

# APPENDIX HE-E - AT-RISK AFFORDABLE HOUSING ANALYSIS

In many cases, housing units are made affordable when covenants restricting their affordability are recorded on the property as the result of a public subsidy, such as local, State, or federal funds. Affordability restrictions on housing units often have expiration dates. Housing units that receive government assistance under any local, State, or federal programs and are eligible to convert to market-rate units due to expiring affordability restrictions within 10 years are considered to be “at risk.” The San Diego Housing Commission’s (SDHC) Compliance Monitoring Department tracks tenant and landlord compliance with affordability requirements that stem from the City of San Diego’s (City) Inclusionary Housing Ordinance, Affordable Housing Density Bonus program, and financial support, including bond financing, from SDHC.

SDHC has resources for the preservation of at-risk units, such as Multifamily Housing Revenue Bonds, and may purchase properties to preserve their affordability or extend terms of affordability by acquiring partnership interest in affordable housing developments. These options depend on the availability of resources at the time the development is eligible to convert to market-rate.

In addition to SDHC, other entities in the City that are qualified to preserve at-risk housing units include: Housing Development Partners of San Diego, St. Vincent de Paul Village, Bayview Community Development Corporation, San Diego County Department of Housing and Community Development, and Keller & Company. The State regulates the process that owners of assisted housing developments must follow when units are at risk of converting to market-rate. In accordance with State Law, if an owner of an assisted housing development decides to terminate a subsidy contract, dispose of the assisted housing development, or if the rental restrictions will expire, the owner must first contact an entity that is qualified to preserve at-risk housing and provide a notice of an opportunity for that qualified entity to offer purchase of the property, in an effort to preserve affordability of the property.

The following pages include a summary of rent-restricted affordable housing units at risk of being converted to market-rate housing and a cost analysis of the San Diego Housing Commission’s (SDHC) new construction costs vs. acquisition and rehabilitation costs.

**Table E-1. Inventory and Cost Analysis of “At-Risk” Affordable Units**

Name	Project		Expiration Dates		Units			Contract Units - No. of Bedrooms				
	Address	Program	Pre-Pay	Opt-Out <sup>2</sup>	Total	Assisted	Senior	0	1	2	3	4
Euclid Avenue Apts	4115 Euclid Ave	HUD Sec 8 LMSA		5/31/1999	12	12		0	3	5	4	0
Big Sister Residency <sup>1</sup>	3360 4th Ave	HUD Sec 811		7/31/2002	15	15		15	0	0	0	0
J Street Inn	222 J St	Redevelopment	6/25/2020		221	221		221	0	0	0	0
Cole Block (Dustin Arms)	702 5th Ave	Redevelopment	12/13/2020		44	44		44	0	0	0	0
Peachtree Inn	901 F St	SDHC Loan (Lease Sale)	7/1/2020		300	60		60	0	0	0	0
Horton House <sup>1</sup>	333 G St	HUD 221(d)(3) Mod/Sec 8 NC	11/1/2020	4/30/2021	150	150	150	49	101	0	0	0
Cerro Pueblo	2835 Clairemont Dr	HUD Sec 8 NC		11/30/2022	46	46		0	46	0	0	0
Trolley Court	940 Park Blvd	SDHC Loan (Lease Sale)	12/21/2022		192	39		39	0	0	0	0
Lions Community Manor <sup>1</sup>	310 Market St	HUD Sec 202		9/30/2023	129	129	129	0	129	0	0	0
Cathedral Plaza <sup>1</sup>	1551 Third Ave	HUD Sec 8 LMSA		12/31/2023	222	172	222	130	42	0	0	0
Cathedral Arms	3911 Park Blvd	HUD Sec 8 LMSA		5/31/2024	206	82		79	3	0	0	0
Redwood Street <sup>1</sup>	3154-3160 Redwood St	SDHC Loan (HOME)	10/19/2025		3	3		0	3	0	0	0
Herman Avenue <sup>1</sup>	3105 Herman Ave	SDHC Loan (HOME)	10/19/2025		3	3		0	3	0	0	0
Library Lofts	906 10th Ave	Redevelopment	11/21/2025		36	18		0	2	14	2	0

<sup>1</sup> Projects owned by Non-Profit Organizations, and though eligible for conversion, are generally regarded as low risk for conversion to market-rate.

<sup>2</sup> Contains projects which are being renewed year to year from original expiration date of Section 8 contract.

Source: San Diego Housing Commission (2019)

Project		Expiration Dates			Units			Contract Units - No. of Bedrooms				
Name	Address	Program	Pre-Pay	Opt-Out <sup>2</sup>	Total	Assisted	Senior	0	1	2	3	4
Alder Apts	Scattered Site	SDHC Loan (Lease Sale)	1/11/2026		24	11		0	0	11	0	0
Garden View Apts	Scattered Site	SDHC Loan (Lease Sale)	1/11/2026		44	20		Not Specified				
Mirada Apts	7568 Charmant Dr	Tax-Exempt Bonds	4/1/2026		444	89		19	48	22	0	0
10101 Maya Linda Road <sup>1</sup>	10101 Maya Linda Rd	SDHC Owned	11/2/2026		132	131		0	40	82	9	0
Lind Site 17	680 W Beech St	Redevelopment	3/4/2027		4	1		1	0	0	0	0
Lind Site 18	640 W Beech St	Redevelopment	3/4/2027		4	1		1	0	0	0	0
Sara Frances Hotel	943 10th St	SDHC Loan (Lease Sale)	4/14/2027		158	40		40	0	0	0	0
Scripps Building Lofts	525 C St	Redevelopment	6/11/2027		26	10		0	6	4	0	0
Yale Lofts	1119 F St	Redevelopment	7/1/2027		15	14		0	0	13	1	0
Parker Kier <sup>1</sup>	2172 Front St	SDHC Owned/Redevelopment	7/19/2027		34	33	11	19	14	0	0	0
Lincoln Hotel	536 5th Ave	Redevelopment	9/1/2027		41	40		40	0	0	0	0
Trolley Lofts	635 C St	Redevelopment	5/1/2028		36	27		27	0	0	0	0
7410 Cuvier Street <sup>1</sup>	740 Cuvier St	SDHC Owned/Loan (HOME)	6/22/2028		8	8		0	0	0	4	4
<sup>1</sup> Projects owned by Non-Profit Organizations, and though eligible for conversion, are generally regarded as low risk for conversion to market-rate.												
<sup>2</sup> Contains projects which are being renewed year to year from original expiration date of Section 8 contract.												
Source: San Diego Housing Commission (2019)												

Project Name	Project Address	Program	Expiration Dates		Units			Contract Units - No. of Bedrooms				
			Pre-Pay	Opt-Out <sup>2</sup>	Total	Assisted	Senior	0	1	2	3	4
4566 Oregon Street	4566-72 Oregon St	MOD Rehab			6	6		0	6	0	0	0
3709 T Street	3709-15 T St	MOD Rehab			5	5		0	0	5	0	0
4122-26 C Street	4122-26 C St	MOD Rehab			6	6		0	2	4	0	0
4773 Lantana Drive	4773-89 Lantana Dr	MOD Rehab			8	8		0	2	6	0	0
344 S. Willie James Jones	344-348 S. Willie James Jones Ave	MOD Rehab			20	20		0	0	8	12	0
331 S. 49th Street	331-333 S. 49th St	MOD Rehab			2	2		0	0	0	1	1
3038 Broadway	3038 Broadway	MOD Rehab			5	5		0	1	2	2	0
<b>Total</b>					<b>2,601</b>	<b>1,471</b>	<b>512</b>	<b>784</b>	<b>451</b>	<b>176</b>	<b>35</b>	<b>5</b>

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<sup>2</sup> Contains projects which are being renewed year to year from original expiration date of Section 8 contract.

Source: San Diego Housing Commission (2019)

**Table E-2. SDHC New Construction vs. Acquisition and Rehabilitation Cost Analysis<sup>3</sup>**

Project Type	Costs	Units Assisted	Contract Units - No. of Bedrooms				
			0	1	2	3	4
New Construction	\$491,285,463	1,471	\$261,840,790	\$150,625,251	\$58,780,586	\$11,689,321	\$1,669,903
Acquisition and Rehabilitation	\$410,409,500	1,471	\$218,736,267	\$125,829,153	\$49,104,060	\$9,765,012	\$1,395,002

<sup>3</sup> Cost Analysis based on average total development cost per unit for projects financed by SDHC that were completed during 2015-2018.

Source: San Diego Housing Commission (2019)