



SAN DIEGO
HOUSING
COMMISSION

News Release

October 16, 2017

GOVERNOR SIGNS BILL TO HELP CREATE MIDDLE-INCOME HOUSING IN THE CITY OF SAN DIEGO

*The San Diego Housing Commission and City of San Diego worked with
Assemblymember Todd Gloria to introduce Assembly Bill 1637*

SAN DIEGO, CA — State legislation to help create more rental housing units for low- and middle-income households in the City of San Diego has been signed into law by Governor Edmund G. “Jerry” Brown Jr.

The San Diego Housing Commission (SDHC) and City of San Diego worked together with Assemblymember Todd Gloria on the bill he introduced, Assembly Bill (AB) 1637.

AB 1637 allows public housing authorities in the City of San Diego and the County of Santa Clara to make loans to finance the construction of multifamily housing developments that include both low- and middle-income households.

“This is an important step to address the housing affordability crisis in the City of San Diego by supporting the creation of rental housing units across a range of affordability levels,” SDHC President & CEO Richard C. Gentry said.

AB 1637 allows housing authorities to make loans to developers of mixed-income developments if 40 percent of the units are affordable to low-income households (up to 80 percent of Area Median Income) and at least 10 percent of the units are affordable to middle-income households (up to 150 percent of Area Median Income).

These middle-income households are often referred to as the “Missing Middle.” They are San Diego’s skilled workforce, such as police officers, nurses, first responders and school teachers, who are ineligible for housing assistance but cannot afford rising rents in the City of San Diego.

This is an affordability range not previously served by public housing authorities. However, this is essential to the ability to provide a continuum of housing opportunities for those moving up from low-income to market-rate housing.

The expanded affordability levels also create the opportunity to attract new revenue sources for affordable housing and incentivize the production of mixed-income rental housing developments, “which encourage balanced-community objectives.

The City of San Diego needs 150,000 to 220,000 housing units across income levels by 2028, according to the SDHC report, [*Addressing the Housing Affordability Crisis: San Diego Housing Production Objectives 2018-2028*](#). SDHC developed the report, which was released on September 21, 2017, in collaboration with City Councilmembers Scott Sherman and David Alvarez, Chair and Vice Chair, respectively, of the City Council’s Smart Growth & Land Use Committee.

This report is the next step in a process that SDHC started nearly two years ago when it published its report, [*Addressing the Housing Affordability Crisis: An Action Plan for San Diego*](#), which included 11 recommended actions at the local, state and federal level to reduce costs and increase housing production. To date, action has been taken on 10 of those 11 recommendations.

AB 1637 facilitates the construction of mixed-income developments, which was one of the 11 recommendations.

AB 1637 will remain in effect from January 1, 2018, through January 1, 2022.

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