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San Diego Housing Commission (SDHC)
Affordable Housing Preservation Update and
Preservation Collaborative Stakeholder Group
Presentation to the SDHC Board of Commissioners
February 4, 2022

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SDHC – Affordable Housing Preservation

Introduction

- Smart Growth & Land Use Committee’s 2018 Work Plan identified affordable housing preservation as a priority.
 - Work plan included recommendation to designate a Housing Preservation Coordinator.
 - SDHC hired a Housing Preservation Coordinator in 2019.
- SDHC created a new comprehensive database of deed-restricted affordable rental housing units citywide.
- SDHC commissioned a comprehensive study:
 - Enhance understanding of the City’s affordable housing stock, including naturally occurring affordable housing (NOAH)
 - Review best practices across the country
 - Provide a framework for the development of a strong preservation strategy



SDHC – Affordable Housing Preservation Introduction (Continued)

- May 28, 2020: SDHC published “Preserving Affordable Housing in the City of San Diego.”

	Units At Risk (2020-2040)	Units At Risk Per Year	Gap Financing Needed Per Year	Estimated Total Preservation Cost Per Year
Deed-Restricted Units	4,200	210	\$14 million	\$85 million
NOAH Units	9,250	462	\$72 million	\$315 million
TOTAL	13,450	672	\$86 million	\$400 million

- *Gap financing will require new State and Local funding.*
- *Dollar amounts have been adjusted to incorporate projected cost increases over the next 20 years.*



SDHC – Affordable Housing Preservation Introduction (Continued)

- City Council accepted the study June 2, 2020, and referred it to Land Use and Housing Committee for action.
 - June 24, 2020: Committee directed SDHC to return in September with implementation strategy with detailed policy options.
 - September 17, 2020: Committee approved SDHC’s five recommended actions, with amendments to the first action.
 - SDHC made additional amendments based on Committee’s input.
- October 27, 2020: City Council approved seven actions to implement a strategy for affordable housing preservation.



SDHC – Affordable Housing Preservation Implementation Actions

- **Action 1: Direct Residual Redevelopment Property Tax Trust Funds (RPTTF) to affordable housing preservation in one-year increments and within the framework of the City’s budget process.**
- **Action 2: Establish a strategic goal of using at least 20 percent of the Fiscal Year (FY) 2021 RPTTF as an annual base figure and any additional growth of the RPTTF in future years for affordable housing preservation (not binding on future City Council).**
 - **Implementation to Date:**
 - Not recommended for Fiscal Year (FY) 2022 due to City budget uncertainty amid the COVID-19 pandemic
 - MOU for Neighborhood Enhancement Funds



SDHC – Affordable Housing Preservation Implementation Actions

- **Action 3: Establish a Small Sites Rehabilitation Program funded with RPTTF to provide an incentive to owners of NOAH properties to preserve affordability.**
 - **Implementation to Date:**
 - First preservation NOFA announced August 2020
 - Capacity Building webinars for NOAH owners
 - Second preservation NOFA issued in 2021; additional technical assistance provided
- **Action 4: Create a public-private affordable housing preservation fund, with RPTTF funds.**
 - **Implementation to Date:**
 - No funds allocated as yet for seed funding
- **Action 5: Develop an Affordable Housing Preservation Ordinance.**
 - **Implementation to Date:**
 - Draft ordinance is anticipated to be completed in 2022, subject to stakeholder input and subsequent presentation to the Land Use and Housing Committee.



SDHC – Affordable Housing Preservation Implementation Actions (Continued)

- **Action 6: Establish Interagency Preservation Working Group**
 - Convened by SDHC, with first meeting April 8, 2021
 - Quarterly meetings
 - April 8, 2021 ▪ September 21, 2021
 - June 3, 2021 ▪ December 9, 2021
 - Members:
 - Mayor’s Office
 - City Planning
 - City Urban Division
 - City Development Services
 - City Economic Development Division
 - County Housing and Community Development (HCD) Department
 - State HCD
 - State Tax Credit Allocation Committee
 - U.S. Department of Housing and Urban Development (HUD) Field Office



SDHC – Affordable Housing Preservation Implementation Actions (Continued)

- **Interagency Preservation Working Group actions:**
 - Established Preservation Priority Matrix
 - Provided parameters for creating Strategic Goals
 - Established composition, term, membership categories for a Preservation Collaborative to perform owner outreach and engagement



SDHC – Affordable Housing Preservation Implementation Actions (Continued)

- **Action 7: Formation of Preservation Collaborative**
 - SDHC to convene no later than one year after first working group meeting
 - Representatives of affordable housing property owners, for-profit and nonprofit real estate developers, housing advocates and tenants' rights groups
 - Two-year term
 - Meet quarterly
 - Objectives:
 - Reach out to owners of NOAH and deed-restricted properties at risk of expiration of affordability.
 - Educate community members, NOAH owners and stakeholder groups about preservation resources and funding.
 - Revise the Preservation Priority Matrix over time to align with changing City goals and priorities.
 - Community engagement and outreach.



SDHC – Affordable Housing Preservation Preservation Collaborative Membership

CATEGORY	REPRESENTATIVE ORGANIZATION
Collaborative Members	
1.	SRO Owner or Stakeholder Representative Proposed: Downtown San Diego Partnership
2.	Affordable Housing Development Community Proposed: San Diego Housing Federation
3.	Tenants' Rights Organization Proposed: Legal Aid Society of San Diego
4.	Community Lending Proposed: City-County Reinvestment Task Force Member – Local Initiatives Support Corporation (LISC) San Diego
5.	Multifamily Housing Owners Proposed: Southern California Rental Housing Association
6.	At-Large Member Proposed: Member, Community Planning Group – Barrio Logan
7.	At-Large Member Proposed: General member with interest and/or expertise





SDHC – Affordable Housing Preservation Preservation Collaborative Membership

CATEGORY		REPRESENTATIVE ORGANIZATION
Technical Support		
1.	Housing Liaisons	Proposed: City of San Diego - Economic Development
2.	Housing Administrator	San Diego Housing Commission



SDHC – Affordable Housing Preservation Staff Recommendations

- That the SDHC Board of Commissioners confirm the nomination categories and representative organizations to serve on the first Preservation Collaborative Stakeholder Group for the City of San Diego and authorize SDHC’s President & Chief Executive Officer, or designee, in consultation with each organization confirmed, to select the individual representing each organization who will serve on the Preservation Collaborative Stakeholder Group.



Questions & Comments

