



April 24, 2024

Honorable City Council President Sean Elo-Rivera  
Honorable City Councilmembers  
City of San Diego  
202 C Street, 10<sup>th</sup> Floor  
San Diego, CA 92101

Dear Honorable Council President Elo-Rivera and Councilmembers,

As the San Diego Housing Commission (SDHC) looks to develop its Fiscal Year 2025 budget, we are focused on providing vital housing assistance for families with lower income in the coming year and beyond. As staff presented to the SDHC Board of Commissioners on Friday, April 12, we have seen substantial increases in the Housing Assistance Payments (HAP) we provide for households in our Housing Choice Voucher rental assistance programs due to the increasing costs in the rental housing market. As of today, the Fiscal Year 2024 federal funding we have received this year for rental assistance is less than the amount we are expending for our housing assistance payments. Understanding the challenging budgets that both the City of San Diego and SDHC are facing, SDHC wants to ensure we are partners in allocating limited resources to crucial ongoing housing and homelessness services.

During the informational workshop at our Board of Commissioners meeting on Friday, April 12, we discussed the proposed reduction in City funding for City homelessness programs that SDHC administers, which is included in Mayor Todd Gloria's proposed budget. We also requested options from staff to inform our budget moving forward. This decrease in City funding to administer City programs reflects a stark picture, will require us to consider substantial changes to the budget staff had prepared, and could have significant impacts to staffing and programs that serve the most vulnerable San Diegans.

With this in mind, if the homelessness shelter Mayor Gloria has proposed at the warehouse site at Kettner Boulevard and Vine Street does not proceed as proposed, the consensus of the SDHC Board of Commissioners, as expressed at our April 12, 2024, meeting, with Commissioner Stephen Cushman abstaining and Commissioner Kellee Hubbard absent, was to send this letter to request that the City reallocate the \$18 million outlined in the Mayor's proposed budget to SDHC in order to fully fund the \$52 million needed in Fiscal Year 2025 to continue operations at City homelessness shelters and services programs that SDHC administers on the City's behalf. If the \$18 million is not reallocated to SDHC's budget to restore funds for homelessness shelters and services, we will need to reduce or, in some cases, eliminate some vital programs and initiatives.

We understand the fiscal challenges both the City and SDHC are experiencing this year in preparation for Fiscal Year 2025 and appreciate that difficult decisions and tradeoffs will need to be made among

competing needs. We will continue to work with the City Council, the Mayor and our staff to arrive at an SDHC budget that enables us to continue to provide the housing assistance and homelessness shelters and services that the people we serve rely on, while also exercising financial prudence in these difficult financial times.

Sincerely,

*Eugene "Mitch" Mitchell*

Eugene "Mitch" Mitchell  
Chair of the Board  
San Diego Housing Commission

*Ryan Clumpner*

Ryan Clumpner  
Vice Chair of the Board  
San Diego Housing Commission

*Johanna Hester*

Johanna Hester  
Commissioner  
San Diego Housing Commission

*Antoine "Tony" Jackson*

Antoine "Tony" Jackson  
Commissioner  
San Diego Housing Commission

*Melinda K. Vasquez*

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Commissioner  
San Diego Housing Commission