



SAN DIEGO
HOUSING
COMMISSION

Attachment 1

City of San Diego Affordable Housing Fund FY 2023 Annual Plan

Fiscal Year 2023
(July 1, 2022 – June 30, 2023)



Saint Teresa of Calcutta Villa Apartments
1 14th Street, San Diego, CA 92101 – City Council District 3
403 Affordable Housing Units
\$4.8 million Affordable Housing Fund
Grand Opening: February 10, 2022



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CITY OF SAN DIEGO AFFORDABLE HOUSING FUND

Fiscal Year 2023 Annual Plan

INTRODUCTION

The City of San Diego Affordable Housing Fund (AHF) was created by the San Diego City Council (City Council) on June 3, 2003, as a permanent and annually renewable source of revenue to help meet the housing needs of the City of San Diego's (City) lower-income households. The City Council expressed the purposes of the AHF in San Diego Municipal Code Chapter 9, Article 8, Division 5 (Code):

- Meet a portion of the need for housing that is affordable to households with very low, low, and median incomes;
- Leverage every \$1 of City funds with \$2 of non-City capital funds;
- Support the City's Balanced Communities Policy by fostering a mix of family incomes in AHF-assisted developments and dispersing affordable housing developments throughout the City;
- Preserve and maintain affordable rental and ownership housing; and
- Encourage private sector activities that advance these goals.

The AHF Annual Plan (Annual Plan) implements the City Council's intent by adopting an overall strategy for use of the AHF. Development of the Annual Plan is guided by the San Diego Housing Commission's (SDHC) annual budget process.

The Annual Plan provides revenue forecasts and suggested Fiscal Year (FY) 2023 fund allocation and production estimates. The proposed fund allocation takes into consideration policy parameters set by the Code, availability and requirements of other affordable housing funding sources, and the goals and objectives set forth in SDHC's FY 2023 Budget.

The FY 2023 Annual Plan also includes a description of SDHC's Model Programs. Model Programs reflect programs to which the investment of AHF funds is permitted, but is not required. In addition, they are not intended to preclude investment in an opportunity that is not specifically described in the Model Programs section.

OVERVIEW

The AHF is composed of two permanent, annually renewable funding sources:

Housing Trust Fund (HTF)

HTF is funded from fees charged to commercial development. Per Section 98.0504 of the Code, HTF funds may be used in any manner, through loans, grants or indirect assistance for the production and maintenance of assisted units and related facilities.



Inclusionary Housing Fund (IHF)

IHF is funded from fees charged to residential development. The expenditure of IHF is governed by Section 98.0505 of the Code. Priority is given to the construction of new affordable housing stock. Funds may also be used for other programs if approved by City Council in the Annual Plan. SDHC monitors the revenue collected and is responsible for reinvesting the funds.

IHF also allows for funds to be expended on other programs SDHC administers with City Council approval. Recognizing the significant need for affordable housing, including housing and services for individuals experiencing homelessness, SDHC will invest the funds in the following activities:

➤ Rental Housing Production

- New construction
- Acquisition and acquisition with rehabilitation
- Preservation of existing affordable rental housing

Rental units shall be affordable for a minimum of 55 years, unless otherwise approved in the activities listed in the Model Programs. Some activities require that developers apply for funding via SDHC's Notice of Funding Availability (NOFA).

➤ Homeownership Opportunities

Financing programs to encourage and increase homeownership opportunities for low- to moderate-income households at or below 100 percent of San Diego's Area Median Income (AMI). First-time homebuyers apply through participating lenders.

- Homeownership First-time Homebuyer Loan Program
- Accessory Dwelling Unit Finance Pilot Program

➤ Homeless Housing Activities

Homeless Housing Activities include funding for construction or rehabilitation of permanent supportive housing units, capitalized operating reserves for permanent supportive housing developments, transitional housing and interim housing operations support grants, and rapid rehousing. Funds are also spent on activities to provide housing for families and individuals at risk of or experiencing homelessness through programs like homelessness prevention, shelter diversion and landlord engagement.

Program Funds (HTF Other)

AHF revenues consist primarily of fees and loan repayments from the IHF and the HTF. Several sources of HTF revenue discontinued as primary revenue sources between 1993 and 1997 but continue to generate HTF revenue through loan repayments and interest. These sources are the Transient Occupancy Tax (TOT) Funds, the Housing Rehabilitation Trust Fund, and the Redevelopments Funds. These funds will be reallocated to be used as

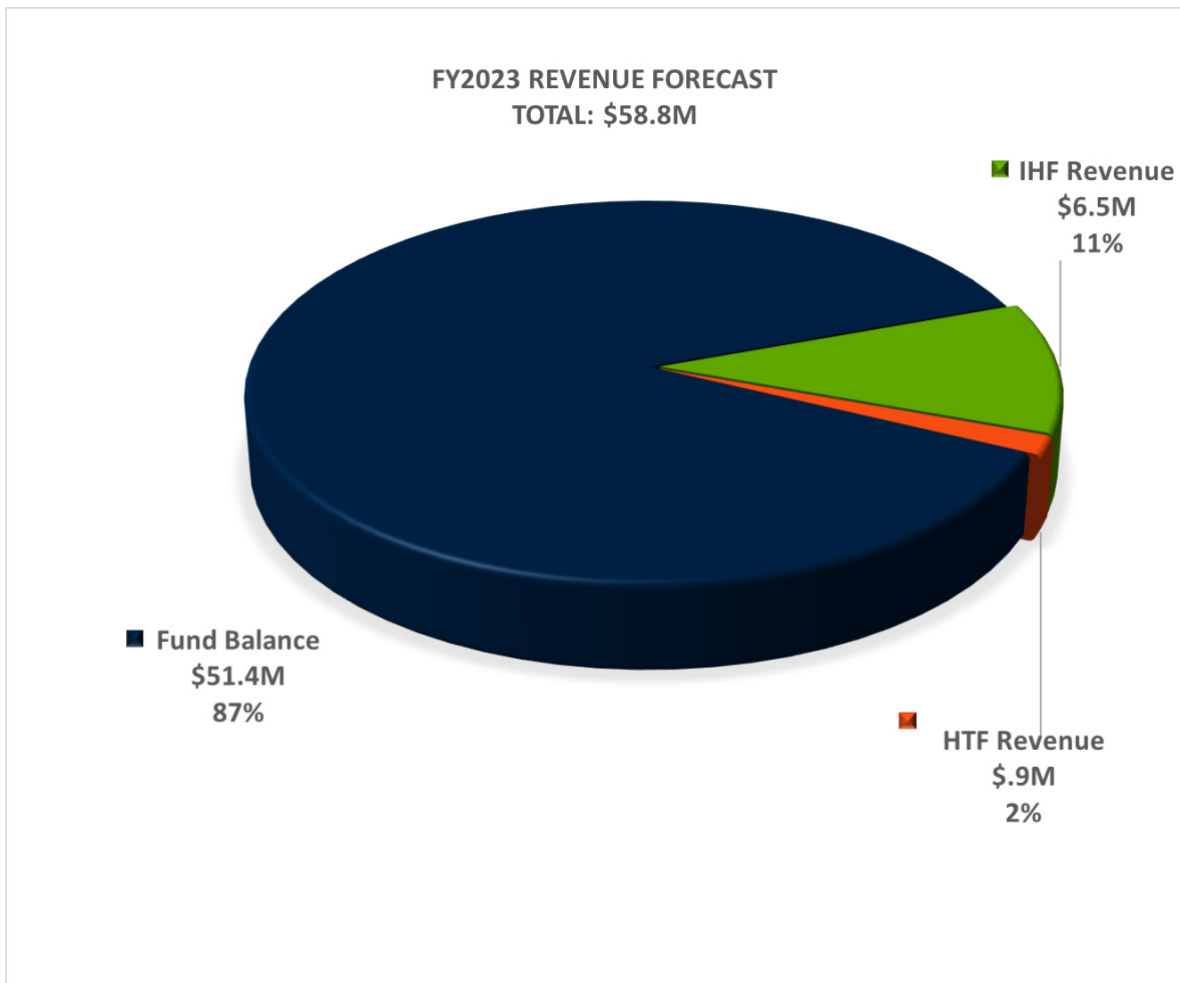


approved in the FY 2023 Proposed Allocation.

FY 2023 AHF ANNUAL PLAN

Revenue Forecast

Approximately \$58.8 million is expected to be available in FY 2023, consisting of \$7.4 million in new revenue and loan repayments and \$51.4 million in estimated fund balances. Of the fund balances, \$45.4 million is committed to affordable housing production through loans and through NOFAs (FY 2017 – FY 2022). The remaining fund balance is available to fund additional projects and activities. New revenue includes HTF Housing Impact Fees (also known as Commercial Linkage Fees) and IHF Fees.





Fund Allocation and Production

Funding recommendations are made in accordance with established SDHC policies and require approval of specific projects and activities by the SDHC Board of Commissioners and/or the Housing Authority of the City of San Diego (Housing Authority). Some discretionary transfer of funds between eligible activities is permitted, but all funding recommendations must be consistent with the Annual Plan and SDHC's budget process. The proposed allocation of AHF funds for FY 2023 is as follows:

Program/Activity/Funding Source	FY23 Budget	Production
Rental Housing Production: Rental Housing Finance <i>Affordable Rental Housing Production & Permanent Supportive Housing</i> <i>Prior Year Board Commitments</i> <i>FY20 NOFA (Earmarked)</i> <i>FY21 NOFA (Earmarked)</i> <i>FY22 NOFA (Earmarked)</i> <i>FY23 NOFA</i> Inclusionary HTF Housing Impact Fee HTF Other TOTAL	 \$19,097,294 \$4,000,000 \$3,950,000 \$8,349,755 \$9,590,056 46,010 \$363,934 \$45,397,049	Unallocated Fund Balances may be allocated during the fiscal year in accordance with the code and subject to appropriate approval process. 142 units (represents new closings in FY 2023) and 433 units in development and for which funds were committed in a previous year
Homeownership: <i>Deferred Payment loans;</i> <i>Closing Cost Assistance grants</i> Inclusionary <i>Accessory Dwelling Unit Loans</i> Inclusionary TOTAL	 \$678,029 2,000,000 \$2,678,029	Up to 20 households Up to 10 units
Homeless Housing Initiatives: Housing Innovations <i>Transitional Housing Grants</i> HTF Housing Impact Fee HOUSING FIRST - SAN DIEGO <i>Landlord Engagement</i> Inclusionary <i>Prevention & Diversion</i> Inclusionary <i>Rapid Rehousing Grants</i> Inclusionary <i>Flexible Spending</i> Inclusionary <i>Family Reunification</i> Inclusionary TOTAL	 \$433,809 \$2,880,641 \$2,028,053 \$438,000 \$455,020 \$394,000 \$6,629,523	138 transitional housing beds 1,000 households housed 300 households prevented from entering homelessness / diverted from the homeless system 40 households served 21 households served Up to 400 persons served
Capacity Building: <i>Homeless Housing Initiatives</i> Inclusionary <i>Homeownership</i> Inclusionary TOTAL	 \$50,000 \$200,000 \$250,000	One to four trainings (includes Housing Focused training through RTFH) ADU Technical Assistance
Administration	\$2,472,957	Personnel, overhead, MOU expense
Administration - Legal	\$10,000	
TOTAL	\$57,437,558	



MODEL PROGRAMS OVERVIEW

SDHC allocates funding on an annual basis among the various activities authorized by the Code. Model Programs change from time to time; they are not intended to preclude investment in an opportunity that is not specifically described in the Model Programs section.

The following is a general description of the possible investment activities planned for FY 2023. These activities are described more fully in Model Programs below.

Rental Housing Production

- *Rental Housing Finance – Affordable Housing*

Financing for developers of affordable housing units with below-market rents. This includes deferred loans, below-market interest rates, and matching funds for State, Federal, and private financing. SDHC's Affordable Housing Notice of Funding Availability (NOFA) contains additional information regarding SDHC's financial participation in affordable rental housing development, including new construction or acquisition with rehabilitation.

Financing for developers of affordable housing units nearing the end of the last regulatory term imposing affordable housing restrictions. Provides opportunities to assist in securing affordability covenants for up to an additional 15 years.

Homeownership

- *Homeownership Loan Program*

Deferred loan and closing cost grant programs to help first-time homebuyers with the purchase of a home in the City of San Diego.

- *Accessory Dwelling Unit Finance Pilot Program*

A loan program that would finance the construction of Accessory Dwelling Units. Financing may be achieved through various loan products. The intent is to increase housing production, to provide a wealth-generating opportunity to low-income homeowners, as well as to increase rental housing in high-opportunity neighborhoods.

Homeless Housing Initiatives

SDHC's Homeless Housing Innovations Division administers and operates multiple housing initiatives that serve individuals and families experiencing homelessness or at risk of homelessness throughout the City of San Diego. This division oversees the



City of San Diego's Homeless Shelters and Services Programs, as well as SDHC's strategic homelessness initiatives, such as the homelessness action plan HOUSING FIRST – SAN DIEGO.

- *Transitional Housing Grants*

A grant and loan program for nonprofit operators of transitional housing. Grants and loans may be used for the leasing or operating of transitional housing facilities, as well as improvements to existing leased facilities.

- *Rapid Rehousing Grants*

Rapid rehousing programs provide rental assistance and case management services to help individuals and families experiencing homelessness to obtain and maintain permanent housing.

- *Landlord Engagement*

The program provides incentives and benefits to landlords with rental properties in the City of San Diego who rent to individuals and families experiencing homelessness.

- *Homelessness Prevention and Diversion*

Homelessness Prevention provides financial assistance and case management services to help individuals and families who are at risk of homelessness to avoid becoming homeless. Diversion helps individuals and families who are newly experiencing homelessness to move into housing and prevent shelter stays.

- *Flexible Spending*

Flexible Funding Pool (FLEX) provides financial assistance for individuals and families experiencing homelessness to remove immediate barriers to obtaining housing. It also provides shallow subsidies for seniors on fixed incomes residing in City shelters to obtain and sustain housing.

- *Family Reunification*

The program's objective is to provide housing relocation assistance to individuals experiencing homelessness in the City of San Diego by connecting those individuals with family or other support systems, contributing to the regional goals of ensuring instances of homelessness are rare, brief and non-recurring.

Capacity Building

Technical assistance focused on increasing the capacity for service providers, development partners for permanent supportive housing, and homeowners interested in developing Accessory Dwelling Units.



Administration

Funds to provide reasonable compensation to the City of San Diego and SDHC for services related to the administration of the AHF and associated housing programs.

Legal

Expenses to obtain legal services and prepare loan and grant agreements and related documents.



SAN DIEGO HOUSING COMMISSION MODEL PROGRAMS

Legend: **HTF:** Housing Trust Fund (local funding) **INCL:** Inclusionary Housing Fund (local funding) **HOME:** HOME Investment Partnerships Program (Federal funding – U.S. Department of Housing and Urban Development [HUD] grants to the City of San Diego, administered by SDHC)

RENTAL HOUSING PRODUCTION	
Rental Housing Finance - 100% Affordable Project	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input checked="" type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	Subordinate loan program, with below-market interest rate, to increase the supply of affordable rental housing units in the City of San Diego, including new construction, acquisition, and acquisition with rehabilitation. Projects must make 100 percent of the assisted units affordable to households at specified San Diego Area Median Income (AMI) levels in compliance with applicable federal and state laws (manager units are excluded).
Target Population	Extremely low-, very low- and low-income households.
Loan Terms	Maximum term to maturity is 55 years. Principal and interest may be fully deferred for the term of the loan or repaid annually through either fixed payments and/or residual receipts. All unpaid principal and interest are due and payable as a balloon payment at maturity. Loan may be originated as a construction or rehabilitation loan and converted into permanent financing.
Loan Underwriting	Subject to SDHC's loan policies, unless SDHC authorizes specific exceptions.
Application Method	Funds for program to be made available through a Notice of Funding Availability (NOFA).
Rental Housing Finance – Permanent Supportive Housing	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input checked="" type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	A loan program for permanent housing with supportive services, which will maximize the ability of residents to live independently. Loans may be used for the development, acquisition or long-term leasing of housing facilities, improvements to existing facilities, and capitalized operating reserves.
Target Population	Extremely low-, very low- and low-income individuals and families experiencing homelessness who are identified as needing permanent housing in a service-enhanced environment; individuals must be identified through the Continuum of Care Coordinated Entry System (CES) and be generally compatible with requirements of federal funding sources.
Loan Terms	Maximum term to maturity is 55 years. Principal and interest may be fully deferred for the term of the loan or repaid annually through either fixed payments and/or residual receipts. All unpaid principal and interest are due and payable as a balloon payment at maturity. Loan may be originated as a construction or rehabilitation loan and converted into permanent financing.
Loan Underwriting	Subject to SDHC's loan policies, unless SDHC authorizes specific exceptions.
Application Method	Funds for program to be made available through a NOFA.
Middle-Income Housing - Mixed-Income Projects	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	Subordinate loan program, with below-market interest rate, to increase the supply of middle income and affordable rental units in the City of San Diego, including new construction, acquisition and acquisition with rehabilitation. Loans to developments wherein at least 40 percent of the units, excluding units available for managers, are affordable to and will be occupied by people with low-income (up to 80 percent of AMI) and at least 10 percent of the units are affordable and occupied by people with middle income (up to 150 percent of AMI).
Target Population	Low-income households as well as middle-income households in mixed-income developments.
Loan Terms	Maximum term to maturity is 55 years unless otherwise approved by SDHC. Principal and interest may be fully deferred for the term of the loan or repaid annually through either fixed payments and/or residual receipts. All unpaid principal and interest are due and payable as balloon payment at maturity. Loan may be originated as a construction or rehabilitation loan and converted into permanent financing.
Loan Underwriting	Subject to SDHC's loan policies unless SDHC authorizes specific exceptions.
Application Method	Funds for program to be made available through a Request for Proposals (RFP) or NOFA.



Affordable Housing Transit-Oriented Development (TOD) Revolving Loan Fund - Seed Money Investment	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	An SDHC / City of San Diego partnership to support the creation of a San Diego Affordable Housing TOD revolving loan fund (San Diego TOD Fund), as further approved by the San Diego City Council in its final form. The public investment would serve as seed money to attract investment from commercial and nonprofit financial institutions, program-related investments provided by foundations, and additional potential sources, such as area employers, corporate philanthropists and individuals. The Public Sponsors will affect which products the San Diego TOD Fund will offer, which development opportunity types will be prioritized, and which specific projects will receive a credit enhancement or guarantee. Day-to-day operations and comprehensive fund management services will be handled by a fund consultant.
Target Population	Very low-, low- and middle-income households in mixed-income housing developments.
Loan Terms	Loan terms will be structured once all investors are identified. The initial set of loan products to be offered by the fund may include but are not limited to: 1) Loans for acquisition and predevelopment of project-ready TOD sites that can be developed as a affordable housing in short- to mid-term; 2) Loans for the acquisition and predevelopment of strategic TOD sites located near existing and planned transit that can be developed into affordable housing over the mid- to long-term; and 3) Loans for the rehabilitation of small- to mid-size (10-50 unit properties) that will retain and incorporate new affordable rental housing in transit-rich areas.
Loan Underwriting	Subject to SDHC's loan policies unless SDHC authorizes specific exceptions and to the loan policies of the individual partner investors, which will be guided by the Public Sponsors.
Application Method	Funds for program to be made available through a TOD Fund NOFA loan application process, submitted to individual partner investors for underwriting and loan approval, followed by a credit enhancement/guarantee approval from the Public Sponsors.

PRESERVATION

Preservation – Rental Housing Anti-Displacement Fund	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	Assistance to help fund relocation costs incurred by very low-income households who are displaced by the demolition, rehabilitation, conversion, or other redevelopment of their permanent residence, which costs are not covered by regulatory or other federal, state or local tenant assistance programs.
Target Population	Very low income individuals and families residing in SRO's or other multifamily rental housing who are displaced by the demolition, rehabilitation, conversion or other redevelopment of their permanent residence. .
Loan Terms	Variable based on project requirements (third party financial evaluation); may be provided as a grant.
Loan Underwriting	Subject to SDHC's loan or grant policies, unless SDHC authorizes specific exceptions.
Application Method	Funds for program may be made available through a NOFA and/or may be used as a loan or grant to owners of rental units in the City of San Diego, requiring approvals from the SDHC Board and Housing Authority for each project site.
Rental Housing Finance – Multifamily Rental Housing Preservation and Anti-Displacement	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	One-time assistance to owners of rental housing to extend expiring affordability restrictions or to preserve naturally affordable rents in rental housing without affordability restrictions. This will alleviate the displacement of low-income individuals and families. Assistance granted will be provided to preserve the affordability of units for up to 15 years.
Target Population	Individuals and families residing at properties with units converting from affordable to market-rate at the end of a term of affordability restrictions. Households up to 80 percent of AML.
Loan Terms	Variable based on project underwriting (third-party financial evaluation) up to 15 years.
Loan Underwriting	Subject to SDHC's loan policies, unless SDHC authorizes specific exceptions.
Application Method	Funds for program may be made available through a NOFA and/or may be used as a loan or grant to owners of rental units in the City of San Diego, requiring approvals from the SDHC Board and Housing Authority for each project site.



HOMEOWNERSHIP PROGRAMS

3% Interest, Deferred-Payment Loan Program

Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input checked="" type="checkbox"/> HOME <input checked="" type="checkbox"/> MTW <input checked="" type="checkbox"/> OTHER
Scope	A deferred-payment, second trust deed loan program for low- and moderate-income first-time homebuyers that bridges the gap between what households can afford and the actual cost of acquiring a home. The deferred-payment loan program provides a range of assistance from 17 percent to 22 percent of the purchase price to be used toward down payment.
Target Population	The loan program targets households earning up to 80 percent of AMI that meet program eligibility and underwriting guidelines. The household income as a percentage of AMI is determined by the available funding source.
Loan Terms	Loans are 3 percent simple interest and require no monthly payments. The loan term is 30 years. Principal and accrued interest are due as a balloon payment upon sale, cash-out refinance, non-owner occupancy, or upon maturity.
Loan Underwriting	Subject to SDHC's loan policies and guidelines unless SDHC authorizes specific exceptions.
Application Method	Purchasers apply through participating lenders. SDHC staff underwrite and approve applications.

Closing Cost Assistance Program

Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input checked="" type="checkbox"/> HOME <input checked="" type="checkbox"/> MTW <input checked="" type="checkbox"/> OTHER
Scope	A closing cost assistance program for first-time homebuyers provides up to 4 percent of the purchase price – not to exceed \$10,000. This assistance is to be used toward the closing costs related to the purchase of a home in the City of San Diego.
Target Population	Households earning up to 100 percent of AMI that meet program eligibility and underwriting guidelines. The household AMI limit is determined by the available funding source.
Terms	Borrowers earning up to 80 percent of AMI receive the assistance in the form of a grant, which is forgiven upon close of escrow. No repayment is required. Borrowers earning 80 to 100 percent of AMI receive the assistance in the form of a loan, which is forgiven after six years.

Accessory Dwelling Unit Finance Pilot Program

Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	An amortized second trust deed loan program that would finance the construction of Accessory Dwelling Units. Financing may be achieved through one or more of the following options: 1. Short-term construction loans from SDHC with permanent take-out financing from a bank; 2. Permanent loan financing from SDHC; or 3. Other, to-be-identified loan product, such as gap financing or loan guarantee programs.
Target Population	Financing options should be available to both Low-to-Moderate Income (LMI) and non-LMI homeowners who meet program eligibility and underwriting guidelines. Household AMIs and affordability terms are determined by the available funding source. Completed Accessory Dwelling Units may meet the following affordability criteria: 1. Rented to Section 8 Housing Choice Voucher participants or restricted to tenants with 30 percent, 60 percent, 80 percent, or 100 percent of AMI for the duration of a defined affordability period (potentially 7 – 15 years) if homeowner is non-LMI 2. Non-rent-restricted Accessory Dwelling Units if homeowner is LMI (100 percent of AMI) (as Accessory Dwelling Unit may be considered to be naturally occurring affordable housing) By including both LMI and non-LMI homeowners, the intent of the ADU Finance Pilot Program is to increase housing production, improve financial self-sufficiency, avoid resident displacement, increase rental housing in high-opportunity neighborhoods, and provide a wealth-building opportunity for LMI homeowners.
Loan Terms	Permanent Loan options: Loans would be amortized with principal paid in equal payments throughout the loan term, which corresponds to the affordability term and is determined by the funding source and homeowner's income as a percentage of the AMI. 1. Construction-to-Permanent option in partnership with a Bank SDHC would fund a loan to the homeowner for construction of the ADU. Upon completion of construction, Bank would fund a permanent mortgage loan for borrower through a refinance. At that time, SDHC's construction loan would be paid back. 2. Permanent loan financing from SDHC Loans would be amortized with principal paid in equal payments throughout the loan term, which corresponds to the affordability term and is determined by the funding source and homeowner's income as a percentage of the AMI. 3. Other, to-be-identified loan product, such as gap financing or loan guarantee programs.
Loan Underwriting	Subject to SDHC's loan policies unless SDHC authorizes specific exceptions.
Application Method	Homeowners apply directly to SDHC. SDHC staff underwrite and approve applications.
Application Method	Purchasers apply through participating lenders. SDHC staff underwrite and approve applications.



HOMELESS HOUSING INITIATIVES

City of San Diego Emergency Shelters

Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	SDHC administers, on behalf of the City of San Diego, emergency shelter programs that provide temporary shelter with supportive services needed to expedite placement into permanent housing, using the principles of Housing First, contributing to the regional goals of ensuring instances of homelessness are rare, brief, and non-reoccurring for people experiencing homelessness.
Target Population	Individuals, families, transition-age youth and veterans experiencing homelessness.
Terms	Stays are not term limited. Exits and next steps are based on individualized, person-centered approach.
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

City of San Diego Bridge Shelters

Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	SDHC administers, on behalf of the City of San Diego, bridge shelters that provide temporary housing and supportive services needed to expedite placement into permanent housing, using the principles of Housing First, contributing to the regional goals of ensuring instances of homelessness are rare, brief, and non-recurring for people experiencing homelessness.
Target Population	Individuals, families, transition-age youth and veterans experiencing homelessness.
Terms	Stays are not term limited. Exits and next steps are based on individualized, person-centered approach.
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

City of San Diego Interim Housing Programs

Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	SDHC administers, on behalf of the City of San Diego, interim housing programs with supportive services needed to expedite placement into permanent housing, using the principles of Housing First, for individuals and families experiencing homelessness.
Target Population	Individuals, families and veterans experiencing homelessness.
Terms	Stays are not term limited. Exits and next steps are based on individualized, person-centered approach.
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

Transitional Housing

Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	A grant and loan program for nonprofit operators of transitional housing. Grants and loans may be used for the leasing or operating of transitional housing facilities, as well as improvements to existing leased facilities.
Target Population	Families and individuals experiencing homelessness.
Terms	Up to 24 months
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

Transitional Project-Based Rental Assistance for San Diegans Experiencing Homelessness

Eligible Funding	<input type="checkbox"/> HTF <input type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	Rental assistance funds are issued to a partnering agency providing supportive services to individuals experiencing homelessness while appropriate housing solutions are identified.
Target Population	Families and individuals experiencing homelessness.
Terms	Assistance can range from 3 months to 24 months



Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.
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Rapid Rehousing	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	Financial assistance, rental assistance and case management services to help individuals and families experiencing homelessness to obtain and maintain permanent housing. Assistance may include temporary rental assistance, security deposits, move-in assistance, utility assistance and case management.
Target Population	Individuals and families experiencing homelessness. At program enrollment, income is at or below 80 percent of AMI for Inclusionary, Moving to Work (MTW) and SDHC Real Estate funding sources and is below 50 percent of AMI for HTF (Linkage).
Terms	Assistance up to three years, depending on the funding source.
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

Federal Sponsor-Based Housing Vouchers Program	
Eligible Funding	<input type="checkbox"/> HTF <input type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	A rental assistance program that partners with service providers. Provides ongoing rental assistance and the service provider partners provide intensive wrap around services for individuals and families experiencing homelessness
Target Population	Families and individuals experiencing homelessness
Terms	Indefinite (subject to federal funding)
Application Method	Federal Sponsor-Based Housing Vouchers are awarded to nonprofit or for-profit organizations, or "sponsors" to provide rental assistance to help San Diegans experiencing homelessness to help pay for their housing. Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

City of San Diego's Year-Round Day Center Services	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	Individuals experiencing homelessness are provided with basic needs assistance, such as laundry facilities, restrooms, showers, mail, storage and referral services. Funds may be allocated toward capital repair expenses and building/site improvements at Day Center facilities. Locations include, but are not limited to, the Day Center Facility for Adults Experiencing Homelessness, formerly known as Neil Good Day Center.
Target Population	Individuals experiencing homelessness
Terms	Day-time, year-round
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

Regional Task Force on Homelessness (RTFH) Support	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	SDHC is a member of the RTFH, San Diego's lead organization on addressing homelessness, which consists of service providers, government agencies, the private sector, and other stakeholders key to achieving the mission. RTFH oversees Federal Continuum of Care homeless assistance funds awarded by HUD for the region. SDHC supports RTFH, such as support for the region's Homeless Management Information System (HMIS), a critical component of the community's service delivery system as well as support for training and technical assistance on service delivery best practices.
Target Population	Programs and services for San Diegans experiencing homelessness
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

Landlord Engagement and Assistance Program (LEAP)	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	LEAP, as a part of HOUSING FIRST - SAN DIEGO, SDHC's homelessness action plan, provides incentives and benefits to landlords with rental properties in the City of San Diego (ZIP codes that begin with 921 and ZIP code 92037, excluding 92118 and 92178) who rent to individuals and families experiencing homelessness. In addition, landlords with rental properties in the City of National City (ZIP Code 91950) can rent to veterans who received federal rental housing vouchers through the Veterans Affairs Supportive Housing (VASH) program and participate in LEAP.



Target Population	Individuals and families who are either imminently at risk of homelessness or experiencing homelessness who have income at or below 80 percent of AMI.
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

Homelessness Prevention & Diversion

Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	Homelessness Prevention and Diversion assistance, which also is part of HOUSING FIRST – SAN DIEGO, will help individuals and families who are at risk of or are newly experiencing homelessness in the City of San Diego avoid becoming or remaining homeless and prevent shelter stays. The program includes financial assistance and light-touch case management.
Target Population	Prevention assists those at imminent risk of homelessness, while diversion assists individuals new to experiencing homelessness and as they may be applying for entry into a homeless shelter. Prevention helps individuals and families maintain their current housing situation or move into a new housing situation. Diversion helps individuals and families stay out of the shelter system by identifying alternative housing. Both populations must have income at or below 80 percent of AMI.
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

Family Reunification Program

Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	The program's objective is to provide housing relocation assistance to individuals experiencing homelessness in the City by connecting those individuals with family or other support systems, contributing to the regional goals of ensuring instances of homelessness are rare, brief and non-recurring. The program provides one-way, one-time transportation assistance services to participants who wish to reunify with family or other support systems in a distant part of the continental United States. Household income must be at or below 80 percent of AMI.
Target Population	Family Reunification targets those individuals experiencing homelessness in the City of San Diego whose homelessness can be resolved through reunification with family or other support systems.
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

Coordinated Outreach

Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	Coordinated Outreach expands support and coordination among street outreach efforts across the City. The Outreach service delivery model aligns with best practices and deploys outreach resources to strategically engage individuals prioritized for housing through the Coordinated Entry system. Outreach teams provide street based case management focused on connections to permanent housing placements and provide support for meeting basic needs and connections to shelter and other supportive services.
Target Population	Individuals and families experiencing homelessness with income at or below 80 percent of AMI for Inclusionary and below 50 percent of AMI for HTF (Linkage).
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

SDHC Moving On Rental Assistance Program

Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	<p>The SDHC Moving On Rental Assistance Program, one of the programs of HOUSING FIRST – SAN DIEGO, provides affordable housing solutions to families and individuals who previously experienced homelessness who are ready to transition out of permanent supportive housing, but who still need rental assistance. Rental assistance is provided through a federal MTW initiative for and up to 50 individuals. SDHC Moving On Rental Assistance provides assistance for individuals who previously experienced homelessness who have successfully stabilized and are able to live more independently while accessing community-based resources, as needed.</p> <p>Limited permanent supportive housing resources become available for vulnerable individuals experiencing homelessness with greater needs. SDHC Moving On Rental Assistance is an SDHC partnership with the County of San Diego Behavioral Health Service Division.</p>
Target Population	Low-income households with income at or below 80 percent of AMI who previously experienced homelessness



Terms	Permanent
Application Method	Applicants must be enrolled in a full-service partnership program and referrals sent by identified community partners. Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

Flexible Housing Program	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	Flexible Housing, which also is part of HOUSING FIRST – SAN DIEGO, will help individuals and families who are experiencing homelessness obtain and maintain permanent housing in the City of San Diego. The program includes one-time financial assistance to remove immediate barriers to obtaining housing, including but not limited to housing, employment, education and transportation costs, limited rental assistance, and light-touch case management services.
Target Population	Individuals and families experiencing homelessness with income at or below 80 percent of AMI at the time they enroll in the program.
Terms	Assistance can be up to one year.
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

Shallow Subsidy Program	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	Shallow subsidy, which also is part of HOUSING FIRST – SAN DIEGO, will help individuals and families who are experiencing homelessness obtain and maintain permanent housing in the City of San Diego. The program includes shallow/flat rental assistance.
Target Population	Individuals and families experiencing homelessness with income at or below 80 percent of AMI at the time they enroll in the program.
Terms	Duration of subsidy depends on each household's level of need.
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

Homelessness Response Center (HRC)	
Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	The HRC provides a broad range of services to help individuals and families experiencing homelessness on their path to permanent or longer-term housing. The HRC provides system navigation services and other support services onsite. System navigators work directly with households and also coordinate with outreach teams and shelter providers to identify individuals and families for system navigation services. Intake coordinators and system navigators conduct assessments for anyone who is accessing HRC services and make referrals for additional services on site or in the community collect data required to connect participants to the region's Coordinated Entry System (CES) when appropriate, and conduct housing assessments. The System Navigation team coordinates with all entities involved in moving the client to housing for participants who are eligible for or enrolled in CES resources, including working directly with the Regional Task Force on Homelessness (RTFH), the housing service provider, and SDHC's Landlord Engagement and Assistance Program (LEAP), as needed. The System Navigation team also leverages existing services and resources for clients, including case management through the shelter provider and the CES-matched housing service provider, as well as housing search and placement services through LEAP.
Target Population	Programs and services for San Diegans experiencing homelessness.
Terms	Indefinite.
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.

CAPACITY BUILDING PROGRAM

Eligible Funding	<input checked="" type="checkbox"/> HTF <input checked="" type="checkbox"/> INCL <input type="checkbox"/> HOME <input checked="" type="checkbox"/> OTHER
Scope	A technical assistance and capacity building program that will: 1) Assist developers and operators of affordable housing, owners/operators of Naturally Occurring Affordable Housing (NOAH), owners/operators of Single Room Occupancy (SRO) hotels in increasing the capacity to develop and/or preserve affordable housing and partner with development consultants and service providers. Program to provide "hands on" technical assistance in such areas as concept development, site assessment and acquisition, cost estimating, feasibility analysis, specification writing, bid packaging and review, permit procedures, construction oversight, grants and application preparation, service delivery plan preparation, record keeping and developer capacity assessments required by funding sources; 2) Assist homeowners interested in developing Accessory Dwelling Units (ADUs); and 3) Assist homelessness service providers to increase capacity to provide



City of San Diego Affordable Housing Fund – FY 2023 Annual Plan

	effective, efficient and high-quality programs to address homelessness.
Target Population	Corporations, limited equity cooperatives, non-profit organizations, and other developers, owners and operators of affordable housing, NOAH, and SROs with limited housing and development experience, homeowners interested in developing ADUs, and homelessness service providers.
Terms	Grant is for the delivery of technical assistance and capacity building services to housing developers, owners, operators, homeowners and homelessness service providers. Scope of work will be articulated in contract documents.
Application Method	Funds made available through the appropriate method of procurement approved in SDHC's Procurement Policy.



INCOME AND RENT CALCULATIONS

2021 Area Median Income (AMI)
for San Diego County is

\$95,100

San Diego County Income Limits Effective April 1, 2021				
FAMILY SIZE	80% of AMI Low Income	60% of AMI Very Low Income	50% of AMI Very Low Income	30% of AMI Extremely Low Income
1	67,900	50,940	42,450	25,450
2	77,600	58,180	48,500	29,100
3	87,300	65,480	54,550	32,750
4	97,000	72,720	60,600	36,350
5	104,800	78,580	65,450	39,300
6	112,550	84,370	70,300	42,200
7	120,300	90,230	75,150	45,100
8	128,050	96,020	80,000	48,000



Projected Funding Sources
FY 2023 Affordable Housing Fund Annual Plan

The Housing Trust Fund (HTF)

- Housing Impact Fee
- Loan Repayments:
 - HTF;
 - Housing Rehabilitation HTF;
 - Redevelopment Funds;
 - Transient Occupant Tax (TOT); and
 - State Local Housing Trust Fund Program (LHTFP)

The Inclusionary Housing Fund

- Affordable Housing Fees (Residential Development)
- Loan Repayments

Fund	Projected Fund Balances	Projected FY23 New Funding	Total FY23 Funds
HTF - Housing Impact Fees and Repayments	\$7,388,017	\$932,204	\$8,320,221
HTF - Other HTF Funds (loan repayments)	\$2,437,851	\$0	\$2,437,851
Inclusionary Housing Fund - Inclusionary Fees and Repayments	\$41,512,362	\$6,526,811	\$48,039,173
TOTAL, ALL FUNDS	\$51,338,230	\$7,459,015	\$58,797,245

Description of HTF Funds:

Housing Impact Fees: Sole source of new HTF funds: Commercial Impact Fees.

Other HTF Funds:

Local Housing Trust Fund Program (LHTFP): Initial source was a State match grant, which was expended. A new grant was awarded and included in FY16 funding. Fund balance consists of loan repayments and interest.

HTF Program Funds: Rehabilitation loan repayments that were recycled into the HTF.

Redevelopment: The HTF received Redevelopment funds in FY93 and FY95 (See TOT below).

TOT: At its 1990 inception the HTF received a portion of TOT funds. TOT funding ceased in 1992 and was replaced with Redevelopment funds in FY93. Repayments of loans are recycled into the HTF.



ATTACHMENT 3

Proposed Allocation of FY2023 AHF Revenues - Activity Detail

Program/Activity/Funding Source	FY23 Budget	Production
Rental Housing Production: Rental Housing Finance <i>Affordable Rental Housing Production & Permanent Supportive Housing</i> <i>Prior Year Board Commitments</i> \$19,097,294 <i>FY20 NOFA (Earmarked)</i> \$4,000,000 <i>FY21 NOFA (Earmarked)</i> \$3,950,000 <i>FY22 NOFA (Earmarked)</i> \$8,349,755 <i>FY23 NOFA</i> Inclusionary \$9,590,056 HTF Housing Impact Fee 46,010 HTF Other \$363,934 TOTAL \$45,397,049		Unallocated Fund Balances may be allocated during the fiscal year in accordance with the code and subject to appropriate approval process. 142 units (represents new closings in FY 2023) and 433 units in development and for which funds were committed in a previous year
Homeownership: <i>Deferred Payment loans; Closing Cost Assistance grants</i> Inclusionary \$678,029 <i>Accessory Dwelling Unit Loans</i> Inclusionary 2,000,000 TOTAL \$2,678,029		Up to 20 households Up to 10 units
Homeless Housing Initiatives: Housing Innovations <i>Transitional Housing Grants</i> HTF Housing Impact Fee \$433,809 HOUSING FIRST - SAN DIEGO <i>Landlord Engagement</i> Inclusionary \$2,880,641 <i>Prevention & Diversion</i> Inclusionary \$2,028,053 <i>Rapid Rehousing Grants</i> Inclusionary \$438,000 <i>Flexible Spending</i> Inclusionary \$455,020 <i>Family Reunification</i> Inclusionary \$394,000 TOTAL \$6,629,523		138 transitional housing beds 1,000 households housed 300 households prevented from entering homelessness / diverted from the homeless system 40 households served 21 households served Up to 400 persons served
Capacity Building: <i>Homeless Housing Initiatives</i> Inclusionary \$50,000 <i>Homeownership</i> Inclusionary \$200,000 TOTAL \$250,000		One to four trainings (includes Housing Focused training through RTFH) ADU Technical Assistance
Administration	\$2,472,957	Personnel, overhead, MOU expense
Administration - Legal	\$10,000	
TOTAL	\$57,437,558	



ATTACHMENT 4

Summary of Approved Multifamily Development In Process

Project	Council District	Affordable Rental Units	FY23 Budget Housing Impact Fees	FY23 Budget Inclusionary Fees	FY23 Budget Program Funds
Ulric Street Apts	7	95	\$ -	\$ 350,000	\$ -
The Ivy	6	52	\$ -	\$ 625,000	\$ -
14th & Commercial	3	323	\$ -	\$ 117,500	\$ -
14th & Co VHHP	3	80	\$ -	\$ 217,500	\$ -
Hilltop & Euclid	4	111	\$ -	755,000.0	\$ -
Ventana Al Sur	8	100	\$ 1,500,000	\$ 2,900,000	\$ -
Tranquility at Post 310	4	43	\$ 1,500,000	\$ 1,383,000	\$ -
Front & Beech	3	77	\$ -	\$ 419,294	\$ -
Radisson Hotel	5	175	\$ -	\$ -	\$ 125,000
Nestor Senior Village	8	73	\$ -	\$ 330,000	\$ -
Levant Senior Cottages	7	126	\$ -	\$ -	\$ -
Ulric Street Apts II	7	59	\$ 1,000,000	\$ 3,075,000	\$ -
Iris at San Ysidro Apts	8	99	\$ -	\$ 2,300,000	\$ -
Cortez Hill Apts	3	87	\$ 684,000	\$ 1,816,000	\$ -
Sub-Total		1500	\$19,097,294		

Summary of Pending Multifamily Development Loan Commitments

FY20 NOFA			\$ -	\$ 2,051,083	\$ 1,948,917
FY21 NOFA			\$ -	\$ 3,950,000	\$ -
FY22 NOFA			\$ 3,076,403	\$ 5,273,352	\$ -
Sub-Total			\$16,299,755		

Summary of Other Prior Year Funds Available

Prior Year Funds Available			\$15,941,181		
TOTAL			\$51,338,230		