



THE CITY OF SAN DIEGO

## Report to the City Council

**DATE ISSUED:** May 4, 2016

**ATTENTION:** Budget Review Committee  
Agenda of May 10, 2016

**SUBJECT:** Financial Management Technical Review of San Diego Housing  
Commission Budget

**REFERENCE:** Fiscal Year 2017 Departmental and Outside Agencies Budget Hearing

**REQUESTED ACTION:**

This is an information item. No action is required.

**SUMMARY:**

This report is the Financial Management Department's technical review of the San Diego Housing Commission's Fiscal Year 2017 Proposed Budget. Financial Management (FM) submits this report to the Budget Review Committee in order to show changes in year-to-year Agency budgeting and spending.

**OVERVIEW AND BACKGROUND**

The City of San Diego publishes a City Agencies section within Volume I of the Proposed and Adopted Budgets. This section consists of website links to detailed information on fiscal year budget proposals for City Agencies. Among the Agencies included in Volume 1 section is the San Diego Housing Commission (SDHC). SDHC is governed by the City Council, sitting as the Housing Authority of the City of San Diego (Housing Authority). The Housing Authority has final authority to approve SDHC's budget and major policy decisions.

FM's technical review of the SDHC Fiscal Year 2017 Proposed Budget summarizes details on budgeted expenditures, salary information, and funding sources. Agencies were asked to provide actual expenditures and revenues for Fiscal Year 2015 (either audited or unaudited), budgeted and projected expenditures and revenues for Fiscal Year 2016, and the proposed budget for Fiscal Year 2017.

The Fiscal Year 2017 Proposed Budget discussed in this report is based on the budget as presented to the Housing Commission on April 8, 2016<sup>1</sup>. The SDHC budget is scheduled to be brought before the Housing Commission for approval on May 6, 2016.

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<sup>1</sup> Subsequent to the April 8, 2016 presentation of the proposed budget to the Housing Commission, the City of San Diego awarded \$4.6 million of CDBG funds to be used as follows: \$3.4 million for Permanent Supportive Housing; \$1 million for Homeownership / Down Payment Assistance; and \$250,000 to fund a pilot "Clean and Green" Rehabilitation Program. These additional resources were not reflected in the SDHC FY 2017 Proposed Budget and therefore are not included in this technical review.

**BUDGET SUMMARY**

The SDHC is proposing a Fiscal Year 2017 budget of \$256.2 million in new revenues in addition to \$107.2 million of carryforward budget not expended in prior years to cover \$363.4 million in total uses. See **Table 1** for details.

**TABLE 1: SAN DIEGO HOUSING COMMISSION BUDGET SUMMARY**

	FY 2016 Budget	FY 2017 Proposed Budget	FY 2016 to FY 2017 Change (\$ and %)	
NEW REVENUES	234,546,658	256,188,211	21,641,553	9.2%
FUND BALANCE FROM PRIOR YEARS	90,405,104	107,216,218	16,811,114	18.6%
<b>TOTAL REVENUES</b>	<b>324,951,762</b>	<b>363,404,429</b>	<b>38,452,667</b>	<b>11.8%</b>
EXPENSES	255,748,525	284,445,620	28,697,094	11.2%
RESERVES	69,203,236	78,958,809	9,755,573	14.1%
<b>TOTAL USES</b>	<b>324,951,761</b>	<b>363,404,429</b>	<b>38,452,667</b>	<b>11.8%</b>

**Revenues:**

For Fiscal Year 2017, SDHC proposed budgeted revenue and fund balance is \$363.4 million for Fiscal Year 2017, an increase of \$38.5 million, or 11.8 percent, compared to the Fiscal Year 2016 Budget. **Table 2** details funding changes for Fiscal Year 2017.

**TABLE 2: SAN DIEGO HOUSING COMMISSION REVENUE BY FUNDING SOURCES**

Revenue Source	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed Budget	FY 2016 to FY 2017 Change (\$ and %)	
<b>FEDERAL</b>						
Section 8 / Moving to Work	\$161,534,226	170,233,517	170,233,517	187,539,992	17,306,475	10.2%
HOME	7,755,374	13,334,111	13,334,111	14,473,997	1,139,886	8.5%
Housing Innovation Funds	4,546,914	5,970,331	5,970,331	5,925,083	(45,248)	(0.8)%
Rehab Funds	1,550,299	-	-	-	-	
CDBG	1,640,337	-	-	-	-	
Other Federal	88,664	125,069	125,069	455,000	329,931	263.8%
<b>FEDERAL TOTAL</b>	<b>177,115,812</b>	<b>189,663,028</b>	<b>189,663,028</b>	<b>208,394,072</b>	<b>18,731,044</b>	<b>9.9%</b>
<b>LOCAL</b>						
SDHC Real Estate	29,134,783	30,105,555	33,153,055	30,406,155	300,600	1.0%
Unrestricted Funds	4,189,157				-	

FY 2017 Technical Review of San Diego Housing Commission Budget

Revenue Source	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed Budget	FY 2016 to FY 2017 Change (\$ and %)	
Redevelopment Agency	891,902	1,302,618	1,302,618	-	(1,302,618)	(100.0)%
Affordable Housing Fund	19,470,083	6,669,775	6,669,775	10,754,300	4,084,525	61.2%
Other Local Funds	3,448,918	5,620,412	9,657,912 <sup>2</sup>	6,491,523	871,111	15.5%
<b>LOCAL TOTAL</b>	<b>57,134,843</b>	<b>43,698,360</b>	<b>50,783,360</b>	<b>47,651,978</b>	<b>3,953,618</b>	<b>9.0%</b>
<b>STATE</b>						
	1,606,198	1,185,270	1,185,270	142,160	(1,043,109)	(88.0)%
<b>TOTAL REVENUE</b>	<b>235,856,853</b>	<b>234,546,658</b>	<b>241,631,658</b>	<b>256,188,211</b>	<b>21,641,553</b>	<b>9.2%</b>
<b>FUND BALANCE FROM PRIOR YEARS</b>						
	114,085,938	90,405,104	90,405,104	107,216,218	16,811,114	18.6%
<b>GRAND TOTAL</b>	<b>349,942,791</b>	<b>324,951,762</b>	<b>332,036,762</b>	<b>363,404,429</b>	<b>38,452,667</b>	<b>11.8%</b>

Federal funding sources increased by \$18.7 million, or 9.9 percent, in Fiscal Year 2017 primarily due to a \$17.3 million increase in Housing Choice Voucher-Section 8/Moving to Work funding due to resources from federal Housing and Urban Development (HUD) reserves. These resources include: 1) available Housing Choice Voucher funds for the rehabilitation of SDHC-owned properties and 2) Veterans Administration Supportive Housing (VASH) funds for the 1,000 Homeless Veterans Initiative.

Local Funding increased by \$4.0 million, or 9.0 percent, primarily due an increase of \$4.1 million, or 61.2 percent, for the Affordable Housing Fund (AHF). This AHF increase is primarily due to increased funding expected from Inclusionary Rental Housing Finance and Housing Trust Fund Rental Housing Factor. A decrease of \$1.3 million in Redevelopment Agency revenue is due to the carryover of funding from the County of San Diego. This prior year funding was not spent during Fiscal Year 2016 and therefore will be carried forward to Fiscal Year 2017 and utilized to rehabilitate 70 properties for low-income families.

SDHC's Fiscal Year 2017 Proposed Budget includes \$2.1 million in contributions from the City of San Diego's General Fund for various homeless programs. City General Fund resources are budgeted in the Economic Development Department. These General Fund resources includes \$1.6 million for interim shelter for homeless adults, \$125,000 for a transitional storage center, \$300,000 for Connections Interim Housing, and \$120,000 for the Serial Inebriate Program (SIP). SIP will be expanded through the addition of \$170,000 from the Low-Income Lease Revenue Funds.

The fund balance from prior years increased by \$16.8 million, or 18.6, percent from the Fiscal Year 2016 Budget, primarily resulting from the use of reserves. Total resources of \$363.4 million in Fiscal Year 2017 are balanced with the total amount of activity expenditures plus reserves. Of the total resources, approximately 94.7 percent is restricted by use.

<sup>2</sup> Other Local Fund projections for Fiscal Year 2016 include \$4 million from the Low Income Lease Revenue Fund to support the 1,000 Homeless Veterans Initiative; these resources were appropriated mid-year of Fiscal Year 2016 and will not be spent until Fiscal Year 2017.

**Expenditures:**

For Fiscal Year 2017, SDHC proposes an operating expenditure budget of \$284.4 million. This is an increase of \$28.7 million, or 11.2 percent, from the Fiscal Year 2016 Budget. SDHC has an activity-based budget, which is composed of four activity groups: Rental Assistance, Real Estate, Homeless Housing Innovations, and Operations Support. The net increase of \$28.7 million is primarily attributable to additional expenditures in the following two activities: Real Estate and Homeless Housing Innovations. Later sections of the report will provide details on budgetary changes related to initiatives within these activities. Table 3 provides a breakdown of SDHC's Fiscal Year 2017 Proposed Budget by activity.

**TABLE 3: SAN DIEGO HOUSING COMMISSION BY ACTIVITY & RESERVES**

	FY 2016 Budget	FY 2017 Proposed Budget	FY 2016 to FY 2017 Change (\$ and %)	
<b>ACTIVITIES</b>				
Rental Assistance	\$160,376,323	\$164,007,852	\$3,631,529	2.3%
Real Estate	70,306,186	86,854,315	16,548,129	23.5%
Homeless Housing Innovations	9,810,795	17,109,449	7,298,654	74.4%
Operation Support	15,255,221	16,474,004	1,218,783	8.0%
<b>TOTAL ACTIVITIES</b>	<b>\$255,748,525</b>	<b>\$284,445,620</b>	<b>\$28,697,094</b>	<b>11.2%</b>

*Personnel and Non-Personnel Categories:* Table 4 represents the actual expenditures for Fiscal Year 2015, budgeted and projected expenditures for Fiscal Year 2016, and Proposed Budget for Fiscal Year 2017 by expenditure category.

**TABLE 4: SAN DIEGO HOUSING COMMISSION EXPENDITURES BY CATEGORY**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed Budget	FY 2016 to FY 2017 Change	Percent Change
<b>POSITIONS</b>	266.0	284.0	284.0	304.0	20	7.0%
<b>PERSONNEL</b>						
Salaries & Wages	\$ 17,824,633	\$ 20,838,076	\$ 20,926,190	\$ 22,137,974	\$ 1,299,898	6.2%
Fringe Benefits	5,960,929	7,409,468	7,441,744	8,043,359	633,891	8.6%
<b>SUBTOTAL PERSONNEL</b>	<b>\$ 23,785,562</b>	<b>\$ 28,247,544</b>	<b>\$ 28,367,934</b>	<b>\$ 30,181,333</b>	<b>\$ 1,933,789</b>	<b>6.8%</b>
<b>NON-PERSONNEL</b>						
Housing Program Expense	\$ 169,375,110	\$ 191,272,448	\$ 199,422,448	\$ 203,398,744	\$ 12,126,296	6.3%
Property Expenses	14,652,594	14,576,416	14,576,416	15,315,471	739,055	5.1%
Professional Services, Supplies & Other	9,053,622	10,211,304	10,340,914	10,417,270	205,966	2.0%

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed Budget	FY 2016 to FY 2017 Change	Percent Change
Debt Principal Payments	3,079,611	3,079,445	3,079,445	3,066,941	(12,504)	(0.4)%
Capital Expenditures	16,597,079	8,361,369	7,209,081	22,065,860	13,704,491	163.9%
Reserves	114,085,938	69,203,236	69,040,524	78,958,809	9,755,574	14.1%
<b>SUBTOTAL NON-PERSONNEL</b>	<b>\$ 326,843,954</b>	<b>\$ 296,704,217</b>	<b>\$ 303,668,827</b>	<b>\$ 333,223,096</b>	<b>\$ 36,518,878</b>	<b>12.3%</b>
<b>TOTAL</b>	<b>\$ 350,629,516</b>	<b>\$ 324,951,762</b>	<b>\$ 332,036,762</b>	<b>\$ 363,404,429</b>	<b>\$ 38,452,667</b>	<b>11.8%</b>

The Fiscal Year 2017 Proposed Budget for personnel expenditures is \$30.2 million, an increase of \$1.9 million, or 6.4 percent, from Fiscal Year 2016 Budget. This increase is primarily due to an increase of \$1.3 million in salaries and wages attributable to the addition of 20.00 positions. The increase in positions is mostly from the addition of 10.00 full-time equivalent (FTE) positions to the Real Estate activity and 6.00 FTE for the 1,000 Homeless Veterans Initiative (see Table 5 for more details). Of the Homeless Veterans Initiative positions, a City grant supports 4.00 FTE positions and federal resources fund 2.00 FTE positions.

Housing program expenses increased by \$12.1 million, or 6.3 percent, from the current Fiscal Year 2016 Budget. This is primarily due to increased Housing Choice Voucher activity, Housing First (permanent supportive housing), and additional affordable housing development. The increase in Housing Choice Voucher activity is primarily due to the growth in the number of Section 8 rental assistance vouchers and the assumed usage of 100 percent of the vouchers; this assumption for voucher utilization is consistent with prior years. In Fiscal Year 2015, the aggregate voucher utilization rate was 94.4 percent. The percentage increase is mostly attributable to an 85.9 percent, or \$8.9 million, increase in grant expenses primarily related to the 1,000 Homeless Veterans Initiative.

Notably, Capital Expenditures increased by 13.7 million, or 163.9 percent, from the Fiscal Year 2016 Budget. This increase is primarily due to planned major rehabilitation projects (e.g. Averil Road and University Canyon). As referenced earlier in **Table 1**, Reserve expenditures increased by \$9.8 million, or 14.1 percent, from the Fiscal Year 2016 Budget; this is attributable to an increase in property reserves for anticipated rehabilitation needs of SDHC-owned properties.

**Staffing:** The Fiscal Year 2017 Proposed Budget includes 304.00 FTE, which is a net increase of 20.00 FTE positions from the Fiscal Year 2016 Budget. Table 5 provides a summary of staffing by SDHC Activity.

**TABLE 5. SAN DIEGO HOUSING COMMISSION STAFFING BY ACTIVITY**

	FY 2016 Budget	FY 2017 Proposed Budget	FY 2016 to FY 2017 Change
<b>ACTIVITIES</b>			
Rental Assistance	109.00	113.00	4.00
Real Estate	86.00	96.00	10.00
Homeless Housing Innovations	7.00	12.00	5.00
Operation Support	82.00	83.00	1.00
<b>TOTAL FTE</b>	<b>284.00</b>	<b>304.00</b>	<b>20.00</b>

For the Rental Assistance activity there is 1.00 FTE position to increase support for the administration of new housing vouchers for homeless families and individuals and 2.0 FTE positions support the 1,000 Homeless Veterans Initiative. Another addition of 1.00 FTE position provides compliance monitoring of 3,000 housing units in response to workload increases. Real Estate activity adds 8.00 FTE positions to build capacity to manage and maintain SDHC-owned properties with SDHC staff instead of contracting with private management, which is anticipated to result in non-personnel expenditures cost savings in the Professional Services, Supplies and Other category. Another 2.00 FTE positions are added to enhance oversight of the financial, operational, program compliance, and physical performance of SDHC-owned assets. Homeless Housing Innovations activity, adds 4.00 FTE positions to directly support the 1,000 Homeless Veterans Initiative and 1.00 FTE position provides support to the Regional Continuum of Care Consortium. Finally, in the Operations Support activity, 1.00 FTE provides support to communications and legislative affairs activities.

**Table 6** details salaries, including salary increases and fringe benefits in the Fiscal Year 2017 Proposed Budget as compared to the Fiscal Year 2016 Budget. For the Fiscal Year 2017 Proposed Budget, the overall increase for Cost of Living Adjustments is 3 percent and the overall increase for performance incentives is 2.5 percent over the Fiscal Year 2016 Budget.

**TABLE 6. SAN DIEGO HOUSING COMMISSION SALARY SCHEDULE**

Position Title	FY 2016 Budget					FY 2017 Proposed Budget				
	FTE	Base Salary Subtotal	Salary Increases <sup>1</sup> (Cola, PI, etc.)	Salary Total	Fringe Benefits	FTE	Base Salary Subtotal	Salary Increases <sup>1</sup> (Cola, PI, etc.)	Salary Total	Fringe Benefits
ACCOUNTANT	3.00	173,675	9,637	183,312	69,835	3.00	183,757	10,244	194,002	69,703
ACCOUNTING TECHNICIAN	4.00	174,861	9,688	184,549	80,216	4.00	186,330	10,388	196,718	80,369
ADMINISTRATIVE ASSISTANT	5.00	245,479	13,398	258,877	105,876	5.00	250,309	12,687	262,996	97,470
ASSET MANAGER	1.00	78,166	4,343	82,509	27,889	3.00	223,231	10,480	233,711	67,747
ASSET STRATEGY MANAGER	0.00	-	-	-	-	1.00	80,119	4,467	84,586	26,379

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Position Title	FY 2016 Budget					FY 2017 Proposed Budget				
	FTE	Base Salary Subtotal	Salary Increases <sup>1</sup> (Cola, PI, etc.)	Salary Total	Fringe Benefits	FTE	Base Salary Subtotal	Salary Increases <sup>1</sup> (Cola, PI, etc.)	Salary Total	Fringe Benefits
ASSISTANT HOUSING SUPERVISOR	0.00	-	-	-	-	1.00	41,383	2,307	43,690	18,515
ASSISTANT REAL ESTATE MANAGER	1.00	72,620	4,034	76,654	27,178	1.00	76,269	4,252	80,521	26,451
BUDGET MANAGER	1.00	94,300	5,242	99,543	32,109	1.00	90,000	5,018	95,018	29,942
CLIENT SERVICES RECEPTIONIST	1.00	37,606	2,004	39,611	18,652	1.00	38,542	2,149	40,691	18,370
COMMUNICATIONS WRITER	0.00	-	-	-	-	2.00	156,424	6,707	163,131	43,063
COMMUNITY LIAISON	1.00	78,250	4,187	82,437	27,882	1.00	81,038	4,518	85,556	27,473
COMPLIANCE MONITORING SPECIALIST	2.00	116,781	6,361	123,141	46,764	3.00	182,022	10,148	192,170	69,332
CONTRACTS ANALYST	2.00	121,797	6,760	128,557	47,924	3.00	197,896	11,033	208,929	72,715
DEVELOPER/DATABASE ADMINISTRATOR	1.00	88,371	4,912	93,283	30,210	1.00	92,790	5,173	97,963	29,990
DIRECTOR	18.00	1,837,540	101,807	1,939,346	605,837	15.00	1,614,639	89,532	1,704,171	512,695
EXECUTIVE ASSISTANT	2.00	124,481	6,910	131,391	49,635	3.00	190,387	10,614	201,001	72,224
EXECUTIVE ASSISTANT TO THE PRESIDENT & CEO	1.00	78,220	4,346	82,566	28,229	1.00	80,176	4,470	84,645	28,041
EXECUTIVE BUSINESS ANALYST	1.00	78,229	4,346	82,575	26,581	1.00	80,119	4,467	84,586	27,276
EXECUTIVE VICE PRESIDENT AND COO	1.00	168,920	9,402	178,322	48,433	1.00	190,000	10,592	200,592	51,446
FINANCE MANAGER	0.00	-	-	-	-	1.00	92,250	5,143	97,393	29,874
GRANTS ANALYST	2.00	122,479	6,798	129,277	48,079	1.00	64,357	3,588	67,945	23,900
HOUSING ASSISTANT	2.00	94,927	5,164	100,091	41,797	6.00	295,814	16,492	312,305	124,048
HOUSING ASSISTANT II	32.00	1,534,894	82,134	1,617,028	672,173	28.00	1,376,682	76,750	1,453,432	578,083
HOUSING CONSTRUCTION MANAGER	2.00	178,983	9,767	188,750	59,918	3.00	275,074	15,335	290,409	88,324
HOUSING CONSTRUCTION SPECIALIST	7.00	519,892	28,879	548,771	180,231	6.00	460,095	25,650	485,746	154,089
HOUSING CONSTRUCTION SUPERVISOR	1.00	78,180	4,344	82,524	26,570	2.00	155,663	8,678	164,341	51,830
HOUSING INSPECTOR	8.00	442,507	23,642	466,149	173,901	7.00	401,152	22,364	423,516	152,237
HOUSING SERVICES AIDE	12.00	28,098	702	28,800	4,182	12.00	28,800	-	28,800	3,891
HOUSING SPECIALIST	7.00	400,296	21,619	421,915	160,738	11.00	634,327	30,997	665,323	223,321
HOUSING SUPERVISOR	8.00	552,585	30,105	582,690	197,129	8.00	571,181	31,843	603,025	197,157
HUMAN RESOURCES ANALYST	2.00	131,956	7,326	139,283	48,003	2.00	134,600	7,504	142,104	49,060
MANAGER, AUDIT & REPORTING	0.00	-	-	-	-	1.00	88,414	4,929	93,343	29,053
MANAGER, BUDGET & REPORTING	0.00	-	-	-	-	1.00	88,358	4,926	93,283	29,041
MANAGER, HUMAN RESOURCES	1.00	95,112	5,287	100,400	30,685	1.00	97,490	5,435	102,925	31,547
MANAGER, INFORMATION TECHNOLOGY	1.00	100,344	5,579	105,923	33,483	0.00	-	-	-	-
MANAGER, IT SYSTEM SERVICE	1.00	100,297	5,576	105,873	33,473	0.00	-	-	-	-
INFORMATION TECHNOLOGY PROJECT MANAGER	1.00	84,154	4,677	88,830	29,251	0.00	-	-	-	-

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Position Title	FY 2016 Budget					FY 2017 Proposed Budget				
	FTE	Base Salary Subtotal	Salary Increases <sup>1</sup> (Cola, PI, etc.)	Salary Total	Fringe Benefits	FTE	Base Salary Subtotal	Salary Increases <sup>1</sup> (Cola, PI, etc.)	Salary Total	Fringe Benefits
INTERN	16.00	249,600	6,240	255,840	24,246	9.00	280,800	-	280,800	23,871
IT SPECIALIST	2.00	112,492	6,241	118,733	45,808	2.00	118,265	6,593	124,859	45,561
IT ANALYST	2.00	138,372	7,684	146,056	51,694	2.00	141,935	7,913	149,848	50,631
IT TECHNICIAN	2.00	87,235	4,833	92,068	40,064	2.00	89,398	4,984	94,382	39,377
INSPECTION COORDINATOR	1.00	62,795	3,357	66,152	23,310	1.00	60,601	3,379	63,980	22,417
LEGISLATIVE COORDINATOR	1.00	59,812	3,319	63,131	23,715	0.00	-	-	-	-
LOAN UNDERWRITING SPECIALIST	1.00	52,927	2,936	55,863	22,149	1.00	54,250	3,024	57,275	21,735
LOAN SERVICES MANAGER	1.00	90,583	5,035	95,618	31,264	1.00	92,848	5,176	98,024	30,552
LOAN SERVICING SPECIALIST	3.00	183,955	10,210	194,166	72,173	3.00	188,573	10,513	199,086	70,735
MAINTENANCE TECHNICIAN	9.00	370,958	20,546	391,504	222,712	12.00	527,960	29,434	557,394	279,236
MAINTENANCE TECHNICIAN II	8.00	359,343	19,913	379,256	208,477	6.00	272,939	15,216	288,155	144,250
MULTIMEDIA DESIGNER	2.00	154,443	8,580	163,023	54,060	2.00	158,396	8,831	167,227	53,282
OFFICE ASSISTANT	3.00	111,035	5,917	116,953	55,551	5.00	189,179	10,547	199,726	92,178
OFFICE ASSISTANT II	7.00	263,361	14,114	277,475	130,602	8.00	302,953	16,890	319,842	145,806
ON-SITE PROPERTY MANAGER	14.00	542,411	30,029	572,440	255,752	16.00	644,097	35,908	680,005	292,584
OWNER LIASON	0.00	-	-	-	-	1.00	67,526	2,026	69,552	15,365
PAYROLL SPECIALIST	1.00	61,318	3,403	64,722	24,058	1.00	62,858	3,504	66,362	23,578
PRESIDENT & CHIEF EXECUTIVE OFFICER	1.00	269,678	15,020	284,698	83,145	1.00	276,420	15,410	291,831	82,491
PRINCIPAL IT ANALYST	1.00	86,258	4,794	91,051	29,730	0.00	-	-	-	-
PROGRAM ANALYST	8.00	513,155	28,236	541,391	195,537	6.00	397,428	22,157	419,585	145,807
PROGRAM MANAGER	3.00	256,591	14,260	270,851	87,786	2.00	177,687	9,906	187,594	58,278
PROGRAM MANAGER, SECTION 3	1.00	86,254	4,794	91,047	28,270	2.00	176,737	9,400	186,138	56,571
PROJECT MANAGER	7.00	562,694	30,920	593,613	198,701	9.00	778,008	40,514	818,522	246,253
QUALITY ASSURANCE COORDINATOR	2.00	105,800	5,774	111,574	51,903	1.00	47,143	2,628	49,771	20,212
QUALITY ASSURANCE MANAGER	1.00	77,021	4,121	81,142	28,153	1.00	79,778	4,448	84,226	27,529
REAL ESTATE ANALYST	0.00	-	-	-	-	1.00	65,974	3,678	69,652	24,246
SENIOR ACCOUNTANT	1.00	70,953	3,941	74,894	26,249	1.00	72,701	4,053	76,754	25,687
SENIOR ACCOUNTING TECHNICIAN	2.00	106,023	5,881	111,903	44,337	2.00	104,514	5,827	110,341	42,615
SENIOR ADMINISTRATIVE ASSISTANT	7.00	384,121	21,195	405,316	157,207	8.00	443,834	24,715	468,549	175,970
SENIOR ASSET MANAGER	1.00	80,120	4,452	84,572	28,334	1.00	88,414	4,929	93,343	29,053
SENIOR BUDGET ANALYST	1.00	78,229	4,346	82,576	27,904	1.00	80,185	4,470	84,655	27,290
SENIOR BUSINESS ANALYST	3.00	234,686	13,039	247,725	83,711	1.00	80,185	4,470	84,655	27,290
SENIOR DIRECTOR	0.00	-	-	-	-	1.00	120,484	6,717	127,201	36,794
SENIOR GRANTS ANALYST	4.00	307,239	17,068	324,307	110,324	3.00	239,369	13,345	252,714	81,616
SENIOR HOUSING ASSISTANT	13.00	687,871	36,743	724,614	287,665	15.00	813,448	45,350	858,798	324,752

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Position Title	FY 2016 Budget					FY 2017 Proposed Budget				
	FTE	Base Salary Subtotal	Salary Increases <sup>1</sup> (Cola, PI, etc.)	Salary Total	Fringe Benefits	FTE	Base Salary Subtotal	Salary Increases <sup>1</sup> (Cola, PI, etc.)	Salary Total	Fringe Benefits
SENIOR HUMAN RESOURCES TECHNICIAN	1.00	54,633	3,031	57,664	21,613	1.00	51,549	2,874	54,422	21,156
SENIOR IT ANALYST	1.00	74,506	4,139	78,644	27,057	1.00	76,368	4,258	80,626	26,472
SENIOR IT BUSINESS ANALYST	0.00	-	-	-	-	2.00	181,222	10,103	191,325	59,047
SENIOR NETWORK ENGINEER	0.00	-	-	-	-	1.00	88,417	4,929	93,346	29,053
SENIOR OFFICE ASSISTANT	5.00	207,545	11,240	218,785	97,719	5.00	222,762	12,419	235,180	98,385
SENIOR PROGRAM ANALYST	22.00	1,660,642	91,307	1,751,949	597,344	21.00	1,621,354	87,252	1,708,606	548,045
SENIOR PROJECT MANAGER	0.00	-	-	-	-	1.00	97,000	5,408	102,408	31,442
SENIOR REAL ESTATE ANALYST	0.00	-	-	-	-	1.00	80,185	4,470	84,655	27,290
SENIOR SYSTEMS ADMINISTRATOR	1.00	86,218	4,792	91,010	29,721	1.00	90,529	5,047	95,576	30,056
SENIOR VICE PRESIDENT	2.00	285,794	15,903	301,697	84,830	2.00	315,000	17,561	332,561	88,617
SITE CLEANER	4.00	94,600	5,214	99,814	74,034	5.00	133,661	7,452	141,112	88,667
SUPERVISING PROJECT MANAGER	1.00	90,584	5,035	95,619	30,714	1.00	92,849	5,176	98,025	30,003
SHAREPOINT DESIGNER/DEVELOPER	1.00	90,584	5,035	95,619	30,714	0.00	-	-	-	-
VICE PRESIDENT	7.00	913,551	50,552	964,104	278,601	8.00	1,087,369	60,257	1,147,627	319,343
WORKFORCE READINESS SPECIALIST	6.00	423,938	23,544	447,482	157,088	6.00	413,019	23,026	436,045	148,341
Factor for Classification & Compensation Study <sup>3</sup>	0.00	988,439	-	988,439	212,582	0.00	377,049	-	377,049	579,175
<b>SUBTOTAL</b>	<b>312.00</b>	<b>\$19,812,370</b>	<b>\$1,025,707</b>	<b>\$20,838,077</b>	<b>\$7,409,468</b>	<b>325.00</b>	<b>\$21,022,908</b>	<b>\$1,115,066</b>	<b>\$22,137,974</b>	<b>\$8,043,359</b>
Less Interns	(16.00)					(9.00)				
Less Part-Time Housing Services Aides	(12.00)					(12.00)				
<b>TOTAL EXCLUDING INTERNS AND HOUSING SERVICES AIDES</b>	<b>284.00</b>					<b>304.00</b>				

- <sup>1</sup> Salary Increases includes provisions for Cost of Living Increase (COLA) and performance incentives.
- <sup>2</sup> Fringe Benefits include provisions for 14 percent Defined Contribution Pension, 2.5 percent 457 contribution, Life Insurance, Long Term Disability Insurance, Workers' Compensation, Medicare, State Unemployment Insurance, and Flex Plan benefits.
- <sup>3</sup> A 5 percent factor is included in Fiscal Year 2016 due to a Classification & Compensation Study that was underway, but not completed when the FY 2016 budget was prepared. The study has not been approved; as such, staff did not receive the 5 percent in FY 2016. Upon approval, the Classification and Compensation Study will be effective July 1, 2016. For the Fiscal Year 2017 Proposed Budget, the decrease to \$377,049 (from the \$988,439 in the Fiscal Year 2016 Budget) reflects increases to those position identified to be eligible to receive an increase.

**Reserves:**

SDHC budgets their three separate reserve funds: Program Reserves, Property Reserves, and Contingency Reserves. SDHC updates their internal policies annually during the budget process taking into consideration current funding and regulatory environment.

**TABLE 7. SAN DIEGO HOUSING COMMISSION RESERVES**

	FY 2016 Budget	FY 2017 Proposed Budget	FY 2016 to FY 2017 Change (\$ and %)	
<b>RESERVES</b>				
Program	37,294,235	38,655,424	1,361,189	3.6%
Property	19,213,658	26,706,494	7,492,837	39.0%
Contingency	12,695,344	13,596,891	901,547	7.1%
<b>SUBTOTAL RESERVES</b>	<b>\$69,203,236</b>	<b>\$78,958,809</b>	<b>9,755,573</b>	<b>14.1%</b>
<b>TOTAL</b>				
	<b>\$324,951,762</b>	<b>\$363,404,429</b>	<b>\$38,452,667</b>	<b>11.8%</b>

Total reserves are budgeted at \$79.0 million for Fiscal Year 2017, an increase of \$9.8 million, or 14.1 percent, from the Fiscal Year 2016 Budget. This increase is primarily attributed to an increase of \$7.5 million, or 39.0 percent, in Property Reserves. These reserves are used for major repair, replacements, and capital improvement expenditures (e.g. Smart Corner Building Improvements), and are calculated based on anticipated upcoming rehabilitation needs of SDHC-owned properties.

Program Reserves increased by \$1.4 million, or 3.6 percent, in the proposed budget from the Fiscal Year 2016 Budget. Program Reserves are restricted funds, the majority of which are federal funds, with specific allowable uses. SDHC aims to maintain one to two months of the federal portion of these reserves, which they may expend for the acquisition of affordable housing.

Contingency Reserves increased by \$0.9 million, or 7.1 percent, in the proposed budget from the Fiscal Year 2016 Budget. These reserves can be used for any housing purpose. SDHC does not have a formal reserve policy, but maintains an internal policy only for unobligated or Contingency Reserves with a target of 5 percent of total budgeted revenues. For Fiscal Year 2017, the expected ending balance for Contingency Reserves is \$13,596,891, which is 5.3 percent of budgeted new revenues estimated at \$256,188,211 (see Table 1).

**CONCLUSION**

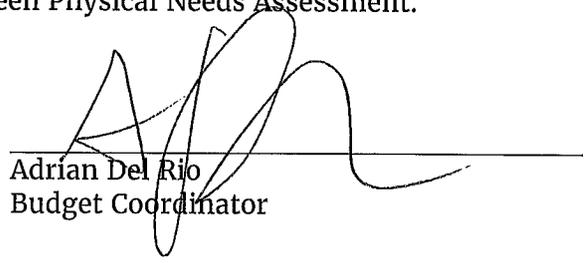
SDHC's Fiscal Year 2017 Proposed Budget includes 304.00 FTE positions, which is a net increase of 20.00 FTE positions compared to the Fiscal Year 2016 Budget. The proposed budget includes \$363.4 million in expenditures offset with a corresponding amount of total resources from new revenues and fund balance. Compared to the Fiscal Year 2016 Budget, the Fiscal Year 2017 Proposed Budget represents a net increase of \$38.5 million, or 11.8 percent, in expenditures. Of these expenditures, the most significant budget adjustments are as follows:

- \$12.1 million in Housing Program Expenses: increase due to increased Inclusionary Rental Housing Finance (RHF) activity and Housing Choice Voucher (HCV) activity; 100 percent voucher utilization rate; and the 1,000 Homeless Veterans Initiative;
- \$13.7 million in Capital Expenses: increase due to planned major rehabilitation projects;

- \$9.8 million in Reserve expenses: increase in property replacement reserves reflecting a focus on long-term strategic reserve management and commitment to fund rehabilitation projects identified in the Green Physical Needs Assessment.



Tracy McCraher  
Financial Management Director



Adrian Del Rio  
Budget Coordinator

