



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission (SDHC) Fiscal Year (FY) 2023 Annual Financial Audit Report Presentation to the SDHC Board of Commissioners November 20, 2023

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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”



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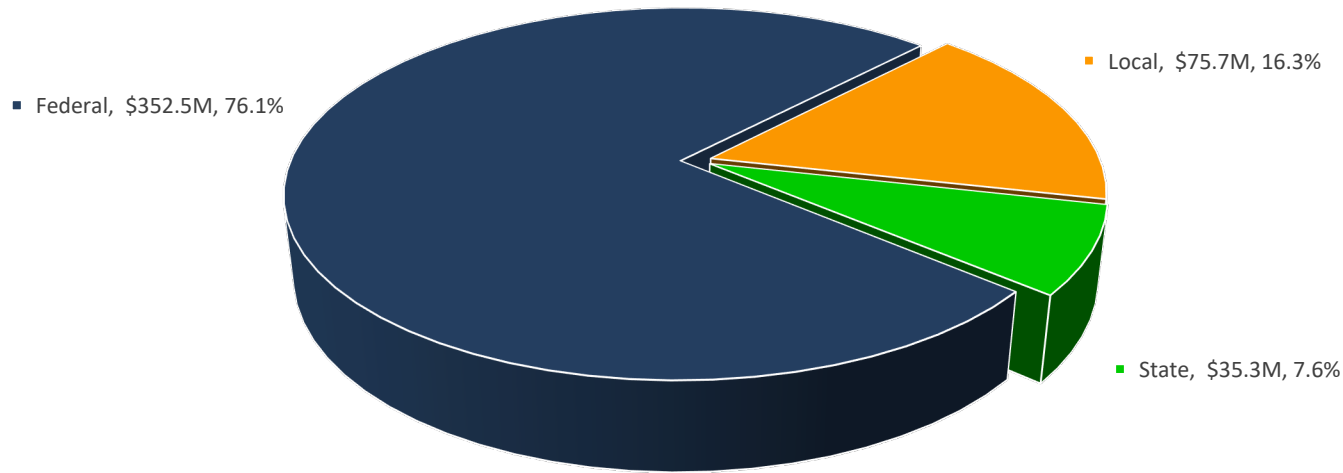
Financial Results Summary

- 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



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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

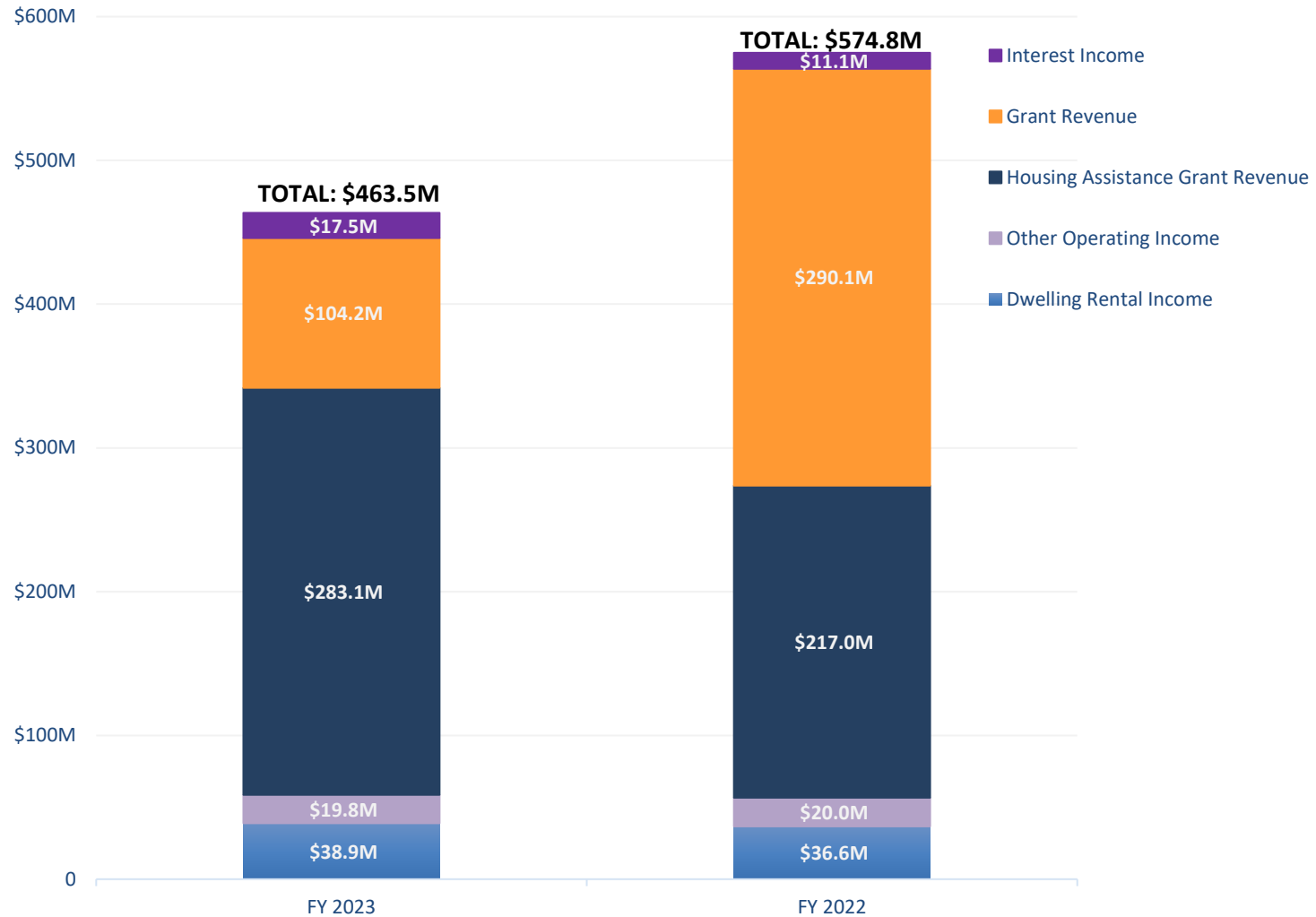
SDHC Real Estate	\$46.6M
Other Local (Primarily City General Funds)	\$16.3M
Inclusionary/Housing Impact Fee	\$7.4M
Unrestricted (Includes Bond, Compliance Monitoring Fees)	\$5.4M
Total Local	\$75.7M

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



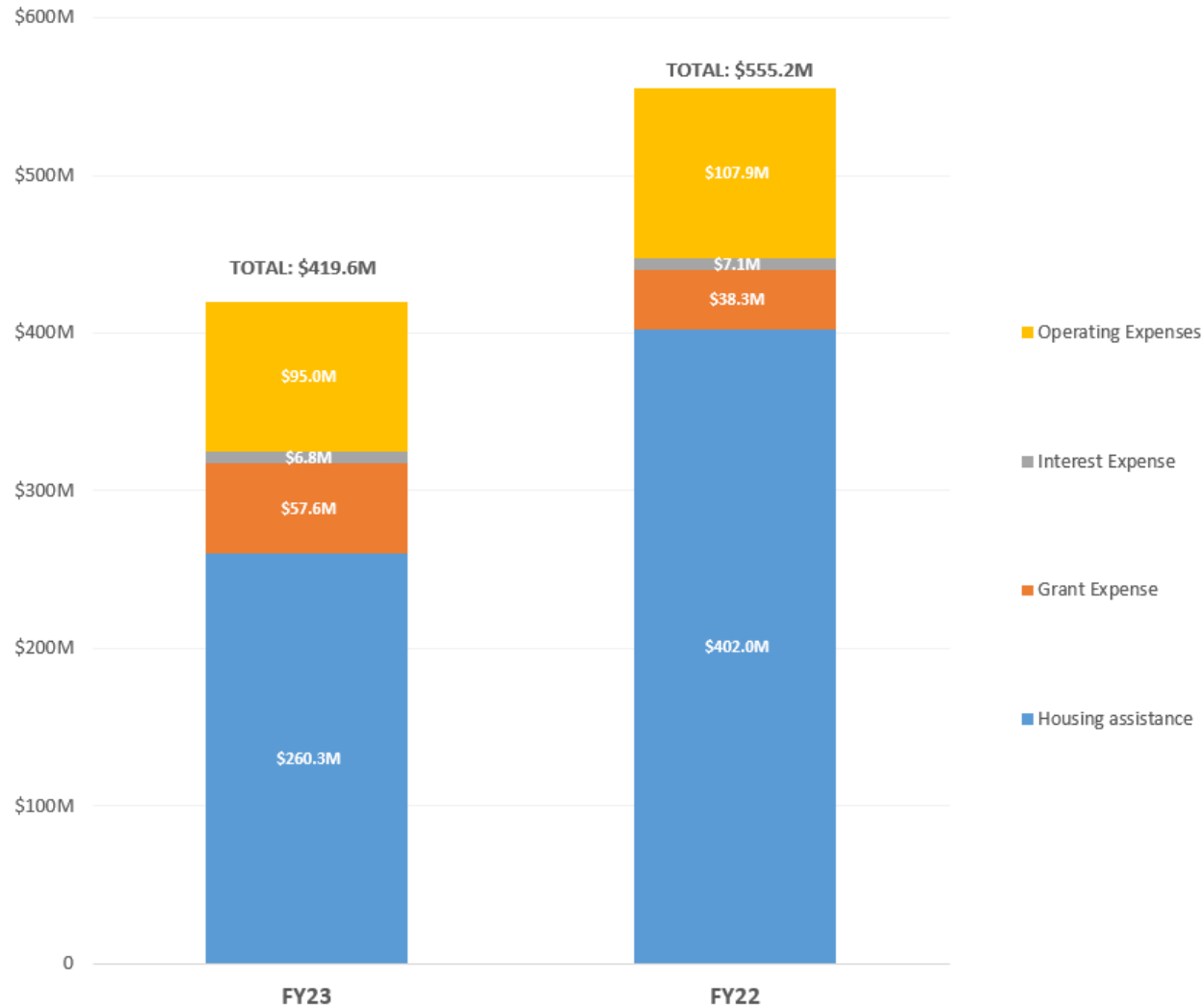
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Financial Results – Revenue



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Financial Results – Expenses



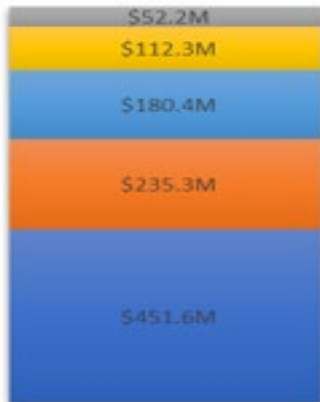
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Financial Results – Assets, Liabilities, Deferred Inflows and Net Position

FY 2023

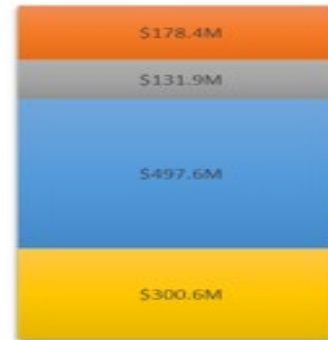


TOTAL: \$1,122.9M

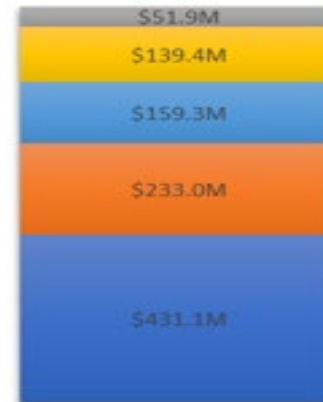


TOTAL: \$1,122.9M

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



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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



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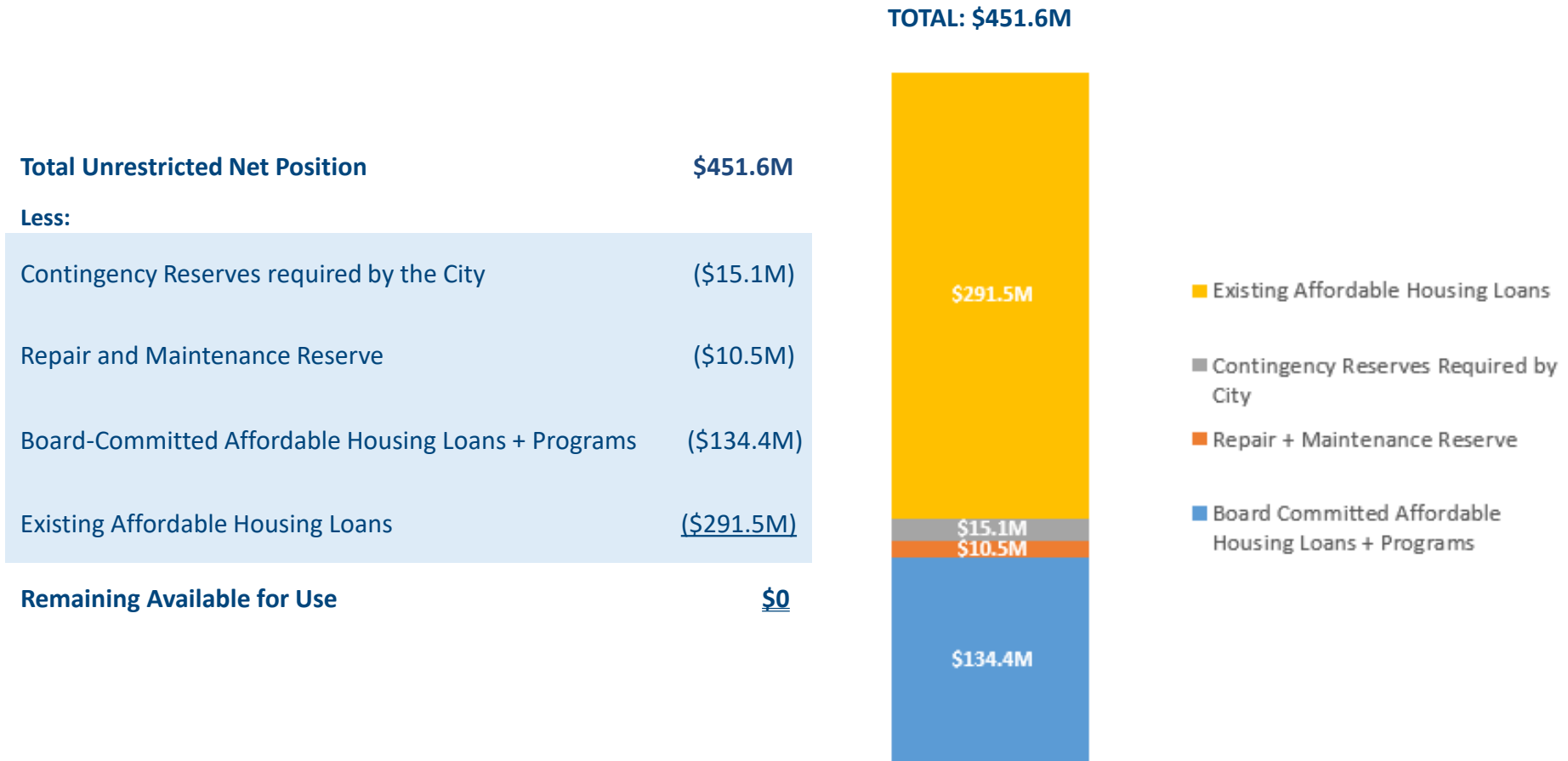
Net Position Categories

- 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.



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Unrestricted Net Position



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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



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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

