

Affordable Housing LA

22nd – 23rd September 2021 | The Line Hotel, Los Angeles, USA

Book on Affordable Housing LA and also attend :

- **Data Analytics in Construction LA**
- **Modular Construction LA**
- **BIM LA**

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"A person would need to earn full time (40 hours a week, 52 weeks a year) in order for a two-bedroom rental unit to be affordable by the official government standard."

– The National Low Income Housing Coalition report in Out of Reach 2014

EVENT OVERVIEW

Cities are growing at an unprecedented rate, presenting an incredible opportunity for the development of local economies. However, it also comes with a spike in the housing price. Residents need good, affordable housing. A world in which only a few can afford housing is not sustainable. Everyone deserves a safe place to live. The federal Department of Housing and Urban Development (HUD) defines an "affordable dwelling" as one that a household can obtain for 30% or less of its income.

According to UN figures, only 13% of the world's cities have affordable housing (UN HABITAT, 2016). In 2014, McKinsey estimated that 330 million urban households were living in substandard housing or were financially stretched by housing costs. Millennials across the world are spending more on housing than any previous generation, with a lower quality of life. The U.S. Department of Housing and Urban Development emphasizes that the number of renters with "worst case housing needs" are unassisted, very low-income households paying more than half of their income for housing or living in substandard housing conditions.

Trueventus' Affordable Housing Los Angeles is a unique platform where we bring together experts to showcase their top-notch keynote presentations and case studies. Join us for the opportunity to examine the issues of affordable housing critically and discuss on innovative ways to address the challenges.

WHY YOU CANNOT MISS THIS EVENT

- Access the best practice of the cutting-edge technology of construction and building maintenance of affordable housing
- Gain insights of the latest tech and innovation to aid developers for better market strategy
- Keep up with the update and direction of the property market in the nation that will shape the industry
- Explore the value of digital platforms to optimize the market dynamics as well as building management
- Discuss strong policy and regulatory framework for a healthy development practice to attract foreign investors

WHO SHOULD ATTEND?

Government Authorities & Ministries, Director Generals, Secretary Generals, Heads, Officers of:

- Housing
- Affordable Housing
- Finance
- Public Private Partnership
- Development
- Urban Planning
- Projects
- Investments
- Economic Development
- Urban Redevelopment
- Construction
- Public works
- Rural development

Property Developers, Construction Firms, Contractors & Builders, Chairmen, Presidents, CEOs, MDs, VPs, Directors, GMs and Heads of:

- Planning and Development
- Urban Planning
- Land Surveying
- Operations
- Projects
- Building & Constructions

Others

- Non-Profit Housing Providers
- Consultants • Investors

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FEATURING PRESENTATION AND CASE STUDIES BY DISTINGUISHED SPEAKERS



Bobbie Hill
Principal
Concordia, Louisiana



Scott Merusi,
Director of Affordable Housing
& Economic Development
PMD Advisory Services, LLC, Ohio



Brian Gaudio
CEO
Module, Pennsylvania



Steve Glenn
CEO
Plant Prefab, California



Christine Hess
Executive Director
Nevada Housing Coalition, Nevada



Greg Welch
Founder and CEO
Rize Modular, California



Neal I. Payton
Principal
Torti Gallas + Partners, California



Shady Fayed
Director
**CRP Affordable Housing and Community
Development, California**



Lawrence Scarpa
Co-Founder and CEO
BROOKS + SCARPA, California



Mukhtar Latif
CEO and Chief Housing Officer
**Pomegranate Housing Consultancy,
Canada**



Erich Yost,
Senior Management Analyst -
Opportunity Zones
**U.S. Department of Housing and
Urban Development, California**



Chellee Unruh
Housing Manager
City of Sioux Falls, South Dakota



Leonora Camner
Executive Director
**Abundant Housing LA, Member of
the Santa Monica Housing
Commission, California**



Melissa S. Lee
Director of Planning and
Community Engagement & West
Coast Division Lead
Concordia, Louisiana



Jennifer Litwak
Executive Director
Housing on Merit, California



Judson Brown
Housing Division Manager
**City of Santa Ana, Santa Ana,
California**

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Day One: Wednesday, 22nd September 2021

0800 Registration & coffee

0845 Opening keynote address

0900 Session One

New-generation development of affordable housing and design

- How innovations in design and construction can reduce the costs of multifamily housing
- Building a more efficient and economical interior
- Variation of themes and layout to increase space

Lawrence Scarpa, Co-Founder and CEO

BROOKS + SCARPA, California

0945 Session Two

Addressing well-functional property markets as financial solution for affordable housing

- Examining the barriers preventing investors from financing affordable housing
- Looking at various methods to stimulate private investment in affordable housing development involving - financial cost, planning regulation, tax incentive etc
- Evaluating the reward and risks of the proposed methods

Jennifer Litwak, Executive Director

Housing on Merit, California

1030 Morning refreshment

1100 Session Three

Solving LA's Residential Crisis: Promoting a new hybrid prefabrication system as the efficient way to mass produce urban infill housing

- Improves a project's speed-to-market by synchronizing offsite and onsite work
- Ensures a high level of quality as well as consistency in construction
- Minimized labour requirement onsite

Steve Glenn, CEO

Plant Prefab, California

1145 Session Four

Redefining National Public Policy for affordable housing for the changing needs in the market

- The roles of the public and private sector in providing affordable homes under a holistic master planning
- Government facilitate and incentivise affordable housing development
- Address the structural problems in developing properties

Christine Hess, Executive Director

Nevada Housing Coalition, Nevada

1230 Networking luncheon

1400 Session Five

Leveraging green and sustainable technology in energy-efficient affordable housing

- Using a life-cycle approach, green affordable housing is more cost effective in net present value (NPV) terms than conventional affordable housing
- Planning and design approaches for energy efficiency in affordable housing

Judson Brown, Housing Division Manager

City of Santa Ana, Santa Ana, California

1445 Session Six

Transit-oriented Development: Building co-existence between residential and transit infrastructure

- Developing financing methods
- Crafting transit supportive design guidelines
- Providing effective access by alternative transportation mod

Neal I. Payton, Principal

Torti Gallas + Partners, California

1530 Afternoon refreshment

1545 Session Seven

Structuring taxation model to improve urban development funds and optimizing land use

- The consistency of a country's tax burden with its broader development objectives
- Understanding the potential tax effects on investment
- Policy concerning the readjustment of inefficient land use

Erich Yost, Senior Management Analyst - Opportunity Zones

U.S. Department of Housing and Urban Development, California

1630 Session Eight

Leveraging partnerships between the social housing sector and the private housing to create mixed tenure communities

- Building on positive mixed developments and communities that attract partnerships and sales
- Moving past segregation and combining the social and private features
- Learning the demands and needs from the communities and projecting proper plans

Mukhtar Latif, CEO and Chief Housing Officer

Pomegranate Housing Consultancy, Canada

1700 Session Nine

Big Data Era: A data-driven approach for developers to transform affordable housing market strategy

- Exploring the affordable housing schemes and the potential to address the demands in US
- Assessing the effectiveness to developing a city for long-term sustainability through case studies
- Looking through the Big Data lens from a massive urban database and a better understanding of the housing landscape

(Speaker to be advised)

1730 End of day one

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Day Two: Thursday, 23rd September 2021

0830 **Registration & coffee**

0845 **Opening keynote address**

0900 **Session One**

The needs of sound planning and integrated urban development framework for sustainable community

- How planning system requirements for affordable housing are structured internationally
- Different forms planning approaches could take in US
- Key policy questions that need to be addressed when developing these approaches

Melissa S. Lee, Director of Planning and Community Engagement & West Coast Division Lead
Bobbie Hill, Principal
Concordia, Louisiana

0945 **Session Two**

How do we plan a housing future for Los Angeles? Centering sustainability, equity, affordability, and economic recovery

- Exclusionary zoning contributions to high housing costs, traffic, and GHG, and perpetuates racial segregation
- Housing abundance is necessary to address the housing and homelessness crisis
- As a culture we need to reframe how we think about density and break out of the single family suburban model

Leonora Camner, Executive Director
Abundant Housing LA, Member of the Santa Monica Housing Commission, California

1030 **Morning refreshment**

1100 **Session Three**

Algorithmic Zoning: What is needed to maximize the vibrancy of a community

- Using data - commute times, housing unit costs, amenities scores and health outcomes
- To shape development, correcting for externalities and rewarding pro-social behaviour

Chellee Unruh, Housing Manager
City of Sioux Falls, South Dakota

1145 **Session Four**

Exploring the cooperation between private-sector investors, governments and international organizations to raise long-term funding and investment

- Clarifying the roles of private developers and housing providers in delivering affordable housing
- Exploring the challenges and opportunities of partnerships in supporting affordable housing initiatives
- Discussing ways to establish the right balance to support each other's needs

Scott Merusi, Director of Affordable Housing & Economic Development
PMD Advisory Services, LLC, Ohio

1230 **Networking luncheon**

1400 **Session Five**

Faster Services through Modular Means: Integrating prefabricated elements to deliver housing projects on time and on budget

- Addressing latest innovation in building material technologies and housing construction products
- Focusing on capital productivity such as the use of design-to-value techniques and standardization, efficient purchasing, lean execution techniques and efficient procurement
- Using industrial construction methods such as moving critical construction processes off-site or using advanced on-site techniques

Greg Welch, Founder and CEO
Rize Modular, California

1445 **Session Six**

Debunking Myths: Discovering the solution in modular construction to affordable housing

- Looking into the differences in affordable material and method of construction
- Reviewing the key points in geographical and demographical factors affecting housing
- Identifying delivery and best practice for potential financial returns from low cost homes
- Selecting the best method for constructing affordable housing

Mukhtar Latif, CEO and Chief Housing Officer
Pomegranate Housing Consultancy, Canada

1530 **Afternoon refreshment**

1545 **Session Seven**

Effective operation and maintenance management in affordable housing

- Best practices and approaches to improve management in operation and maintenance
- Energy-efficient retrofits, reducing maintenance expenses by using qualified suppliers and
- Through consolidated purchasing

Shady Fayed, Director
CRP Affordable Housing and Community Development, California

1630 **Session Eight**

New Tech Age: Prefabricated modular construction for timely delivery and reduced cost

- Catalysts for the transition to modular for real estate developers
- Rethinking product strategy by enabling modular design
- Build long-term partnerships with modular supplier

Brian Gaudio, CEO
Module, Pennsylvania

1700 **Session Nine**

Architecture innovation in sustainable design and space optimization

- Introducing new housing pattern that is affordable, sustainable and at the same time take into consideration people's idea of living
 - Explanation of the cost and time consumption to develop the project
 - How the house design could act as a transitional housing product that bridges the gap between renting and home ownership
- (Speaker to be advised)**

1730 **End of conference**

Affordable Housing LA

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COMPANY DETAILS

Name	Industry
Address	
Postcode	Country
Tel	Fax

ATTENDEE DETAILS

1	Name	Job Title
	Tel	Email
2	Name	Job Title
	Tel	Email
3	Name	Job Title
	Tel	Email
4	Name	Job Title
	Tel	Email
5	Name	Job Title
	Tel	Email

APPROVAL

NB: Signatory must be authorised on behalf of contracting organisation.	
Name	Job Title
Email	
Tel	Fax
Authorising Signature	

COURSE FEES

	Corporate (Per Delegate)
End of July 2021	USD 1995
1st August 2021 onwards	USD 2495
<input type="checkbox"/> Document Package USD 495	
All options inclusive of delegate pack, luncheon and refreshments.	
LKDM US-IF351	

PAYMENT METHODS

Payment is due in 5 working days. By Signing and returning this form, you are accepting our terms and conditions.	
<input type="checkbox"/>	By Cheque
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REGISTER NOW

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E: johnk@trueventus.com
Take a Snapshot or Scan and Email us
<https://www.linkedin.com/in/john-karras-a454a6a>

SPONSORSHIP AND EXHIBITION OPPORTUNITIES

Limited packages are available.

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T: +603-2775 0067 E: johnk@trueventus.com

TERMS & CONDITIONS

- The course fee is inclusive of the event proceedings, materials, refreshment and lunch.
- Upon receipt of the complete registration form, invoice will be issued. Trueventus request that all payments be made within 5 working days of the invoice being issued. Full payment must be received prior to the event. Only delegates that have made full payment will be admitted to event. Clients are responsible for their own banking fees and banking fees will not be absorbed into the booking price.
- Substitution & cancellations policy. Should the registered delegate be unable to attend, a substitute delegate is welcome at no extra charge. Written notifications of all substitutions is required 5 working days prior to the event. Trueventus contracts carry 100% full liability upon receipt of registration. Non payment does not constitute cancellation. A 100% of cancellation fee will be charged under the terms outlined below. Due to limited event seats, Trueventus agrees to book and confirm the seat for the client upon issuance of invoice. Upon signing of this contract, client agrees that in case of dispute or cancellation of this contract Trueventus will not be for total contract value. If a client does not attend the event without written notification at least 5 working days prior to the event date, he/she will be deemed as no show. A no show at the event still constitutes that the client will have to pay the invoice amount that was issued to them. Trueventus does not provide refunds for cancellations. By signing this contract the client also agrees that if they cancel that Trueventus reserves the right to pursue monies owed via the use of local debt collection agency were the client is situated. Furthermore the client will be held liable for any costs incurred in collection of outstanding monies. When any cancellations are notified in writing to Trueventus 5 working days prior to the event, a credit voucher will be issued for use in future Trueventus events.
- Trueventus will at all times seek to ensure that all efforts are made to adhere to meet the advertised package, however we reserve the right to postpone, cancel or move a venue without penalty or refunds. Trueventus is not liable for any losses or damages as a result of substitution, alteration, postponement or cancellation of speakers and / or topics and / or venue and / or the event dates. If force majeure were to occur Trueventus accepts no responsibility or liability for any loss or damage caused by events beyond their control, including, but not restricted to strikes, war, civil unrest, flight delays, fire flood or any adverse weather conditions. Trueventus is not liable in the event that a participant is exposed or is infected by Covid 19. Trueventus under no circumstances is liable for any other costs that might have been incurred in the attendance of the event, including but not limited to flights, accommodation, transfers, meals etc. Trueventus reserves the right to replace / change speakers in the best interest of the conference.
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- All Trueventus events are held in a classroom or theater format.
- All Trueventus events are held at either 5 or 4 Star Hotels.





RON MILLER

*Los Angeles / Orange Counties
Building and Construction
Trades Council*

Affiliated with the Building & Construction Trades Dept., AFL-CIO

1626 Beverly Boulevard

Los Angeles, CA 90026-784

Phone (213) 483-4222

July 26, 2021

Santa Ana City Council
20 Civic Center Plaza
Santa Ana, CA 92701

City Council Members,

We are writing to provide input on today's study session on housing. The Los Angeles and Orange Counties Building and Construction Trades represent more than 140,000 hard working men and women covering 14 Trades and 49 Labor Organizations. Within the jurisdiction of Building Trades Council, we have approximately 26 apprenticeship training centers that operate day in and day out preparing the future construction workforce in the area.

Our request to continue to urge the City Council to strengthen the Labor component of the Housing Opportunity Ordinance, still stands from when it was amended last year. We recognize the importance of incentivizing residential construction but it must address wages, benefits and apprenticeship training as well. The current Ordinance has verbiage that is only aspirational in nature and given the lack of training offered by the housing sector and the income disparities that exist not only in Santa Ana but across the Nation, we feel that the labor language should be more of a requirement and enforceable. Instead of stating that the application of a *Skilled and Trained Workforce* be aspirational we believe that it should be made a requirement. The State Public Contract Code section 2603 should also be added to the referenced Code in the Ordinance. Furthermore, the Ordinance should reference proof that there is a good faith effort mechanism to do true local/veteran hire.

In the State and across the Nation, construction is separated into two subsectors with strikingly different working conditions: one is a high wage and generally unionized nonresidential construction sector. The other subsector is a low-wage, often exploitative residential construction sector. This has resulted in less training being offered to workers while increasing unsafe working conditions. Construction has the third highest occupational fatality rate of all industrial sectors.

The residential subsector feeds into the State's underground economy with illegal employment practices, applying worker misclassification and cash payments made under the table, earning just 52 cents for every dollar earned by workers with employee status. It is estimated that 19% of California Latino construction workers that were independent contractors were misclassified and only make about 70 cents on the dollar as white workers with the same skills. They are significantly more likely to be uninsured and ironically, struggling with housing costs. A study showed that 70% or more workers in the LA residential construction sector experienced non-payment of overtime and wage theft.

Due to misclassified occupations in the State, construction workers earned a median wage of just \$14.98 in 2017. Overall 16% of construction jobs in California were held by “informal” workers; one-third of these were misclassified and two-thirds were being paid under the table. Latinos dominate the residential sector, comprising 2/3 of the workforce and a disproportionate share of the workers in residential construction are undocumented immigrants—13% nationally in 2014— who may fear reprisals for speaking up for their rights.

In California, 48% of construction working families are significantly more likely to participate in safety net programs compared to the 36% of all other working families. Construction working families participate at higher rates in each of the five programs individually as well. This translates as a large subsidy paid for by the taxpayers of the State.

Given that direct construction labor comprises only 15% of project development costs and construction worker payroll growth has lagged industry price & profit growth, the housing industry has room to absorb wage increases for the men and women building the housing.

Providing Labor Standards through Apprenticeship requirements such as Skilled and Trained Workforce and Prevailing Wages improve productivity, attract new workers and enhance the sector’s productive capacity. In collaboration with our signatory Employers we invest \$200 Million a year into our Joint Labor Management Apprenticeships. It is why we graduate well over 90% of the Journey level workers in construction among the State Certified Apprenticeships.

We have also invested in Santa Ana via our Apprenticeship Readiness Program. We have partnered with Rancho Santiago Community College District at Santa Ana College Continuing Adult Education’s Remington Center by offering our Multi Craft Core Curriculum Course (MC3). We have placed many students that have successfully completed the course into our Apprenticeship Training Centers offering them a pathway to the middle class in careers in construction. We have also partnered with Santa Ana Unified School District offering the MC3 at Century High School. This also provides career opportunities to Santa Ana’s youth into the construction sector.

Because housing affordability amongst blue collar construction workers is also declining — particularly amongst workers of color in high cost metropolitan and coastal regions — incorporating apprenticeship standards into a housing development streamlining package is a reasonable and cost-effective approach for boosting overall supply while helping to close the affordability gap for hundreds of thousands of California families.

So again, we urge that you work with the Los Angeles and Orange Counties Building and Construction Trades Council, its affiliates and associated construction trades to strengthen the labor language in the Housing Opportunity Ordinance, as it was originally proposed unanimously by the Planning Commission last year.

Respectfully,



Ron Miller
Executive Secretary
RM/EM/:ag.opeciu#537/afl-cio



Ernesto Medrano
Council Representative

Building Industry Association of Southern California, Inc.
ORANGE COUNTY CHAPTER



July 26th, 2021

Mayor Vicente Sarmiento
Santa Ana City Council
20 Civic Center Plaza
Santa Ana, CA 92701

Re: Item 1. Housing Opportunity Ordinance Work Study Session

Dear Mayor Sarmiento and Honorable Council Members:

The housing crisis in California grows more serious with each passing day. Studies show that the State needs over 180,000 new units each year and at best we are producing 80,000.

Just over a year ago, this Council made the prudent decision to amend the Housing Opportunity Ordinance (HOO) in order to encourage residential development. That amendment responded to a simple fact: during the 2016 – 2019 period immediately following the 2015 HOO fee increase, 2,900 units were approved by the City, yet *not one permit* was pulled to trigger paying the higher fee.

One election and one year later, here we are again having the same discussion with the same facts. A \$15.00/sf in-lieu fee still renders new residential development financially infeasible.

On Monday, July 26th, this Council will take stakeholder input on a further amendment to the HOO that would largely undo the progress made just one year ago. Make no mistake: undoing the Council's 2020 HOO amendment will put the City back where it was between 2016-2019: projects will not proceed, jobs and tax revenue will not be created, and the City will remain stuck in time. The only technical data supporting the pending amendment is a June 28, 2021 memo from the City's consultant, Keyser Marston Associates, Inc. (KMA).

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EXECUTIVE OFFICER
STEVE LA MOTTE

BIA members experienced in the development of both market rate and affordable housing have closely reviewed the KMA memo's assumptions against their actual proformas. The conclusion of this review is clear: KMA vastly overstates the prototypical project's returns as well as the supportable in-lieu fee. BIAOC's detailed analysis supporting this conclusion is attached hereto as Attachment A.

Given all this, BIA respectfully requests that this Council direct KMA to revisit its assumptions based on the data set forth in Attachment A. Until that is done, this Council should not proceed with any changes to the current HOO.

Thank you for your thoughtful consideration.

Respectfully,



Steven C. LaMotte
Executive Officer

ATTACHMENT A

Santa Ana Housing Opportunity Ordinance **Review of KMA Analysis**

Conclusion: KMA's analysis reflects several flawed assumptions with respect to Rental Residential Development that overstate the prototypical project's returns as well as the supportable in-lieu fee, including:

1. Acquisition / land costs are significantly understated.

- KMA assumed **\$43,560 per Unit** or \$60 per Land SF
- BIA members' actual projects demonstrate that higher land costs of **\$65,000 to \$100,000 per Unit** are more realistic.
- Understating land costs artificially inflates the prototype project's returns as well as the supportable in-lieu fee.

2. Construction costs are significantly understated.

- One BIA member is currently developing three **affordable** housing rental projects with **significantly higher construction costs** vs. KMA's market-rate prototype projects.
 - o Avg. construction costs: **\$317/gsf → \$43/gsf HIGHER** vs. KMA's market-rate prototype project
 - o Avg. TDC: **\$521/gsf → \$120/gsf HIGHER** vs. KMA's market-rate prototype project
- New ground-up market-rate projects will require **much higher hard costs** when compared to BIA's example affordable projects in order to achieve the rent premiums garnered by 4-star (and above) properties identified in KMA's rent survey.
 - o Therefore, KMA's hard costs are significantly understated.
- Furthermore, due to the spike in construction costs, the cost estimates that BIA's members are receiving today are significantly higher than those received from contractors 6-12 months ago.

3. Parking costs are potentially/likely understated.

- KMA's analysis underwrites parking at 1.70 stalls per unit, in order to be compliant w/ the City's parking code.
- However, KMA's analysis does not mention whether parking is assumed to be structured, surface, below-grade.
- Given the City's conservative parking requirements, parking is a significant driver of hard costs.
- If parking costs are also understated, consistent w/ KMA's understated assumptions on construction costs, the prototype project's returns would suffer further.

4. Efficiency factor is overstated

- KMA assumed an efficiency factor (NRSF / Gross Building Area) of 85%, which is too high and not realistically achievable.
- An efficiency factor of 75-80% is more appropriate.
- Overstating efficiency artificially inflates the prototype project's returns as well as the supportable in-lieu fee.

5. Return metrics are not fair and reasonable.

- KMA's rental development generates a return on total investment of **4.6%** - this does **not** represent a "fair and reasonable return."
- Yield on cost of at least **5.25%** represents a more reasonable market rate of return.
- Driving to a below-market rate of return inflates the supportable in-lieu fee.

6. Lower market-rate rents in Santa Ana restrict the City's ability to support in-lieu fees.

- Santa Ana historically has some of the lowest rents in the County and is less capable of supporting an in-lieu fee when compared to Irvine, Newport Beach, etc.
 - o Market rate developers incorporate the costs of such fees into their capitalized budgets. For a project to be financially feasible, however, the project's costs have to be supportable by the rents in the area.
 - o Construction costs, design costs, insurance, marketing and financing costs do not change by city. These costs remain the same whether you are building in Santa Ana, Irvine or Newport Beach.
 - o Consequently, cities with higher rents are able to afford higher in-lieu fees. Cities with lower rents are able to afford less.
 - o Historically, Santa Ana has had the lowest rents in the County. Santa Ana should have the lowest in-lieu fees in the County but it doesn't.

Continued... ..

Below is a comparative analysis of KMA's prototype market-rate projects vs. three BIA member affordable projects that are in predevelopment / under construction:

Comparative Analysis of KMA Prototype Projects vs. Recent BIA Member Affordable Rental Projects					
	KMA PROTOTYPE MARKET-RATE PROJECTS		BIA MEMBER AFFORDABLE RENTAL PROJECTS		
	Rental	Condos	Fountain Valley	Ontario	Irvine
PROJECT DATA					
Land SF	217,800	43,560	85,378	93,654	280,962
Units	300	36	50	50	144
Gross Building Area	343,676	68,707	46,175	58,971	152,965
NRSF / Saleable Area	292,125	58,410	36,940	47,177	122,372
<i>Efficiency</i>	85%	85%	80%	80%	80%
DEVELOPMENT COSTS AS OF:	<i>n/a</i>	<i>n/a</i>	Dec-20	Apr-21	May-21
Acquisition/Land Cost	\$13,068,000	\$2,614,000	\$6,214,056	\$2,700,000	\$3,470,000
<i>Per Unit</i>	<i>\$43,560</i>	<i>\$72,611</i>	<i>\$124,281</i>	<i>\$54,000</i>	<i>\$24,097</i>
<i>Per Land SF</i>	<i>\$60</i>	<i>\$60</i>	<i>\$73</i>	<i>\$29</i>	<i>\$12</i>
Direct/Construction Costs	\$94,230,000	\$14,423,000	\$16,320,000	\$17,949,243	\$44,791,423
<i>Per GSF</i>	<i>\$274</i>	<i>\$210</i>	<i>\$353</i>	<i>\$304</i>	<i>\$293</i>
Indirect + Financing Costs	\$30,965,000	\$5,417,000	\$6,846,667	\$8,780,377	\$17,318,922
<i>Per GSF</i>	<i>\$90</i>	<i>\$79</i>	<i>\$148</i>	<i>\$149</i>	<i>\$113</i>
Total Development Costs	\$138,263,000	\$22,454,000	\$29,380,724	\$29,429,619	\$65,580,345
<i>Per Unit</i>	<i>\$460,877</i>	<i>\$623,722</i>	<i>\$587,614</i>	<i>\$588,592</i>	<i>\$455,419</i>
<i>Per GSF</i>	<i>\$402</i>	<i>\$327</i>	<i>\$636</i>	<i>\$499</i>	<i>\$429</i>

KMA's analysis reflects a bias in favor of Ownership Development relative to Rental Development:

1. KMA's analysis reflects a bias towards ownership/condominium housing over rental in order to support the City's stated policy goals.
 - The City is striving to prioritize home ownership, as stated in its annual RFP for Affordable Housing Development.
2. KMA's ownership/condominium development analysis reflects **lower** direct/construction costs relative to its rental development analysis, on a per GSF basis.

- KMA's condo construction costs = \$210/gsf
- KMA's rental construction costs = \$274/gsf
- BIA member's affordable rental construction costs = \$317/gsf
- Conversely, ownership/condo development should reflect **higher** construction costs vs. rental.
- When compared to BIA member affordable rental projects, KMA's condo construction costs are significantly understated.

3. Additionally, KMA's ownership analysis generates **developer profit of 8.5% - this does not represent fair and reasonable profit.**

- Driving to below-market profit metrics also overstates the supportable in-lieu fee.
- Developer profit of 15-20% represents more reasonable profit metrics.

Araiza, Fatima

From: Dave Elliott <delliott@santaanachamber.com>
Sent: Monday, July 26, 2021 11:39 AM
To: eComment
Subject: Special Session on Affordable Housing

Dave Elliott, President/CEO

I plan to participate via Zoom but in case not heard just want to reiterate my position to not raise the WOO from \$5.00 to \$15.00 at this time. Coming out of a devastating Pandemic to our community including our businesses and residents it is not prudent at this time to impose additional regulations, increased taxes and fees. We need additional affordable housing but this can discourage future residential development from our city. I believe no project while the \$15 was in place and 2 projects since September 2020 at the \$5.00 fee.

I think to at least delay this for 1 year would be something to look at or a compromise in the fees increased over time.

I do not think we need to discourage business at this point. We may want more housing and affordable but we cannot make developers come if they cannot make it work.

thanks for consideration

Dave E

July 26, 2021

www.kennedycommission.org

Mayor Sarmiento and Council Members
City of Santa Ana
20 Civic Center Plaza
P.O. Bo 1988, M31
Santa Ana, CA 92701

17701 Cowan Ave., Suite 200

Irvine, CA 92614

949 250 0909

Re: Support: Strengthen Housing Opportunity Ordinance and Affordable Housing Funds Policies and Procedures

Dear Mayor Sarmiento and City Councilmembers,

The Kennedy Commission (the Commission) is a broad-based coalition of residents and community organizations that advocates for the production of homes affordable for families earning less than \$27,000 annually in Orange County. Formed in 2001, the Commission has been successful in partnering and working with Orange County jurisdictions to create effective housing and land-use policies that has led to the new construction of homes affordable to lower income working families.

Our letter is supporting the proposed amendments to the Housing Opportunity Ordinance and Affordable Housing Funds Policies. Many working families in Santa Ana continue to be impacted by the rising cost of housing and the scarce housing available at rents they can afford. In addition, many continue to face economic uncertainty because of the ongoing COVID-19 pandemic and loss of jobs. It is crucial that the City strengthen the Housing Opportunity Ordinance (HOO) to ensure that housing opportunities are created for all residents in Santa Ana. Increasing affordable housing development opportunities along with market rate housing will be crucial in creating new affordable housing that residents in Santa Ana can truly afford. The creation of housing at all income levels is vital to our recovery and stability of the majority of Santa Ana residents that are struggling with housing availability and cost. Creating new affordable housing needs to continue to be a top housing priority in Santa Ana.

The City of Santa Ana is a renter majority city and despite the City's progress towards meeting its Regional Housing Needs Assessment (RHNA) allocation for very low and income housing there continues to be a great need for housing that is affordable to its residents. The current pandemic has increased the economic and housing pressures on low-income families in Santa Ana. As incomes are decreasing and jobs are being lost, many low-income families are struggling to remain housed. This is especially true for the majority of Santa Ana's low-income households that are suffering with the impacts of housing cost and economic uncertainty. As an example, according to the City's local data, 70 percent of Santa Ana renters are low and very low-income renters.

¹ City of Santa Ana General Plan Housing Element 2014-2021, p. 14, January 2014.

² City of Santa Ana General Plan Housing Element 2014 – 2021 page 11

³ City of Santa Ana General Plan Housing Element 2014 – 2021 page 20

80% of renters in Santa Ana fall into the moderate, low and very low-income category and 84 percent of residents hold low-income occupations that pay less than \$53,500 per year. Santa Ana's households are predominantly families comprising 81% of households. These households are also rent burdened and live-in overcrowded conditions.

While the city has seen increased production of affordable housing there has been a larger increase of above moderate housing with the city's 3,274 RHNA above moderate allocation being exceeded by 3,638% per the City's RHNA progress reports submitted to the state. With average rents of \$2000 - \$4000, none of these above market rent units are affordable to most of Santa Ana's working families.

The need will be much greater as the COVID-19 pandemic has exacerbated needs that were already existing in our communities. Housing costs in Santa Ana have been out of reach and will continue to be out of reach in this current economic climate. Households in Santa Ana must earn \$44.83 an hour to afford two-bedroom housing. The proposed amendments further incentivize housing units with market rate rents and are not affordable to the majority of the City's residents.

As such, we support the following amendments to the Housing Opportunity Ordinance and Affordable Housing Funds Policies and Procedures:

Housing Opportunity Ordinance – Options to satisfy Inclusionary requirements

- **Proposed amendment to increase the in-lieu fee from \$5 to \$15 sq ft**

The City should ensure that affordable housing is built on housing developments or allow for developers to pay their fair share to allow the City to meet Santa Ana residents to housing needs at lower incomes. The City must continue to prioritize a 15% affordable housing requirement focused on extremely low, very low and low. The City needs to update the in-lieu fee to \$15 to be in line with a fee that is fair and allows the city to create an in-lieu fund that will help build affordable housing for its residents. The proposed fee is in line with the regions in lieu fees and it has been recommended based on a feasibility study of Santa Ana's housing and real estate market. This funding will allow the city to secure additional state and federal funding sources to create much needed affordable housing. The City risks losing state and federal housing matching funds by not having the in-lieu fee at this level, at a time we face economic and housing instability because of the pandemic.

- **The HOO should apply to all city-initiated Land Use changes, rezoning.**

The HOO should apply to all residential developments in the City. At a minimum the HOO affordable housing requirements should apply to all residential developments that are asking for zone changes, upzonings or other development incentives. In addition, the HOO should apply to all developments taking advantage of city-initiated land use and zoning changes, specific plans and general plan updates and amendments. All these land use changes create more profit and incentives for market rate developers. At the same

¹ City of Santa Ana General Plan Housing Element 2014-2021, p. 14, January 2014.

² City of Santa Ana General Plan Housing Element 2014 – 2021 page 11

³ City of Santa Ana General Plan Housing Element 2014 – 2021 page 20

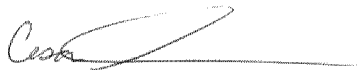
time many of these market developments are not affordable to the majority of Santa Ana's residents. In exchange for these development incentives, new affordable housing for Santa Ana residents needs to be created.

- **HOO- Inclusionary Housing Fund**

The city needs to make new construction of affordable housing a priority when using the housing fund to increase availability and housing options for Santa Ana residents. Diversion of these funds to other programs would not be directly related to increasing and improving the supply of affordable housing. Since its inception the HOO has been clear in its language and purpose in that it states, "Monies deposited into the inclusionary housing fund must be used to increase and improve the supply of housing affordable to moderate, low, very low, and extremely low-income housings in the city..." (Sec. 41-1909. (a)(1)).

We urge you to support the proposed changes to the Housing Opportunity Ordinance. The proposed amendments will help the city increase affordable housing options for residents and help the city meet equitable housing production goals.

Sincerely,



Cesar Covarrubias
Executive Director

¹ City of Santa Ana General Plan Housing Element 2014-2021, p. 14, January 2014.

² City of Santa Ana General Plan Housing Element 2014 – 2021 page 11

³ City of Santa Ana General Plan Housing Element 2014 – 2021 page 20

Araiza, Fatima

From: Julie Paule <julie@pauleconsulting.com>
Sent: Monday, July 26, 2021 2:32 PM
To: eComment; Gomez, Daisy
Subject: E-comment for Housing Opportunity Ordinance Work Study Session

Council Members-

WMA is a member of the coalition of business and housing providers opposed to increasing Santa Ana's Housing Opportunity Ordinance In-Lieu Fee.

Our issues intersected with BIA's opposition to increasing fees on new housing units. When landlords must compete for tenants, rents decrease. When landlords have ample supply of renters in need of housing, rents increase. Currently there just are not enough housing units to meet the demand and the rent levels reflect this. The city should be laser focused on removing every barrier to housing production to reap the rewards more housing provides its community—more affordable market prices, mobility in housing type and lower rents overall.

Thank you for this important discussion and we will continue to be involved.

Julie Paule, Regional Representative
WMA
40335 Winchester Rd. #E-165
Temecula, CA 92591
(951) 704-2427
julie@pauleconsulting.com

Araiza, Fatima

From: Nathaniel Greensides <mynci90@gmail.com>
Sent: Monday, July 26, 2021 3:01 PM
To: eComment
Subject: Special Meeting eComment

Dear Council Members,

I am in support of the item as presented and request only that it be made clear that neither any proposed rent stabilization, nor any tenant protections affects new development and thus the HOO.

Best regards,

Nathaniel Greensides

Ward 1 Resident