From Plan to Reality:
Partnering with Affordable Housing Developers

Dave Gatzke, Sr. Project Manager – Acquisitions
Community HousingWorks
Sustainability’s “Triple Bottom Line”

What SB375 begins to challenge us to also achieve

What our Housing Elements were originally intended to address

Economic Viability?? Now that’s just crazy talk…
Definition of a Developer

... comfortable with ambiguity and eternally optimistic.
Ten Things that Keep Me Up at Night

1. How am I going to compete for land?
2. Where am I going to park the cars?
3. The building code: I finally understand the ADA requirements. What’s this exit balcony thing?
4. Where’s the money going to come from?
5. How am I going to get the nerve to ask for this much money?
## The Growing Local Subsidy

<table>
<thead>
<tr>
<th></th>
<th>Solara Poway, 2005 56 Units</th>
<th>Brighton Place Poway, 2010 77 Units</th>
<th>Mercado del Barrio San Diego, 2010 92 Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value of Land</strong></td>
<td>$2,700,000</td>
<td>$5,655,000</td>
<td>$4,100,000</td>
</tr>
<tr>
<td><strong>Redevelopment Agency</strong></td>
<td>697,820</td>
<td>5,381,000</td>
<td>9,104,000</td>
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<tr>
<td><strong>Housing Authority</strong></td>
<td>900,413</td>
<td>0</td>
<td>7,000,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$4,298,233</td>
<td>$11,036,000</td>
<td>$20,204,000</td>
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<tr>
<td><strong>Total Local Subsidy per unit</strong></td>
<td>$76,754</td>
<td>$143,325</td>
<td>$219,609</td>
</tr>
</tbody>
</table>
Ten Things that Keep Me Up at Night

6. How long is this going to take?
7. What am I going to do about the neighbors?
8. Will my successors hate me?
9. Is it really making a difference?

10. How am I going to convince my board to take this risk???
Creating the Partnership: Ten things we can do about it together

1. Determine the true inventory & be opportunistic land buyers.

2. Create policy changes to reflect the changed nature of building.

3. Be realistic about the cost. Create density bonus incentives that work for local economics.
Creating the Partnership:
Ten things we can do about it together

4. Use local funds to create readiness & to leverage other funds.

5. Understand local subsidies required to make development work in today’s environment. Work together to change this!

6. Prepare for a long pre-development period, but be ready to go when the funding aligns.
Creating the Partnership: Ten things we can do about it together

7. Create the case for need and cultivate supporters. Personal testimony makes a difference.

8. Create a phased strategy and build critical mass over time.

9. Look to affordable housing to support other city objectives: clean up crime, act as catalyst for redevelopment, or a case study for new approaches.
10. Control the variables we can control. Mitigate the risk.
Dilbert on Real Estate Developers

AS USUAL, I WORKED UNTIL MIDNIGHT LAST NIGHT, MOM.

WELL, AT LEAST YOU MADE SOME EXTRA MONEY.

I DON'T GET PAID FOR OVERTIME.

WELL, AT LEAST IT WAS IMPORTANT WORK.

NOT REALLY

MY BOSS MADE ME CHANGE MY 'POWER-POINT' SLIDES, BUT THE CHANGES MAKE THEM WORSE.

WELL, AT LEAST YOU'RE PREPARED FOR YOUR MEETING. IT WAS CANCELED.

BUT THAT'S OKAY, BECAUSE THE PROJECT ISN'T FUNDED ANYWAY.

SO... YOU WORKED FOR FREE TO WORSEN A PRESENTATION FOR A MEETING THAT WON'T HAPPEN FOR A PROJECT THAT DOESN'T EXIST?

OH... YOU MUST BE A REAL ESTATE DEVELOPER.

YUP.