



SAN DIEGO  
HOUSING  
COMMISSION

We're About People

# San Diego Housing Commission (SDHC) Fiscal Year (FY) 2021 Proposed Budget (July 1, 2020 - June 30, 2021)

## Budget in City Format

Jeff Davis  
Executive Vice President and Chief of Staff

Tracey McDermott  
Senior Vice President and Chief Financial Officer





# SDHC FY 2021 Proposed Budget Mission Statement

## **Mission Statement**

To provide affordable, safe and quality homes for low- and moderate-income families and individuals in the City of San Diego and to provide opportunities to improve the quality of life for the families that the San Diego Housing Commission serves.

## **Fiscal Year 2021 Budget Summary**

The San Diego Housing Commission (SDHC) is a public agency that provides affordable housing programs and services for low- and moderate-income individuals and families in the City of San Diego. SDHC assists more than 15,000 low-income households by providing them with federal Section 8 Housing Choice Voucher (HCV) rental assistance. HCV participants pay a predetermined portion of their income toward rent, with the remainder paid by federal funds administered by SDHC. More than half of these households are seniors or individuals with disabilities. SDHC also administers City of San Diego and federal funds for transitional and permanent housing with supportive services to address homelessness among families, seniors, veterans and individuals. In addition, SDHC develops affordable multifamily rental housing and provides loans, Closing Cost Assistance Grants and Mortgage Credit Certificates to help first-time homebuyers.

In Fiscal Year (FY) 2021, SDHC programs will include but are not limited to:

- HOUSING FIRST – SAN DIEGO, SDHC’s homelessness action plan, builds upon the accomplishments of previous years, by providing expanded and additional, multifaceted solutions to address homelessness in the City of San Diego, such as:
  - Collaborating with landlords in the City of San Diego through the Landlord Engagement and Assistance Program (LEAP) to create housing opportunities for individuals and families experiencing homelessness;
  - Providing new Permanent Supportive Housing for individuals experiencing homelessness. SDHC invests federal and local dollars into new construction development, acquisition, and rehabilitation of properties;
  - Expanding SDHC’s “Moving On” rental assistance program, through which federal rental housing vouchers are provided to individuals and families who previously experienced homelessness and are ready to move from permanent supportive housing into a more appropriate housing solution due to achieving housing stability;
  - Continuing specialized programs to assist transitional age youth, individuals experiencing homelessness and veterans experiencing chronic homelessness; and
  - Continuing homelessness prevention and diversion assistance, such as staff to provide mediation or financial assistance to help families who are at risk of becoming homeless; and continuing coordinated street outreach services to expand support for existing street outreach efforts.





# SDHC FY 2021 Proposed Budget Mission Statement (Continued)

- Administering services that align with the City of San Diego's FY 2021 priorities regarding the provision of services to the City of San Diego's homeless population, such as the City's four Bridge Shelters for up to 951 individuals and the City's existing Storage Connect Center with up to 500 lockable storage containers; increasing services by adding a new storage center and safe parking in 2021; and continuing the City's Housing Navigation Center, which opened in December 2019 and provides on-site intake, assessment, triage and referrals for permanent housing opportunities.
- Expanding SDHC's Choice Communities initiative to increase housing choices for low-income families in the City of San Diego to move toward areas with more options for transportation, school and employment opportunities.
- Continuing a Landlord Partnership Program, similar to LEAP, for landlords participating in the Section 8 HCV rental assistance program.
- Acquiring hotel properties for rapid rehousing efforts.

The \$515.2 million proposed Fiscal Year 2021 Budget would enable SDHC to:

- Assist more than 15,000 low-income households by providing rental assistance through the federal Section 8 HCV program;
- Assist households to become first-time homebuyers;
- Acquire and develop affordable housing units; including units for San Diegans experiencing homelessness;
- Renovate and rehabilitate SDHC-owned units;
- Own and/or manage 3,732 affordable housing units in the city of San Diego, including SDHC's nonprofit affiliate, Housing Development Partners (HDP), and federal public housing units;
- Administer City of San Diego homelessness programs, including: the Housing Navigation Center, which will provide on-site intake and referrals; four Bridge Shelters, which provide shelter for up to 951 individuals at a time; an existing Storage Connect Center with up to 500 lockable storage containers plus a new storage center in 2021; safe parking; and Day Center services for approximately 7,000 individuals per year;
- Help 1,500 families that receive federal rental assistance or reside in public housing to become more financially self-reliant through the SDHC Achievement Academy, a learning and resource center and computer lab.





# SDHC FY 2021 Proposed Budget Mission Statement (Continued)

The proposed SDHC FY 2021 Budget will be presented to the City Council Budget Review Committee in May 2020, for its review, and will then be forwarded to the Housing Authority of the City of San Diego for its review in June 2020.

SDHC's FY 2021 Budget is composed of four divisions: Rental Assistance, Real Estate, Homeless Housing Innovations and Operations Support:

- Rental Assistance Division (RAD) funding is budgeted at \$221.7 million. RAD provides federal rental assistance to low-income households in the City of San Diego. RAD program activities provide eligible families with monthly federal rental assistance and opportunities for them to become more financially self-reliant through the SDHC Achievement Academy, a learning and resource center and computer lab with programs that emphasize career planning, job skills and personal financial education—at no cost to HCV participants and public housing residents. In addition, RAD monitors affordable housing developments and homeowners for compliance with federal, state and local occupancy and affordability restrictions.
- Real Estate Division (RED) funding is budgeted at \$120.7 million. RED creates and preserves affordable housing as a developer, owner, lender, partner, Multifamily Housing Revenue Bond issuer, and administrator of the City of San Diego's affordable housing programs. RED also helps low- and moderate-income families become first-time homebuyers.
- Homeless Housing Innovations Division (HHI) funding is budgeted at \$55.3 million. HHI administers City of San Diego and federal funds to address homelessness and the housing needs of San Diegans with extremely low incomes. This department administers programs for transitional housing, interim housing, rapid rehousing, and permanent supportive housing and services.
- Operations Support funding is budgeted at \$20.9 million. Operations Support provides support services to carry out SDHC's mission. Included are: 1) Board & Executive Functions, which provides strategic planning, leadership and management to implement housing programs; 2) Communications & Government Relations, which fosters transparency in government through government relations activities, responds to public records requests, and ensures consistency and accuracy in SDHC communications; 3) Human Resources; 4) Project Management Office; 5) Financial Services; 6) Information Technology; 7) Procurement; 8) Section 3 & Outreach; 9) Compliance and Special Programs; 10) Agency Policy; and 11) City-County Reinvestment Task Force.

Funds allocated for ending reserves are budgeted at \$96.6 million and are committed for use to create and preserve affordable housing. These funds contain three types of reserves and are restricted by use: 1) Program Restricted Reserves to provide for housing programs; 2) Property Reserves to provide for replacement requirements; and 3) Contingency Reserves, 3.5 percent of annual budgeted new revenue.





# SDHC FY 2021 Proposed Budget

## A. Budget Summary

**Table A - San Diego Housing Commission - Budget Summary**

	FY 2019 Budget	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY2021 Proposed	FY 2020-2021 Change
Positions (FTE)	330	323	341	341	346	5
Personnel Expense	\$ 36,463,000	\$ 34,654,000	\$ 38,100,000	\$ 38,100,000	\$ 41,761,000	\$ 3,661,000
Non-Personnel Expense	351,312,000	385,101,000	414,329,000	414,329,000	473,413,000	\$ 59,084,000
<b>TOTAL</b>	<b>\$ 387,775,000</b>	<b>\$ 419,755,000</b>	<b>\$ 452,429,000</b>	<b>\$ 452,429,000</b>	<b>\$ 515,174,000</b>	<b>\$ 62,745,000</b>



# SDHC FY 2021 Proposed Budget

## B. Expenditures

**Table B - San Diego Housing Commission - Expenditures**

	FY 2019 Budget	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Proposed	FY 2019-2020 Change
<b>PERSONNEL</b>						
Salaries & Wages	\$ 26,544,000	\$ 26,004,000	\$ 28,269,000	\$ 28,269,000	\$ 30,697,000	\$ 2,428,000
Fringe Benefits (health)	4,499,000	3,572,000	4,009,000	4,009,000	4,747,000	738,000
Fringe Benefits (pension)	3,671,000	3,465,000	3,844,000	3,844,000	4,170,000	326,000
Fringe Benefits (other—Life, LTD, Medicare, Workers Comp, SUI and 457)	1,748,000	1,614,000	1,978,000	1,978,000	2,147,000	169,000
<b>SUBTOTAL PERSONNEL</b>	<b>\$ 36,462,000</b>	<b>\$ 34,655,000</b>	<b>\$ 38,100,000</b>	<b>\$ 38,100,000</b>	<b>\$ 41,761,000</b>	<b>\$ 3,661,000</b>
<b>NON-PERSONNEL</b>						
Housing Program Expense	\$ 223,672,000	\$ 195,186,000	\$ 239,473,000	\$ 239,473,000	\$ 317,039,000	\$ 77,566,000
Property Expense	10,157,000	15,410,000	11,313,000	11,313,000	9,410,000	(1,903,000)
Professional Services, Supplies & Other	11,818,000	10,390,000	12,859,000	12,859,000	12,120,000	(739,000)
Debt Payments	8,195,000	8,335,000	8,021,000	8,021,000	7,874,000	(147,000)
Capital Expenditures	34,196,000	5,315,000	41,600,000	41,600,000	30,373,000	(11,227,000)
Reserves	63,275,000	150,464,000	101,063,000	101,063,000	96,597,000	(4,466,000)
<b>SUBTOTAL NON-PERSONNEL</b>	<b>\$ 351,313,000</b>	<b>\$ 385,100,000</b>	<b>\$ 414,329,000</b>	<b>\$ 414,329,000</b>	<b>\$ 473,413,000</b>	<b>\$ 59,084,000</b>
<b>TOTAL</b>	<b>\$ 387,775,000</b>	<b>\$ 419,755,000</b>	<b>\$ 452,429,000</b>	<b>\$ 452,429,000</b>	<b>\$ 515,174,000</b>	<b>\$ 62,745,000</b>





# SDHC FY 2021 Proposed Budget

## C. Significant Budget Adjustments

<b>Table C - San Diego Housing Commission - Significant Budget Adjustments</b>			
<b>Significant Budget Adjustments</b>	<b>Position</b>	<b>Revenue</b>	<b>Expenses</b>
<b>Personnel Salaries and Benefits Adjustments</b>			
Salaries & Wages	Primarily due to an increase in proposed headcount for FY2021 as well as COLA of 3.5%		\$ 2,428,000
Fringe Benefits (health)	Primarily due to an increase in proposed headcount for FY2021 as well as a MOU increase of 8%		738,000
Fringe Benefits (pension)	Primarily due to an increase in proposed headcount for FY2021		326,000
Fringe Benefits (Life, LTD, Medicare, Workers Comp, SUI, and 457)	Primarily due to an increase in proposed headcount for FY2021		169,000
			<b>\$ 3,661,000</b>
<b>Personnel Adjustments</b>			
<b>Non-Personnel Expenditure Adjustments</b>			
Housing Program Expense	Increase in housing assistance payments through higher payment standards, anticipated costs relating to COVID-19, development loans being funded through the Notice of Funding Availability (NOFA) process, and grants relating to Homelessness - Rapid Rehousing and Preservation		\$ 77,566,000
Property Expense	Decrease due to repairs and maintenance, utilities, landscaping, and carpet replacement of SDHC owned properties		(1,903,000)
Professional Services, Supplies & Other	Decrease in building repairs and maintenance, postage and delivery as well as a reduction in security monitoring services		(739,000)
Debt Payments	Decrease in interest expense		(147,000)
Capital Expenditures	Decrease in amount of funding allocated for acquisitions		(11,227,000)
Reserves	Decrease due to reduction of projects committed in prior year's		(4,466,000)
			<b>\$ 59,084,000</b>
<b>Non-Personnel Expenditure Adjustments</b>			
<b>TOTAL EXPENSE ADJUSTMENTS</b>			<b>\$ 62,745,000</b>
<b>Revenue Adjustments</b>			
Section 8/MTW	Increase due to higher payment standards through the Choice Communities Initiative and an increase in the use of HUD-Held reserves primarily related to COVID-19 Rapid Rehousing, Preservation and an increase in HAP payments	\$ 35,384,000	
HOME, CDBG & Other Federal	Decrease due to no anticipated receipt of CDBG Affordable Housing Revolving Loan Funds in FY2021 offset by higher HOME Income funding availabilities		(9,412,000)
Housing Innovation Funds	Increase in CoC - PSH funding		436,000
SDHC Real Estate	Decrease due to reduced property lease income as a result of the sale of Mariner's Village property to HDP		(1,905,000)
Affordable Housing Fund	Decrease in anticipated Affordable Housing Fund collections to line up with current actual collection trends		(905,000)
Other Local Funds	Increase due to inclusion of City GF funds for Veterans Village Bridge Shelter bridge shelter		3,439,000
STATE	Increase due to inclusion of HEAP/HHAP funding for bridge shelters, storage connect centers and safe parking		14,619,000
FUND BALANCE FROM PRIOR YEARS	Increase due to the timing of when loans close financing in order to fund projects that are under prior year's Notice of Funding Availability (NOFA), as well as funds set aside for COVID-19 related expenses in FY2021		21,089,000
<b>TOTAL REVENUE ADJUSTMENTS</b>			<b>\$ 62,745,000</b>





# SDHC FY 2021 Proposed Budget

## D. Reimbursements to Departments/Entities

**Table D - San Diego Housing Commission - Reimbursements to Departments/Entities**

Departments/Entities	FY 2019 Budget	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Proposed	FY 2020-2021 Change
Homeless Housing Innovations - Interim Shelter for Homeless Adults	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ -
Homeless Housing Innovations – Veterans Village Bridge Shelter	\$ -	\$ -	\$ -	\$ -	\$ 3,911,000	\$ 3,911,000
Homeless Housing Innovations - Prevention and Diversion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Homeless Housing Innovations - SMART Pilot Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Homeless Housing Innovations - Housing Navigation Center (GF)	\$ 300,000	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Homeless Housing Innovations - Housing Navigation Center (LMIFH)	\$ 250,000	\$ 129,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Homeless Housing Innovations - Transitional Storage Center	\$ 125,000	\$ 125,000	\$ 56,000	\$ 56,000	\$ -	\$ (56,000)
Homeless Housing Innovations - Connections Interim Housing	\$ 272,000	\$ 272,000	\$ 272,000	\$ 272,000	\$ 272,000	\$ -
Homeless Housing Innovations - Serial Inebriate Program	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ -
<b>TOTAL</b>	<b>\$ 2,837,000</b>	<b>\$ 2,416,000</b>	<b>\$ 2,768,000</b>	<b>\$ 2,768,000</b>	<b>\$ 6,623,000</b>	<b>\$ 3,855,000</b>







# SDHC FY 2021 Proposed Budget

## E. Revenues

**Table E San Diego Housing Commission - Revenues**

Revenue Source	FY 2019 Budget	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Proposed	FY 2020-2021 Change
<b>FEDERAL</b>						
Section 8/MTW	\$ 203,206,000	\$ 184,302,000	\$ 241,970,000	\$ 241,970,000	\$ 277,354,000	\$ 35,384,000
HOME, CDBG & Other Federal	19,146,000	19,413,000	25,735,000	25,735,000	16,323,000	(9,412,000)
Housing Innovation Funds	5,888,000	5,811,000	5,734,000	5,734,000	6,170,000	436,000
<b>FEDERAL TOTAL</b>	<b>\$ 228,240,000</b>	<b>\$ 209,526,000</b>	<b>\$ 273,439,000</b>	<b>\$ 273,439,000</b>	<b>\$ 299,847,000</b>	<b>\$ 26,408,000</b>
<b>LOCAL</b>						
SDHC Real Estate	\$ 32,689,000	\$ 35,431,000	\$ 34,671,000	\$ 34,671,000	\$ 32,766,000	\$ (1,905,000)
Affordable Housing Fund	10,981,000	14,952,000	7,049,000	7,049,000	6,144,000	(905,000)
Other Local Funds	7,350,000	10,991,000	7,633,000	7,633,000	11,072,000	3,439,000
<b>LOCAL TOTAL</b>	<b>\$ 51,020,000</b>	<b>\$ 61,374,000</b>	<b>\$ 49,353,000</b>	<b>\$ 49,353,000</b>	<b>\$ 49,982,000</b>	<b>\$ 629,000</b>
<b>STATE</b>	<b>\$ 480,000</b>	<b>\$ 753,000</b>	<b>\$ 7,944,000</b>	<b>\$ 7,944,000</b>	<b>\$ 22,563,000</b>	<b>\$ 14,619,000</b>
<b>FUND BALANCE FROM PRIOR YEARS</b>	<b>\$ 108,035,000</b>	<b>\$ 148,102,000</b>	<b>\$ 121,693,000</b>	<b>\$ 121,693,000</b>	<b>\$ 142,782,000</b>	<b>\$ 21,089,000</b>
<b>TOTAL</b>	<b>\$ 387,775,000</b>	<b>\$ 419,755,000</b>	<b>\$ 452,429,000</b>	<b>\$ 452,429,000</b>	<b>\$ 515,174,000</b>	<b>\$ 62,745,000</b>

