

Media contact:
Maria Velasquez
Vice President Community Relations & Communications
619-578-7550 mariav@sdhc.org

**SAN DIEGO HOUSING COMMISSION EARNS
“AA-” CREDIT RATING;
AGENCY PRAISED FOR STRONG MANAGEMENT**
Agency Sought Credit Rating from Standard & Poor’s Rating Services

San Diego, CA— While many government agencies and local businesses are seeing their financial status sag during the current recession, the San Diego Housing Commission (SDHC) has earned an “AA-” credit rating with a “stable outlook” from Standard & Poor’s Rating Services.

The grade is Standard & Poor’s second highest, just below AAA, and is the highest rating that has been granted to a local housing agency. The credit rating is an assessment of the agency’s ability to repay its debt obligations.

“We requested this credit rating—the agency’s first—to receive a private sector assessment as we prepare to enter the lending markets and move forward to increase our affordable housing stock,” said Richard C. Gentry, President & CEO of the San Diego Housing Commission.

In an August 26 Credit Profile Report to the commission explaining its action, Standard & Poor’s said the agency’s credit rating “reflects our view of the strong management of SDHC over the last 10 years, as evidenced by a trend of improvement in overall operational performance, portfolio quality and financial management.”

“A key rating factor is the management team and what we consider its well-developed strategic plan with clear goals and overall objectives,” the letter states. “Standard & Poor’s believes that the management at SDHC 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.”

Standard & Poor’s identified seven key “strengths” of the SDHC that factored in the credit rating decision.

They are:

- A likelihood that the local agency will continue to receive major funding support from the federal government (In 2008, grants from the federal Housing and Urban Development Department accounted for 59 percent of the agency’s total revenues);
- The agency’s “very strong profitability and its growing trend of net working capital;”
- “Strong overall management and a strategic plan that supports the commission’s mission to provide quality low-income housing;”

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- The agency’s “position as one of the leading providers of affordable housing opportunities for low income families and individuals in the city of San Diego;”
- “A strong development arm that maximizes external resources, which has been successful in developing mixed-use projects;
- The agency’s “strong leverage ratios and additional income and financial support from the mixed-income and mixed-use sites;”
- The agency’s “decrease in reliance on appropriated federal funding streams year to year.”

About the San Diego Housing Commission:

The San Diego Housing Commission was created in 1979.

It owns and operates approximately 1,800 family and senior units at more than 150 sites throughout the city of San Diego. The agency administers rental housing vouchers for 14,008 elderly, disabled and low-wage-earning households.

The San Diego Housing Commission is governed by the City of San Diego Housing Authority, which consists of San Diego’s eight City Council members.

Seven Board members advise the Commission on policy and financial matters that come before the Housing Authority. Board members are appointed by the Mayor and confirmed by the City Council.

The CEO of the San Diego Housing Commission reports to the Board of Commissioners and the San Diego Housing Authority.

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