



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission

A Component Unit of the City of San Diego

Popular Annual Financial Report

Fiscal Year Ended June 30, 2023

San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, CA 92101
www.sdhc.org





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Visit SDHC’s website: www.SDHC.org

* As of June 30, 2023

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SDHC Headquarters

The San Diego Housing Commission’s (SDHC) Popular Annual Financial Report (PAFR) for the Fiscal Year that ended on June 30, 2023, was prepared by the SDHC Financial Services Department to provide readers an easy-to-understand summary of SDHC’s financial activities.

This report provides a condensed presentation of SDHC’s significant financial highlights for Fiscal Year 2023 (July 1, 2022 – June 30, 2023). The Annual Comprehensive Financial Report (ACFR) is the source of the data for this summary report. The ACFR is a more detailed financial report audited by CohnReznick, LLP and fully conforms to Generally Accepted Accounting Principles (GAAP). The ACFR is available on SDHC’s website at:

www.sdhc.org/about-us/budget-finance

SDHC welcomes any questions or comments on any of the information provided in this report. Requests for additional information should be addressed to Suket Dayal, Executive Vice President of Business Administration and Chief Financial Officer, San Diego Housing Commission, 1122 Broadway, Suite 300, San Diego, California 92101.

Who We Are



SDHC is a public agency formed by local ordinance pursuant to the provisions of applicable Housing Authority law of the State of California. The organizational meeting of the SDHC Board of Commissioners occurred on January 5, 1979, at which Commissioners were sworn in and established a regular meeting schedule and guidelines for conducting business.

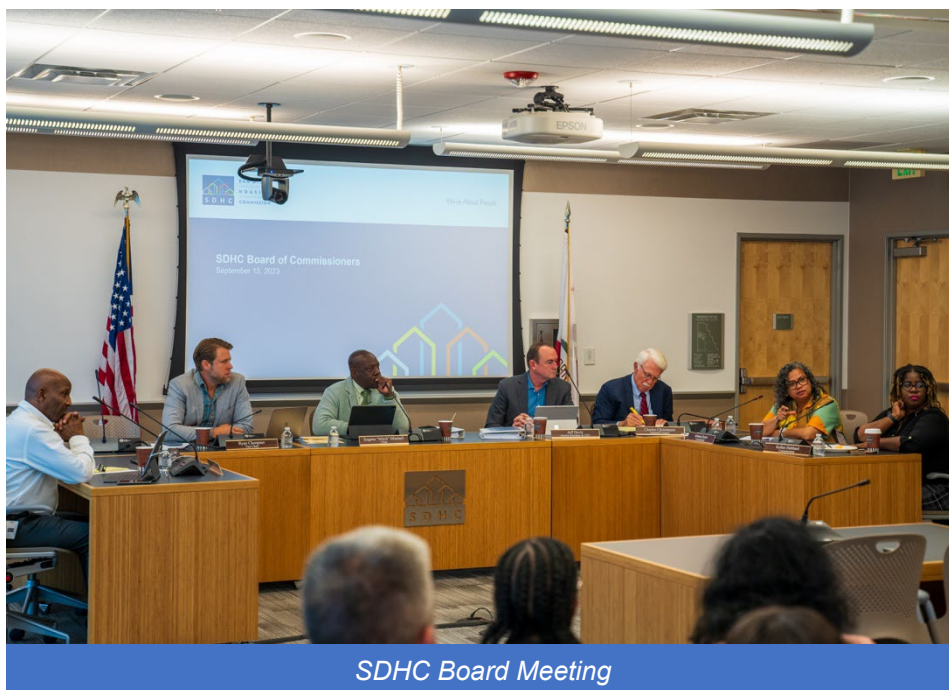
Governing Body and Strategic Guidance

SDHC is governed by the San Diego City Council, sitting as the Housing Authority of the City of San Diego (Housing Authority). SDHC Interim President & CEO is the Interim Executive Director of the Housing Authority.

The Housing Authority has final authority over SDHC's budget and major policy decisions. Housing Authority approval is required for amending the annual budget for amounts in excess of \$500,000.

A seven-member Board of Commissioners (Board) oversees SDHC's operations and makes recommendations to the Housing Authority. The Mayor appoints Commissioners, who are confirmed by the San Diego City Council.

The Board reviews proposed changes to housing policy, property acquisitions and other financial commitments. The Board offers policy guidance to SDHC staff through its communications with the agency's President & CEO.



SDHC Board Meeting

SDHC Vision

Everyone in the City of San Diego has a home they can afford.

SDHC Mission Statement

The San Diego Housing Commission (SDHC) fosters social and economic stability for vulnerable populations in the City of San Diego through quality affordable housing, opportunities for financial self-reliance and homelessness solutions.



Purpose

Help individuals, families and the San Diego community thrive.

Core Values

At SDHC, we:

- Serve our clients with equity, dignity and respect.
- Are committed to excellence and innovation in all we do.
- Believe in transparency and being good financial stewards.

Equity and Inclusivity

At SDHC, we are about people. SDHC embraces diverse approaches and points of view to improve our programs, projects and policies.

- We believe in delivering programs and services in innovative and inclusive ways.
- We are committed to advancing equity and inclusion both internally and externally.

SDHC Strategic Plan Fiscal Years 2022 - 2024

SDHC's Strategic Plan for Fiscal Years (FY) 2022 - 2024 serves as a roadmap for SDHC, guiding the agency's decisions, initiatives and day-to-day efforts. At the same time, SDHC has the flexibility to adapt this Strategic Plan as needed to address changing circumstances around the agency.

The SDHC Board of Commissioners approved this three-year Strategic Plan on July 9, 2021. SDHC's Strategic Plan and annual Progress Reports are available at www.sdhc.org/about-us/plans-policies/strategic-plans.

The Strategic Plan includes following five strategic priority areas, with metrics to monitor progress and areas of focus.

1. Increasing and preserving housing solutions

- Areas of Focus:
 1. Production: Identify opportunities to produce and retain affordable and middle-income housing and permanent supportive housing solutions.
 2. Preservation: Preserve existing deed-restricted affordable housing or naturally occurring affordable housing (NOAH).
 3. Funding: Identify and pursue additional funding mechanisms dedicated to increasing housing solutions.
 4. Advocacy: In alignment with Strategic Priority 5, conduct advocacy with policy makers at local, state and federal levels.



2. Helping families increase opportunities for self-sufficiency and quality of life

- Areas of focus:
 1. Conduct a needs assessment of existing program participants and residents to determine opportunities for quality-of-life enhancements in SDHC- or affiliate-owned housing communities.
 2. Explore an online tenant portal to streamline application process.
 3. Increase awareness of existing and/or new SDHC resources.
 4. Explore new funding structures to support priority programming and identified quality-of-life opportunities, including joint funding opportunities with partners.



3. Investing in our team

- Areas of focus:
 1. Enhance communication/engagement through the development and implementation of a year-round internal engagement plan.
 2. Audit employee benefits and explore additional workplace programs.
 3. Conduct a classification and compensation study to ensure employment opportunities remain competitive.
 4. Ensure team members have the training and resources needed to support SDHC's vision and grow individually.
 5. Ensure SDHC has the people it needs today and tomorrow to achieve success as outlined in the Strategic Plan.
 6. Ensure team members have the necessary technologies to support SDHC's vision.



4. Advancing homelessness solutions – supporting the City of San Diego Community Action Plan on Homelessness

- Areas of focus:
 1. Continue to support the City of San Diego Community Action Plan on Homelessness (Action Plan).
 2. Establish an internal working group to evaluate all SDHC divisions to look for opportunities to support the Action Plan. Ensure the areas of support align with Housing First principles and SDHC's role in the implementation of the Action Plan.
 3. Evaluate funding, infrastructure and capacity – staffing, technology, training, communications, etc.



*City Family Shelter Grand Opening
August 11, 2023*



*Kerome
Homelessness Program for Engaged Educational
Resources Participant*

5. Advocacy, Communication, Public Engagement

- Areas of focus:
 1. Advocacy: Establish priority policy areas and a policy engagement guide to foster progress toward SDHC's vision and secure additional public funding.
 2. Stakeholder Communication: Develop a communications strategy for SDHC and key housing/homelessness issues that builds support and awareness for SDHC and its multifaceted responsibilities.
 3. Public Engagement: Develop and implement an ongoing public engagement plan designed to build support for housing and homelessness solutions and SDHC among the broader public, including neighborhood planning associations, community leaders and the public at large.



Established in 1979, SDHC is an award-winning public agency dedicated to creating and preserving affordable housing within the City of San Diego.

Popular Annual Financial Reporting Awards

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to SDHC for its Popular Annual Financial Report (PAFR) for the fiscal year that ended on June 30, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. SDHC has received a Popular Award for the last 13 consecutive years (fiscal years ended 2010-2022). SDHC believes this current report continues to conform to the Popular Annual Financial Reporting requirements, and SDHC is submitting it to GFOA to determine its eligibility for another award.

The PAFR is available on SDHC's website:

<https://sdhc.org/about-us/budget-finance/>



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**San Diego Housing Commission
California**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Annual Comprehensive Financial Report Awards

SDHC's Annual Comprehensive Financial Report (ACFR) for the fiscal years ended 2008-2022, from which information on pages 9-10 has been drawn, were awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

To be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. SDHC believes its ACFR continues to conform to the Certificate of Achievement program requirements, and SDHC will be submitting its ACFR for the Fiscal Year 2023 to the GFOA.

Chief Financial Officer's Message



The majority of SDHC's programs depend on federal financial assistance from the U.S. Department of Housing and Urban Development (HUD) to continue operations. In Fiscal Year 2023, SDHC received 76% of its revenue from HUD and the U.S. Department of the Treasury, most of which was awarded to SDHC for Moving to Work (MTW) initiatives and for COVID-19-related assistance programs, respectively. SDHC's budget and financial condition are greatly affected by the financial condition of the federal government and Congress' annual appropriation to HUD.

HUD grants for housing programs and program administration funding may decrease due to the national economic and political climate. As good stewards of the taxpayer's money, it is SDHC's responsibility to strive to do more with less. Through a combination of expense reduction and the prudent utilization of available programmatic reserves, SDHC was able to maintain a balanced budget in Fiscal Year 2023 and will have a balanced budget in Fiscal Year 2024.

Annually, SDHC submits an MTW Plan to HUD that describes initiatives to be implemented over the next fiscal year. Following each year, SDHC issues an MTW Report that gives an accounting of activities put into action during the fiscal year. HUD approved SDHC's 2024 MTW Plan on July 11, 2023. HUD's fiscal year runs from October to September. SDHC's MTW plans can be viewed at:

<http://www.sdhc.org/about-us/plans-policies/mtw-annual-plans/>



Point-in-Time Count

Local employment is an indicator of the economy. According to a report issued on September 15, 2023, by the State of California Employment Development Department, the unemployment rate in San Diego County was 4.3 percent in August 2023, up from a revised 3.9 percent in July 2023, and below the year-ago estimate of 3.5 percent. This compares with an unadjusted unemployment rate of 5.1 percent for California and 3.9 percent for the nation during the same period.

[https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sand\\$pds.pdf](https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sand$pds.pdf)

Chief Financial Officer's Message



The high cost of living and affordability of homes continue to be a challenge in San Diego and contribute to the homelessness crisis. The San Diego Point-in-Time Count, known as #We All Count was conducted on January 16, 2023. HUD requires that cities receiving federal funding to combat homelessness complete the Point-In-Time Count each year and it was coordinated by the Regional Task Force on Homelessness (RTFH). The count typically identifies both sheltered and unsheltered individuals. This year's count of homeless persons identified 10,264 individuals in the San Diego Region. This is up 22 percent from the count in 2022 of 8,427. RTFH's 2023 report is located here:

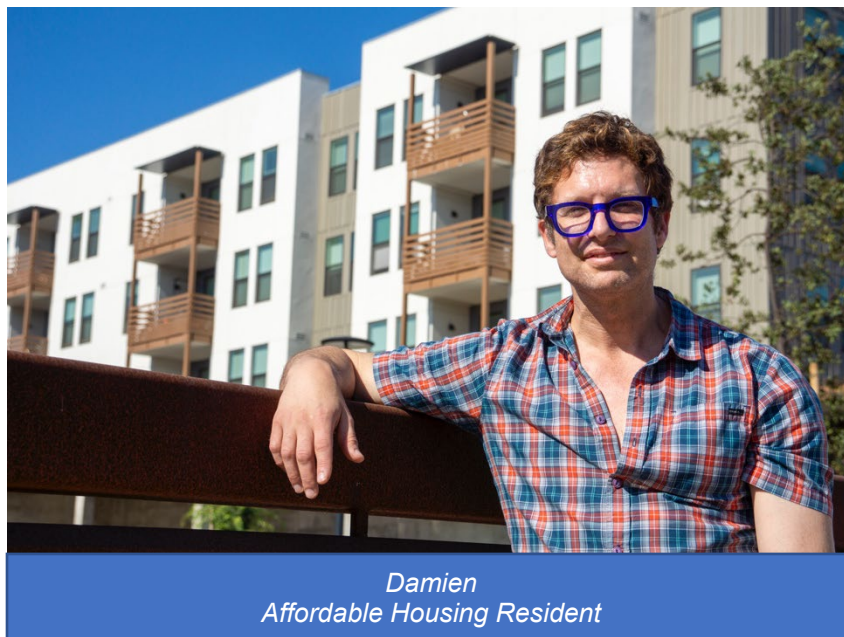
<https://www.rtfhsd.org/wp-content/uploads/2023-San-Diego-Region-corrected-6.27.2023.pdf>

SDHC's Vision

"Everyone in the City of San Diego has a home they can afford."

Through the execution of SDHC's original fiscal year 2024 budget of \$595 million, SDHC will continue to demonstrate the prudent and responsible management of its financial resources, all with a high quality of service, while helping vulnerable San Diegans acquire or maintain affordable housing, obtain or maintain financial self-reliance, and provide access to homelessness solutions.

Suket Dayal
Executive Vice President of Business Administration
and Chief Financial Officer





Statement of Net Position

The abbreviated Statement of Net Position presented in this report (in thousands) is a useful indicator of SDHC's financial position. In Fiscal Year 2023, SDHC's assets exceeded liabilities and deferred inflows by \$867.2 million, an increase of 5 percent from Fiscal Year 2022.

Total assets increased by \$14.3 million. The increase in current and other assets is primarily attributed to an increase of \$17.0 million in long-term investments as well as a \$15.3 million increase in loans made (notes and mortgages receivable) and associated accrued interest. This was offset by a decrease of \$16.1 million of cash and cash equivalents as a result of COVID 19 Housing Stability Assistance Program (HSAP) funds returned to the state.

Total liabilities decreased by \$26.8 million, or 14 percent. This is primarily due to a decrease of \$11.4 million in unearned revenue as a result of returning HSAP fund to the State as well as a \$26.6 million decrease in notes payable, principally related to the payments on loans including \$11.4 million full retirement of the Central SDHC FNMA LLC notes as well as partial retirement of Kearny Vista and Valley Vista notes in the amount of \$10.0 million and \$2.9 million respectively.

Deferred inflows of resource decreased \$2.7 million as a result of the income recognized on long-term leases.

Net investment in capital assets increased \$21.1 million from \$159.3 million to \$180.4 million. This was principally due to debt payments of \$25.2 million as well as the addition of \$5.2 million Intangible right-to-use software arrangements offset by depreciation of \$11.2 million.

Unrestricted net position increased \$20.5 million from \$431.1 million to \$451.5 million. Although these funds are defined as unrestricted under the applicable accounting standards, these funds are not necessarily indicative of funds available for discretionary use.

Restricted net position increased \$2.2 million to \$235.3 million in Fiscal Year 2023. The increase is primarily due to an increase in overall notes receivable programmatic reserves.

	June 30, 2023	June 30, 2022	Change %
ASSETS			
Current and other assets	\$ 824,744	\$ 807,896	2%
Capital assets net of depreciation	298,110	300,621	-1%
Total assets	<u>\$1,122,854</u>	<u>\$1,108,517</u>	<u>1%</u>
LIABILITIES			
Current liabilities	\$ 50,039	\$ 53,032	-6%
Notes payable and non-current liabilities	114,456	138,297	-17%
Total liabilities	<u>164,495</u>	<u>191,329</u>	<u>-14%</u>
Deferred inflows of resources	<u>91,099</u>	<u>93,775</u>	<u>-3%</u>
NET POSITION			
Net investment in capital assets	180,419	159,314	13%
Restricted	235,277	233,033	1%
Unrestricted	451,564	431,066	5%
Total net position	<u>867,260</u>	<u>823,413</u>	<u>5%</u>
Total liabilities, deferred inflows and net position	<u>\$1,122,854</u>	<u>\$1,108,517</u>	<u>1%</u>

Key Terms

Here are some definitions of accounting terms that will assist you throughout the financial section of the PAFR and Annual Reports:

Assets: What is owned by SDHC.

Liabilities: What SDHC owes.

Deferred inflow of resources: An asset for a future reporting period.

Net position: The difference between SDHC's assets and liabilities. It is the net worth of SDHC.

Current and other assets: Cash, restricted cash and equivalents, investments, prepaid items, and accounts receivable.

Capital assets, net of depreciation: Land, building, building improvements, equipment, construction in progress, and depreciation.

Current liabilities: Accounts payable, accrued payroll, compensated absences, notes payable, and unearned income.

Notes payable and non-current liabilities: Long-term notes payable obligations due in the future years.

Net investment in capital assets: Capital assets less accumulated depreciation and any outstanding debt related to acquiring these assets.

Restricted: Funds subject to various external restrictions.

Unrestricted: Balance of net position not included in net investment in capital assets or restricted.



Statement of Revenue, Expenses and Change in Net Position

The abbreviated Statement of Revenue, Expenses and Change in Net Position (in thousands) accounts for all of SDHC's revenue and expenses and reports the difference between the two as the change in net position. The statement reflects the results of SDHC's operations over the year and can be used to determine SDHC's creditworthiness and its ability to successfully recover its costs through grants, tenant charges, and other income.

Total net position increased \$43.8 million in Fiscal Year 2023. The change in net position is comprised of \$398.0 million of non-operating income and expenses, net and operating revenues of \$58.7 million, offset by operating expenses of \$401.7 million as well as depreciation and amortization expense of \$11.2 million.

Operating revenues increased by \$2.0 million in Fiscal Year 2023 primarily related to an increase of \$2.3 million in dwelling rental income as a result of low vacancy rates and increases in subsidized portion of rent.

Operating expenses decreased \$135.8 million, primarily due to a decrease of \$141.7 million in housing assistance payments (HAP); of which \$179.7 million is related to the HSAP program that concluded early in fiscal year 2023 offset by a \$36.0 million increase in HAP due to higher average HAP costs per voucher in a number of programs.

Other non-operating income and expense (net) decreased by 22 percent in Fiscal Year 2023. This was primarily due to a decrease in grant revenue of \$119.8 million. This decrease is related to \$191.6 million for the HSAP program due to its conclusion early in the fiscal year, and a \$9.9 million decrease in Affordable Housing Fund due to lower fee collections; this is offset by a \$68.8 million increase in other grant revenue.

	June 30, 2023	June 30, 2022	Change %
Operating revenues			
Dwelling rental income	\$ 38,942	\$ 36,641	6%
Land lease and other rental income	4,025	4,553	-12%
Fee revenue	5,770	4,657	24%
Other revenue	9,963	10,829	-8%
Total Operating revenues	58,700	56,680	4%
Operating expenses	401,655	537,427	-25%
Deficit before depreciation and other non-operating income and expenses	(342,955)	(480,747)	-29%
Depreciation and amortization	11,180	10,683	5%
Deficit before other non-operating income and expense	(354,135)	(491,430)	-28%
Other non-operating income and expenses, net	397,982	511,034	-22%
Change in net position	\$ 43,847	\$ 19,604	124%
Net position beginning of year	823,413	803,809	2%
Net position end of year	\$ 867,260	\$ 823,413	5%

Additional Key Terms

Operating Revenues: Dwelling rent, commercial rent, land leases, management fees and other fees.

Non-Operating Revenues: Grant revenues from state, local and federal agencies and interest income.

Operating Expenses: Expenses related to operations, grant expense and supportive services to assist SDHC in performing its functions.

Change in Net Position: The total revenue earned less total expenses. Additionally includes transfer of property to component unit (if applicable).

Investments



SDHC utilizes the services of an experienced financial advisor to aid in making investment decisions. The advisor provides guidance on creating a diversified portfolio and a secure investment mix. The advisor's ongoing role is to provide staff with sound investment opportunities that will maximize liquidity and yield without sacrificing principal value and safety of the investment securities. The fair value of cash and investments on June 30, 2023, was \$160.9 million, a decrease of 9.8 percent from the previous year.

In accordance with California state statute and HUD regulations, SDHC has authorized the Chief Financial Officer, or designee, to invest in obligations of the U.S. Treasury, U.S. Government agencies or other investments as outlined in SDHC's Investment Policy.

Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. In accordance with California Government Code, amounts over \$250,000 are collateralized with government securities pledged by the financial institution holding the securities in SDHC's name.

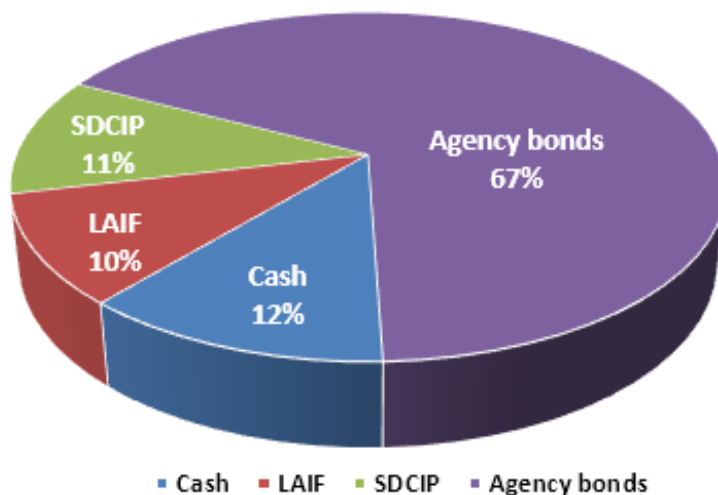
Investments in California's Local Agency Investment Fund (LAIF) and the San Diego County Investment Pool (SDCIP) represent SDHC's equity in pooled investments. Other investments such as bonds, government agency securities and demand deposit accounts are kept with commercial banking institutions.

Investment Risk Factors

The foremost objective of SDHC's Investment Policy is the safety of principal, which is achieved by mitigating credit risk and interest rate risk. These risks, along with custodial risk, concentration of credit risk and market risk, all affect the value of investments to a varying degree. Equity and debt securities respond to such factors as economic conditions, individual company earnings performance and market liquidity, while fixed income securities are particularly sensitive to credit risk and changes in interest rates.

Fair Value in Millions			
	6/30/2023	6/30/2022	Variance
Cash	\$19.10	\$40.19	(\$21.09)
LAIF	16.24	15.96	0.28
SDCIP	17.77	22.33	(4.56)
Agency Bonds	107.81	99.88	7.93
Total	\$160.92	\$178.36	(\$17.44)

SDHC's Portfolio Distribution



SDHC's Quarterly Investment Report details are provided on a quarterly basis as an informational report to the SDHC Board of Commissioners. The reports are posted on SDHC's website, <https://www.sdhc.org/governance-legislative-affairs/sdhc-board-of-commissioners/meetings/>

The SDHC Board-appointed Investment Committee meets twice each year to review the investment results for the portfolio.

Capital Assets



At the end of Fiscal Year 2023, SDHC had approximately \$298.1 million (net of depreciation) invested in capital assets. The majority of SDHC's investment in capital assets is composed of ownership of land, affordable housing stock and the Smart Corner office building.

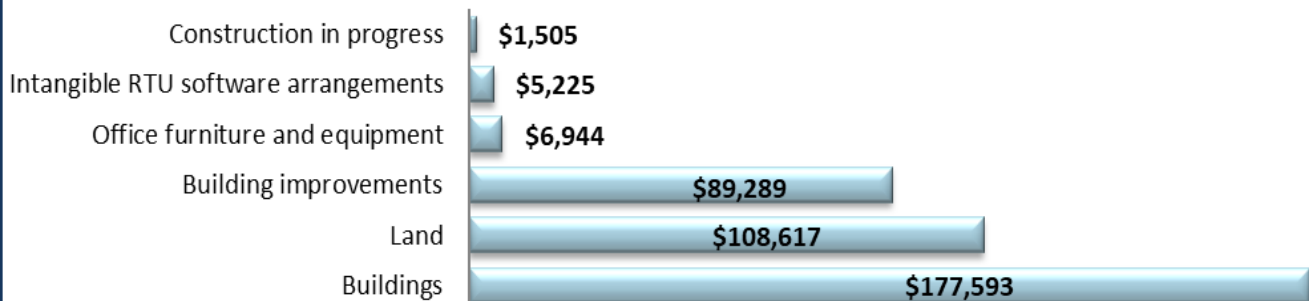
In Fiscal Year 2023, SDHC completed building improvements of \$2.2 million primarily related to Americans with Disabilities Act accessibility upgrades at Kearny Vista Apartments, Georga Street, and 33rd Street locations. In addition, as a result of the implementation of a new accounting standard (GASB 96) related to Subscription-Based Information Technology Arrangements (SBITA) SDHC added \$5.2 million of Intangible Right to Use Software Arrangements.

Depreciation and amortization expense for the Fiscal Year that ended June 30, 2023, was \$11.2 million.



Total Capital Assets

In thousands of dollars (does not include depreciation or amortization)



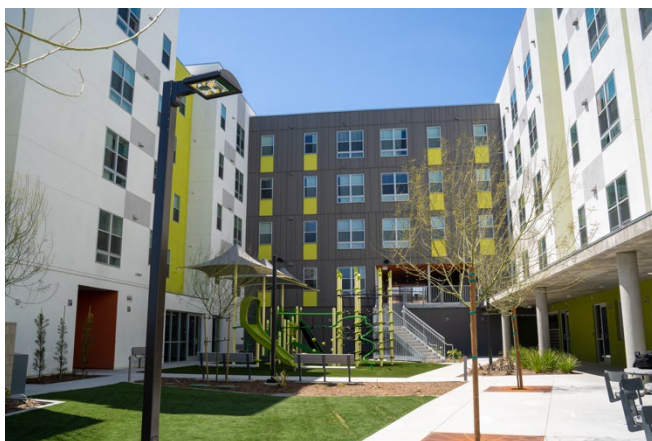


As of June 30, 2023, SDHC owns 150 properties with 2,401 rental housing units, of which 189 units are federal public housing that SDHC operates in the City of San Diego.

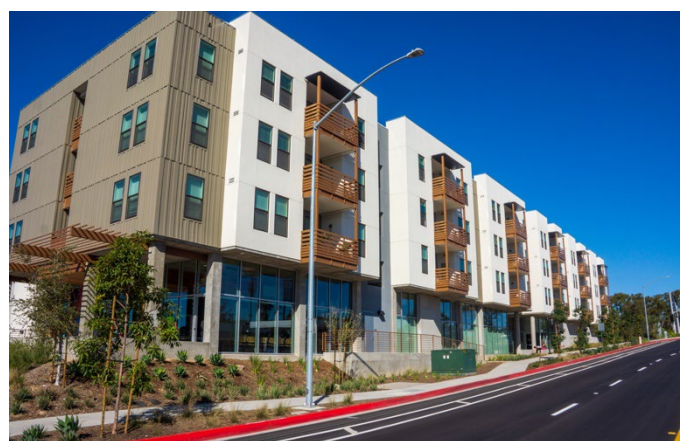
SDHC also is a lender and authorizes the issuance of Multifamily Housing Revenue Bonds to support new affordable housing. The agency's hallmark has been its ability to foster affordable housing developments by forging partnerships with nonprofit and for-profit developers and the City of San Diego.

In Fiscal Year 2023, SDHC completed the following affordable housing partnership developments throughout the City of San Diego:

- The Orchard at Hilltop, 111 affordable rental units (ARU) for San Diegans with low income
- Harris Family Senior Residence, formerly known as East Block Section, 115 ARU for low-income senior San Diegans
- Amanecer Apartments, formerly known as Ulric Street Apartments, 95 ARU for San Diegans with low income and veterans experiencing homelessness
- Milejo Village, formerly known as Jamboree Permanent Supportive Housing at San Ysidro, 64 ARU for San Diegans with low-income
- The Helm, 77 ARU for San Diegans with low income
- Tizon Apartments, 175 ARU for senior San Diegans with low income
- Livia at Scripps Ranch, formerly known as Scripps Mesa, 53 ARU for San Diegans with low-income



*Amanecer Apartments
95 Affordable rental apartments
for San Diegans with low income and
veterans who have experienced homelessness*



*The Orchard at Hilltop
111 Affordable rental apartments
for San Diegans with low income*

As of June 30, 2023, SHDC has committed \$33.8 million towards loans and grants for additional affordable housing projects that had not yet been fully funded or completed.



Beginning with Fiscal Year 2012, SDHC included the consolidated financial statements of its nonprofit affiliate, Housing Development Partners (HDP), as a discretely presented component unit. They are reported in a separate column in the financial statements to emphasize that HDP is legally separate from SDHC.

HDP develops and preserves affordable housing for low-income San Diegans through the rehabilitation of existing buildings and new construction.

Rental housing for seniors, families, veterans, workers, and tenants with special needs are among the developments in HDP's real estate portfolio.

Since its inception, HDP has developed 1,719 affordable rental housing units in the City at properties it has acquired and created through partnership developments, which includes 769 units on SDHC-owned land that is ground leased to HDP: Parker-Kier Apartments (33 affordable units and one manager's unit), Hotel Churchill (72 affordable units and one manager's unit), Village North Senior Garden Apartments (119 affordable units and one manager's unit), Casa Colina (74 affordable units and one manager's unit), Quality Inn (91 affordable units and one manager's unit), West Park Inn (46 affordable units and one manager's unit), and San Diego Square (154 affordable units and two managers' units).

Additionally, included in the total, is SDHC's January 2020 transfer of Mariner's Village (170 affordable units and two managers' units) and SDHC's December 2020 transfer of five single-family properties for a pilot program to build accessory dwelling units, sometimes referred to as "granny flats" or ADUs.

The abbreviated financial statements are for the period ending December 31, 2022, and are presented in thousands of dollars.

HDP – Discretely Presented Component Unit December 31, 2022

ASSETS	
Current and other assets	\$ 34,860
Capital assets net of depreciation	134,082
Total assets	<u>168,942</u>
LIABILITIES	
Current liabilities	2,874
Notes Payable and non-current liabilities	178,613
Total liabilities	<u>181,487</u>
NET POSITION	
Restricted	46,251
Unrestricted	(58,796)
Total liabilities and net position	<u>\$168,942</u>
OPERATING REVENUES	
Dwelling rental income	\$ 17,982
Other revenue	407
Total Operating revenues	<u>18,389</u>
OPERATING EXPENSES	
Income before depreciation and other non-operating income and expenses	<u>7,007</u>
Depreciation	5,390
Deficit before other non-operating income and expense	1,617
Other non-operating income and expenses, net	<u>(6,291)</u>
Change in net position before capital transactions	<u>(4,674)</u>
Capital contributions, net	20,047
Transfer of property to component unit	0
Change in net position	<u>\$ 15,373</u>
Net position:	
Beginning of year	<u>(27,918)</u>
End of year	<u>\$ (12,545)</u>

Addressing Homelessness



The City of San Diego's (City) Homeless Shelters and Services Programs provide temporary shelter and supportive services to some of the City's most vulnerable residents. SDHC administers the following programs through Memoranda of Understanding (MOU) with the City:

- Day Center Facility for Adults Experiencing Homelessness
- Homeless Transitional Storage Center
- Storage Connect Centers I & II
- Homelessness Response Center
- Golden Hall Shelter for Single Adults, Families with Children and Transition-Age Youth (TAY)
- Bridge Shelters at 16th Street/Newton Avenue and 17th Street/Imperial Avenue for single adults
- Rosecrans Shelter
- Harm Reduction Shelter
- Four rapid rehousing programs
- Four interim housing programs (Connections Housing Downtown for single adults; Rachel's Promise, which provides short-term housing and services to single women; the Interim Shelter Program for Adults operated out of the Paul Mirable Center on the Father Joe's Villages main campus; and the Bishop Interim Shelter Program, which also provides shelter beds for single adults)
- Program for Engaged Education Resources (PEER) (SDHC collaboration with San Diego City College to build a pipeline for career in homelessness services)
- Security Deposit Plus Program
- The City's Serial Inebriate Program (SIP) transitional housing program



In Fiscal Year 2023, SDHC also supported several homelessness programs funded through HUD Continuum of Care (CoC), Moving to Work, SDHC Local Funds and City of San Diego Inclusionary Funds, General Fund and Housing Trust Funds.

- 10 CoC funded Permanent Supportive Housing programs serving up to 285 households each year
- 4 CoC funded Rapid Rehousing programs
- Homeshare program that focuses on matching unhoused individuals with seniors who need support in maintaining their housing
- Inclement Weather Shelter program that provides emergency overnight shelter under certain weather conditions
- Housing Instability Prevention Program (HIPP), which helps pay rent and other housing related expenses for families in the City of San Diego with low income and unstable housing situations, such as facing eviction for nonpayment of rent
- Multidisciplinary Outreach Team, which provides specialized outreach services and care to unhoused San Diegans
- LGBTQ+ Affirming Shelter, serving TAY in an affirming environment
- Haven Family Shelter, serving up to 9 families at any given time
- 3 Transitional Housing programs, providing up to 134 beds for families



SDHC is one of only 39 original “Moving to Work” (MTW) agencies out of approximately 3,200 public housing authorities nationwide. In 2023, HUD announced the addition of 87 public housing authorities as new MTW agencies.

MTW status provides flexibility and allows SDHC to determine the most effective housing assistance programs for households with low income or experiencing homelessness in the City of San Diego

At the close of Fiscal Year 2023, SDHC had committed a total of more than 5,500 rental assistance subsidies for families and individuals experiencing homelessness dating back to 2002. This includes 1,310 Veterans Affairs Supportive Housing (VASH) vouchers that have been allocated since 2008 and the 25 additional VASH vouchers allocated in 2023 to serve veterans experiencing homelessness.

SDHC also committed 308 federal Project-Based Housing Vouchers (PBVs) to affordable housing developments in Fiscal Year 2023. These vouchers are known as affordable housing PBVs. This included 75 PBV, as well as an additional 40 Sponsor-Based Subsidies (SBS) that were awarded to projects applying for State of California Homekey Program funds to serve households experiencing homelessness.

Additional MTW Programs

SDHC's MTW operating budget in Fiscal Year 2022 was \$282,651,955. Examples of MTW initiatives that SDHC has implemented are the Choice Communities Initiative, updates to rental assistance payment standards, Path to Success, the SDHC Achievement Academy, and HOUSING FIRST – SAN DIEGO homelessness initiatives, such as Guardian Scholars, the Monarch School Project, SDHC Moving Home Rapid Rehousing and SDHC Moving On Rental Assistance.

Choice Communities. SDHC's Choice Communities initiative provides families that receive rental assistance with more flexibility to choose to live in

neighborhoods that offer more opportunities for transportation, schools, and employment.

To increase housing opportunities through this initiative and to assist as many low-income families as possible, on January 1, 2023, SDHC updated the payment standards that are used to determine the amount of rental assistance each family receives.

In Fiscal Year 2023, 1,622 families moved to Enterprise or Choice communities. In addition, 781 families were contacted by an SDHC Mobility Counselor to assist with pre- and post-moving counseling, housing search assistance and guidance about neighborhood features for families moving to Choice or Enterprise Communities.

Families moving to Choice or Enterprise Communities are eligible for no-interest security deposit loans up to the payment standard for the area for their voucher size. In Fiscal Year 2023, 261 families participated in this Security Deposit Loan Program, and SDHC loaned a total of more than \$539,575 through this program

SDHC Achievement Academy. The SDHC Achievement Academy is a learning and resource center. Its programs emphasize career development, job skills, job placement and personal financial education. These services are available at no charge to families with low income in the City of San Diego, predominately those receiving federal Section 8 Housing Choice Voucher rental assistance, public housing residents and participants in homelessness programs.

In Fiscal Year 2023, more than 1,600 SDHC Achievement Academy participants attended 230 workshops addressing various topics, such as financial education, life skills, workforce readiness, computer literacy and job recruitments.

In Fiscal Year 2023 the average hourly wage of participants placed in jobs was \$19.68, which reflects a 64 percent increase in the average hourly wage of SDHC Achievement Academy participants placed in jobs in the last five year.

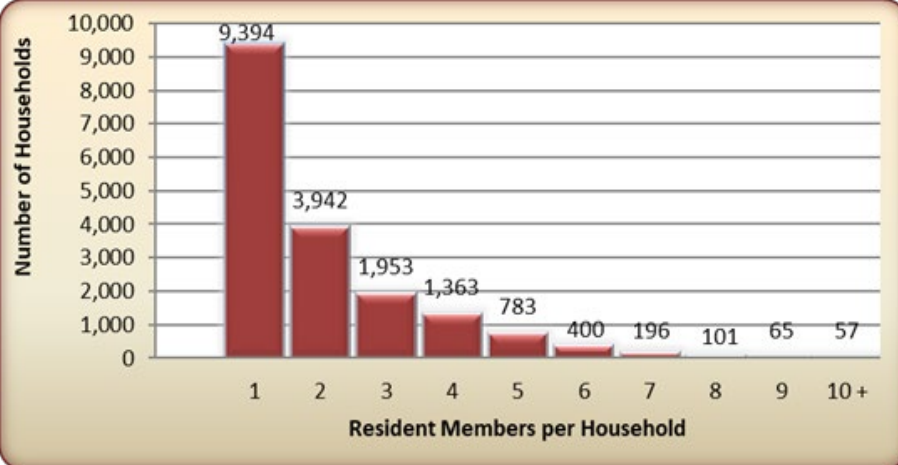
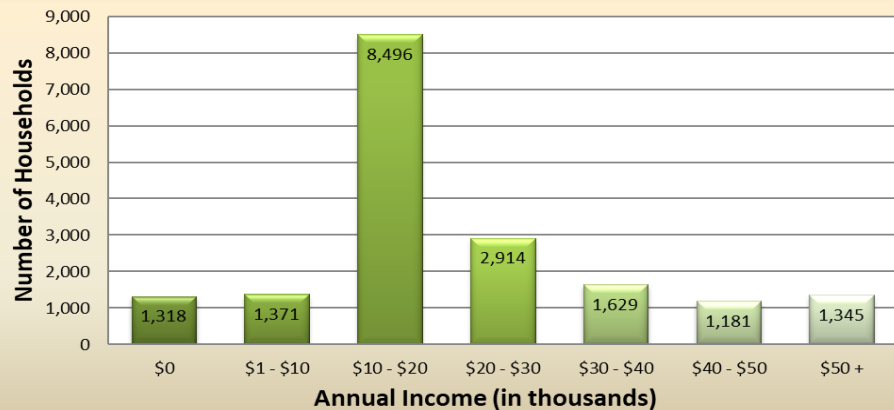
Demographics of the HCV Program



Funded by HUD and managed by SDHC's Rental Assistance Division, the federal Section 8 Housing Choice Voucher Program provided rental assistance to more than 17,000 low-income families in the City of San Diego. The number of rental assistance households fluctuates throughout the year, as participating families are able to move on and leave the program at different times, enabling SDHC to bring new families into the program from the waiting list.

Income per HCV Household

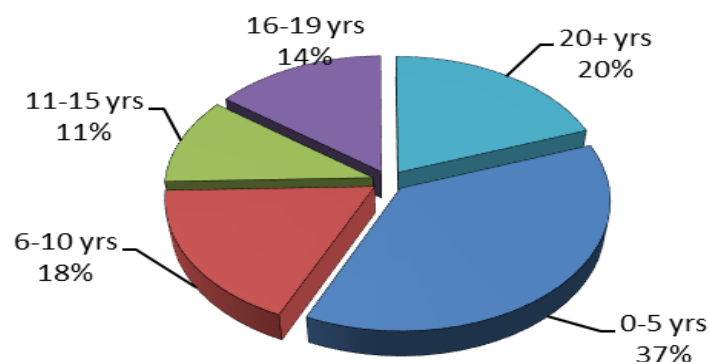
- 61% of HCV recipients' income is less than \$19,999 annually.



Resident Members per Household

- Almost 9,400 households have a single member.
- 21% have two members.
- 11% have three.

Years of Residency in HCV Program





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