San Diego Housing Commission (SDHC)
Workshop & Discussion: Fiscal Year (FY) 2025 Proposed Budget
(July 1, 2024 – June 30, 2025)
Presentation to the SDHC Board of Commissioners
April 12, 2024

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Financial Services Department
SDHC – FY 2025 Proposed Budget
Fiscal Challenges

• High-cost rental housing market
  – Housing Assistance Payments (HAP) have increased $86.6 million from FY 2020 to FY 2023.
  – SDHC is not pulling new families from the Wait List to receive rental assistance.

Rental Payments Made to Landlords on Behalf of Tenants

FY 2020: $166.4 Million  →  FY 2023: $253 Million

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San Diego Housing Commission
Slide #2
SDHC – FY 2025 Proposed Budget
Funding Uncertainty

• Federal
  – SDHC is awaiting the funding determination from U.S. Department of Housing and Urban Development (HUD).
  – As of today, the Fiscal Year 2024 HUD funding SDHC has received this year for rental assistance is less than the amount needed for monthly housing assistance payments.

• State/Local
  • SDHC is awaiting the City of San Diego’s final determination of the level at which the City will fund programs SDHC administers on the City’s behalf.
    – Current City proposed budget, received this week, includes some significant funding cuts to City homelessness programs that SDHC administers on the City’s behalf.
  • Affordable Housing Fund (Inclusionary) declining fee collections
FY 2025 Proposed Budget Includes

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homekey</td>
<td>$87 million</td>
</tr>
<tr>
<td>- One-time funding</td>
<td></td>
</tr>
<tr>
<td>Housing Choice Voucher Rental Assistance</td>
<td>$26 million</td>
</tr>
<tr>
<td>- Anticipated additional voucher funding to begin to address rising voucher rents. Pending final obligation letter from HUD.</td>
<td></td>
</tr>
<tr>
<td>Infill Infrastructure Grant Catalytic (IIGC) Qualifying Infill Area</td>
<td>$15 million</td>
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<tr>
<td>- One-time funding of approximately $45 million over three years</td>
<td></td>
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SDHC – FY 2025 Proposed Budget
Objectives, Deliverables and Uses of Funds

- Provide Rental Assistance for Households with Lower Income:
  - $264.7 million to assist approximately 17,000 households.
    - Includes special purpose vouchers for vulnerable populations, such as veterans, families unifying with their children, and people with a disability.
    - All rental assistance funding will be expended on housing assistance payments to address rising rents.
  - Lease 431 new Project-Based Housing Voucher (PBV) units for households with low income or experiencing homelessness in Fiscal Year 2025.
  - Help families to become more financially self-reliant through the SDHC Achievement Academy.
    - Programs emphasize career planning, job skills, job placement and personal financial education.
Create and Preserve Affordable Housing:

- Award up to $10 million through a competitive NOFA to create approximately 100 new permanent affordable housing units.
- $87.4 million toward the acquisition and rehabilitation of affordable housing properties through the State of California’s Homekey program.
- Own and/or manage 4,326 affordable housing units in the City of San Diego.
- $11.7 million for required repairs and code compliance for SDHC-owned units.
- $4.4 million to continue projects to increase density at Casa Colina property to provide additional affordable housing and to convert unused SDHC office space into a shelter for transition-age youth.
- $5.3 million to help up to 71 households become first-time homebuyers.
- Award $1.5 million to San Diego homeowners for the creation of up to six Accessory Dwelling Units.
• Further the goals of the Community Action Plan on Homelessness for the City of San Diego
  o Shelters and Continuum of Care Permanent Supportive Housing.
  o Homelessness prevention services
  o Supportive services programs
### SDHC – FY 2025 Proposed Budget

#### Fund Balance

<table>
<thead>
<tr>
<th>Program-restricted</th>
<th>Beginning Fund Balance</th>
<th>Ending Fund Balance</th>
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</thead>
<tbody>
<tr>
<td>• Housing Choice Voucher Rental Assistance and other</td>
<td>$8,918,631</td>
<td>$982,000</td>
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<tr>
<td>Federal</td>
<td></td>
<td></td>
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<tr>
<td>• NOFA and Other Affordable Housing Projects</td>
<td>$45,521,456</td>
<td>$49,970,094</td>
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<tr>
<td>• First-Time Homebuyers</td>
<td>$4,175,000</td>
<td>$3,050,000</td>
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<tr>
<td>Contingency Reserve and Operating Fund</td>
<td>$35,012,948</td>
<td>$21,055,017</td>
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<tr>
<td>Property Replacement and Lender-required Operating</td>
<td>$19,128,744</td>
<td>$17,670,152</td>
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<tr>
<td>Reserve</td>
<td></td>
<td></td>
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<tr>
<td>Smart Corner – SDHC Headquarters</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$113,756,779</strong></td>
<td><strong>$93,727,263</strong></td>
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### HUD-Held Rental Assistance Reserves – FY 2025 Budget

<table>
<thead>
<tr>
<th>Beginning Fund Balance</th>
<th>Ending Fund Balance</th>
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</thead>
<tbody>
<tr>
<td>$29,940,333</td>
<td>$13,156,486</td>
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</table>
SDHC – FY 2025 Proposed Budget

Rental Assistance

Creating Affordable Housing

Homelessness Solutions

Thank You