



COUNTY OF SAN DIEGO

AGENDA ITEM

HOUSING AUTHORITY

BOARD OF SUPERVISORS

VACANT
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: June 4, 2025

HA01

TO: Housing Authority of the County of San Diego Board of Commissioners

SUBJECT

APPROVE THE FISCAL YEAR 2025-26 HOUSING AUTHORITY RECOMMENDED BUDGET, AND ADOPT A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN DIEGO BOARD OF COMMISSIONERS APPROVING FISCAL YEAR 2025-26 HOUSING AUTHORITY BUDGET, INCLUDING PUBLIC HOUSING (DISTRICTS: ALL)

OVERVIEW

The San Diego County Board of Supervisors established the Housing Authority of the County of San Diego (County Housing Authority) in 1975 in accordance with California law. The County Housing Authority is a local entity that administers housing assistance programs through funding provided by the United States Department of Housing and Urban Development.

The County Housing Authority operates several housing programs that benefit low-income households in the unincorporated area of the county and in the participating cities of Chula Vista, Coronado, Del Mar, El Cajon, Escondido, Imperial Beach, La Mesa, Lemon Grove, Poway, San Marcos, Santee, Solana Beach, and Vista. The County Housing Authority serves approximately 23,600 low-income individuals in the region each month.

Today's actions request the County Housing Authority Board of Commissioners (Board of Commissioners) approve the County Housing Authority recommended budget for Fiscal Year 2025-26. In addition, today's action requests the Board of Commissioners establish and authorize transfer of appropriations, authorize procurement activities as needed, and adopt a resolution.

This item supports the County of San Diego vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This aligns with the County's Framework for Ending Homelessness and the Housing Blueprint by providing permanent affordable housing and support to vulnerable residents and improving the lives of persons at-risk of and experiencing homelessness.

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RECOMMENDATION(S)

EXECUTIVE DIRECTOR/HEALTH AND HUMAN SERVICES AGENCY DIRECTOR

1. Approve the Fiscal Year 2025-26 Housing Authority Recommended Budget.
2. Establish appropriations of \$294,648,902 for the Fiscal Year 2025-26 Housing Authority of the County of San Diego (County Housing Authority). **(4 VOTES)**
3. Authorize the Executive Director of the County Housing Authority to transfer appropriations within the three program groupings of Housing Assistance, Other Housing Programs, and Public Housing for Fiscal Year 2025-26.
4. Authorize the Executive Director of the County Housing Authority, consistent with Housing Authority procurement policies, to negotiate and sign contracts needed to implement the Fiscal Year 2025-26 budget.
5. Adopt a Resolution entitled A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN DIEGO BOARD OF COMMISSIONERS APPROVING FISCAL YEAR 2025-26 HOUSING AUTHORITY BUDGET, INCLUDING PUBLIC HOUSING.
6. Authorize the Chair of the County Housing Authority Board of Commissioners, or designee, acting on behalf of the Board of Commissioners, to certify the Public Housing Authority Board Resolution approving the Fiscal Year 2025-26 Housing Authority Recommended Budget.

EQUITY IMPACT STATEMENT

The Housing Authority of the County of San Diego (County Housing Authority) administers various rental subsidy programs funded by the United States Department of Housing and Urban Development (HUD), intended to assist very low-income families, the elderly, homeless veterans, and persons with disabilities with access to housing in the private market. As mandated by federal regulations, at least 75% of applicants must qualify as an extremely low-income family earning 30% of area median income or less (\$39,700 for a family of two and/or \$49,600 for a family of four) and the remaining applicants must not exceed low-income amount of 50% of area median income or less (\$66,150 for a family of two and/or \$82,700 for a family of four). To ensure equitable access to affordable housing opportunities, the County Housing Authority gives highest priority to applicants who live or work in the County Housing Authority jurisdiction and meets one or more of the following criteria in the household: working applicant, elderly person, person with disabilities, dependent children, applicant experiencing or at risk of homelessness, and veterans or surviving spouses of veterans.

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As of February 2025, the leased participant distribution includes:

Household Profile*	Family Members*
<ul style="list-style-type: none">• 67% where head of the household or spouse is either elderly and/or disabled• 44% are elderly and/or disabled single tenants• 29% of participants have children in the households• 11% are single parents with children in the households• 9% of all households have a veteran as head of the household	<ul style="list-style-type: none">• 33% are disabled• 29% are under the age of 18• 25% are elderly

**Total does not equal 100% due to overlapping categories*

The County Housing Authority provides rental assistance to a diverse population, and is committed to advancing equitable access and opportunity for assisted households to live in safe and affordable housing. Rental assistance voucher holders can choose housing in areas that best fit their individual household needs. To expand housing opportunities for voucher holders, the County Housing Authority provides higher levels of rental assistance in neighborhoods with greater opportunity.

SUSTAINABILITY IMPACT STATEMENT

Today's actions support the County of San Diego Sustainability Goal #1 to engage the community and Sustainability Goal #2 to provide just and equitable access. The County Housing Authority Board of Commissioners, who is the governing body of the Housing Authority of the County of San Diego (County Housing Authority) and is inclusive of two tenant commissioners, brings a lived experience lens when approving program activities, such as the County Housing Authority Annual Agency Plan, the annual budget requests for funding, changes in program administration, and implementation of housing programs. These programs serve to remove barriers from low-income families seeking to live in areas of greater economic opportunity. Equitable access to housing reduces the demand for community services, which may lessen the overall environmental impact on the region.

FISCAL IMPACT

If approved, this request will result in costs and revenue of \$294,648,902 in Fiscal Year 2025-26 in the Housing Authority of the County of San Diego. The funding sources are the United States Department of Housing and Urban Development, United States Department of Agriculture, Housing Choice Voucher Administrative Reserve Fund, Santee Successor Agency, Public Housing Operating Reserve Fund, Public Housing Rental Revenue, State grants and other miscellaneous revenues. There will be no change in net County General Fund cost and no additional staff years.

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BUSINESS IMPACT STATEMENT

This request will have a positive impact on the business community, as the recommended budget will provide rental income to landlords participating in housing assistance programs.

ADVISORY BOARD STATEMENT

The requirement for Resident Advisory Board involvement in the development of the Annual Agency Plan is outlined and prescribed by the United States Department of Housing and Urban Development. The Resident Advisory Board is comprised of individuals who are participants in the Housing Authority of the County of San Diego Public Housing and/or Housing Choice Voucher programs.

BACKGROUND

The San Diego County Board of Supervisors (Board) established the Housing Authority of the County of San Diego (County Housing Authority) in 1975 in accordance with California law. The County of San Diego (County) Health and Human Services Agency (HHSA), Housing and Community Development Services (HCDS), under a contractual agreement, provides staffing and performs all services and support-functions for the County Housing Authority. The contractual agreement is between the County Housing Authority and HHSA HCDS to administer the Housing Choice Voucher program on its behalf through a formal Memorandum of Understanding. In addition, other County departments support the County Housing Authority with services including accounting, auditing, legal, purchasing, personnel, and information technology. This partnership model has proven effective due to the substantial knowledge in housing programs and services possessed by County staff, as well as the established organizational infrastructure to reduce or avoid significant start-up costs.

Costs related to administering County Housing Authority programs are reimbursed to the County from the County Housing Authority and are included in the Chief Administrative Officer (CAO) Recommended Operational Plan under HCDS. The Board will consider the Fiscal Year (FY) 2025-27 CAO Recommended Operational Plan during the scheduled County budget hearings in June 2025.

The Continuing Appropriations and Extensions Act 2025, approved on March 14, 2025, provides funding for several federal departments and agencies through September 30, 2025, which includes funding for the United States Department of Housing and Urban Development (HUD) FY 2025 programs. The County Housing Authority recommended budget for FY 2025-26 is based on calendar year 2025 and anticipated calendar year 2026 HUD funding levels. The calendar year 2026 funding notification for housing assistance programs will not be released by HUD until 2026.

The County Housing Authority operates several housing programs that benefit low-income households in the unincorporated area of San Diego County and in the participating cities of Chula Vista, Coronado, Del Mar, El Cajon, Escondido, Imperial Beach, La Mesa, Lemon Grove, Poway, San Marcos, Santee, Solana Beach, and Vista.

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The County Housing Authority budget is arranged into three program groups:

1. Housing Assistance, which includes the Housing Choice Voucher (HCV) program, Family Unification Program, Emergency Housing Voucher, and Tenant-Based Rental Assistance (TBRA) programs;
2. Public Housing, which includes operation and maintenance of five County Housing Authority-owned public housing facilities and facility improvements managed through contracts; and
3. Other Housing Programs, which includes costs associated with the administration of outstanding housing loans and the County's oversight of the Santee Successor Agency.

The largest housing assistance program administered by the County Housing Authority is the HCV program, commonly referred to as "Section 8." Public housing includes 121 affordable units at four sites in Chula Vista and 38 affordable units at one site in San Marcos. The other housing programs supported by the County Housing Authority budget include the administration of federally-funded loans previously issued through the County Housing Authority that support affordable housing opportunities. Additional information on each of these program groups is included in Attachment D.

County Housing Authority Budget

The FY 2025-26 recommended budget of approximately \$294.6 million aligns appropriations to anticipated FY 2025-26 funding levels and reflects an overall increase of \$5.7 million from the FY 2024-25 Adopted Budget of \$288.9 million. This change is primarily due to increases in housing assistance program expenditures based on available funding to maximize the number of households assisted.

Expenditures by Program	FY 2024-25 Adopted Budget*	FY 2025-26 Recommended Budget*	\$ Change*	% Change
Housing Assistance	\$285.3	\$290.9	\$5.6	2.0
Other Housing Programs	\$0.7	\$0.7	-	-
Public Housing	\$2.9	\$3.0	\$0.1	3.4
Total Expenditure	\$288.9	\$294.6	\$5.7	2.0
Revenue by Program				
Housing Assistance	\$284.7	\$290.7	\$6.0	2.1
Other Housing Programs	\$0.7	\$0.7	-	-
Public Housing	\$2.6	\$2.7	\$0.1	3.8
Total Revenue	\$288.0	\$294.1	\$6.1	2.1
Net Cost	\$0.9	\$0.5	\$0.4	44.4

**In millions*

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The revenue reflects a net increase of \$6.1 million as the result of anticipated increase in funding available for the HCV program, TBRA program, and public housing operating funds.

The net cost of approximately \$0.5 million represents the use of administrative reserve funds. The \$0.5 million use of administrative reserve funds is associated with program administration and one-time operation costs to provide safe and affordable housing (\$0.2 million), and bridge funds for public housing operations (\$0.3 million).

Recommendations 1 and 2

Today's actions request the County Housing Authority Board of Commissioners (Board of Commissioners) approve the recommended FY 2025-26 County Housing Authority budget and establish appropriations of approximately \$294.6 million to continue rental assistance payments for eligible low-income households participating in the HCV program. The FY 2025-26 County Housing Authority budget must be adopted by June 30, 2025, in order to have appropriations available to continue making rental assistance payments in various housing programs on July 1, 2025. Attachment A provides an overview of the recommended FY 2025-26 County Housing Authority budget, and a summary of the administrative reserve fund balances and recommended commitments.

Recommendation 3

Today's action also requests the Board of Commissioners authorize the Executive Director of the County Housing Authority to transfer appropriations within the County Housing Authority's three program groups. If approved, this recommendation will allow the County Housing Authority to manage inter-fund transfers more efficiently within each of the three program groups of the County Housing Authority budget, in compliance with the County accounting practices. The FY 2025-26 Housing Authority recommended budget has three program groups: 1) Housing Assistance; 2) Public Housing; and 3) Other Housing Programs. HUD allocates funding by program type and requires that interest be earned and reported annually on all program funds received. Occasionally, there is a need to move appropriations within the program group to align appropriations with anticipated expenditures and funding levels, not to exceed the total budgeted appropriations.

Recommendations 4, 5, and 6

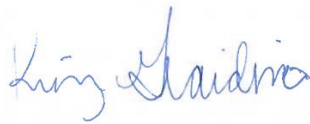
Recommendation 4 requests the Board of Commissioners authorize the Executive Director of the County Housing Authority to negotiate and sign contracts in accordance with Housing Authority procurement policies to administer programs for FY 2025-26. If approved, this recommendation will allow the County Housing Authority to prepare and execute necessary documents for processing and implementation and take necessary actions to administer the programs in accordance with procurement policies. Additionally, recommendation 5 requests the Board of Commissioners adopt the County Housing Authority Budget Resolution for FY 2025-26, which includes certifications, and recommendation 6 authorizes the Chair of the County Board of Commissioners, or designee, sign the Public Housing Agency certification form, which will be submitted to HUD to comply with federal regulations.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's actions support the County of San Diego 2025-2030 Strategic Plan Initiatives of Sustainability (Economy), Community (Quality of Life), and Equity (Housing) by promoting economic sustainability for low-income families and providing housing opportunities that meet the needs of the community.

Respectfully submitted,



KIMBERLY GIARDINA
Executive Director/Health and Human Services
Agency Director

ATTACHMENT(S)

Attachment A – Housing Authority of the County of San Diego Fiscal Year 2025-26 Recommended Budget

Attachment B – A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN DIEGO BOARD OF COMMISSIONERS APPROVING FISCAL YEAR 2025-26 HOUSING AUTHORITY BUDGET, INCLUDING PUBLIC HOUSING

Attachment C – PHA Board Resolution

Attachment D – Housing Authority of the County of San Diego Recommended Budget Fiscal Year 2025-26 Summary of Program Activities