



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC) Fiscal Year (FY) 2023 Annual Financial Audit Report Presentation to the SDHC Audit Committee November 1, 2023

Suket Dayal
Executive Vice President of Business Administration and Chief Financial Officer
San Diego Housing Commission

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

Tracy Bryson
Manager of Finance – Audit and Reporting
San Diego Housing Commission



SDHC – FY 2023 Annual Financial Audit Report

Introduction

- Audit Period: July 1, 2022 - June 30, 2023
- Independent Auditors: CohnReznick LLP
- Audit Opinion: Unmodified
- No Management Letter Comments



SDHC – FY 2023 Annual Financial Audit Report

Introduction (Continued)

- Adoption of Government Accounting Standards Board (GASB) Pronouncement Statement No. 96 “Subscription-Based Information Technology Arrangements (SBITA)” on July 1, 2022
 - Added Intangible Asset - Right to Use Subscription Asset of \$5.2 million
 - Added related Subscriptions Payable of \$5.2 million
- Additional GASB Pronouncements adopted by SDHC in FY 2023 that had no impact on financial statements or disclosures:
 - Statement No. 91 “Conduit Debt Obligations”
 - Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”



SDHC – FY 2023 Annual Financial Audit Report

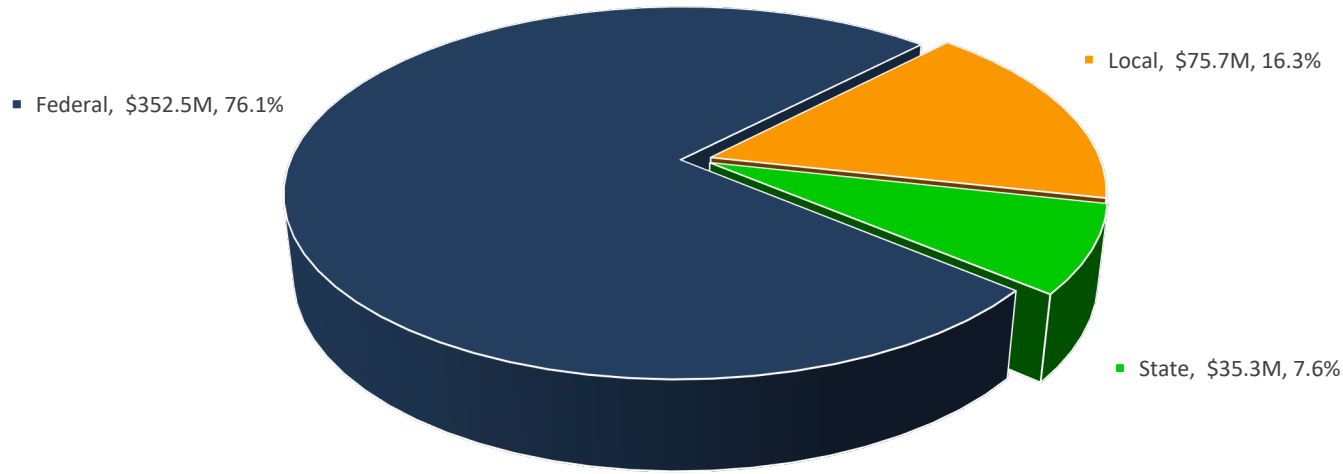
Financial Results Summary

- Total revenues: \$463.5 million
 - U.S. Department of Housing and Urban Development (HUD) & U.S. Treasury Department grants: 76% of revenues
- Total expenses: \$419.6 million
 - Housing Assistance Expenses: \$260.3 million
 - Other Expenses: \$159.3 million
- Multifamily and homeownership loans funded: \$18.0 million



SDHC – FY 2023 Annual Financial Audit Report

Financial Results – Revenues by Funding Type



Federal:	\$352.5M
Local:	\$75.7M
State:	\$35.3M
Total:	\$463.5M

Section 8/MTW	\$316.5M
HOME	\$12.9M
CDBG & Other Federal	\$7.4M
Other Federal - Homekey	\$6.7M
ESG/CoC	\$6.5M
Other Federal - Housing Stability Assistance Program	\$2.6M
Total Federal	\$352.5M

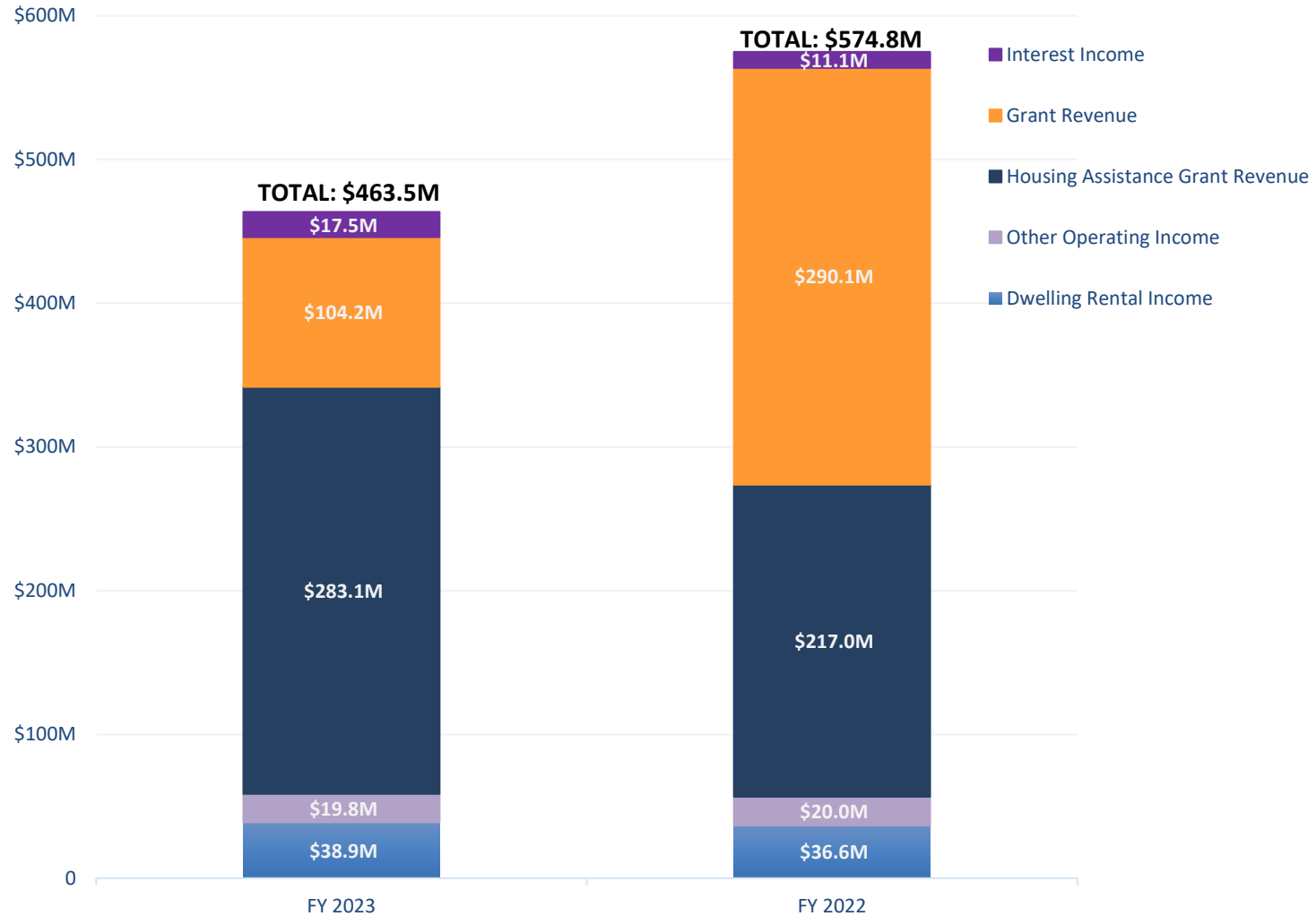
SDHC Real Estate	\$46.6M
Other Local (Primarily City General Funds)	\$16.3M
Inclusionary/Housing Impact Fee	\$7.4M
Unrestricted (Includes Bond, Compliance Monitoring Fees)	\$5.4M
Total Local	\$75.7M

Homeless Housing Assistance and Prevention	\$27.3M
Housing Stability Assistance Program	\$3.3M
California Homeless Emergency Aid Program	\$2.9M
CALHOME Mortgages	\$1.8M
Total State	\$35.3M



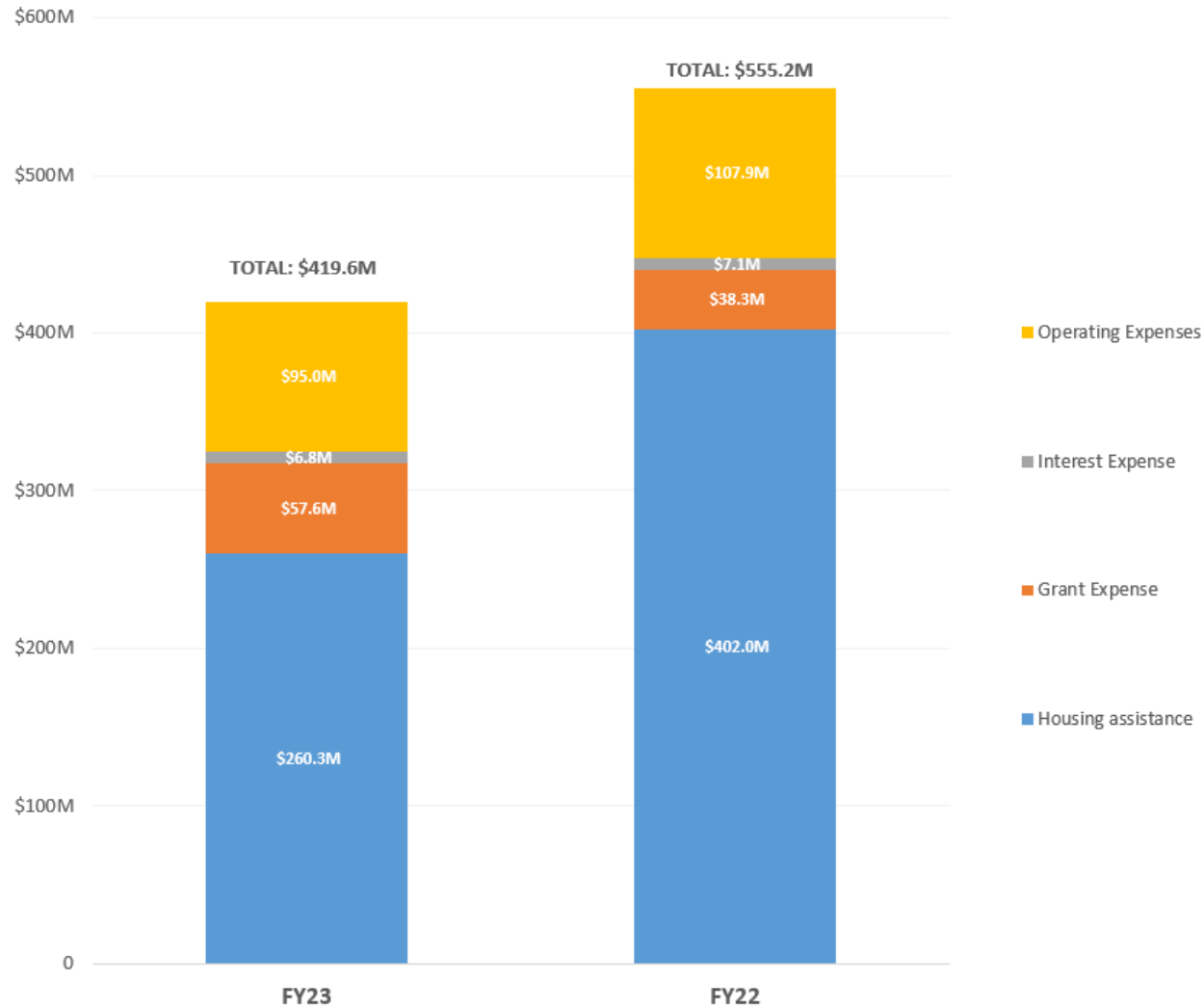
SDHC – FY 2023 Annual Financial Audit Report

Financial Results – Revenue



SDHC – FY 2023 Annual Financial Audit Report

Financial Results – Expenses



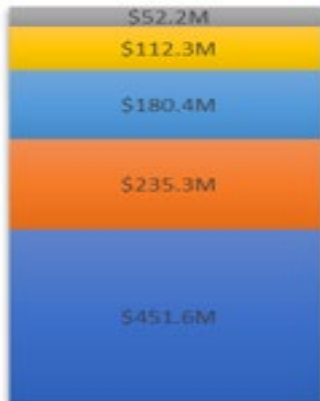
SDHC – FY 2023 Annual Financial Audit Report

Financial Results – Assets, Liabilities, Deferred Inflows and Net Position

FY 2023

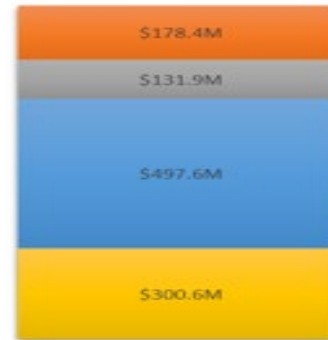


TOTAL: \$1,122.9M

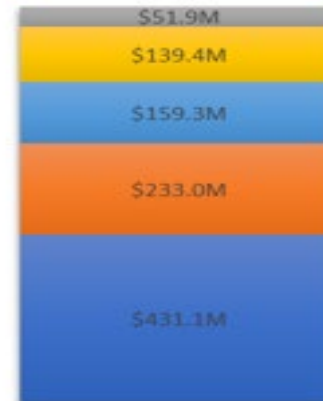


TOTAL: \$1,122.9M

FY 2022



TOTAL: \$1,108.5M



TOTAL: \$1,108.5M

Assets

- Cash and Investments
- Accounts Receivable and Other Assets
- Notes, Mortgage & Interest Receivable
- Capital Assets

Liabilities, Deferred Inflows and Net Position

- Accounts Payable, Accrued Compensation & Other Liabilities
- Notes Payable
- Net Investment in Capital Assets
- Restricted Net Position
- Unrestricted Net Position



SDHC – FY 2023 Annual Financial Audit Report

Statement of Net Position – Changes from Prior Fiscal Year (in millions)

	FY 2023	FY 2022	\$\$ Change	% Change
Total Assets	\$1,122.9M	\$1,108.5M	\$14.3M	1%
<i>Total Liabilities</i>	<i>164.5M</i>	<i>191.3M</i>	<i>-26.8M</i>	<i>-14%</i>
<i>Total Deferred Inflows</i>	<i>91.1M</i>	<i>93.8M</i>	<i>-2.7M</i>	<i>-3%</i>
<i>Total Net Position</i>	<i>867.3M</i>	<i>823.4M</i>	<i>43.8M</i>	<i>5%</i>
Total Liabilities + Deferred Inflows + Net Position	\$1,122.9M	\$1,108.5M	\$14.3M	1%

The decrease in total liabilities is primarily due to the following debt payments:

- \$11.4 million to retire the Central SDHC FNMA LLC note
- \$10.0 million to partially retire the Kearny Vista note
- \$2.9 million to partially retire the Valley Vista note



SDHC – FY 2023 Annual Financial Audit Report

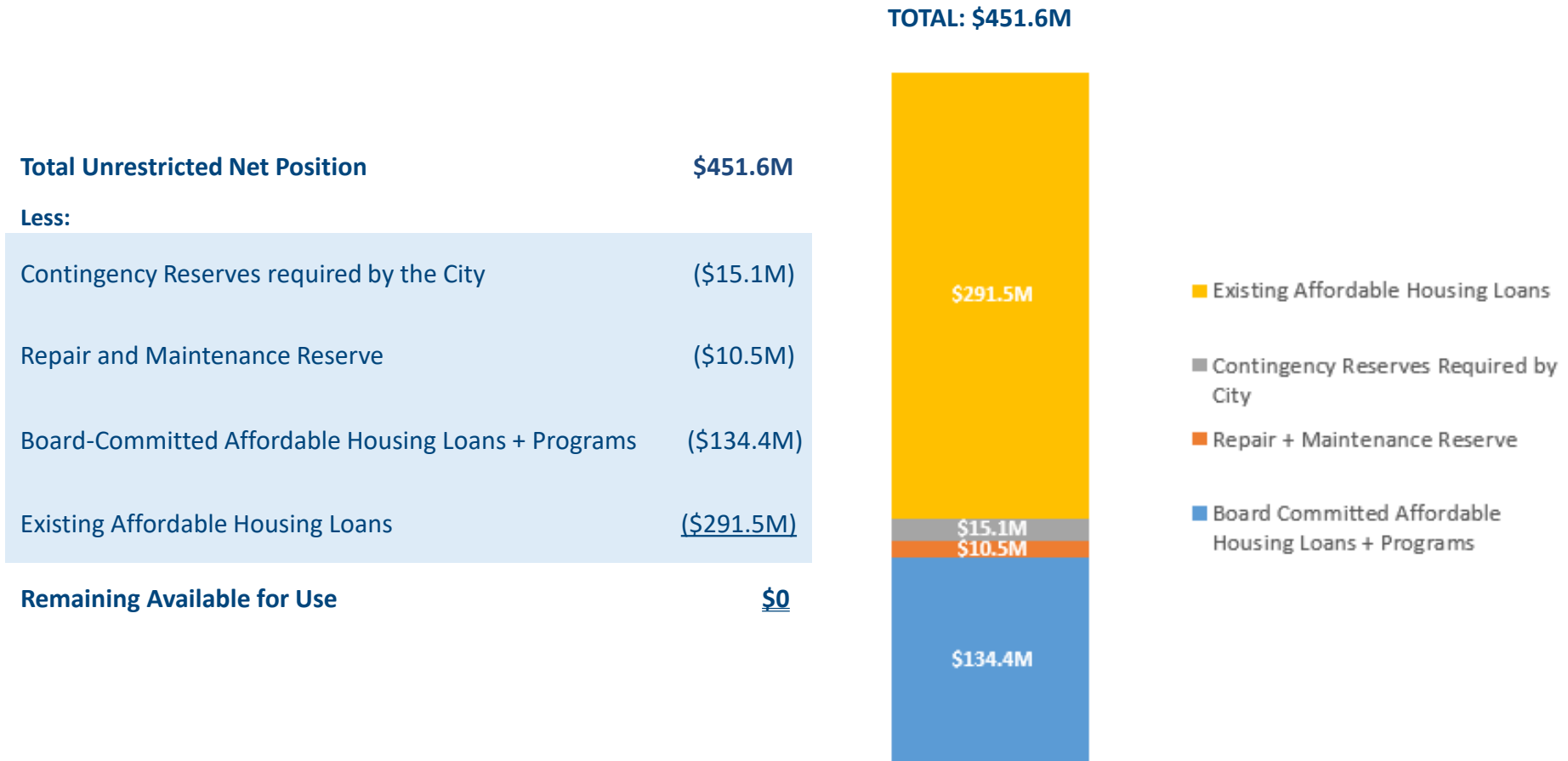
Net Position Categories

- Net Investment in Capital Assets: \$180.4 million
 - The amount spent on capital assets and is used for operations
- Restricted Net Position: \$235.3 million
 - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position: \$451.6 million
 - This balance is **not** indicative of funds available for discretionary use.
 - GASB (accounting) definitions require this amount to be classified as “unrestricted net position” for financial reporting on the Annual Comprehensive Financial Report (ACFR).
 - See Slide #11 for detailed explanation of commitments.



SDHC – FY 2023 Annual Financial Audit Report

Unrestricted Net Position



SDHC – FY 2023 Annual Financial Audit Report

SDHC Operational Highlights

Rental Assistance Division

Federal Section 8 Housing Choice Vouchers (HCV):

- 233 Federal Project-Based vouchers committed to affordable housing developments
- 75 Federal Project-Based vouchers and 40 Sponsor-Based Subsidies were awarded to serve households experiencing homelessness
- 1,622 families moved to Enterprise or Choice communities
- Paid more than \$540,000 in security deposit loans
- 781 households received mobility counseling and assistance

SDHC Achievement Academy:

- 1,156 participants received core services
- 230 participants placed in jobs, and 312 participants increased earnings
- \$19.68 average hourly wage of participants
- More than 1,600 participants attended 230 workshops on various topics



SDHC – FY 2023 Annual Financial Audit Report

SDHC Operational Highlights (Continued)

Real Estate Division

- Completed the following affordable housing partnership developments in the City of San Diego:
 - The Orchard at Hilltop, 111 affordable rental housing units for San Diegans with low income
 - Harris Family Senior Residence, formerly known as East Block Senior, 115 affordable rental units for low income senior San Diegans
 - Amanecer Apartments, formerly known as Ulric Street Apartments, 95 affordable rental units for San Diegans with low income and veterans experiencing homelessness
 - Milejo Village, formerly known as Jamboree Permanent Supportive Housing at San Ysidro, 64 affordable rental housing units for San Diegans experiencing homelessness
 - The Helm, 77 affordable rental units for San Diegans with low income
 - Tizon Apartments, 175 affordable rental units for senior San Diegans with low income
 - Livia at Scripps Ranch, formerly known as Scripps Mesa, 53 affordable rental units for San Diegans with low income



Homelessness Innovations

Homeless Shelters and Service Programs

- Administered the City’s Bridge Shelters and Interim Shelters programs
 - Golden Hall
 - 16th Street/Newton Bridge Shelter
 - 17th Street/Imperial Bridge Shelter
 - Connections Housing shelter
 - Paul Mirable Center
 - Bishop
 - Rachel’s Promise
 - Rosecrans Shelter
 - Harm Reduction Shelter
 - Haven Family Shelter
- Operated the Homelessness Response Center
- Assisted 360 eligible low-income tenants facing eviction, through the Eviction Prevention Program
- Administered Permanent Supportive Housing and Rapid Rehousing programs
- Continued oversight of several supportive services programs, such as the Multidisciplinary Outreach Team, Storage Connect Centers, PEER program and Day Center
- Launched the Housing Instability Prevention Program (HIPP)
- Expanded the Prevention and Diversion program and continued Landlord Engagement efforts.



SDHC – FY 2023 Annual Financial Audit Report Recognition

Financial Services

- Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for Annual Comprehensive Financial Reports 2008 – 2022
- Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) from GFOA for 2010 - 2022



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**San Diego Housing Commission
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

*Certificate of Achievement
for Excellence in
Financial Reporting*



Questions & Comments

