August 5, 2022

Honorable Governor Gavin Newsom  
State of California  
1021 O Street, Suite 9000  
Sacramento, CA 95814  

Dear Honorable Governor Newsom,

The San Diego Housing Commission (SDHC) looks forward to the long-term, positive impacts from the State of California’s historic investments to address housing affordability and homelessness crises through the Fiscal Year (FY) 2022-2023 State Budget. However, opportunities exist for which additional funding is needed for more immediate potential City of San Diego and SDHC initiatives to provide housing assistance for individuals and families with low income or experiencing homelessness.

As part of final budget trailer bills, SDHC requests that you consider the following urgent items to address the robust homelessness challenges in the City of San Diego and promote workforce development for families with low income:

1. **$5 million: Relocation of the Bridge Shelter at 16th and Newton.**  
   Bridge Shelters in the City of San Diego offer a centralized location and safe place for men, women and children experiencing homelessness to receive temporary housing and appropriate services needed to expedite placement into permanent housing. A proposed housing development will require the relocation of the Bridge Shelter located in a Sprung Structure at 16th Street and Newton Avenue, which currently provides 276 shelter beds for single adults. SDHC requests funding to relocate this Bridge Shelter to ensure these shelter beds remain available for San Diegans experiencing homelessness. Funding has been identified and approved for shelter operations; however, the need for shelter relocation was not anticipated. No funding has been identified to deconstruct the shelter, identify a new site, complete required site preparation including utility and water connections, and reconstruct the structure at the new site.

2. **$2.6 million: Safe camping pilot program site.**  
   SDHC proposes to set up a safe camping location for individuals experiencing unsheltered homelessness who are traditionally more hesitant to engage in and accept services. A safe village would provide individuals experiencing unsheltered homelessness a safe, short-term, low-barrier and non-congregate alternative to the existing array of shelters. A safe village would provide living accommodations, access to sanitation resources, meals, and connection to supportive services in an environment that is safer than street homelessness, including spaces such as sidewalks and unsanctioned
encampments. On-site services would foster connections to, or placements into, the broader community system of care, such as community resources, shelters, behavioral health and primary care resources, and when available, permanent or longer-term housing.

3. **$570,000: SDHC Achievement Academy workforce development programs.**
   The SDHC Achievement Academy is a learning and resource center that provides opportunities to help households with low income become more financially self-reliant. Programs emphasize career planning, job skills, and personal financial education. These programs are available at no cost for individuals and families with low income in the City of San Diego. Households with low income citywide are eligible to participate in SDHC Achievement Academy programs through its designation as an EnVision Center. The average hourly wage of SDHC Achievement Academy participants who have been placed in jobs has increased approximately 40 percent in the last five years. SDHC requests funding to support additional programming to serve approximately 60-75 households.

Additional investments today also are necessary to support longer-term opportunities for housing and homelessness solutions. SDHC further requests your consideration of the following items:

1. **Funding to finalize financing for pending affordable housing developments in the pipeline.**
   Eight affordable housing developments, totaling 793 units, currently in the production pipeline, need additional funding to move forward with construction. State funding could help fill these financing gaps to enable these developments to advance toward construction and completion. They are currently awaiting determinations on their applications for competitive financing sources necessary to move forward with construction.

2. **$25 million: Acquisition of the California Theatre in downtown San Diego.**
   The California Theatre, a 95-year-old, blighted venue in downtown San Diego, represents an opportunity through adaptive reuse to provide affordable housing as part of the City of San Diego’s Civic Center effort to redevelop a broader site, including the City Administration Building and other facilities. With one-time funding to purchase the California Theatre property, SDHC can work with the City to leverage the site as part of a Civic Center redevelopment to further prioritize affordable housing.

3. **$350,000: Feasibility study and predevelopment expenses for the former Central Library site.**
   The former Central Library site has been vacant for nine years and is a prime opportunity for an adaptive reuse project. It is a public asset that should be redeveloped into affordable housing. City of San Diego Mayor Todd Gloria is leading the effort to address current deed restrictions on the site and explore an interim shelter use. However, long-term planning for the site is needed. One-time funding would support a feasibility study and predevelopment expenses, such as potential due diligence evaluations of the property.

4. **$5 million: Planning grant to fund a future densification of SDHC’s existing owned real estate assets.**
SDHC, including its nonprofit affiliate, owns or manages 4,120 affordable rental housing units throughout the City of San Diego that could be redeveloped to take advantage of increased density available due to zoning changes approved by the City of San Diego and State of California.

5. **$5.3 million: Preservation of existing affordable rental housing units.**

   In May 2020, SDHC released “Preserving Affordable Housing in the City of San Diego,” a study analyzing the City of San Diego’s housing preservation needs, which included cost estimates for addressing the challenges identified through the report. The report’s recommendations included the creation of an Interagency Preservation Working Group, which consists of public entities, including the City of San Diego, SDHC staff, and representatives from HCD. These public entities are responsible for the production and preservation of affordable housing. This group identified deed-restricted affordable rental housing units that could be preserved if $5.3 million in additional funding were available.

You and the California Legislature have demonstrated tremendous leadership by enacting a budget that rightly focuses on expanding housing affordability and implementing homelessness solutions in California. The FY 2022-2023 State Budget provides billions of dollars toward affordable housing production and invests more than $1 billion to local governments for homelessness programs and your decisions will definitely help provide immediate and impactful solutions for families struggling with the high cost of living in the state.

SDHC will continue to maximize its utilization of existing funding and will explore all funding opportunities; however, additional funding is necessary for specific initiatives in the City of San Diego as we work with a variety of organizations throughout the community to provide affordable and accessible homes for San Diegans in need.

Thank you for your consideration.

Sincerely,

Eugene Mitchell
Chair of the Board of Commissioners
San Diego Housing Commission