



SAN DIEGO  
HOUSING  
COMMISSION

**News Release**

JANUARY 18, 2013

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**RATING AGENCY CITES EXTREMELY STRONG OVERALL  
MANAGEMENT OF THE SAN DIEGO HOUSING COMMISSION  
AS A KEY REASON TO RAISE ITS POSITIVE CREDIT RATING**  
*Standard & Poor's Rating for SDHC AA from A+*

**San Diego, CA**—Standard & Poor's Ratings Services issued an AA credit rating for the San Diego Housing Commission (SDHC), citing "extremely strong overall management" and a successful private-sector real estate strategy that leveraged \$95 million in equity from its properties to create additional affordable housing for low-income families and seniors in the City of San Diego.

SDHC received an "AA" issuer credit rating for its overall creditworthiness, up from a previous rating of A+. An "AA" rating from Standard & Poor's is its second-highest and indicates that SDHC has a "very strong capacity to meet financial commitments."

The report also stated that "A key rating factor is our view of the management team and what we consider its well-developed strategic plan with clear goals and overall objectives."

SDHC is led by Richard C. Gentry, who has been President & CEO since September 19, 2008.

Specific factors in the evaluation, Standard & Poor's said, were:

- "Extremely strong overall management" and a strategic plan that supports SDHC's mission to provide quality, low-income housing;
- The significant need for affordable housing in San Diego;
- A "very strong financial profile, due to an extremely strong debt profile and liquidity position;" and
- A "strong development arm that maximizes external resources."

"We're very pleased with the Standard & Poor's credit rating because it validates our financial strategy to create more affordable housing, which has made great use of public-private partnerships while minimizing financial risk," said Gentry. "We've been able to accomplish our mission with the guidance of our Board of Commissioners, the support of the San Diego City Council and our talented team of SDHC employees."

The rating comes less than two and a half years after SDHC finished closing \$95 million in loans from Fannie Mae and FHA under an innovative finance plan developed under Gentry's leadership. The SDHC Finance Plan was approved by its Board of Commissioners and the San Diego City Council, sitting as the Housing Authority of San Diego, in 2009.

The SDHC Finance Plan leveraged the equity from the majority of the 1,366 public housing units transferred to SDHC at its request by the U.S. Department of Housing and Urban Development (HUD). At the time, this 2007 [landmark agreement](#) represented the largest public housing conversion that had ever been approved by HUD. The 810 additional affordable housing units were created through public-private partnerships. The developments include the 91 units of new affordable housing in Estrella del Mercado Apartments, which opened in Barrio Logan on November 14, 2012. The final acquisition under the SDHC Finance Plan was Park Crest Apartments in City Heights, with 70 units for seniors, acquired October 10, 2012.

The rating report said the strong management at SDHC was "evidenced by a trend of improvement in overall operational performance, portfolio quality and financial management."

"Standard & Poor's believes that SDHC's management has the wherewithal to balance new development and rehabilitation prudently, in a manner that makes the most use of its resources, to improve its overall housing stock," the rating report said.

To access the Standard & Poor's Rating Services Report, [San Diego Housing Commission, California; General Obligation](#), please visit SDHC.org.

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