



SAN DIEGO
HOUSING
COMMISSION

We're About People

SDHC FY 2025 Proposed Budget Presentation Budget in City Format Preliminary – April 22, 2024



SDHC – FY 2025 Proposed Budget

Mission Statement

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
- Homelessness solutions

Fiscal Year 2025 Budget Summary

The San Diego Housing Commission (SDHC) is an award-winning public housing agency that creates innovative programs to provide housing opportunities for individuals and families with low income or experiencing homelessness in the City of San Diego. SDHC helps pay rent for more than 17,000 households with low income by providing federal Section 8 Housing Choice Voucher (HCV) rental assistance. HCV participants pay a predetermined portion of their income toward rent, with the remainder paid by federal funds that SDHC administers, up to the applicable payment standard. SDHC also leads collaborative efforts to address homelessness in the City of San Diego, administering City of San Diego and federal funds for shelters, transitional housing and permanent housing with supportive services to address homelessness among families, seniors, veterans and individuals. In addition, SDHC develops affordable multifamily rental housing and provides deferred-payment loans and Closing Cost Assistance Grants to help first-time homebuyers.

The \$715 million proposed Fiscal Year (FY) 2025 Budget would enable SDHC to:

- Assist more than 17,000 households with low income by providing rental assistance through the federal Section 8 HCV program.
- Continue the Landlord Partnership Program, which provides incentives and benefits for landlords who rent to households in the Section 8 HCV rental assistance program.
- Administer more than 2,000 special purpose vouchers dedicated for vulnerable populations including but not limited to veterans, families unifying with their children, and people with a disability.
- Create affordable housing units.
- Assist households to become first-time homebuyers.
- Facilitate the construction of Accessory Dwelling Units (ADUs) through the issuance of loans.



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Mission Statement (Continued)

- Acquire and develop affordable housing units, including units for San Diegans experiencing homelessness.
- Renovate and rehabilitate SDHC-owned affordable rental housing units.
- Continue to own and/or manage 4,326 affordable housing units in the City of San Diego, including SDHC's nonprofit affiliate, Housing Development Partners (HDP), and federal public housing units.
- Continue HOUSING FIRST – SAN DIEGO, SDHC's homelessness action plan, by providing expanded and additional, multifaceted solutions to address homelessness in the City of San Diego, such as:
 - Expanding homelessness prevention and diversion assistance, such as staff to provide mediation or financial assistance to help families at risk of becoming homeless;
 - Collaborating with landlords in the City of San Diego through the Landlord Engagement and Assistance Program (LEAP) to create housing opportunities for individuals and families experiencing homelessness;
 - Providing new Permanent Supportive Housing for individuals experiencing homelessness. SDHC invests federal and local dollars into new construction development, acquisition, and rehabilitation of properties;
 - Continuing SDHC's "Moving On" rental assistance program, through which federal rental housing vouchers are provided to individuals and families who previously experienced homelessness and are ready to move from permanent supportive housing into a more appropriate housing solution due to achieving housing stability; and
 - Continuing specialized programs to assist transition-age youth, individuals experiencing homelessness and veterans experiencing chronic homelessness; and
- Directly operate programs through HOUSING FIRST – SAN DIEGO and administer and provide oversight for over 50 contracted programs that align with the Community Action Plan on Homelessness for the City of San Diego and the City of San Diego's FY 2025 priorities regarding the provision of services to the persons experiencing homelessness in the City of San Diego. These include but are not limited to: the City's three Bridge Shelters and shelters for specific populations, such as the Harm Reduction Shelter, the Shelter for Women with higher-care needs and the LGBTQ+ Affirming Shelter; the City's three Storage Centers with up to 1,200 storage containers; four rapid rehousing programs funded by the City of San Diego; a variety of rapid rehousing and permanent supportive housing programs funded through the U.S. Department of Housing and Urban Development's (HUD) Continuum of Care grants; transitional housing programs; coordinated street outreach; the Program for Engaged Educational Resources (PEER), which provides training and education to persons interested in working within the homelessness services sector; the City's Homelessness Response Center, which provides on-site intake, assessment, triage and system navigation for housing interventions, links to community resources and access to shelter beds throughout the City's shelter system; and project management, support for partnership collaboration and detailed reporting for the Community Action Plan on Homelessness for the City of San Diego.



SDHC – FY 2025 Proposed Budget

Mission Statement (Continued)

The proposed SDHC FY 2025 Budget will be presented to the City Council Budget Review Committee in May 2024 for its review and will then be presented to the Housing Authority of the City of San Diego for its review in June 2024.

SDHC's FY 2025 Budget is composed of four divisions: Rental Assistance, Real Estate, Homeless Housing Innovations and Operations Support:

- Rental Assistance Division (RAD) funding is budgeted at \$333 million. RAD provides federal rental assistance for households with low income in the City of San Diego. RAD program activities provide eligible families with monthly federal rental assistance and opportunities for them to become more financially self-reliant through the SDHC Achievement Academy, which provides programs that emphasize career planning, job skills, job placement and personal financial education—at no cost to participants. In addition, RAD monitors affordable housing developments and homeowners for compliance with federal, state and local occupancy and affordability restrictions.
- Real Estate Division (RED) funding is budgeted at \$188 million. RED creates and preserves affordable housing as a developer, owner, lender, partner, Multifamily Housing Revenue Bond issuer, and administrator of City of San Diego land use programs, such as inclusionary housing. RED also helps families that meet eligibility requirements to become first-time homebuyers.
- Homeless Housing Innovations Division (HHI) funding is budgeted at \$69 million. HHI administers City of San Diego and federal funds to address homelessness and the housing needs of San Diegans with extremely low incomes experiencing homelessness or at risk of homelessness. This division administers programs for storage of personal belongings, shelters, transitional housing, interim housing, rapid rehousing, and permanent supportive housing and services.
- Operations Support funding is budgeted at \$31 million. Operations Support provides support services to carry out SDHC's mission. These include: 1) Board & Executive Functions, which provides strategic planning, leadership and management to implement housing programs; 2) Communications & Government Relations, which fosters transparency through government relations activities, responds to public records requests, and ensures consistency and accuracy in SDHC communications; 3) Equity Assurance, which ensures high-quality and equitable development and processing of all SDHC programs, policies and initiatives; 4) Human Resources; 5) Financial Services; 6) Information Technology; 7) Procurement; 8) Section 3 & Outreach; 9) Compliance and Special Programs; 10) Agency Policy; and 11) City-County Reinvestment Task Force.

Funds allocated for ending fund balance are budgeted at \$94 million and are committed for use to create and preserve affordable housing. These funds contain three types of fund balance and are restricted by use: 1) Program Restricted to provide for housing programs; 2) Property Reserves to provide for replacement requirements; and 3) Contingency Reserves, 3.5 percent of annual budgeted new revenue.



SDHC – FY 2025 Proposed Budget

A. Budget Summary

Table A - San Diego Housing Commission - Budget Summary									
	FY 2023 Budget		FY 2023 Actual		FY 2024 Budget		FY 2024 Projected		FY25 Proposed
Positions (FTE)		366		327		395		395	408
Personnel Expense	\$	47,460,000	\$	48,058,000	\$	53,696,000	\$	53,696,000	\$ 60,040,000
Non-Personnel Expense		547,295,000		579,865,000		541,190,000		541,190,000	\$ 655,288,000
TOTAL	\$	594,755,000	\$	627,923,000	\$	594,886,000	\$	594,886,000	\$ 715,328,000



SDHC – FY 2025 Proposed Budget

B. Expenditures

Table B - San Diego Housing Commission - Expenditures							
	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Proposed	FY 2024-2025 Change	
PERSONNEL							
Salaries & Wages	\$ 34,523,000	\$ 36,389,000	\$ 39,695,000	\$ 39,695,000	\$ 44,201,000	\$ 4,506,000	
Fringe Benefits (health)	5,851,000	5,121,000	6,195,000	6,195,000	6,404,000	209,000	
Fringe Benefits (pension)	4,686,000	4,487,000	5,089,000	5,089,000	6,170,000	1,081,000	
Fringe Benefits (other--Life, LTD, Medicare, Workers Comp, SUI and 457)	2,400,000	2,061,000	2,717,000	2,717,000	3,265,000	548,000	
SUBTOTAL PERSONNEL	\$ 47,460,000	\$ 48,058,000	\$ 53,696,000	\$ 53,696,000	\$ 60,040,000	\$ 6,344,000	
NON-PERSONNEL							
Housing Program Expense	\$ 341,932,000	\$ 335,384,000	\$ 353,023,000	\$ 353,023,000	\$ 412,171,000	\$ 59,148,000	
Property Expense	13,373,000	20,508,000	15,806,000	15,806,000	18,504,000	2,698,000	
Professional Services, Supplies & Other	18,475,000	15,368,000	17,609,000	17,609,000	19,146,000	1,537,000	
Debt Payments	34,377,000	33,121,000	9,348,000	9,348,000	7,431,000	(1,917,000)	
Capital Expenditures	23,506,000	3,445,000	21,291,000	21,291,000	104,309,000	83,018,000	
Ending Fund Balance	115,632,000	172,039,000	124,113,000	124,113,000	93,727,000	(30,386,000)	
SUBTOTAL NON-PERSONNEL	\$ 547,295,000	\$ 579,865,000	\$ 541,190,000	\$ 541,190,000	\$ 655,288,000	\$ 114,098,000	
TOTAL	\$ 594,755,000	\$ 627,923,000	\$ 594,886,000	\$ 594,886,000	\$ 715,328,000	\$ 120,442,000	



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C. Significant Budget Adjustments

Table C - San Diego Housing Commission - Significant Budget Adjustments			
Significant Budget Adjustments	Position	Revenue	Expenses
Personnel Salaries and Benefits Adjustments			
Salaries & Wages	Primarily due to an increase in proposed positions for FY2025 as well as tentative Cost Of Living Adjustment (COLA) of 5%		\$ 4,506,000
Fringe Benefits (health)	Primarily due to an increase in proposed positions for FY2025 as well as a tentative Memorandum of Understanding (MOU) increase of 3%		209,000
Fringe Benefits (pension)	Primarily due to an increase in proposed positions for FY2025		1,081,000
Fringe Benefits (Life, LTD, Medicare, Workers Comp, SUI, and 457)	Primarily due to an increase in proposed positions for FY2025		548,000
Personnel Adjustments			\$ 6,344,000
Non-Personnel Expenditure Adjustments			
Housing Program Expense	Increase in HAP due to increase in average cost per voucher, increase in Grant Expense due to increased operating costs of the homeless programs, inclusion of Infill Infrastructure Grant Catalytic (IIGC) funds to fund loans in FY25		\$ 59,148,000
Property Expense	Higher due to increase in maintenance on property portfolio as well as inclusion of properties acquired in FY24 and FY25.		2,698,000
Professional Services, Supplies & Other	Increase primarily due to higher IT costs and insurance premiums.		1,537,000
Debt Payments	Lower in FY25 following partial retirement of debt in late FY23		(1,917,000)
Capital Expenditures	Increase primarily due to funds received for Homekey acquisition and rehabilitation in FY25		83,018,000
Ending Fund Balance	Reduction due to further use of Moving To Work (MTW) funds, Notice of Funding Availability (NOFA) loans to be funded during the year and funding of necessary property rehabilitation projects.		(30,386,000)
Non-Personnel Expenditure Adjustments			\$ 114,098,000
TOTAL EXPENSE ADJUSTMENTS			* \$ 120,442,000
Revenue Adjustments			
Section 8/MTW	Increase primarily due to increased funding for vouchers	\$ 30,776,000	
HOME, CDBG & Other Federal	Increase primarily due to receipt of revenue used to complete Homekey acquisitions	61,506,000	
Housing Innovation Funds	In line with prior year	-	
SDHC Real Estate	Increase primarily due to an anticipated increase in rental income in FY25 as well as the inclusion of rental income from properties acquired in FY24 and FY25	4,764,000	
Affordable Housing Fund	In line with prior year	466,000	
Other Local Funds	Increase primarily due to greater City General Fund needs for Homeless Programs and revenues used to complete Homekey acquisitions.	30,201,000	
STATE	Increase due to the inclusion of IIGC funds in FY25	18,010,000	
FUND BALANCE FROM PRIOR YEARS	Decrease primarily due to spending of the Affordable Housing Fund (AHF) funds on planned activities, use of MTW funds during FY24 as well as funds spent as part of the emergency storm response during FY24.	(25,280,000)	
TOTAL REVENUE ADJUSTMENTS		\$ 120,443,000	

* Due to rounding total may not foot.



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D. Reimbursements to Departments/Entities

Table D - San Diego Housing Commission - Reimbursements to Departments/Entities							
Departments/Entities	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Proposed	FY 2024-2025 Change	
Homeless Housing Innovations - Interim Shelter for Homeless Adults	\$ 1,823,404	\$ 1,925,661	\$ 2,238,253	\$ 2,238,253	\$ 2,232,313	\$ (5,940)	
Homeless Housing Innovations - Homelessness Response Center (GF)	\$ 300,000	\$ 300,000	\$ 1,409,258	\$ 1,409,258	\$ 1,677,394	\$ 268,136	
Homeless Housing Innovations - Homelessness Response Center (LMIFH)	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	
Homeless Housing Innovations - Coordinated Street Outreach	\$ -	\$ 226,102	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ -	
Eviction Prevention Program			\$ -	\$ 3,000,000	\$ -	\$ -	
Homeless Housing Innovations - Bishop Shelter	\$ 622,900	\$ 616,495	\$ 622,900	\$ 622,900	\$ 658,338	\$ 35,438	
Homeless Housing Innovations - Harm Reduction Shelter	\$ 2,149,237	\$ 2,353,268	\$ 2,149,237	\$ 2,149,237	\$ 2,629,733	\$ 480,496	
Homeless Housing Innovations - Women Shelter	\$ -		\$ 1,067,617	\$ 1,067,617	\$ 1,120,998	\$ 53,381	
Homeless Housing Innovations - Sprung Shelter (Rosecrans)	\$ -	\$ 47,805	\$ -	\$ -	\$ -	\$ -	
Homeless Housing Innovations - Bridge Shelter	\$ 3,190,909	\$ 2,112,345	\$ -	\$ -	\$ -	\$ -	
Homeless Housing Innovations - Family Shelter	\$ -		\$ -	\$ 1,925,221	\$ 2,582,435	\$ 2,582,435	
Homeless Housing Innovations - Youth Shelter	\$ -		\$ 524,989	\$ 524,989	\$ -	\$ (524,989)	
Homeless Housing Innovations - LGBT Youth Services & Shelter	\$ -	\$ 391,458	\$ -	\$ -	\$ -	\$ -	
Homeless Housing Innovations - Think Dignity	\$ -	\$ 207,874	\$ -	\$ -	\$ -	\$ -	
Homeless Housing Innovations - PEER Program	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 262,500	\$ 12,500	
Homeless Housing Innovations - Day Center	\$ -	\$ 150,000	\$ 400,000	\$ 400,000	\$ 379,300	\$ (20,700)	
Homeless Housing Innovations - Housing Instability Prevention	\$ -	\$ 1,184,185	\$ 2,250,000	\$ 4,050,000	\$ 5,229,087	\$ 2,979,087	
Homeless Housing Innovations - Storage Connect 1	\$ -		\$ 1,396,389	\$ 1,396,389	\$ 1,466,208	\$ 69,819	
Homeless Housing Innovations - Storage Connect 2	\$ -	\$ 687,712	\$ 531,436	\$ 531,436	\$ 558,008	\$ 26,572	
Homeless Housing Innovations - Transitional Storage Center	\$ -		\$ 243,252	\$ 243,252	\$ -	\$ (243,252)	
Homeless Housing Innovations - Connections Interim Housing	\$ 404,528	\$ 423,311	\$ 550,403	\$ 550,403	\$ 794,931	\$ 244,528	
Homeless Housing Innovations - Serial Inebriate Program	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 339,299	\$ 49,299	



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E. Revenues

Table E San Diego Housing Commission - Revenues

Revenue Source	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Proposed	FY 2024-2025 Change
FEDERAL						
Section 8/MTW	\$ 306,562,000	\$ 315,181,000	\$315,722,000	\$315,722,000	\$346,498,000	\$30,776,000
HOME, CDBG & Other Federal	23,029,000	31,040,000	27,483,000	27,483,000	88,989,000	61,506,000
Housing Innovation Funds	6,683,000	6,484,000	8,731,000	8,731,000	8,731,000	-
FEDERAL TOTAL	\$ 336,274,000	\$ 352,705,000	\$ 351,936,000	\$ 351,936,000	\$ 444,218,000	\$ 92,282,000
LOCAL						
SDHC Real Estate	\$ 41,427,000	\$ 44,789,000	\$ 45,050,000	\$ 45,050,000	\$ 49,814,000	\$ 4,764,000
Affordable Housing Fund	7,459,000	6,504,000	5,816,000	5,816,000	6,282,000	466,000
Other Local Funds	14,977,000	20,347,000	23,547,000	23,547,000	53,748,000	30,201,000
LOCAL TOTAL	\$ 63,863,000	\$ 71,640,000	\$ 74,413,000	\$ 74,413,000	\$ 109,844,000	\$ 35,431,000
STATE	\$ 31,622,000	\$ 35,175,000	\$ 29,500,000	\$ 29,500,000	\$ 47,510,000	\$ 18,010,000
FUND BALANCE FROM PRIOR YEARS	\$ 162,996,000	\$ 168,403,000	\$ 139,037,000	\$ 139,037,000	\$ 113,757,000	\$ (25,280,000)
TOTAL	\$ 594,755,000	\$ 627,923,000	\$ 594,886,000	\$ 594,886,000	\$ 715,329,000	\$ 120,443,000

MTW = Moving to Work.

CDBG = Community Development Block Grant

