<table>
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<tr>
<th>Slide #</th>
<th>Content</th>
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<tbody>
<tr>
<td>1</td>
<td>Title page: Building Affordable Homes</td>
<td>• Welcome</td>
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<td>2</td>
<td>Building New Affordable Homes</td>
<td>To build new affordable housing, you basically need:</td>
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<td>3</td>
<td>Land: Nuisance Properties</td>
<td>• We’re going to consider some types of land that might be good to build new affordable homes on</td>
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<td>4</td>
<td>Land: Joint Development with Metro</td>
<td>• 142 affordable apartments at Hollywood &amp; Western over the station (McCormack Baron is developer)</td>
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<td>5</td>
<td>Land: City-owned parking lots</td>
<td>• City owns a lot of parking lots in commercial areas (Click) as shown by the blue boxes on the slide.</td>
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<td>6</td>
<td>Land: Housing Authority</td>
<td>• Most public housing in Los Angeles is low density “garden style” apartments on large parcels of land</td>
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<td>7</td>
<td>Land: Joint Use on Public Land</td>
<td>• Rio Vista is 50 affordable family apartments on the same site as an LAUSD school district early education center. A first in LA County. (designed and developed by non-profit developer Abode Communities)</td>
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<td>Example #1: Building 100 Affordable Apartments</td>
<td>Example #2: Free land and subsidy for construction</td>
<td>Exercise 1: Please use Housing 202 Exercise 1 Handout</td>
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| • Let’s say we can find a piece of land for $5 million. Let’s say the cost of paying the architect, buying materials, paying the workers, etc. costs $25 million. We need to come up with $30 million.  
• (Click) if we borrow money from a bank, it’ll cost us about $170,000 per month. Wow!  
• (Click) Let’s figure out how much rent we need to charge. We have our per-apartment financing charge ($170K / 100 apts = $1,700/apt). Plus we have to pay for repairs, upkeep and managers which will be about $600/apt. So we need to set the rent at $2,300/month. Wow!  
• (Click) That would be affordable to someone with an income of about $82,000/year. But, we’d like to do something that is affordable to lower income people. | • If the City gives us the land, then our land costs are zero.  
• If we can get $10 million in tax-credits and other government programs then we will only need to borrow $15 million for construction.  
• (Click) Now we only have to borrow half as much ($15 million vs. $30 million). And our monthly financing costs drop by half to $850/month. But we still have our $600/month property management.  
• Our new rent is $1,450 – affordable to someone with $52,000/year income.  
• That’s right around median income in Los Angeles. How can we go lower? | • Form groups of 3-4 and discuss the question.  
• How much is your land? $0  
• How much is your construction? $0  
• How much is your monthly financing? $0  
• How much is your property management? $600  
• If affordable rent is one third of your income, how much income would the tenant have to have for your rent to be affordable? | • What if someone give us a brand new building? We wouldn’t need to borrow any money. (Click)  
• But we would still have our $600 property management expense. So the lowest we could set the rent is $600. |
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|   | Affordable to whom? **Exercise 2:** Please see Housing 202 Exercise 2 Instructions | • Affordable to someone with an income of $21K/year. We have a lot of people with incomes below $21K/year. How can we go lower?  
• Match occupations to incomes  
• Make a “market rate” family.  
• Who can’t afford $600/month?  
• If we can get help with our property management costs we can lower the rent further. ([Click](#))  
• To be affordable to a minimum wage worker, a family getting CalWORKs or someone getting GR, we need a Section 8 voucher. ([Click](#))  
• The tenant pays 1/3 of their income in rent, and Section 8 pays the balance, month after month after month.  
• The federal government funds the Section 8 program and stopped expanding it years ago.  
• Although there might be a lot of programs, most affordable developers need to use 5-10 different programs to make their rents affordable.  
• With the loss of redevelopment and the end of the state housing bond (Prop. 1C) the money for affordable housing in Los Angeles has been cut in half over the last two years.  
• ([Click](#)) The feds are cutting CDBG & HOME. The City doesn’t have a permanent source of funding for the Housing Trust Fund.  
• These are dark days for low-income tenants and for affordable housing developers.  
• Los Angeles currently provides affordable housing for 24% of the households that need it.  
• If there is no new funding, the unmet need is will continue to grow. As you can see, the amount of funding has been cut drastically back in the last decade.  
• TOD is an opportunity for new ways of doing business and outside of the box thinking for financing.  
• ([Click](#)) City of LA could adopt a Mixed-Income ordinance that applies to for-sale homes. We need state legislative fix to Palmer decision (SB 184 failed by just a few votes)  
• ([Click](#)) Various planning efforts – Impact fees are a charge on new development to help fund and pay for the construction or needed expansion of offsite capital improvements like sewer, streets, etc. Mitigation Fees tend to focus on the environment and are charged to reimburse or compensate the community for the negative impact that development may have on the community. In some cases these fees are used to help preserve a component of the local environment and regulate pollution.  
• ([Click](#)) Cornfields Arroyo Seco Specific Plan, Renew TOD study, etc. that propose building envelope bonuses in exchange for developers providing bike & pedestrian improvements, green | 13 | Affordable Housing Programs   | 14 | Operating Subsidies   | 15 | Affordable Housing Programs   | 16 | Public Funding for Affordable Housing   | 17 | Possible New Money   |
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| 17   | Building New Affordable Homes                | • (Click) Infrastructure Finance District IFD) are a kind of new and different redevelopment zone tied to transit areas. Have all kinds of built in requirements, but needs a 2/3 vote to establish. AB 485 (Ma) would eliminate vote requirement.  
• (Click) Parking districts can be used to lower on-site parking requirements and generate money from meters and other places for bike, sidewalk, and possibly on-site parking in affordable buildings.  
• (Click) BIDs are usually about making streets safe and clean, but maybe there’s a way in the right place to set some money aside for housing, especially for homeless.  
• (Click) Local bonds and taxes require a 2/3 vote of the people, but for school construction it’s only 55%. In 2006, 63% of LA voters supported Measure H (a $1billion affordable housing bond). State constitutional amendment required and being worked on for 2014. |
| 18   | Political Support: Policy                    | Back to our Money, Land and Political Support formula. Three levels: government policies, market rate development and affordable projects. On the policy front:  
• (Click) More money  
• (Click) More land  
• (Click) Bring affordability into land use planning  
• (Click) Put Housing Element programs into action  
• (Click) We need better policies and funding at the local, state and federal levels. |
| 19   | Political Support: Community Benefits        | • When new market rate and other commercial development is planned is when people organize for Community Benefits Agreements  
• (Click) Work with developer to address neighborhood concerns  
• (Click) Encourage voluntary mixed-income  
• (Click) Encourage developers to work with non-profit developers |
| 20   | Political Support: Individual Affordable Projects | • (Click) Support the developer in working with neighbors  
• (Click) Support applications for funding  
• (Click) Help with planning approvals |
| 21   | Experts & Resources                          | Lots of people in the community who work on these issues and can be partners in creating a vision or planning a strategy. |
| 22   | Thank you                                   | Thank you for your time and attention. |
| 23   | Photo Credits                                |                                                                 |