



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission (SDHC)
Fiscal Year (FY) 2016 Budget
(July 1, 2015 - June 30, 2016)
City of San Diego - Budget Review Committee Presentation
May 7, 2015

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Vice President and Chief Financial Officer
Financial Services Department





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SAN DIEGO
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SDHC FY 2016 Budget Presentation

Section 1 – Overview



SDHC FY 2016 Budget Overview

\$325 Million in Total Funding Sources



SDHC Headquarters – 1122 Broadway, Downtown San Diego





SDHC FY 2016 Budget Mission

Provide affordable, safe and quality homes for low- and moderate-income families and individuals in the City of San Diego and provide opportunities to improve the quality of life for the families that SDHC serves



SDHC FY 2016 Budget

Significant Factors Impacting Budget Development

Implementation of SDHC Strategic Plan – 2014-2016

- Goal A – Create and Preserve Quality Affordable Housing
- Goal B – Provide Housing Choice Voucher Families with Opportunities for Them to Become More Financially Self-Reliant
- Goal C – Foster a Culture of Excellence and Innovation



SDHC FY 2016 Budget Detail Schedule of Reserves

	<u>FY 2016</u>	<u>FY 2015</u>	<u>Inc./ (Dec.)</u>
Program Restricted Reserves			
Section 8/MTW	18,000,566	29,047,261	(11,046,695)
Other Programs	17,865,472	26,731,435	(8,865,963)
HOME Administration Reserve	2,500,000	2,500,000	-
	38,366,038	58,278,696	(19,912,658)
Property Reserves			
Replacement Reserve	11,747,339	16,187,600	(4,440,261)
Finance Plan Reserve	5,000,000	5,000,000	-
Smart Corner Reserve	1,696,500	2,000,000	(303,500)
Total Property Reserves	18,443,840	23,187,600	(4,743,761)
Contingency Reserves			
Unobligated Reserves	11,793,358	11,793,358	-
Litigation/Uninsured Losses/Other	600,000	600,000	-
Total Contingency Reserves	12,393,358	12,393,358	-
TOTAL RESERVES	69,203,236	93,859,654	(24,656,419)

Ending Reserves decreased by \$24,656,418 (26.3 percent) due to the allocation of reserves for Hotel Churchill renovation and property acquisitions.



SDHC FY 2016 Budget Procedures for Amending Budget

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

- Budget Amendments are reported as “Approved Variances” to the SDHC Board- and Housing Authority-Approved Budget





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SDHC FY 2016 Budget Presentation

Section 2 – Services Provided to San Diegans



SDHC FY 2016 Budget Deliverables

- Assist approximately 15,000 low-income households by paying a portion of their rent through the federal Housing Choice Voucher-Section 8 (HCV) program. HCV participants typically pay 30 percent of their income toward rent.
- Help 1,500 families that receive federal rental assistance to work toward self-reliance through the SDHC Achievement Academy
- Assist 138 households to become first-time homebuyers
- Support the financing of 542 partnership affordable housing units through Commission loans and the issuance of tax-exempt bonds
- Rehabilitate 50 homes for low-income families
- Operate 2,221 units of SDHC-owned housing



SDHC FY 2016 Budget Deliverables (Cont.)

- Support programs that provide shelter to more than 3,300 homeless individuals and day services to 3,600 homeless individuals
- Serve as lead organizer of annual Project Homeless Connect – Downtown San Diego, assisting hundreds of homeless individuals with services and support
- Invest \$7.2 million in SDHC-owned housing for enhancements and rehabilitations
- Own and oversee the management of 946 additional affordable housing units through SDHC's nonprofit affiliate, Housing Development Partners



SDHC FY 2016 Budget Affordable Housing Programs

- Rental Assistance
- Management of SDHC-Owned Housing
- First-Time Homebuyer Assistance
- Home Rehabilitation
- Create and Preserve Affordable Housing Units
- SDHC's Three Year Homelessness Action Plan



First-Time Homebuyer Wendy and
her daughter Madison





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SDHC FY 2016 Budget Presentation

Section 3 – Source and Use of Funds



SDHC FY 2016 Budget Funding Sources Available

	FY16 Budget			FY15 Budget			Increase/(Decrease)			
	Fund Balance	Revenue	Total	Fund Balance	Revenue	Total	Fund Balance	Revenue	Total	%
FEDERAL										
Section 8/MTW	17,985,056	170,233,517	188,218,573	32,589,037	173,749,115	206,338,151	(14,603,981)	(3,515,597)	(18,119,578)	(8.8%)
HOME	3,840,000	13,334,111	17,174,111	-	12,116,385	12,116,384	3,840,000	1,217,727	5,057,727	41.7%
Housing Innovations	-	4,652,252	4,652,252	-	4,437,277	4,437,277	-	214,975	214,975	4.8%
Rehabilitation	-	-	-	-	2,798,003	2,798,004	-	(2,798,004)	(2,798,004)	(100.0%)
CDBG	966,318	1,380,114	2,346,432	904,118	1,922,232	2,826,350	62,200	(542,118)	(479,918)	(17.0%)
Other	97,877	63,034	160,911	21,444	123,651	145,095	76,433	(60,617)	15,816	10.9%
FEDERAL Total	22,889,251	189,663,028	212,552,279	33,514,599	195,146,663	228,661,261	(10,625,348)	(5,483,634)	(16,108,982)	(7.0%)
LOCAL										
SDHC Real Estate	25,262,305	30,105,555	55,367,860	31,174,898	28,467,551	59,642,447	(5,912,593)	1,638,006	(4,274,587)	(7.2%)
Unrestricted	15,537,676	2,778,808	18,316,483	9,885,920	2,994,218	12,880,138	5,651,756	(215,410)	5,436,345	42.2%
RDA	355,300	1,302,618	1,657,918	738,415	6,892	745,306	(383,115)	1,295,727	912,612	122.4%
AHF	25,449,335	6,669,775	32,119,110	24,611,105	7,958,956	32,570,061	838,230	(1,289,181)	(450,951)	(1.4%)
Other	911,238	2,841,604	3,752,842	1,498,990	1,290,279	2,789,269	(587,752)	1,551,325	963,573	34.5%
LOCAL Total	67,515,854	43,698,359	111,214,213	67,909,328	40,717,896	108,627,220	(393,474)	2,980,467	2,586,993	2.4%
STATE	-	1,185,270	1,185,270	47,098	2,606	49,704	(47,098)	1,182,664	1,135,565	2284.6%
Grand Total	90,405,104	234,546,657	324,951,762	101,471,025	235,867,161	337,338,190	(11,065,920)	(1,320,503)	(12,386,424)	(3.7%)



SDHC FY 2016 Budget

Summary of Significant Changes in Source of Funds

Revenue from Federal Funding decreased by \$5,483,634 (2.8 percent) mostly due to:

- The reduction in Housing Choice Voucher-Section 8/Moving to Work (MTW) funds, a decrease of \$3,515,597 (2 percent) relates primarily to reduced expenses which correlates to reduced funding; ultimately, the savings/reduced expenses will be available for use in other MTW programs and innovations in the future; the savings are not recognized as revenue until drawn upon.
- The decrease of \$2,798,004 (100 percent) in grants/revenue for rehabilitation or removal of lead is due to the fact that the agency is no longer actively pursuing this funding source.



SDHC FY 2016 Budget

Summary of Significant Changes in Source of Funds (Cont.)

Revenue from Local Sources increased by \$2,980,467 (7.3 percent) due to the following:

- SDHC Real Estate Revenue, an increase of \$1,638,006 (5.8 percent) reflects the growth in rental rates and occupancy.
- Redevelopment Agency (RDA) Revenue, an increase of \$1,295,727 (18,803 percent) due to anticipated utilization of additional funding from the County of San Diego.
- City of San Diego Affordable Housing Fund (AHF) Fee Revenue, a decrease of \$1,289,181 (16.2 percent) due to reduction in Inclusionary Housing In-Lieu Fees and Program Income.



SDHC FY 2016 Budget Funding Uses by Fiscal Year

	FY 2016	FY 2015	Inc/(Dec)	Inc/(Dec)
	Budget	Budget	\$	%
Salaries and Wages	20,838,076	18,706,551	2,131,525	11.4%
Fringe Benefits	7,409,468	6,746,226	663,242	9.8%
Personnel Costs	28,247,544	25,452,777	2,794,767	11.0%
Housing Program Expense	191,272,448	178,097,752	13,174,696	7.4%
Property Expenses	14,576,416	14,106,278	470,138	3.3%
Professional Services, Supplies & Other	10,211,304	10,153,626	57,678	0.6%
Debt Principal Payments	3,079,445	3,043,019	36,426	1.2%
Capital Expenditures	8,361,368	12,625,084	(4,263,716)	(33.8%)
Non-Personnel Costs	227,500,981	218,025,759	9,475,222	4.3%
Total	255,748,525	243,478,536	12,269,989	5.0%



SDHC FY 2016 Budget

Summary of Significant Changes in Use of Funds

- Housing Program Expense increased by \$13,174,696 (7.4 percent) due to increased Rental Housing Factor (RHF) funds and increased Housing Choice Voucher-Section 8 activity with new vouchers as well as assumed 100 percent lease-up.
- Property Expense increased by \$470,138 (3.3 percent) due to increase in utilities and other miscellaneous property costs.
- Capital Expenditures decreased due to reduction in planned major rehabilitations projects with the completion of significant efforts related to State Site conversions; amount includes \$7.2 million towards capital improvements and rehabilitations of SDHC owned property.



SDHC FY 2016 Budget

Summary of Significant Changes in Use of Funds (Cont.)

- Salaries and Wages increased by \$2,131,525 (11.4 percent) due to the following:
 - 5 percent Contingency for Classification and Compensation Study
 - New Positions
 - 2.5 percent COLA Increase
- Fringe Benefits increased by \$663,242 (9.8 percent) due to increase in payroll and increase in benefits allowance per employee.



SDHC FY 2016 Budget

SDHC's Enhanced Staffing Needs

- Total budgeted staffing by Full Time Equivalent (FTE) comparison by year:

Fiscal Year	2014	2015	2016
# of FTEs	285	275	284
Variance		-10	+9

- In FY 2015, staffing was reduced due to sequestration status and future funding concerns



SDHC FY 2016 Budget Summary – Staffing by Division

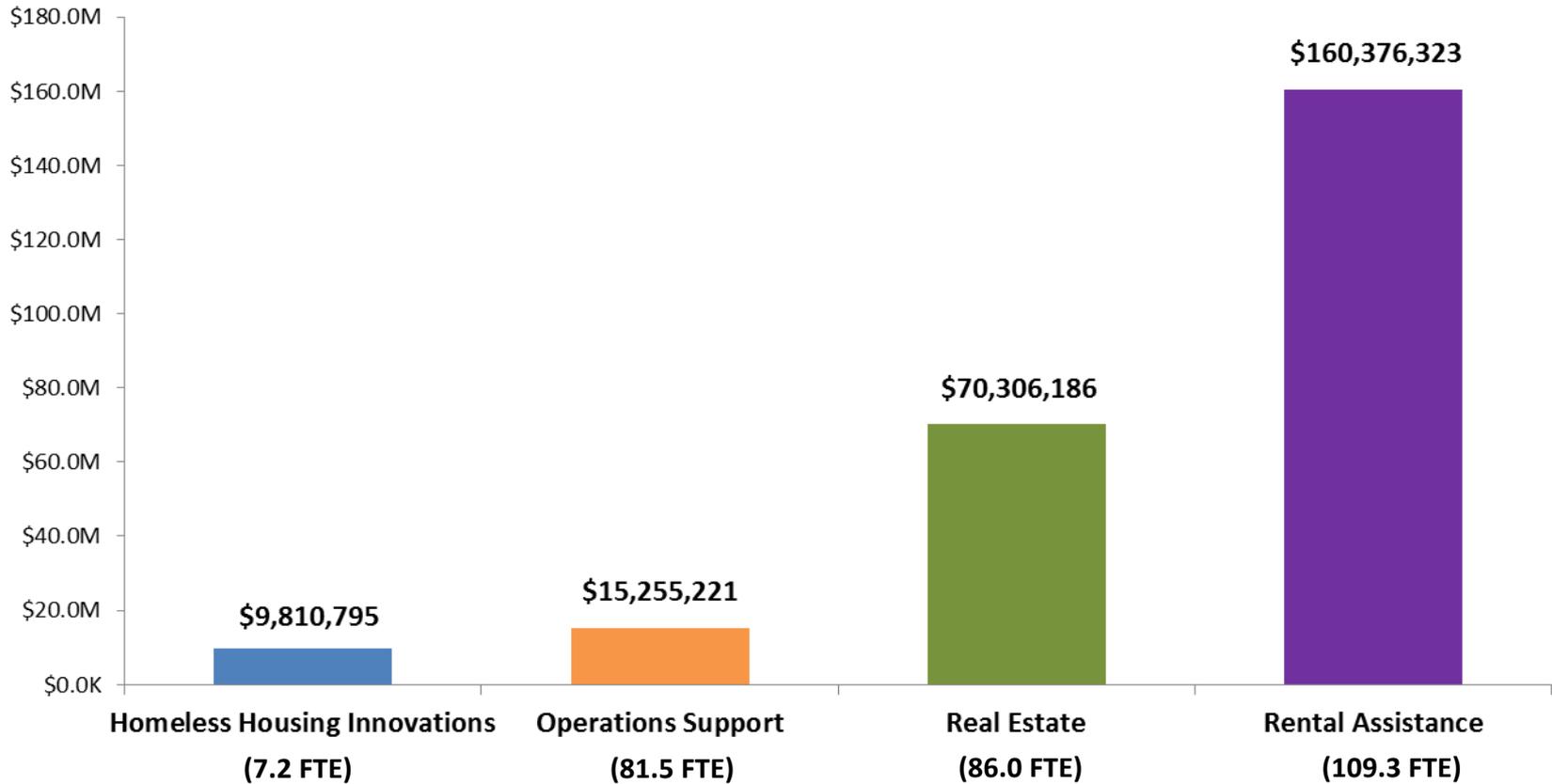
	FY 2014	FY 2015	FY 2016	Change from FY 14 to FY 16
Rental Assistance	107.9	108.7	109.3	1.4
Real Estate	84.7	81.1	86.0	1.3
Homeless Housing Innovations	7.0	7.0	7.2	0.2
Operations Support	85.4	78.2	81.5	(3.9)
TOTAL	285	275	284	(1.0)



SDHC FY 2016 Budget

Funding Uses Not Including Reserves by Major Division

\$255.7M



Approval Request

FY 2016 Budget - \$325 Million



SDHC FY 2016 Budget



Rental
Assistance



Creating Affordable
Housing



Solutions To
Homelessness

Thank You

