



June 16, 2017

The Honorable State Senator Toni Atkins
State Capitol, Room 4072
Sacramento, CA 95814

Dear Honorable Senator Atkins:

On behalf of the San Diego Housing Commission (SDHC), I am pleased to support SB 2, the Building Homes and Jobs Act, which will provide an ongoing source of funding for the development of affordable housing in San Diego and throughout the state.

As an affordable housing developer, investor, and lender, SDHC has helped to produce more than 17,000 affordable housing units in the city of San Diego since 1981 through partnership developments and acquisitions.

However, San Diego and California continue to experience an affordable housing crisis.

The city of San Diego needed 38,680 affordable rental housing units for low- and very low-income residents from 2010 through 2020, according to the 2011 San Diego Association of Governments' (SANDAG) Regional Housing Needs Assessment. However, in the first four years (2010 – 2013), permits were issued for only 5.9 percent of those units, or 2,283 units, according to SANDAG's Regional Housing Progress Report on May 8, 2017.

In addition, close to half of San Diego renters spend more than 35 percent of their income on rent, according to a July 2016 report that the London Group Realty Advisors prepared for the San Diego Regional Chamber of Commerce. The U.S. Department of Housing and Urban Development (HUD) defines housing as affordable when no more than 30 percent of income is spent on housing.

The California Department of Housing and Community Development report, "California's Housing Future: Challenges and Opportunities," stated that "unstable funding for affordable-home development is impeding our ability to meet California's housing needs, particularly for lower-income households."

SB 2 would create a permanent, ongoing source of State funding that could leverage billions of dollars in federal, local, and private investment to create and preserve affordable housing.

In addition, SB 2 will:

- Create affordable rental and for-sale housing that meets the needs of a growing workforce earning up to 120 percent of Area Median Income;
- Utilize a successful private-public partnership model to deploy these funds, thereby creating jobs and generating revenue for local governments; and
- Build safe and affordable apartments and single-family homes for Californians in need, including families, seniors, veterans, people with disabilities, and individuals experiencing homelessness.

This legislation is an important step toward addressing the shortage of affordable housing in San Diego and throughout the State.

Thank you for your leadership on this important issue.

Sincerely,



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

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