Councilmembers,

I strongly urge you to reject DR Horton’s payoff to get rid of their obligation to offer affordable housing units within their development. El Segundo, like so many other cities, has an affordable housing problem. Previous councils have done little to nothing to address the issue or curtail the city from turning into Manhattan Beach North. At this point can anyone besides the 1% afford to buy a single family home in El Segundo? Good luck competing against investors to snag one of those million dollar fixers. So, maybe we could at least maintain some income diversity with people being able to afford to buy into multi-family buildings.

So, while there has been so little affordable housing options supported by the city, at least there were a few units designated in DR Horton’s Waypointe development that could give some hard working people the access they need to be part of our community.

I get the attractiveness to take the money and say we can do whatever we want to create a new affordable housing initiative. But, how long will that take to get up and running? 5 more years of waiting? And, what guarantees do the residents in El Segundo have that the money won’t be allocated for something else?

I appreciate your dedication to our city, but urge you to stay the course and hold DR Horton to the current agreement.

Regards,
Jamin Griffiths
Council Members,

I am writing as both a Planning Commissioner and El Segundo resident regarding an item on your upcoming agenda. The DR Horton affordable housing ordinance that you will hear on March 3rd was approved by Planning Commission 3-1. As the nay vote, I'd like to articulate my concern with accepting an in-lieu fee at Waypointe versus moving forward with the 8 x moderate income units previously approved by PC.

The path forward, as outlined by staff and the proposed affordable housing consultant, Kathe Head of Keyser Marston Associates, assumes the acquisition of an existing small to mid size apartment building (possibly 8-16 units) in the City of El Segundo. A small scale acquisition/rehab project raises the following questions/issues:

- Effective affordable housing operators need economies of scale. A standalone 16-unit project targeting Low and Very Low Income households is not likely to be financially viable and self sustaining over the long term. The sources of funding available for AH (Low Income Housing Tax Credits, Tax-Exempt Housing Bonds, etc.) are competitive and would require a "scattered lot" site to reach the minimum unit threshold. This means a number of smaller projects in close proximity presented for financing as one cohesive project.
- Social services are a key component of successful affordable housing projects, particularly at the Low and Very Low Income threshold. Larger projects typically include community space, meeting rooms, etc. to administer programs. How will that be accomplished here?
- To receive qualified AH funds on an existing apartment building (vs. new construction), 25% of the total project cost must be applied to renovations.
- Existing tenants would need to be evicted/relocated. We would potentially be displacing residents in order to qualify other renters as low/very low income.

No doubt the city needs a plan in place to address the significant increase in RHNA numbers for the 2021-2028 cycle and I am grateful for the level of discussion raised on this topic. However, the fully constructed units at Waypointe represent an opportunity to address another growing concern in El Segundo and that is "attainable" housing.

Moderate income for-sale townhomes are exactly that for valued members of our community - teachers, service providers, veterans, and families who want to remain in El Segundo in the face of growing rents and limited supply. A moderate income household is defined in LA County in 2019 as making roughly between $60,000 and $100,000 per year based on a 1-6 person household size. Because of the statewide housing shortage, these
households are likely paying more in rent today than what their monthly mortgage + fees would be on a moderate income restricted unit.

The narrative that a qualified lottery winner would then turn into a disgruntled resident upon resale of an income restricted unit is based on one such example in a very different city. Many community members interested in applying for moderate income units have attended meetings on this topic and are well informed of the restrictive covenants.

In the event council does elect to move forward with the in-lieu fee, I ask that you outline a process with city staff for the application of those affordable housing funds. Will staff have the jurisdiction to approve a future income-restricted project or will the allocation of funds require Planning Commission and/or City Council approval? This was a question I neglected to ask during our public hearing on February 13th.

As always, I respect your time and consideration on this issue and appreciate your personal investment in the City.

Best,
Michelle Keldorf

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