



SOHO 2022 Preservation Brief: Older Buildings Support Affordable Housing

Affordable Housing Issues

SOHO recognizes that San Diego County has a severe shortage of affordable housing, with median housing prices at \$842,000 for a single-family home and \$545,000 for a condominium in 2021, according to the San Diego Association of Realtors. Factors that contribute to this affordability crisis include demolishing older building stock that could otherwise contribute to San Diego’s naturally occurring affordable housing (known as NOAH), the growing international interest in purchasing housing in San Diego, required parking spaces for new residential units, and the upzoning of land, allowing for higher density development, which fuels land speculation and often leads to gentrification and displacement.

	Units At Risk (2020-2040)	Units At Risk Per Year	Gap Financing Needed Per Year	Estimated Total Preservation Cost Per Year
Deed-Restricted Units	4,200	210	\$14 million	\$85 million
NOAH Units	9,250	462	\$72 million	\$315 million
TOTAL	13,450	672	\$86 million	\$400 million

2020 San Diego Housing Commission Report: Preserving Affordable Housing in the City of San Diego

“I find no evidence for short- or medium-term increases in housing-unit construction...[which indicates] that upzoning does not produce a [housing] supply response within five years after policy implementation.”

Upzoning Chicago: Impacts of a Zoning Reform on Property Values and Housing Construction, 2019

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What is affordable housing?

Subsidized

- Subsidized housing is for low-income households, the elderly and the disabled. The tenant pays no more than 30% of their monthly income toward rent and HUD (the federal Department of Housing and Urban Development) pays the remainder. If you have no income, you pay \$0.

- Subsidized housing is usually offered via an application process with a waiting list. These waiting lists are usually many years long. However, if you cannot afford other housing options, it is a good idea to apply.

Unsubsidized

- Often referred to as naturally occurring affordable housing (NOAH), unsubsidized affordable housing encompasses residential rental properties that are affordable, but NOT subsidized by any federal program. Their rents are relatively low compared to the regional housing market.

- NOAH properties are typically rental buildings or complexes built between 1940 and 1990.

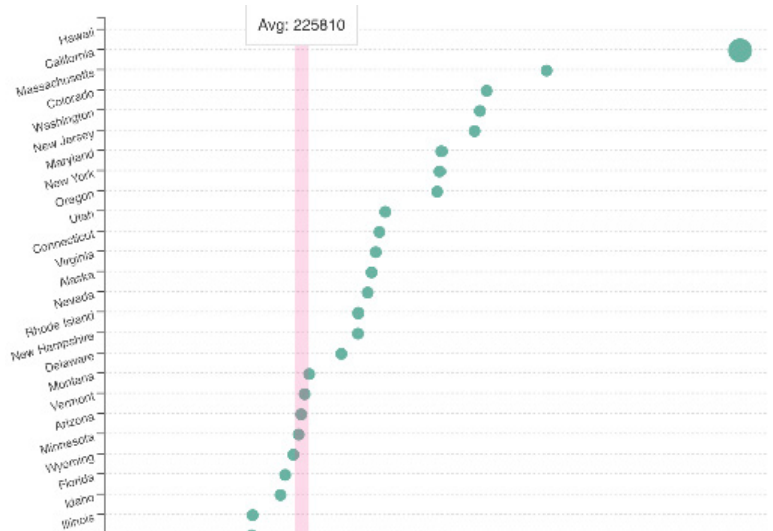
- NOAH units are the most common affordable housing in the United States. When rents increase, low-income families lose access to this housing.

Information from Neighbor to Neighbor and Noah Impact Fund

“Preservation of existing unrestricted, naturally occurring affordable housing (NOAH) can be more cost-effective on a per-unit basis than producing new units...”

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This graph illustrates exceedingly high average home values in California. Median Home Values 2022, WorldPopulationReview.com.

Investing in Older Buildings is Part of the Solution

Older buildings play a significant, relatively untapped part in meeting affordability and housing needs. They help alleviate the housing crisis because existing buildings are inherently more affordable and sustainable, and they don't contribute to the landfill. Reinvestment in existing buildings also creates housing faster, due to less processing and construction timelines, and is cheaper thanks to the reuse and renovation of buildings. This community-based solution serves to keep people in their neighborhoods, supports home ownership, and minimizes displacement. This is why SOHO supports policies that promote repair, maintenance, and adaptive reuse of existing buildings over new construction.

“By preserving existing affordable housing in older neighborhoods and creating new units through the rehabilitation of vacant and underused spaces, preservation has an important role to play in addressing the affordable housing crisis.”

*Preservation Priority: Affordable Housing and Density,
National Trust for Historic Preservation, 2021*

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4270-4273 Campus Avenue. Courtesy San Diego Bungalow Courts and Apartment Courts Historic Context Statement



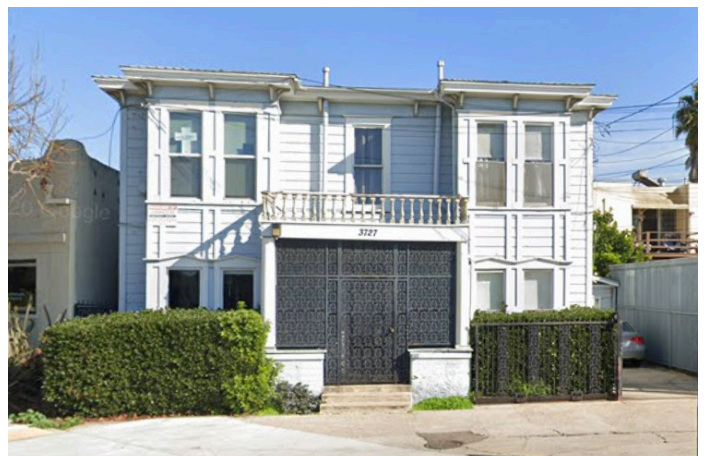
4437-4451 Louisiana Street. Courtesy Google Street View

These pictures demonstrate three types of NOAH in San Diego. They are a bungalow court (above), an apartment court (left) and a single-family home converted into apartments (below).

According to the Joint Center for Housing Studies of Harvard University, “approximately 75% of the nation’s existing affordable housing is found in unsubsidized, privately owned buildings.”

*The State of the Nation’s Housing 2019, Joint Center for
Housing Studies of Harvard*

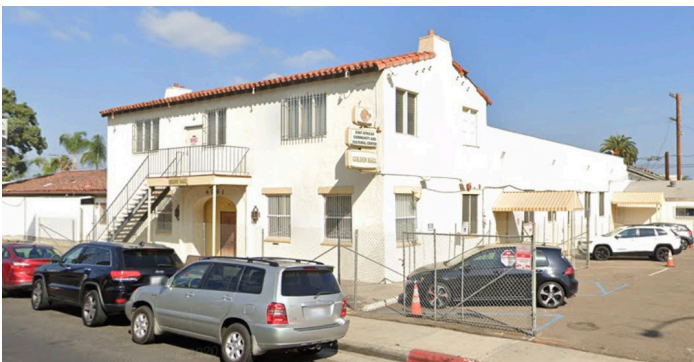
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3727 Park Boulevard. Courtesy Google Street View

Recommendations and Missed Opportunities

Here are SOHO's three main recommendations for how investing in older buildings and historical resources can help alleviate San Diego's affordable housing shortage. **First**, stop demolishing the existing naturally occurring affordable housing. This can be done through data collection that identifies the location of below-market rate housing and incentivizing reinvestment in these buildings. **Second**, adopt and implement a citywide adaptive reuse ordinance to create more housing. This regulation should focus on buildings completed in 1975 or earlier and will help keep housing near transit corridors and thoroughfares, while retaining a community's sense of place and character. The ordinance should also provide incentives for relocating older buildings as a preferred alternative to demolition. **Third**, promote the redevelopment of modern strip malls and office complexes, especially those on large lots. These increasingly doomed structures tend to come with essential infrastructure and proximity to transit. By incentivizing the redevelopment of these omnipresent building types, established communities can retain their character and sense of place, and its members will not be displaced.



Courtesy Google Street View

Missed Opportunity: 4061 Fairmount Avenue, City Heights The historic American Legion Post 201 once served as a meeting and ceremonial space for United States Armed Forces veterans of World War I. It is being demolished for a new affordable housing project, which lacks the benefits of adaptive reuse: retaining embodied energy, contributing less to the landfill, and preserving the neighborhood's social and cultural history.



Courtesy Historic Research Report

Missed Opportunity: 651 17th Street, East Village This bungalow court has been cleared for demolition. However, it provides nine unsubsidized units for renters, offering privacy, shared outdoor space, and access to a walkable and densely populated downtown neighborhood.



Courtesy Google Street View

Missed Opportunity: 2761 Fifth Avenue, Bankers Hill Park Chateau apartments in Bankers Hill, associated with St. Paul's Cathedral, offered 16 naturally affordable residential units with historical character. These unsubsidized units were demolished for a 204-unit high-rise, named 525 Olive, that has 18 subsidized affordable units (11.3% of the total project). Monthly rents start at \$2,830 for a studio and \$3,393 for a one-bedroom. This new project eliminated desperately needed unsubsidized affordable housing and displaced several long-term renters who rely on NOAH to live in San Diego.

Success Stories

These San Diego success stories illustrate how investment in older buildings and historical resources in urban neighborhoods can result in affordable, sustainable housing. For these reasons, it is important to support and promote policies that repair, maintain, and reuse buildings, rather than favoring new construction.

“Preserving the existing inventory of affordable rental housing wherever possible is essential as part of a comprehensive approach to address the housing affordability and homelessness crises and to retain affordable options for all residents.”

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Photo by Amie Hayes

Success Story: 2001 Fourth Avenue, Bankers Hill Originally constructed as the Rees-Stealy Medical Clinic, this three-part historically significant structure includes Spanish Revival, Art Deco, and Brutalist style components. When the building became obsolete, it could easily have been demolished. Instead, a developer saw its potential and successfully converted the medical facility into 82 studio, one- and two-bedroom apartments. The original entry at the corner of Fourth and Hawthorn is now a bustling coffee shop. This mixed-use development demonstrates how adaptive reuse supports the economic, aesthetic, and historical elements of San Diego neighborhoods.



Courtesy Google Street View

Success Story: 2208-2224 30th Street, Golden Hill Purchased by the Wounded Warrior Project, this nine-unit bungalow court features a two-story airplane bungalow. Its rehabilitation complies with historic preservation and ADA standards. Located in the heart of Golden Hill, this bungalow court is near transit, within walking distance of amenities, and enhances community character and camaraderie.



Courtesy H2 Architects

Success Story: 470 Nautilus Street, La Jolla Located on a busy thoroughfare, this 1964 building once housed medical offices. Considered by some to be an “ugly and outdated” design, developers envisioned adapting this vacant building into a mixed-use, multi-family housing project. A small market on the ground floor caters to the residents of the building’s 15 rental units. This transformation showcases how creativity and the imagination can help when assessing the potential of our city’s older building stock.

Further Reading

Economists, universities, other cities, national organizations, and more continue to study data and provide extensive evidence that demonstrates the value of older building stock for affordable housing. **Please explore the resources below for further reading on this critical and rapidly developing topic.**

