



Issued on October 5, 2017

NEWSPAPER ARTICLE FAILS TO REPORT COMPLETE AFFORDABLE HOUSING PRODUCTION BY SAN DIEGO HOUSING COMMISSION

**By Richard C. Gentry
President & Chief Executive Officer
San Diego Housing Commission**

The San Diego Union-Tribune article dated October 4 failed to report a complete and accurate representation of the San Diego Housing Commission's (SDHC) production of highly needed affordable rental housing in the City of San Diego.

Had SDHC been asked about its overall affordable housing production in Fiscal Year (FY) 2017, the article may have been accurate. Instead, the article left out key information. It is noteworthy that SDHC had previously provided details about developments supported by City of San Diego Inclusionary Housing Funds. Somehow, this was not included in the article.

The fact is that close to 690 affordable rental housing units were completed at seven SDHC partnership developments in FY 2017 (July 1, 2016 – June 30, 2017). These include developments to which SDHC invested loans from multiple sources and/or authorized the issuance of Multifamily Housing Revenue Bonds, which are paid by private sources of funding, such as revenue from the development.

This information about the number of units created in FY 2017 is publicly available.

Had this public information been included, your readers would have learned a different story about the actual amounts of new low-income housing developments in the City of San Diego. Instead, the article focused on only one development with 51 affordable housing units that received SDHC funding in FY 2017 from the City of San Diego's Inclusionary Housing Fund.

As a result, the article manifested an unfortunate misunderstanding of a real-world part of any real estate development process—that the timeliness of new rental housing production varies considerably among individual developments.

SDHC has shared the Fiscal Year 2017 Inclusionary Housing "expenditures" in the Affordable Housing Fund Annual Report, upon which the article was based, and that this report only included developments for which financing closed within FY 2017. This is meant to prevent double-counting of the funds and the number of affordable housing units in developments for which construction spans more than one fiscal year.

As anyone that is involved in the low-income housing development arena knows, it is difficult to predict the timing for approvals of the multiple funding sources that are required for affordable rental housing developments. As a result, the financing for four developments consisting of close to 260 affordable rental units will close in Fiscal Year 2018, instead of Fiscal Year 2017. If they had closed financing within the originally anticipated time frame, SDHC would have achieved the affordable housing production goal referenced within the Affordable Housing Fund Annual Report, which was cited in the article.

The article also failed to mention developments to which Inclusionary Housing funds were disbursed during FY 2017. SDHC invested \$9,695,540 toward six developments that consist of 385 affordable rental housing units. Four of these developments are now completed and open, providing 244 units of affordable rental housing, and two are still under construction. Of those four completed developments, two received development funds through HOUSING FIRST – SAN DIEGO, SDHC’s homelessness action plan, and are providing 121 units of permanent supportive housing for San Diegans who were homeless.

In addition, since June 30, 2017, \$36.8 million in Inclusionary Housing funds were committed to new low-income housing developments and programs in FY 2018. They include five developments (more than \$19 million) that will provide 390 affordable rental housing units, as well as \$2.1 million that will be included with additional funding sources to support developments to create permanent supportive housing for homeless San Diegans.

As SDHC has in the past, we will continue to respond to media inquiries with the facts. Future articles on the production of new low-income housing in San Diego require a review beyond the details in the Affordable Housing Fund Annual Report. This way, your readers will learn the actual facts about SDHC’s total affordable housing production. Anything short omits important details and misleads the public.

SDHC remains committed to serving the people of the City of San Diego. Through innovation and cost-effective programs, we are creating and preserving affordable housing and addressing homelessness to help San Diegans in need.