



News from

Interim Mayor Todd Gloria

City of San Diego

NEWS RELEASE

For immediate release: November 4, 2013

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San Diego Updates Workforce Housing Offset *Measure will Provide Affordable Housing Options for Working Families*

SAN DIEGO, CA (November 4, 2013) – Interim Mayor Todd Gloria announced the City Council's passage today of an update of San Diego's Workforce Housing Offset, which will ensure development that creates low-wage jobs also creates affordable housing options. The measure was approved by a vote of 5-4.

"It is difficult to imagine someone with a job ending up homeless. Unfortunately, that threat is all too real for nearly 125,000 workers in the City who earn wages below the federal poverty line," said Interim Mayor Gloria. **"By updating the Workforce Housing Offset for the first time in 17 years, the City Council has provided an appropriate funding stream for San Diegans who have jobs but struggle to afford to live here."**

The Workforce Housing Offset requires that commercial developers who build in San Diego help cover the cost of providing affordable housing for low-wage workers through a one-time payment, assessed as a small percentage of development costs, which is deposited into the City's Housing Trust Fund. San Diego's Municipal Code requires the City Council to update the amount of the Workforce Housing Offset annually. In 1996, the offset was cut in half and has not been updated since, causing San Diego to lose out on millions of dollars of potential investment and hundreds of homes for working families. According to the San Diego Housing Commission, the recommended fee will generate an additional \$8 million to \$10 million per year, translating to 80 to 100 additional units annually, when fully implemented.

The availability of affordable housing options creates healthy, stable communities. It allows parents to live close to their children's schools, reduces traffic created by those forced to live far from work, and ensures that workers who earn their living in San Diego can also contribute to the local economy instead of taking their earnings to neighboring communities where housing prices are cheaper.

"Vibrant, 21st century cities need people from all walks of life, not just those with high incomes. San Diego should be a balanced community, and providing working residents with options for affordable places to live does just that," said Interim Mayor Gloria. **"The investment of a Workforce Housing Offset benefits the community as a whole."**

By providing a local source of revenue for affordable housing, the offset will leverage federal, state, and private investment to bring in millions of additional funds for community development. In addition, housing development creates jobs both during construction and after apartments have been leased out.

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