SAN DIEGO HOUSING COMMISSION

San Diego Housing Commission (SDHC)
Fiscal Year 2014 Budget

July 2013 - June 2014

Financial Services Department

SDHC Budget Agenda/Index

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SAN DIEGO HOUSING COMMISSION

Fiscal Year 2014 SDHC Budget Presentation
Section 1 - Summary and Budget Process

SDHC Programs Provide Quality Housing Opportunities To Improve The Lives Of Those In Need

- Rental Assistance
- Management of SDHC-Owned Housing
- First-Time Homebuyer Assistance
- Initiatives to Reduce Homelessness
- Home Rehabilitation
- New Affordable Units
- Family Self-Sufficiency

Owanda and his family became First-Time Homebuyers

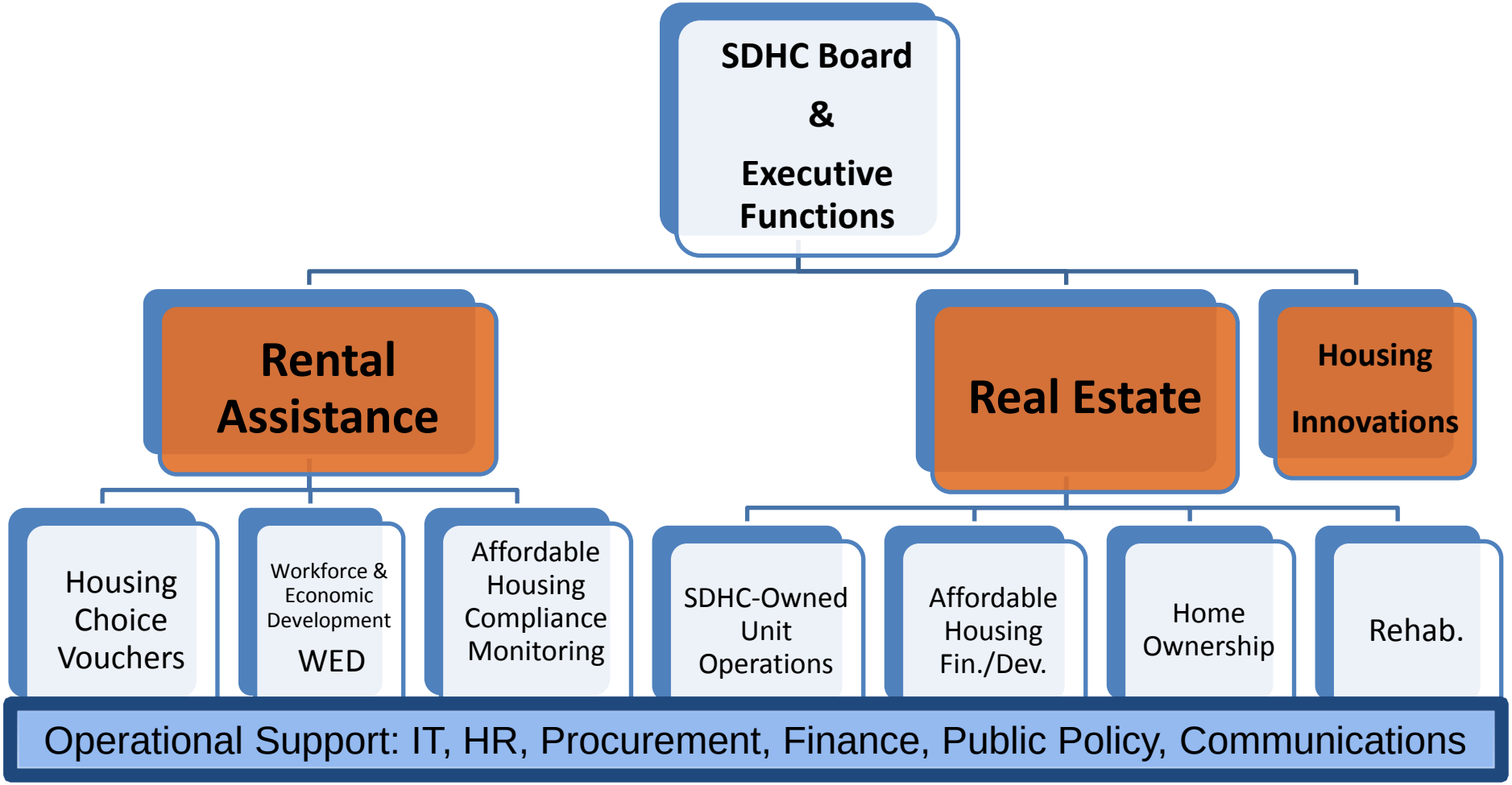
FY 2014 SDHC Budget

$304 Million
266 Employees
$0 City General Funds Used

SDHC Executive Summary

- $26M or 8% decrease in funding sources mostly due to the use of MTW funds in FY 13 for the construction and rehabilitation of affordable housing projects
- Operating expenses decrease in response to funding constrictions and anticipated federal cuts
- No increase in permanent staffing is budgeted
- Unobligated reserves at 3% of budget or $7M
- Permanent sequestration federal cuts (currently at 5%) for MTW would reduce budgeted development funds or available reserves and non-MTW cuts will reduce program expenses

SDHC Organizational Chart



SDHC Budgeting Process

Goals and Objectives	• SDHC Goals • Goals By Activity • Performance Metrics
Data Generation and Collection	• Budget Templates • Detailed Budget Work • Data Collection
Review, Allocation and Approval	• Executive Review • Allocation • Approval

SDHC Budget Process and Timeline

SDHC FY 2014 Budget Timeline	Oct-12				Nov-12				December 2012				January 2013				February 2013				March 2013				Post March 2013		
	Week				Week				Week				Week				Week				Week				Month		
	One	Two	Three	Four	One	Two	Three	Four	One	Two	Three	Four	One	Two	Three	Four	One	Two	Three	Four	One	Two	Three	Four	April	May	June
HC, HA, City																				Board Chair Review	3/1 Budget Due	3/15 HC Work Shop			4/5 City Final V.2 4/12 HC Approval	5/10 City Budget Comm.	6/11 HA Approval
Executive Team	Develop Goals and Metrics With VPs																	Exec. Review 2/11	Alloc.								
Vice Presidents					Revenue Estimates		Expense Estimates						Business Plans			Prep Budget & Meetings											
Budget Staff	Prep Forms For Revenues		Prep Forms for Expenses				Compile and Review Budget Templates										Pre Review		HC/City Budget Report Prep		3/1 Budget Due		Prep Full Budget Book		4/1 Full Book Due		

Stage

Goals/Metrics
Budget Prep.
Review/Alloc.
Approval/Due

SDHC Budget Policy

- SDHC Budget is “fully balanced”:

  Operating Expenses + Capital Expenditures + Reserves = Available Funds
- Available funds = carryover/fund balance + anticipated FY 2014 new GAAP-based revenue
- FY 2013 amounts restated to GAAP basis (best practices) and adjusted for actual carryover amounts
- Reserve policy - 2% minimum for unobligated reserves
- Debt policy - new debt only if supported by assets generating sufficient debt service coverage (no “operational shortfall debt” allowed)

SDHC Procedures for Amending Budget

- The San Diego Housing Commission (SDHC) has delegated authority to the CEO to amend the annual budget in the amount of $100,000 or less
- All budget amendments in excess of $100,000 must be approved by the SDHC Board
- The Housing Authority of the City of San Diego has delegated authority to the SDHC Board to amend the annual budget for amounts less than $500,000
- Budget amendments in excess of $500,000 must be approved by the Housing Authority

SDHC Fiscal Year 2014 Priorities and Goals

- Develop and manage additional affordable rental housing units for extremely low income to moderate income families, seniors and individuals, and assist first-time homebuyers
- Decrease homelessness and its impact on the community by supporting innovative housing and supportive services strategies
- Continue the implementation of the Path to Success initiative to help housing choice voucher families become financially self-sufficient

SDHC Fiscal Year 2014 Priorities and Goals

(Continued)

- Create progressive programs to address affordable housing issues
- Effectively communicate SDHC programs and accomplishments to SDHC clients and the public
- Provide a positive customer experience through respectful, efficient delivery of programs and services to all clients
- Continue to be an employer of choice in the region by expanding professional development initiatives and rewarding exemplary performance

SDHC Factors Affecting FY 2014 Budget

- Estimated impact of currently proposed (5%) sequestration federal cuts: $9M decrease (total federal)
- Housing Assistance Payments cuts only:
  $7.4M = estimated additional 700 families from the waiting list that could have been served
- However, the sequestration impact on existing SDHC clients has been minimized due to:
  - Anticipation and preparation for federal cuts
  - Utilization of available reserves
  - Path to Success initiative

SDHC Factors Affecting FY 2014 Budget

(Continued)

- State Sites Conversion
- Physical Needs Assessment
- Performance Incentives
- CPI of 3% or less if supported by program funding to prevent decrease of effective salaries

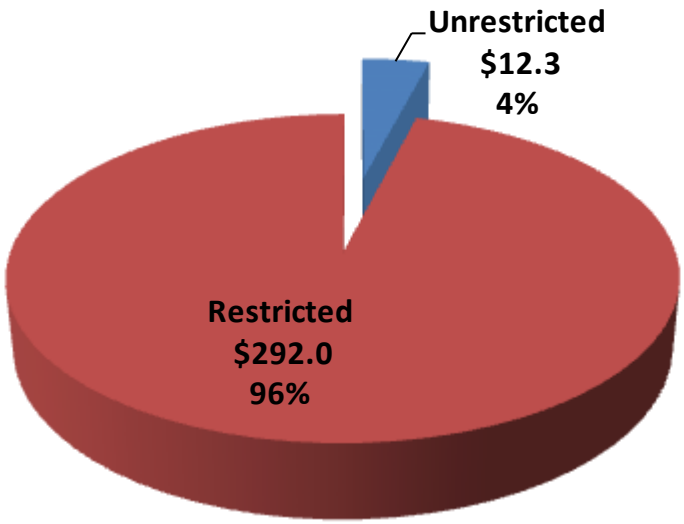
SAN DIEGO HOUSING COMMISSION

Fiscal Year 2014 SDHC Budget Presentation
Section 2 - Sources of Funds

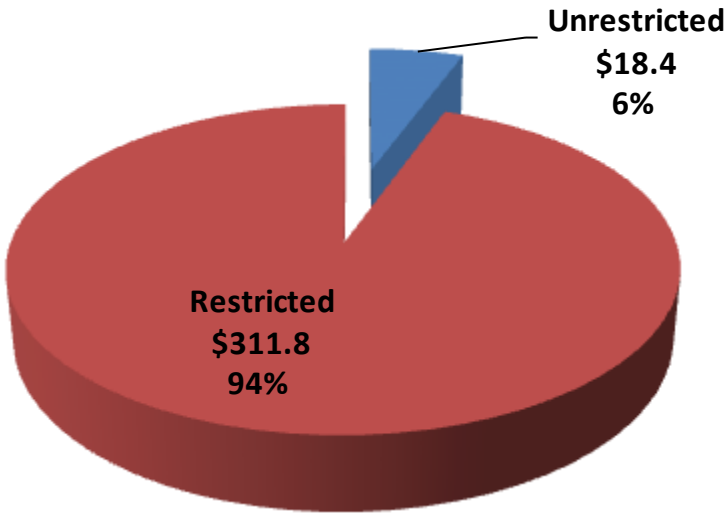
SDHC Sources of Funds By Restriction

($ in Millions)

FY 2014 Budget – $304.3 M

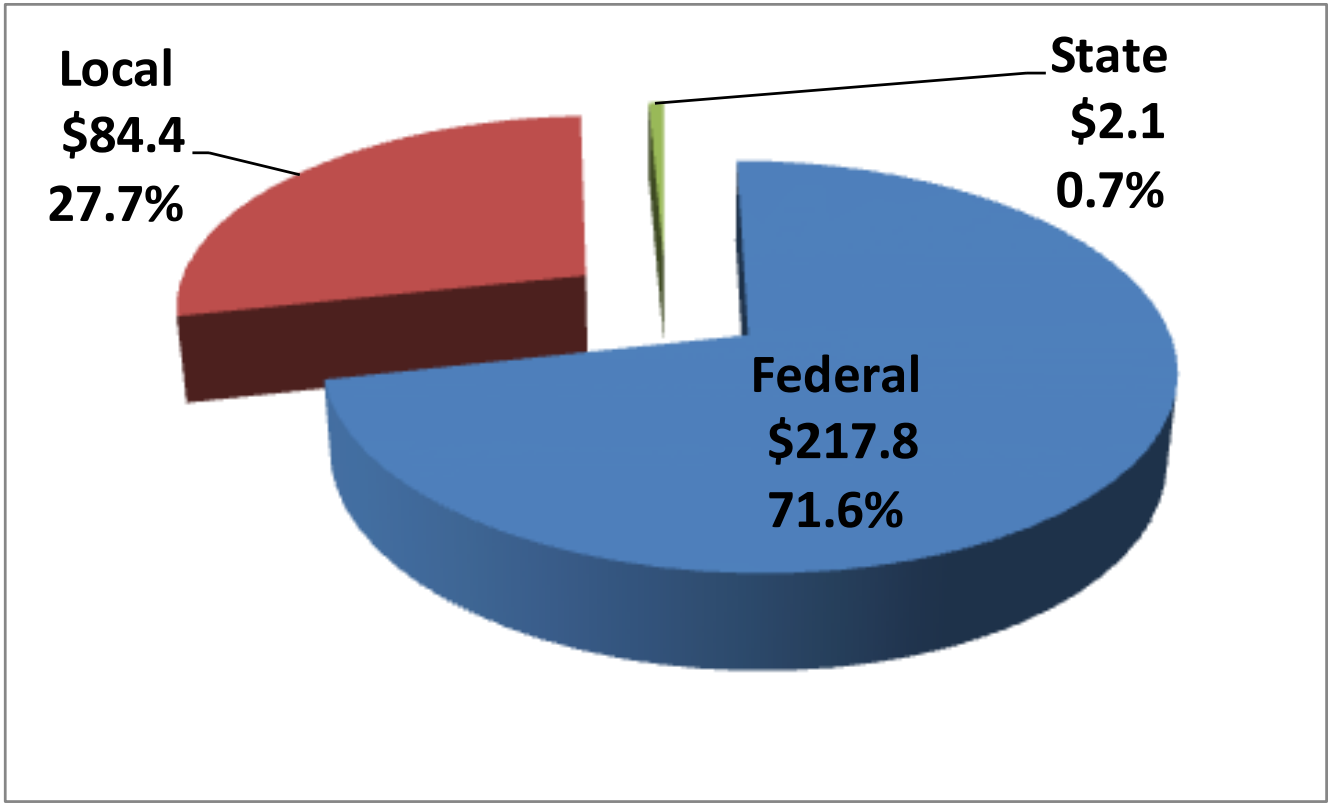


FY 2013 Budget - $330.2 M



FY14 SDHC Funding Sources By Major Category - $304.3 M

($ in Millions)



SDHC Available Funding Sources By Fiscal Year

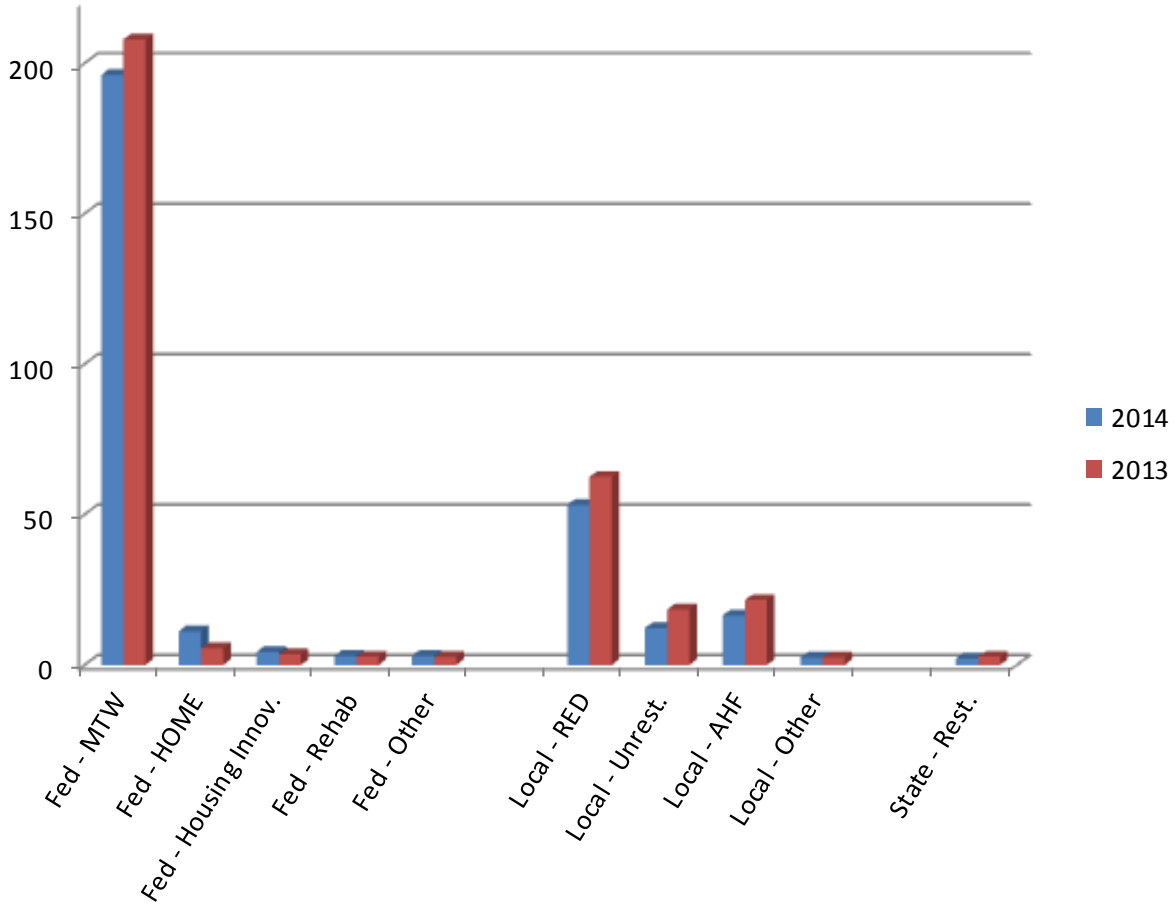
($ in Millions)

	FY 2014 Budget	FY 2013 Budget	Increase/ (Decrease)	Inc./(Dec) %
Federal	$ 217.8	$ 222.5	$ (4.7)	-2%
Local	84.4	105.0	(20.6)	-20%
State	2.1	2.7	(0.6)	-22%
	$ 304.3	$ 330.2	$ (25.9)	-8%

Note: All FY 2013 budget amounts in this presentation are GAAP adjusted

FY 2014/13 SDHC Funding Source Comparison

($ in Millions)



SDHC Available Funding Sources By Fiscal Year

($ in Millions)

	FY 2014 Budget	FY 2013 Budget	Increase/ (Decrease)	Inc./(Dec) %
New GAAP Revenue	$ 220.1	$ 218.9	$ 1.2	1%
Carryover Funding	84.2	111.3	(27.1)	-24%
	$ 304.3	$ 330.2	$ (25.9)	-8%

SDHC Available Funding Sources By Fiscal Year

($ in Millions)

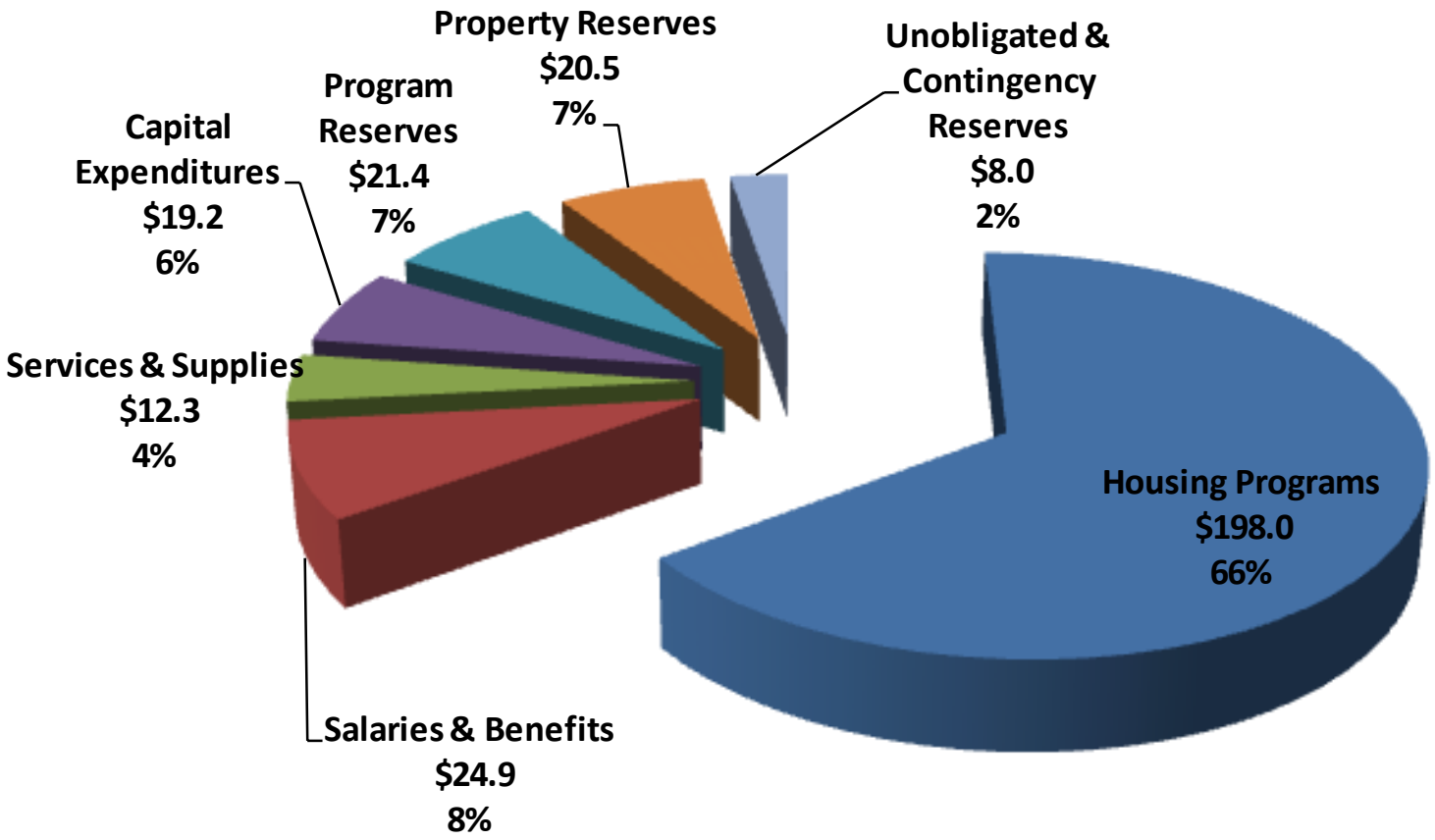
	FY 2014 Budget			FY 2013 Budget			Carryover		Revenue		Total	
	Carryover	Revenue	Total	Carryover	Revenue	Total	Inc./(Dec.)	%	Inc./(Dec.)	%	Inc./(Dec.)	%
FEDERAL												
Section 8/MTW	$ 30,594,291	$ 165,504,092	$ 196,098,384	$ 39,987,272	$ 167,946,058	$ 207,933,330	$ (9,392,981)	-23%	$ (2,441,966)	-1%	$ (11,834,946)	-6%
HOME	71,004	11,143,396	11,214,400	378,362	5,203,200	5,581,562	(307,358)	-81%	5,940,196	114%	5,632,838	101%
Housing Innovation	0	4,289,859	4,289,859	0	3,550,368	3,550,368	0	0%	739,491	21%	739,491	21%
Rehabilitation	0	3,071,078	3,071,078	0	2,751,976	2,751,976	0	0%	319,102	12%	319,102	12%
CDBG	1,235,341	1,691,287	2,926,628	1,098,178	1,371,386	2,469,564	137,163	12%	319,901	23%	457,064	19%
Other ***	50,193	63,113	113,306	148,495	36,240	184,735	(98,302)	-66%	26,873	0%	(71,429)	-39%
Total Federal	**31,950,829**	**185,762,825**	**217,713,655**	**41,612,307**	**180,859,228**	**222,471,535**	**(9,661,478)**	**-23%**	**4,903,597**	**3%**	**(4,757,880)**	**-2%**
LOCAL												
SDHC Real Estate	25,879,898	27,318,682	53,198,580	36,880,400	25,644,082	62,524,482	(11,000,502)	-30%	1,674,600	7%	(9,325,902)	-15%
Unrestricted	9,851,351	2,408,283	12,259,634	12,160,066	6,277,308	18,437,374	(2,308,715)	-19%	(3,869,025)	-62%	(6,177,740)	-34%
RDA	1,200,568	28,911	1,229,479	604,260	20	604,280	596,308	99%	28,891	144455%	625,199	103%
AHF	13,341,909	3,137,902	16,479,811	18,395,327	3,188,219	21,583,546	(5,053,418)	-27%	(50,317)	-2%	(5,103,735)	-24%
Other ^^^	539,243	706,589	1,245,832	1,011,454	847,850	1,859,304	(472,211)	-47%	(141,261)	-17%	(613,472)	-33%
Total Local	**50,812,969**	**33,600,367**	**84,413,336**	**69,051,507**	**35,957,479**	**105,008,986**	**(18,238,538)**	**-26%**	**(2,357,112)**	**-7%**	**(20,595,650)**	**-20%**
STATE	**1,391,170**	**740,853**	**2,132,023**	**657,724**	**2,092,037**	**2,749,761**	**733,446**	**112%**	**(1,351,184)**	**-65%**	**(617,738)**	**-22%**
TOTAL	**$ 84,154,968**	**$ 220,104,045**	**$ 304,259,013**	**$ 111,321,538**	**$ 218,908,744**	**$ 330,230,282**	**$ (27,166,570)**	**-24%**	**$ 1,195,302**	**1%**	**$ (25,971,268)**	**-8%**

SAN DIEGO HOUSING COMMISSION

Fiscal Year SDHC 2014 Budget Presentation
Section 3 - Uses of Funds

FY14 SDHC Funding Uses By Major Category - $304.3 M

($ in Millions)



SDHC Funding Uses By Fiscal Year

($ in Millions)

	FY 2014 Budget	FY 2013 Budget	Inc./(Dec)	Inc./(Dec) %
Housing Programs	$ 198.0	$ 214.9	$ (16.9)	-8%
Salaries & Benefits	$ 24.9	23.9	1.0	4%
Services & Supplies	$ 12.3	11.8	0.5	4%
Capital Expenditures	$ 19.2	41.9	(22.7)	-54%
Reserves	$ 49.9	37.7	12.2	32%
Total	$ 304.3	$ 330.2	$ (25.9)	-8%

SDHC Funding Uses Detail
Housing Programs

($ in Millions)

	FY 2014 Budget	FY 2013 Budget	Inc./(Dec)	Inc./(Dec) %
Housing Assistance	$ 154.1	$ 154.4	$ (0.3)	0%
Loans & Grants	29.4	42.7	(13.3)	-31%
Debt Principal Payments	3.1	3.1	(0.0)	0%
Property Operations	11.4	14.7	(3.3)	-22%
Total	**$ 198.0**	**$ 214.9**	**$ (16.9)**	**-8%**

SDHC Funding Uses Detail
Salaries & Benefits

($ in Millions)

	FY 2014		FY 2013			
	Budget	%	Budget	%	Inc/(Dec.)	%
Salaries	$ 18.4	74%	$ 17.6	73%	$ 0.8	5%
Flex Plan Benefits	2.5	10%	2.5	11%	(0.0)	0%
Pension Plan	2.4	10%	2.3	10%	0.1	5%
Fringe Benefits - Other	1.6	6%	1.5	6%	0.1	5%
Total	$ 24.9	100%	$ 23.9	100%	$ 1.0	4%
FTE's	266.0		266.0		-	0%
Benefit Load as % Of Salaries:		*35%*		*36%*		

SDHC Salary and Staffing Detail

	Budgeted FTEs 2013	Budgeted FTEs 2014	Budgeted FTEs Change	Budgeted Base Salaries 2013	COLA & PI	Other Changes*	Budgeted Salaries 2014
Rental Assistance							
Housing Choice Voucher Program	91.9	91.8	(0.0)	4,668,105	274,671	48,766	4,991,542
WED	13.2	11.0	(2.2)	765,364	45,034	(35,130)	775,268
Compliance	5.0	5.1	0.0	291,440	17,148	16,314	324,902
Subtotal Rental Assistance	110.0	107.9	(2.2)	5,724,909	336,853	29,950	6,091,712
Real Estate							
Property Management & Maint.	39.4	37.0	(2.4)	1,845,372	108,582	(233,843)	1,720,111
Construction Services	5.8	7.7	1.9	404,669	23,811	123,647	552,127
Facilities Management	1.6	1.7	0.1	112,385	6,613	21,444	140,442
Rental Housing Development	2.1	1.4	(0.7)	150,883	8,878	(39,910)	119,851
Rental Housing Finance	3.2	5.1	1.9	237,657	13,984	145,801	397,442
Homeownership	3.2	3.4	0.2	187,630	11,040	9,394	208,064
Rehabilitation	11.4	11.2	(0.2)	797,367	46,917	9,948	854,232
Lease Management	1.1	0.9	(0.2)	82,671	4,864	(12,081)	75,454
Loan Management	6.0	5.8	(0.2)	369,579	21,746	(14,791)	376,534
Subtotal Real Estate	73.9	74.2	0.3	4,188,213	246,435	9,609	4,444,257
HDP **	3.1	2.8	(0.3)	315,912	18,588	(31,622)	302,878
Housing Innovations	9.0	9.0	-	593,056	34,895	7,849	635,800
Operations Support							
Board & Executive	3.5	3.5	-	508,050	29,894	3,308	541,252
Public Policy & Legislative Services	4.5	3.5	(1.0)	315,748	18,579	(50,087)	284,240
Communications	4.0	4.0	-	332,759	19,580	26,514	378,853
Special Programs	5.0	7.8	2.8	369,506	21,742	250,299	641,547
Reinvestment Task Force	1.0	1.1	0.1	68,815	4,049	10,654	83,518
Section 3 and Outreach	2.0	2.2	0.2	149,881	8,819	1,618	160,318
Human Resources	6.0	6.0	-	442,920	26,061	(16,980)	452,001
Procurement	9.0	9.1	0.1	558,884	32,885	1,690	593,459
Information Technology	13.0	13.0	-	945,200	55,616	17,264	1,018,080
Financial Services	22.0	22.0	-	1,457,437	85,756	2,899	1,546,092
Subtotal Operations Support	70.0	72.2	2.2	5,149,200	302,981	247,179	5,699,360
Provision for Performance Incentives in FY 2013				369,376	-	-	-
Direct Hire Contractors				1,187,109	-	10,683	1,197,792
Grand Total	**266.0**	**266.0**	**-**	**17,527,775**	**939,752**	**273,648**	**18,371,799**

* Position transfers, reclassifications, salary changes due to turn-over

** HDP salaries are 100% reimbursed by HDP revenues and are not agency funded

SDHC Funding Uses Detail
Capital Expenditures

($ in Millions)

	FY 2014 Budget	FY 2013 Budget	Inc./(Dec)	Inc./(Dec) %
Capital Improvements	$ 10.0	$ 15.5	$ (5.5)	-35%
Acquisition/Development	9.1	25.8	(16.7)	-65%
Software and IT Equipment	0.1	0.6	(0.5)	-83%
Total	$ 19.2	$ 41.9	$ (22.7)	-54%

SDHC Funding Uses Detail
Reserves

($ in Millions)

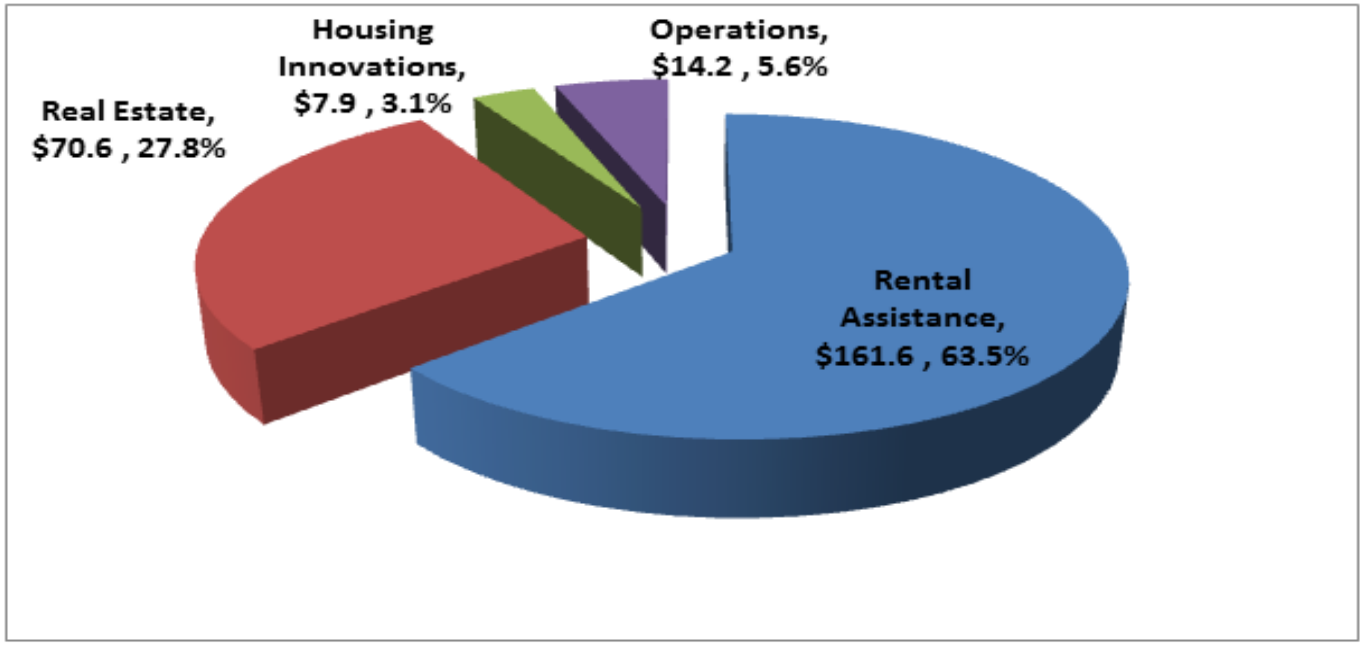
	FY 2014 Budget	FY 2013 Budget	Increase/ (Decrease)	Inc./(Dec) %
Program Restricted	$ 21.5	$ 7.3	$ 14.2	194%
Property Reserves	20.5	22.9	(2.4)	-11%
Contingency Reserves	0.6	0.6	-	0%
Unobligated Reserves	7.4	6.9	0.5	7%
Total	$ 49.9	$ 37.7	$ 12.3	33%

SAN DIEGO HOUSING COMMISSION

Fiscal Year SDHC 2014 Budget Presentation
Section 4 – Activity-Based Budget Information

FY14 SDHC Funding Uses By Activity
$254.3 M (Excluding Reserves)

($ in Millions)



SDHC Annual Budget By Activity

($ in Millions)

	FY 2014 Budget	FY 2013 Budget	Inc./(Dec)	Inc./(Dec) %
Rental Assistance	$ 161.6	$ 179.6	$ (18.0)	-10%
Real Estate	70.6	87.2	(16.5)	-19%
Housing Innovations	7.9	11.6	(3.7)	-32%
Operations	14.2	14.2	0.0	0%
Reserves	49.9	37.7	12.2	32%
Total	**$ 304.3**	**$ 330.2**	**$ (26.0)**	**-8%**

SDHC Annual Budget By Activity
Rental Assistance

($ in Millions)

	FY 2014 Budget	FY 2013 Budget	Inc./(Dec)	Inc./(Dec) %
Housing Choice Vouchers	$ 159.4	$ 176.7	$ (17.3)	-10%
Workforce & Econ. Dev.	1.6	2.3	(0.7)	-29%
Compliance	0.5	0.5	(0.0)	0%
Total	**$ 161.6**	**$ 179.6**	**$ (18.0)**	**-10%**

SDHC Annual Budget By Activity
Real Estate
($ in Millions)

	FY 2014 Budget	FY 2013 Budget	Inc./(Dec)	Inc./(Dec) %
Property Operations	$ 38.6	$ 36.5	$ 2.1	6%
Rental Housing Development	0.6	27.3	(26.7)	-98%
Rental Housing Finance	17.5	6.2	11.3	181%
Homeownership	5.3	6.1	(0.8)	-13%
Rehabilitation	5.8	8.4	(2.6)	-31%
Lease Management	0.5	0.1	0.3	208%
Loan Management	2.0	2.0	(0.0)	-1%
Housing Development Partners	0.4	0.4	(0.0)	-6%
Total	$ 70.6	$ 87.2	$ (16.5)	-19%

SDHC Annual Budget By Activity
Operations
($ in Millions)

	FY 2014 Budget	FY 2013 Budget	Inc./(Dec)	Inc./(Dec) %
Board & Executive Functions	$ 1.5	$ 1.3	$ 0.2	13%
Public Policy & Legislative Services	0.4	0.5	(0.1)	-13%
Community Relations & Communications	0.8	0.8	0.0	5%
Special Programs	1.3	0.9	0.4	42%
Reinvestment Task Force	0.2	0.1	0.1	48%
Section 3 & Outreach	0.2	0.2	(0.0)	-5%
Human Resources	1.1	1.1	(0.0)	-2%
Procurement	1.6	1.5	0.2	12%
Information Technology	3.9	4.9	(1.0)	-20%
Financial Services	3.1	2.9	0.2	9%
Total	$ 14.2	$ 14.2	$ 0.0	0%

SAN DIEGO HOUSING COMMISSION

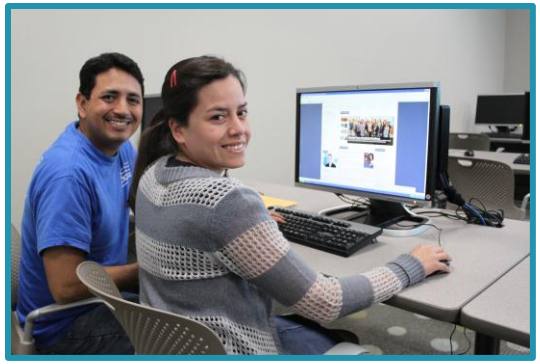
SDHC Approval Request:

FY 2014 Budget - $304.3 Million
266 Employees
$0 City General Funds

SDHC Deliverables To San Diego

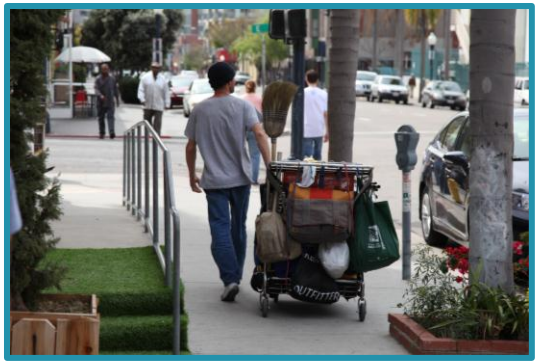
- Continue to assist more than 14,000 low-income households through federal rental assistance
- Assist 80 households become first-time homebuyers
- Support the financing of 460 new affordable housing units
- Rehabilitate 335 homes and apartments for low-income families
- Operate 2,314 units of SDHC-owned housing
- Support shelter for more than 5,300 and day-services for 3,600 persons affected by homelessness
- Assist 700 housing choice voucher families in their progress toward self-sufficiency through SDHC's Achievement Academy

SAN DIEGO HOUSING COMMISSION



Rental Assistance

Creating Affordable Housing



Solutions To Homelessness

Thank You!

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SAN DIEGO HOUSING COMMISSION

Fiscal Year 2014 Budget Presentation – Appendix A Section 5 – Capital Expenditure Detail

SDHC Capital Expenditures Detail

PROJECT DESCRIPTION	DIVISION	FUNDING SOURCE	FY 2014 BUDGET	FY 2013 BUDGET	Inc/(Dec)
Capital Improvements					
Planned Projects:					
State Sites Conversion/Improvements	Real Estate	Various	$ 9,319,812	$ 12,115,867	$ (2,796,055)
ADA and GPNA (All Properties)	Real Estate	Property Funds	650,000	0	650,000
Vista Verde	Real Estate	HUD Public Housing Capital Funds	45,709	279,553	(233,844)
Hotel Sandford	Real Estate	Property Funds		1,818,365	(1,818,365)
Hotel Churchill	Real Estate	Property Funds		750,000	(750,000)
Maya Appartments	Real Estate	Property Funds		349,490	(349,490)
Courtyard	Real Estate	Property Funds		114,588	(114,588)
Mariner's Village	Real Estate	Property Funds		91,740	(91,740)
TOTAL CAPITAL IMPROVEMENTS			**10,015,521**	**15,519,603**	**(5,504,082)**
Housing Development/Acquisition					
Planned Projects:					
Park Crest	Real Estate	Loan Proceeds	1,915,210	9,371,668	(7,456,458)
Mariner's Village	Real Estate	Property Funds		1,832,999	(1,832,999)
Mercado	Real Estate	Property Funds		700,000	(700,000)
Hotel Sandford	Real Estate	Property Funds		369,647	(369,647)
Courtyard	Real Estate	Property Funds		285,894	(285,894)
Mission	Real Estate	Property Funds		10,000	(10,000)
TOTAL PLANNED PROJECTS			**1,915,210**	**12,570,208**	**(10,654,998)**
Projects To Be Identified:					
TBD	Real Estate	HUD Move-To-Work Funds	2,449,236	12,037,571	(9,588,335)
TBD	Real Estate	HOME Funds	1,451,336	1,225,059	226,277
TBD	Real Estate	Property Funds	2,029,720		2,029,720
TBD	Real Estate	Affordable Housing Funds	700,000		700,000
TBD	Real Estate	Loan Proceeds	544,000		544,000
TOTAL TO BE DETERMINED PROJECTS			**7,174,292**	**13,262,630**	**(6,088,338)**
Software and IT Equipment					
Information Technology Equipment	Info Tech.	Unrestricted Funds	100,000	193,000	(93,000)
Yardi ERP System	Info Tech.	Unrestricted Funds	0	400,000	(400,000)
TOTAL SOFTWARE AND IT EQUIPMENT			**100,000**	**593,000**	**(493,000)**
Total Capital Budget			**$ 19,205,023**	**$ 41,945,441**	**$ (22,740,418)**

SAN DIEGO HOUSING COMMISSION

Fiscal Year 2014 Budget Presentation – Appendix A Section 6 – Reserve Detail

SDHC Detail Schedule of Reserves

	FY 2014	FY 2013 **	Inc./(Dec.)
Program Restricted Reserves			
Section 8	15,167,814	6,379,947	8,787,867
Other Programs	6,326,933	976,819	5,350,114
Total Program Reserves	**21,494,747**	**7,356,766**	**14,137,981**
Property Reserves			
Replacement Reserves	12,965,404	12,267,004	698,400
SDHC LLC Reserve (HAR09-030)	5,000,000	5,000,000	-
Smart Corner Reserve	2,000,000	2,000,000	-
State Site Loan Reserve	-	3,600,000	(3,600,000)
Hotel Churchill Contingency	500,000	-	500,000
Total Property Reserves	**20,465,404**	**22,867,004**	**(2,401,600)**
Contingency Reserves			
Unobligated Reserves	7,372,449	6,887,999	484,450
Litigation/Uninsured Losses/Other	600,000	600,000	-
Total Contingency Reserves	**7,972,449**	**7,487,999**	**484,450**
TOTAL RESERVES	**49,932,600**	**37,711,769**	**12,220,831**

** Program reserves for FY 2013 were included in program expenses.

SAN DIEGO HOUSING COMMISSION

Fiscal Year 2014 Budget Presentation – Appendix A Section 7 – Budget in City Format

FY 2014 SDHC Budget Mission Statement

San Diego Housing Commission

Mission Statement

To provide quality affordable housing opportunities in the City of San Diego.

Fiscal Year 2014 Budget Summary

The San Diego Housing Commission (SDHC) is a public agency that provides affordable housing programs and services for extremely low- and moderate-income individuals and families in the City of San Diego. SDHC assists more than 14,000 low-income households by paying a portion of their rent through the federal Housing Choice Voucher (Section 8) program. More than half are senior citizens and disabled individuals. SDHC plays a major role in supporting temporary and permanent housing to address homelessness among families, senior citizens, individuals and veterans. SDHC is also a developer of affordable multifamily housing developments and lenders, including loans to first-time homebuyers.

In Fiscal Year 2014, SDHC will further focus on the following programs and activities:

- Preserving and creating affordable rental housing
- Collaborating with service providers to prevent and resolve homelessness for families, seniors, individuals and veterans
- Providing policy advice to the San Diego City Council by initiating, monitoring, or implementing municipal ordinances that address the City's housing needs and protect existing housing stock, such as Inclusionary Zoning, Density Bonuses, Single Room Occupancy Preservation and the Housing Impact Fee

The $304.3 million proposed Fiscal Year 2014 Budget would enable SDHC to:

- Continue to assist more than 14,000 low-income households by paying a portion of their rent through federal assistance
- Assist 80 households become first-time homebuyers
- Support the financing of 460 affordable housing units
- Rehabilitate 335 homes and apartments for low-income families
- Operate 2,314 units of SDHC-owned housing
- Support shelter for more than 5,300 and day-services for 3,600 persons affected by homelessness
- Assist 700 families receiving federal rental assistance to work toward self-sufficiency through SDHC's Achievement Academy

The Fiscal Year 2014 Proposed Budget will be presented to the City's Budget Committee in early May 2013 for their review, and it will then be forwarded to the Housing Authority of the City of San Diego for their review and approval in late May or June 2013.

FY 2014 SDHC Budget Mission Statement
(Continued)

SDHC's Activity Based Budget is composed of four activity groups: Rental Assistance, Real Estate, Housing Innovations, and Operations Support. Following is a brief overview of each group.

The Rental Assistance activity group expenditures are budgeted at $161.6 million. Housing Services & Compliance encompasses those activities that provide direct housing assistance and supportive services to SDHC's primary clients. These program activities provide eligible families with monthly federal rental assistance and promote self-sufficiency and economic stability through the SDHC Achievement Academy, which focuses on improving job skills and career planning. Additionally, this activity monitors projects and homeowners for compliance with federal, state and local occupancy and affordability restrictions.

The Real Estate activity group expenditures are budgeted at $70.6 million. The Real Estate group creates housing opportunities by developing affordable housing, owning, managing and maintaining affordable housing for SDHC-owned assets. The Real Estate group also lends funds to other developers of affordable housing, supports low- and moderate-income first-time homebuyers, preserves existing affordable housing, and provides programs that revitalize communities.

The Housing Innovations activity group expenditures are budgeted at $7.9 million. This group provides activities that address homelessness and the housing needs of those with extremely low incomes. This activity includes transitional housing, interim, emergency, and permanent supportive housing and services.

The Operations Support activity group expenditures are budgeted at $14.2 million. This group provides support services to carry out the SDHC mission and goals of providing affordable housing opportunities. Included are: 1) Board & Executive Functions, which provide strategic planning, leadership, and management to implement housing programs; 2) Community Relations & Communications, which serves to increase awareness and perform community outreach among all audiences for and about SDHC's goals, programs, and accomplishments; 3) Public Policy & Legislative Services, which is responsible for providing effective program related policy direction to SDHC and the Housing Authority; and 4) Other Support Services, such as Human Resources, Finance, Information Technology, Procurement, Section 3 and Outreach, Special Programs and the Reinvestment Task Force.

Funds allocated for Reserves are budgeted at $49.9 million. These funds contain three types of reserves: 1) Program and Property Reserves to provide for future personnel, services and supplies, housing programs, and property replacement expenditures; 2) Contingency Reserves to provide for potential litigation and uninsured losses; and 3) Unobligated Reserves, which include amounts available for any unanticipated housing purpose.

SDHC Budget In City Format
Budget Summary

	FY 2012 Budget	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Proposed Budget	FY 2013-2014 Change
Positions	268.50	268.50	266.00	266.00	266.00	-
Personnel Expense	$ 22,937,635	$ 21,683,265	$ 23,881,510	$ 23,881,510	$ 24,931,869	$ 1,050,359
Non-Personnel Expense	329,927,875	328,320,893	306,348,772	306,348,772	279,327,144	$ (27,021,628)
TOTAL	**$ 352,865,510**	**$ 350,004,159**	**$ 330,230,282**	**$ 330,230,282**	**$ 304,259,013**	**$ (25,971,269)**

SDHC Budget In City Format – Expenditures

	FY 2012 Budget	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Proposed Budget	FY 2013-2014 Change
PERSONNEL						
Salaries and Wages	$ 16,627,954	$ 16,215,052	$ 17,383,085	$ 17,383,085	$ 18,371,799	$ 988,714
Overtime	149,450	-	144,690	144,690	-	(144,690)
Fringe Benefits - Pension	2,228,909	2,057,085	2,287,714	2,287,714	2,402,433	114,719
Fringe Benefits - Health	2,539,998	2,258,065	2,537,509	2,537,509	2,555,055	17,546
Fringe Benefits (Life, LTD, Medicare, Workers Comp, SUI, and 457)	1,391,324	1,153,063	1,528,512	1,528,512	1,602,583	74,071
SUBTOTAL PERSONNEL	**22,937,635**	**21,683,265**	**23,881,510**	**23,881,510**	**24,931,869**	**1,050,359**
NON-PERSONNEL						
Housing Assistance Payments	167,047,359	147,823,240	172,375,759	172,375,759	154,136,344	(18,239,415)
Grants	13,470,920	5,879,572	-	-	6,561,598	6,561,598
Property Expenses - Program	16,050,491	14,857,402	13,847,789	13,847,789	11,437,229	(2,410,560)
Professional Services	6,591,756	4,048,027	6,753,460	6,753,460	4,489,770	(2,263,690)
Services, Supplies, Property Expenses - Admin, Other	8,094,652	5,819,423	5,374,210	5,374,210	7,649,769	2,275,559
Loans/Other	31,485,315	6,618,024	25,214,705	25,214,705	22,809,199	(2,405,506)
Debt Principal Payments	9,568,998	23,849,282	3,125,639	3,125,639	3,105,613	(20,026)
Capital Expenditures	34,806,933	8,588,153	41,945,441	41,945,441	19,205,023	(22,740,418)
Reserves	42,811,451	110,837,770	37,711,769	37,711,769	49,932,600	12,220,831
SUBTOTAL NON-PERSONNEL	**329,927,875**	**328,320,893**	**306,348,772**	**306,348,772**	**279,327,144**	**(27,021,628)**
TOTAL	**352,865,510**	**350,004,159**	**330,230,282**	**330,230,282**	**304,259,013**	**(25,971,269)**

SDHC Budget In City Format
Significant Budget Adjustments

Significant Budget Adjustments	Position/Explanation for Change	Revenue	Expenses
Personnel			
Salaries & Wages	COLA, reclassifications, 2 direct hire contractor additions		$ 988,714
Overtime	Overtime not budgeted in FY 2014		(144,690)
Fringe Benefits (pension)	Due to increase in salaries		114,719
Fringe Benefits (health)	2 direct hire contractor additions		17,546
Fringe Benefits (Life, LTD, Medicare, Workers Comp, SUI, and 457)	Due to increase in salaries		74,072
Non-Personnel Expenditure Adjustments			
Housing Assistance Payments	Budget now represents actual payments, not all awarded amounts		(18,239,415)
Grants	Combined as "Loans and Grants" in FY 2013		6,561,598
Property Expenses - Program	Reclassified Admin Property Expenses to Services, Supplies and Other in FY 14		(2,410,560)
Professional Services	Reduction in various Consultant Services, including Yardi Consultants		(2,263,690)
Services, Supplies, Property Expenses - Admin, Other	Reclassified Admin Property Expenses to Services, Supplies and Other in FY 14		2,275,559
Loans/Other	Combined as "Loans and Grants" in FY 2013, net increase due to utilization of available HOME funds awarded in prior year		(2,405,506)
Debt Principal Payments			(20,026)
Capital Expenditures	Lower activity level due to utilization of prior year reserves		(22,740,418)
Reserves	FY 2014 includes Program Reserves previously budgeted as program costs		12,220,831
TOTAL EXPENSE ADJUSTMENTS		**$ -**	**$ (25,971,268)**
Revenue Adjustments			
Section 8/MTW	Prior year utilization of reserves for Vista Capri Project, decreased Section 8 funding	(11,834,946)	
HOME	Draw down of awarded funds in FY 2014	5,632,838	
Housing Innovation Funds	Applying for additional funds	739,491	
Rehabilitation Funds	Applying for additional funds	319,102	
CDBG	Applying for additional homeownership funds	457,064	
Other Federal Funds		(71,429)	
SDHC Real Estate	Use of public housing conversion funds for development in FY 2013	(9,325,902)	
Unrestricted Funds	Used carryover funds in FY 13 and budgeted for a 3M loan for State Sites in FY 13	(6,177,740)	
RDA	Higher carryover into FY 2013 than budgeted	625,199	
Affordable Housing Fund	Use of carryover for program loans in FY 2013	(5,103,735)	
Other Local Funds	Use of carryover for program costs in FY 2013	(613,472)	
STATE	Not expecting new CalHOME funds in FY 2014	(617,738)	
TOTAL REVENUE ADJUSTMENTS		**$ (25,971,268)**	**$ -**

SDHC Budget In City Format Reimbursements to Departments/Entities

Departments/Entities	FY 2012 Budget	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Proposed Budget	FY 2013-2014 Change
						$ -
Housing Innovations Team - Water Man Check In Center	$ 45,000	$ 45,000	$ -	$ -	$ -	$ -
Housing Innovations Team - Neil Good Day Center				$ 550,000		$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
TOTAL	**$ 45,000**	**$ 45,000**	**$ -**	**$ 550,000**	**$ -**	**$ -**

SDHC Budget In City Format
Revenues

	FY 2012 Budget	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Proposed Budget	FY 2013-2014 Change
FEDERAL						
Section 8/MTW	$ 212,755,998	$ 161,162,656	$ 207,933,330	$ 207,933,330	$ 196,098,384	$ (11,834,946)
HOME	21,943,367	7,975,802	5,581,562	5,581,562	11,214,400	5,632,838
Housing Innovation Funds	6,628,383	4,036,433	3,550,368	3,550,368	4,289,859	739,491
Rehabilitation Funds	5,063,430	2,710,027	2,751,976	2,751,976	3,071,078	319,102
CDBG	2,877,428	2,469,350	2,469,564	2,469,564	2,926,628	457,064
Other Federal Funds	1,323,230	241,174	184,735	184,735	113,306	(71,429)
LOCAL						
SDHC Real Estate	57,878,728	25,082,830	62,524,482	62,524,482	53,198,580	(9,325,902)
Unrestricted Funds	20,652,337	6,491,814	18,437,374	18,437,374	12,259,634	(6,177,740)
RDA	4,293,575	1,368,636	604,280	604,280	1,229,479	625,199
Affordable Housing Fund	16,392,042	6,122,277	21,583,546	21,583,546	16,479,811	(5,103,735)
Other Local Funds	1,249,327	1,984,842	1,859,304	1,859,304	1,245,832	(613,472)
STATE	1,807,665	1,635,373	2,749,761	2,749,761	2,132,023	(617,738)
TOTAL	**$ 352,865,510**	**$ 221,281,215**	**$ 330,230,282**	**$ 330,230,282**	**$ 304,259,013**	**$ (25,971,268)**