Bernardo	-	0.00	0.00	\$0.00
5 & 6	Rancho Penasquitos	8,625.00	0.00	8,625.00	\$7,676.25
5	Sabre Springs	122,730.00	0.00	122,730.00	\$109,229.70
8	San Ysidro	140,490.76	12,566.40	153,057.16	\$136,220.87
5	Scripps Miramar Ranch	250,000.00	0.00	250,000.00	\$222,500.00
6	Serra Mesa	370,697.58	0.00	370,697.58	\$329,920.85
4	Skyline/Paradise Hills	760,660.64	588,574.73	1,349,235.37	\$1,200,819.48
4 & 8	Southeastern San Diego	515,750.36	13,271.76	529,022.12	\$470,829.69
7	Tierrasanta	2,382,895.40	0.00	2,382,895.40	\$2,120,776.91
1	Torrey Pines	11,424.84	0.00	11,424.84	\$10,168.11
1	University City	6,623,437.69	655,546.32	7,278,984.01	\$6,478,295.77
2 & 3	Uptown	1,849,462.67	252,005.45	2,101,468.12	\$1,870,306.63
3	Ballpark Village contribution to 16th & Market in Centre City	20,244,757.00	0.00	20,244,757.00	\$18,017,833.73
	Interest	412,360.19	33,050.50	445,410.69	\$396,415.51
	Total Fees & Interest	121,430,839.61	18,364,578.90	139,795,418.51	\$124,417,922.47

FY2018 Rental Housing Finance Current Year Activities,
Prior Year Activities & Project Completions

Current Year Activities



Project Name: New Palace
Project Address: 1814 5th Avenue
Neighborhood/Council District: Uptown/District 3
Estimated Completion Date: October 2018
Bedroom Mix: 80 total units – 79 affordable studios
AMI Range: 30%-60%
AHF investment: \$10,000
Target Population: Homeless Seniors



Project Name: The Lofts at Normal Heights
Project Address: 3808 El Cajon Boulevard
Neighborhood/Council District: Normal Heights/District 3
Estimated Completion Date: January 2019
Bedroom Mix: 53 total units – 52 affordable 32-studios and 20 one-bedrooms
AMI Range: 30%-50%
AHF investment: \$2,200,000
Target Population: Homeless Veterans



Project Name: Zephyr
Project Address: 4370 Alvarado Canyon Road
Neighborhood/Council District: Navajo/District 7
Estimated Completion Date: May 2019
Bedroom Mix: 85 total units – 84 affordable 79-studios and 5 one-bedrooms
AMI Range: 30%-40%
AHF investment: \$100,000
Target Population: Homeless Veterans



Project Name: Stella
Project Address: 4304 Twain Avenue
Neighborhood/Council District: Navajo/District 7
Estimated Completion Date: February 2019
Bedroom Mix: 80 total units – 79 affordable 40-studios and 39 one-bedrooms
AMI Range: 30%-40%
AHF investment: \$3,700,000
Target Population: Homeless Veterans



Project Name: Bluewater
Project Address: 6121 Fairmount Avenue
Neighborhood/Council District: Navajo/District 7
Estimated Completion Date: February 2019
Bedroom Mix: 80 total units – 79 affordable 32- one-bedrooms, 23 two-bedrooms, and 24 three-bedrooms
AMI Range: 30%-60%
AHF investment: \$7,468,500
Target Population: Low-income individuals and families and, homeless Veterans



Project Name: The Beacon
Project Address: 1435 C Street
Neighborhood/Council District: Downtown/District 3
Estimated Completion Date: September 2019
Bedroom Mix: 44 total units – 43 affordable studios
AMI Range: 30%-50%
AHF investment: \$700,000
Target Population: Homeless



Project Name: Encanto Village
Project Address: 6317-23, 6355, and 6357 Imperial Avenue
Neighborhood/Council District: Encanto/District 4
Estimated Completion Date: June 2019
Bedroom Mix: 66 total units – 65 affordable 30-one-bedrooms, 18 two-bedrooms, and 17 three-bedrooms
AMI Range: 30%-60%
AHF investment: \$100,000
Target Population: Low-income individuals and families and, homeless Veterans



Project Name: Paseo La Paz
Project Address: 251-263 and 238-240 Cypress Drive
Neighborhood/Council District: San Ysidro/District 8
Estimated Completion Date: November 2019
Bedroom Mix: 140 total units – 137 affordable 24-one-bedrooms, 79 two-bedrooms, and 34 three-bedrooms
AMI Range: 50%-60%
AHF investment: \$6,900,000
Target Population: Low income individuals and families

Project Completions



Project Name: Cypress
Project Address: 435 Imperial Avenue
Neighborhood/Council District: East Village/District 3
Completion Date: July 21, 2017
Bedroom Mix: 62 studios
AMI Range: 30%-40%
AHF investment: \$600,000
Target Population: Homeless individuals



Project Name: North Park Seniors
Project Address: 4200 Texas Street
Neighborhood/Council District: North Park/District 3
Completion Date: March 20, 2018
Bedroom Mix: 75 total units – 7 studios, 65 one-bedrooms, 3 two-bedrooms
AMI Range: 50%-60%
AHF investment: \$5,240,000
Target Population: Seniors



Project Name: Mesa Verde
Project Address: 7811 Mission Gorge Road
Neighborhood/Council District: Navajo Community/District 7
Completion Date: April 13, 2018
Bedroom Mix: 89 total units – two studios, 25 one-bedrooms, 36 two-bedrooms, 26 three-bedrooms
AMI Range: 50%-60%
AHF investment: \$7,600,000
Target Population: Families

SAN DIEGO HOUSING COMMISSION INCOME AND RENT CALCULATIONS

U.S. Department of Housing and Urban Development 2018 SAN DIEGO MEDIAN INCOME:

\$81,800

Note: The table contains income limits for 2018 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	\$20,450	\$511	\$511	\$23,850	\$596	\$596	\$27,250	\$681	\$682
TWO	1-BR	\$23,400	\$585	\$547	\$27,250	\$681	\$639	\$31,150	\$779	\$730
THREE	2-BR	\$26,300	\$658	\$657	\$30,650	\$766	\$766	\$35,050	\$876	\$876
FOUR	3-BR	\$29,200	\$730	\$759	\$34,050	\$851	\$885	\$38,900	\$973	\$1,012
FIVE	4-BR	\$31,550	\$789	\$846	\$36,800	\$920	\$987	\$42,050	\$1,051	\$1,129
SIX	5-BR	\$33,900	\$848	\$934	\$39,500	\$988	\$1,090	\$45,150	\$1,129	\$1,246
SEVEN	6-BR	\$38,060	\$952		\$42,250	\$1,056		\$48,250	\$1,206	
EIGHT		\$42,380			\$44,950			\$51,350		

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	\$34,100	\$853	\$852	\$852	\$40,920	\$1,023	\$1,023	\$44,300	\$1,108	\$1,088
TWO	1-BR	\$38,950	\$974	\$913	\$913	\$46,740	\$1,169	\$1,095	\$50,600	\$1,265	\$1,166
THREE	2-BR	\$43,800	\$1,095	\$1,095	\$1,095	\$52,560	\$1,314	\$1,314	\$56,950	\$1,424	\$1,402
FOUR	3-BR	\$48,650	\$1,216	\$1,265	\$1,265	\$58,380	\$1,460	\$1,518	\$63,250	\$1,581	\$1,611
FIVE	4-BR	\$52,550	\$1,314	\$1,411	\$1,411	\$63,060	\$1,577	\$1,693	\$68,300	\$1,708	\$1,778
SIX	5-BR	\$56,450	\$1,411	\$1,557	\$1,557	\$67,740	\$1,694	\$1,869	\$73,350	\$1,834	\$1,942
SEVEN	6-BR	\$60,350	\$1,509		\$1,702	\$72,420	\$1,811		\$78,450	\$1,961	\$2,108
EIGHT		\$64,250				\$77,100			\$83,500		

Family Size	Unit Size	70% AMI (Adjusted by HUD)		80% AMI (Adjusted by HUD)		100% Area Median Income (No HUD adjustment)		120% AMI (No HUD adjustment)		150% 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	ANNUAL INCOME ¹	GROSS RENT ²
ONE	STUDIO	\$47,650	\$1,191	\$54,500	\$1,363	\$57,250	\$1,431	\$68,700	\$1,718	\$85,875	\$2,147
TWO	1-BR	\$54,500	\$1,363	\$62,300	\$1,558	\$65,450	\$1,636	\$78,500	\$1,963	\$98,175	\$2,454
THREE	2-BR	\$61,300	\$1,533	\$70,100	\$1,753	\$73,600	\$1,840	\$88,350	\$2,209	\$110,400	\$2,760
FOUR	3-BR	\$68,100	\$1,703	\$77,850	\$1,946	\$81,800	\$2,045	\$98,150	\$2,454	\$122,700	\$3,068
FIVE	4-BR	\$73,550	\$1,839	\$84,100	\$2,103	\$88,350	\$2,209	\$106,000	\$2,650	\$132,525	\$3,313
SIX	5-BR	\$79,000	\$1,975	\$90,350	\$2,259	\$94,900	\$2,373	\$113,850	\$2,846	\$142,350	\$3,559
SEVEN	6-BR	\$84,450	\$2,111	\$96,550	\$2,414	\$101,450	\$2,536	\$121,700	\$3,043	\$152,175	\$3,804
EIGHT		\$89,900		\$102,800		\$108,000		\$129,550		\$162,000	

* 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 HUD's MTSP "Hold Harmless" policy.
"Low HOME" and "High HOME" rents effective June 1, 2018.

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 Betancourt 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, 2018. HOME Rents effective June 1, 2018.