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March 10, 2021

Councilmember Kevin de León
Los Angeles City Hall
200 N Spring Street, Suite 465
Los Angeles, CA 90012

Re: BIA-LAV Comment Letter – “A Way Home” Plan

Dear Councilmember de León,

The Los Angeles/Ventura Chapter of the Building Industry Association of Southern California, Inc. (BIA-LAV), is a non-profit trade association focused on building housing for all. On behalf of our membership, we are submitting this comment letter on the “A Way Home” plan. The policy initiatives, programs and introduced motions are very much in alignment with the many housing solutions that BIA-LAV has championed to increase the production of all housing types. We would like to share our thoughts and comments on the proposed initiatives to help support the direction of these policies.

As the “A Way Home” plan describes, “...we must accelerate the rate of construction and reduce overall costs in order to increase the availability of permanent housing units.” This sentence could not resonate more with the sentiments felt by the BIA and its members. We’re keenly aware that any increase in housing construction costs and excessive regulatory hurdles stifle housing production. Further, the example provided, that “...an average unit costs about \$500,000 to construct and takes between 3-5 years to complete are due to excessive requirements set forth by multiple government entities...”, perfectly captures the challenging building environment facing the City of Los Angeles. The City has the opportunity to adopt and implement the right policies to meet the housing needs of all Angelenos. We believe that the suggestions provided by BIA and found in the Plan can get us closer to that goal. Below we have shared our comments on various “A Way Home” plan components.

Comments

Extend “A Way Home” Policies – Most of the “A Way Home” plan solutions are focused on homeless and affordable housing in an effort to increase production and reduce costs. BIA-LAV would suggest that those same solutions could be applied to all housing types and income levels, which are also afflicted with supply and cost barriers. BIA and our members are in strong



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support of making the building and permitting processes more functional, cost effective and expedient to allow for more housing development. According to the Southern California Association of Governments' (SCAG) Regional Housing Needs Assessment (RHNA), during the next RHNA cycle the City of Los Angeles is responsible for the creation of nearly 460,000 new, mixed-income units. By extending the "A Way Home" plan policies to all housing types this would assist in meeting the overall housing shortfall.

Missing Middle – Further, the lack of housing has contributed to the disappearing "middle-class" (also known as "middle-income earners", the "missing middle" or "workforce housing"). The reduced entry into the middle-income category is due in part because of a loss of homeownership opportunities. Homeownership is a secure way to acquire wealth, upward mobility and financial security for families, individuals and those from all different walks of life. Even more disproportionately affected in this category are minority populations and women. Too often, California and its localities adopt and maintain community development policies that deprive the State's workforce of appropriate housing opportunities. Hundreds of thousands of hard-working families and individuals cannot afford to live where they work and are facing a housing cost burden, defined as paying more than 30% or more of their income on housing. The middle-income earners group is continually squeezed out as housing costs become more expensive. Extending the "A Way Home" proposed solutions to all residential development and income levels will reduce the costs and barriers to produce more naturally-occurring middle-income housing, simultaneously reducing the burden on very low and low-income families.

Potentially Supportable Policies & Additions – Many of the suggestions in the "A Way Home" plan are mirrored in BIA-LAV's policy recommendations for increased housing, found [here](#). Depending on final language and implementation details, BIA-LAV is cautiously optimistic by the following "A Way Home" solutions and looks forward to working towards their expansion:

- 25 x25
- Standard Pre-Approved Plans
- Streamlining Permits
- Public Land Usage
- Adaptive Reuse

Additionally, we hope that some of our suggested policies be reviewed and added to the Plan where appropriate. The following actions would assist in reducing housing costs and shorten the development process within the existing strategies being implemented by the "A Way Home" plan:

Ways to Reduce Costs/Fees:

- Implement a moratorium on all proposed municipal fees or policies that would increase housing costs or decrease housing production
- Implement a cap on total fees that is scaled and based upon the location and type of development
- Prohibit the imposition of new exactions on projects that have already submitted a complete development application



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- Defer the payment of impact fees until the close of escrow for homes sold, and until Certificate of Occupancy for homes rented, since there is no impact until the unit is occupied

Ways to Shorten the Development Process:

- Require local municipalities and utilities to publicize actual review times of steps in the permitting process on an annual basis
- Require local municipalities and utilities to develop and follow enforceable turnaround times for critical milestones in the development process
- Increased and streamline interagency communication within City departments on project applications and processing

Conclusion

Housing is more expensive to produce today, than ever before. The costs of construction, materials, land acquisition, labor, and design have all increased. Adding to these costs include State, federal and local regulations, including developer impact fees, permits, and utility costs. All of these expenses and review processes target home construction. For these reasons, we are encouraged to see many of the solutions in the "A Way Home" plan moving through the City's legislative processes and ask that they be considered for application to all residential projects and income-levels.

BIA-LAV believes that the comments found in this letter will provide helpful input towards the production of housing. We hope to be a partner in this effort and look forward to working with you on housing. Should you have any questions, please contact BIA-LAV Vice President, Diana Coronado, at dcoronado@bialav.org.

Sincerely,

A handwritten signature in black ink, appearing to read "DVC".

Diana Victoria Coronado
Vice President
BIA - Los Angeles/Ventura

Sent via e-mail