San Diego Housing Commission (SDHC)
Affordable Housing Preservation Update and
Preservation Collaborative Stakeholder Group
Presentation to the SDHC Board of Commissioners
February 4, 2022

Wendy DeWitt
Vice President of Preservation
Real Estate Division
• Smart Growth & Land Use Committee’s 2018 Work Plan identified affordable housing preservation as a priority.
  – Work plan included recommendation to designate a Housing Preservation Coordinator.
  – SDHC hired a Housing Preservation Coordinator in 2019.

• SDHC created a new comprehensive database of deed-restricted affordable rental housing units citywide.

• SDHC commissioned a comprehensive study:
  – Enhance understanding of the City’s affordable housing stock, including naturally occurring affordable housing (NOAH)
  – Review best practices across the country
  – Provide a framework for the development of a strong preservation strategy
May 28, 2020: SDHC published “Preserving Affordable Housing in the City of San Diego.”

<table>
<thead>
<tr>
<th>Units At Risk (2020-2040)</th>
<th>Units At Risk Per Year</th>
<th>Gap Financing Needed Per Year</th>
<th>Estimated Total Preservation Cost Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deed-Restricted Units</td>
<td>4,200</td>
<td>$14 million</td>
<td>$85 million</td>
</tr>
<tr>
<td>NOAH Units</td>
<td>9,250</td>
<td>$72 million</td>
<td>$315 million</td>
</tr>
<tr>
<td>TOTAL</td>
<td>13,450</td>
<td>$86 million</td>
<td>$400 million</td>
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</tbody>
</table>

- Gap financing will require new State and Local funding.
- Dollar amounts have been adjusted to incorporate projected cost increases over the next 20 years.
City Council accepted the study June 2, 2020, and referred it to Land Use and Housing Committee for action.
  - June 24, 2020: Committee directed SDHC to return in September with implementation strategy with detailed policy options.
  - September 17, 2020: Committee approved SDHC’s five recommended actions, with amendments to the first action.
    - SDHC made additional amendments based on Committee’s input.
  - October 27, 2020: City Council approved seven actions to implement a strategy for affordable housing preservation.
• **Action 1:** Direct Residual Redevelopment Property Tax Trust Funds (RPTTF) to affordable housing preservation in one-year increments and within the framework of the City’s budget process.

• **Action 2:** Establish a strategic goal of using at least 20 percent of the Fiscal Year (FY) 2021 RPTTF as an annual base figure and any additional growth of the RPTTF in future years for affordable housing preservation (not binding on future City Council).

  – **Implementation to Date:**
    - Not recommended for Fiscal Year (FY) 2022 due to City budget uncertainty amid the COVID-19 pandemic
    - MOU for Neighborhood Enhancement Funds
• Action 3: Establish a Small Sites Rehabilitation Program funded with RPTTF to provide an incentive to owners of NOAH properties to preserve affordability.

  – **Implementation to Date:**
    - First preservation NOFA announced August 2020
    - Capacity Building webinars for NOAH owners
    - Second preservation NOFA issued in 2021; additional technical assistance provided

• Action 4: Create a public-private affordable housing preservation fund, with RPTTF funds.
  – **Implementation to Date:**
    - No funds allocated as yet for seed funding

• Action 5: Develop an Affordable Housing Preservation Ordinance.
  – **Implementation to Date:**
    - Draft ordinance is anticipated to be completed in 2022, subject to stakeholder input and subsequent presentation to the Land Use and Housing Committee.
• **Action 6: Establish Interagency Preservation Working Group**
  - Convened by SDHC, with first meeting April 8, 2021
  - Quarterly meetings
    - April 8, 2021
    - June 3, 2021
    - September 21, 2021
    - December 9, 2021
  - Members:
    - Mayor's Office
    - City Planning
    - City Urban Division
    - City Development Services
    - City Economic Development Division
    - County Housing and Community Development (HCD) Department
    - State HCD
    - State Tax Credit Allocation Committee
    - U.S. Department of Housing and Urban Development (HUD) Field Office
SDHC – Affordable Housing Preservation
Implementation Actions (Continued)

• Interagency Preservation Working Group actions:
  – Established Preservation Priority Matrix
  – Provided parameters for creating Strategic Goals
  – Established composition, term, membership categories for a Preservation Collaborative to perform owner outreach and engagement
**Action 7: Formation of Preservation Collaborative**

- SDHC to convene no later than one year after first working group meeting
- Representatives of affordable housing property owners, for-profit and nonprofit real estate developers, housing advocates and tenants’ rights groups
  - Two-year term
  - Meet quarterly
- Objectives:
  - Reach out to owners of NOAH and deed-restricted properties at risk of expiration of affordability.
  - Educate community members, NOAH owners and stakeholder groups about preservation resources and funding.
  - Revise the Preservation Priority Matrix over time to align with changing City goals and priorities.
  - Community engagement and outreach.
## Preservation Collaborative Membership

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>REPRESENTATIVE ORGANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRO Owner or Stakeholder Representative</td>
<td>Proposed: Downtown San Diego Partnership</td>
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<tr>
<td>Affordable Housing Development Community</td>
<td>Proposed: San Diego Housing Federation</td>
</tr>
<tr>
<td>Tenants’ Rights Organization</td>
<td>Proposed: Legal Aid Society of San Diego</td>
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<tr>
<td>Community Lending</td>
<td>Proposed: City-County Reinvestment Task Force Member – Local Initiatives Support Corporation (LISC) San Diego</td>
</tr>
<tr>
<td>Multifamily Housing Owners</td>
<td>Proposed: Southern California Rental Housing Association</td>
</tr>
<tr>
<td>At-Large Member</td>
<td>Proposed: Member, Community Planning Group – Barrio Logan</td>
</tr>
<tr>
<td>At-Large Member</td>
<td>Proposed: General member with interest and/or expertise</td>
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</tbody>
</table>
### CATEGORY

<table>
<thead>
<tr>
<th>Technical Support</th>
<th>REPRESENTATIVE ORGANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Housing Liaisons</td>
<td>Proposed: City of San Diego - Economic Development</td>
</tr>
<tr>
<td>2. Housing Administrator</td>
<td>San Diego Housing Commission</td>
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</table>
That the SDHC Board of Commissioners confirm the nomination categories and representative organizations to serve on the first Preservation Collaborative Stakeholder Group for the City of San Diego and authorize SDHC’s President & Chief Executive Officer, or designee, in consultation with each organization confirmed, to select the individual representing each organization who will serve on the Preservation Collaborative Stakeholder Group.