



INFORMATIONAL REPORT

DATE ISSUED: July 1, 2020

REPORT NO.: HCR20-072

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of July 10, 2020

SUBJECT: Workshop & Discussion: San Diego Affordable Housing Preservation Study

COUNCIL DISTRICT: Citywide

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

An informational workshop will be presented regarding the San Diego Housing Commission's Affordable Housing Preservation Study report, *Preserving Affordable Housing in the City of San Diego*.

SUMMARY

The City of San Diego (City) is experiencing housing affordability and homelessness crises. Many households are housing cost-burdened (expending more than 30 percent of their income on housing), or experiencing homelessness. The San Diego Affordable Housing Preservation Study (Study) provides an analysis of the existing affordable housing inventory within the City; the past and future trends for this housing inventory; best practices around the country to address affordable housing challenges; and a framework with proposed strategies for consideration to preserve additional existing affordable rental housing units.

The San Diego Housing Commission (Housing Commission), on behalf of the City, commissioned this Study through a contract with HR&A Advisors, a consulting firm with more than 40 years of experience in real estate and economic development, in partnership with The National Housing Trust, which has more than 30 years of experience in affordable housing preservation nationwide. The results of the Study include the housing inventory, trend analysis, financial modeling, and a strategy framework, which includes 10 recommendations.

Background

Under the leadership of City Council President Georgette Gómez, the Chair of the City Council's Smart Growth and Land Use (SGLU) Committee at the time, the SGLU Committee identified "Preserve Existing Affordable Housing" as one of its priorities in its 2018 work plan. The potential actions identified in the SGLU Committee work plan included designating a Housing Preservation Coordinator. The Housing Commission hired this coordinator in 2019. Housing Commission President & CEO Richard C. Gentry also directed Housing Commission staff to create a database of all existing affordable rental housing in the City. In addition, staff were directed to gather additional information and data and commission a comprehensive study to enhance the understanding of the City's entire affordable housing stock, including naturally occurring affordable housing (NOAH); review best practices around the country, and provide a framework for the development of a strong preservation strategy in the City for City Council consideration.

In July 2019, the Housing Commission contracted with HR&A Advisors (HR&A), a consulting firm providing services in real estate, economic development, and program design & implementation since 1976. HR&A has advised local governments, developers, philanthropies, advocates, and community stakeholders on how to develop and implement effective housing policies.

HR&A partnered with The National Housing Trust (NHT). NHT has engaged in affordable housing preservation work throughout the United States since 1988, and has advised all levels of government on preservation policy. In addition, NHT owns more than 4,200 affordable units across 13 states; and has preserved more than 36,000 units via development, lending, and technical assistance.

Objective

The objective of the Study was to develop a comprehensive inventory of the existing affordable housing; understand past and future trends; perform a financial analysis of cost to preserve affordable housing; review best practices around the country; and develop a framework for a preservation strategy in the City of San Diego. That framework identifies a variety of possible actionable approaches to address affordable housing preservation issues.

Conclusion

The work undertaken for the Study established the existing housing inventory, including data on and GIS mapping of NOAH. The Study also provides insight into past and future trends, and based on a review of current best practices, provides a framework to develop a comprehensive preservation strategy. An effective system to resolve the housing affordability and homelessness crises requires ongoing collaboration and a shared commitment with many stakeholders, including governmental agencies, existing affordable housing developers, philanthropic organizations, business interests and additional partners.

Respectfully submitted,

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Approved by,

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Docket materials are available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org