

**FOR IMMEDIATE RELEASE**

Thursday, May 28, 2020

**Report Recommends Strategies to Preserve  
Thousands of Affordable Rental Housing Units**

SAN DIEGO, CA – A new San Diego Housing Commission (SDHC) analysis of rental housing in the City of San Diego recommends 10 strategies to help keep thousands of rental housing units affordable for low-income families in the coming decades.

“We’ve lost a staggering number of homes that were affordable to our lowest-income families,” San Diego City Council President Georgette Gómez said at a news conference today to announce the release of the report, “Preserving Affordable Housing in the City of San Diego,” published by SDHC. “This study provides the framework we need to reverse this trend and save the affordable homes we have left.”

The report will be presented to the City Council on June 2, 2020.

“For far too long, our city has faced an unparalleled housing crisis. As elected officials, we must do everything within our power to ensure that we are preserving affordable housing opportunities and investing in working families, both of which will help to strengthen our local economy. Safe and healthy communities continue to be a top priority for my office, and providing access to affordable housing is a crucial step that will help San Diego achieve this goal,” said City Councilmember Monica Montgomery, Chair of the Committee on Public Safety and Livable Neighborhoods.

Under Council President Gómez’s leadership, the City Council’s Smart Growth & Land Use Committee prioritized affordable housing preservation in its 2018 work plan. In 2019, SDHC hired a Housing Preservation Coordinator and began the study that resulted in the preservation report.

“This report is a significant step forward as we address the housing crisis in the City of San Diego,” SDHC President & CEO Richard C. Gentry said. “This new preservation report provides a comprehensive inventory of the current housing in the city, a review of best practices that other cities have implemented, and forward-looking strategies to preserve affordability in the years ahead.”

The City of San Diego’s housing supply includes more than 23,000 rental housing units for which rents are required to remain affordable for specific income levels because of restrictions recorded on the properties. In addition, close to 47,000 rental housing units are not restricted, but their rents are naturally affordable for households earning up to 60 percent of the San Diego Area Median Income, about \$69,300 a year for a family of four.

The U.S. Department of Housing and Urban Development defines housing as “affordable” when a household spends 30 percent of its income or less on housing costs.

Affordability restrictions recorded on 4,200 affordable rental housing units could expire in the next 20 years. The report also focused on the potential for preserving 9,250 naturally occurring affordable housing (NOAH) units that are at risk of becoming unaffordable by 2040 because of increasing rents or factors like

redevelopment. This represents close to 30 percent of the more than 32,000 NOAH units at risk of becoming unaffordable for low-income families in the next 20 years.

Including anticipated cost increases that would occur over the next 20 years, the report estimates that approximately \$86 million per year will be needed from 2020 to 2040 to preserve 13,450 currently affordable units that are at risk of losing affordability. This would require new sources of state and local funding.

SDHC has included approximately \$22 million specifically for affordable housing preservation in its Fiscal Year 2021 budget, pending the approval of the City Council in its role as the Housing Authority of the City of San Diego.

The preservation strategies recommended in the report are:

### **Capital Resources**

1. Provide seed funding to create a public-private Affordable Housing Preservation Fund that is a dedicated source of funding for preservation activities.
2. Redirect funds originally associated with the Redevelopment Agency of the City of San Diego and its dissolution to fund preservation.
3. Implement a Short-Term Residential Occupancy (STRO) Fee with revenue dedicated to preservation.

### **Preservation Policies**

4. Adopt a Preservation Ordinance to strengthen and expand the rights granted by the State Preservation Notice Law.
5. Offer incentives to owners of unrestricted properties in exchange for recording affordability restrictions.
6. Strengthen San Diego's existing Single-Room Occupancy (SRO) Ordinance to maintain affordability.

### **Tenant Protections**

7. Require relocation assistance for displaced residents.

### **Capacity Building**

8. Develop and staff the administration of a preservation program.
9. Create an interagency preservation working group, to be convened by the San Diego Housing Commission.
10. Create a preservation collaborative composed of non-governmental preservation stakeholders.

To complete this study, SDHC contracted with HR&A Advisors, a consulting firm with more than 40 years of experience in real estate and economic development, in partnership with The National Housing Trust, which has

more than 30 years of experience in affordable housing preservation nationwide. SDHC staff also were instrumental to the completion of the study.

The announcement of the preservation report occurred across the street from two developments that SDHC renovated to preserve the affordable housing units and extend their affordability—[Hotel Churchill](#) (72 units for San Diegans who experienced homelessness, predominantly veterans) and [San Diego Square](#) (154 units for seniors with low income).

**Media Contact:**

Office of Council President Georgette Gómez: David Rolland at (619) 533-5897 or [drolland@saniego.gov](mailto:drolland@saniego.gov)

San Diego Housing Commission: Scott Marshall at (619) 578-7138 or [scottm@sdhc.org](mailto:scottm@sdhc.org)

###