



Overarching Question: What do we need for a vibrant housing market?

Panel:

- Chris Dart, President – Danco Communities
- Jim Furtado, Owner - J L F Construction
- Kurt Kramer, President - Kramer Properties, Inc.

Question: Do we have an adequate supply of housing?

Chris Dart, Danco Communities

- Danco develops mostly affordable housing for, seniors, families and people with special needs within the county. The County is getting close to meeting the needs for Family housing or at least at the higher income range. But there still is a need for seniors and those with special needs.
- In Terms of the Permanent Supportive Housing (PSH) we have in the works the following;
 - Has 100 PSH units pending in next 24 months but need 500-1,000 units
 - Has a project that has submitted for building permit in Eureka to house 25 veterans and 25 general population—at risk of homeless or currently homeless.
 - 26 units of PSH funded and in design in Rio Dell
 - Is also doing developments in Santa Rosa, San Jose and Gilroy.
 - It also just received an award of funding for 80-family units in Samoa All low income but 20 of them are for supportive housing using supported by DHHS.
- Single Family units- appear to have met demand in Fortuna in that Danco has 7 single family houses on the market that have no offers yet.
- Need Market Rate multiple family but market rate multiple family housing doesn't pencil out
 - There is demand but the costs too high.
 - To build and offer 2-3 bedroom units—need to charge \$1,500-2,000 /mo. Rent to even come close to making a project pencil out
- Need higher income 80% median income and very low, 40% median income units. Supply is sufficient for 50 – 60 % AMI units especially after Samoa Housing Project.
- Strong demand for senior housing
 - Danco has 250 units
 - Wait list 2 years or longer
 - Difficult to get funding for development

Kurt Kramer

- Kramer builds multi-family, student and senior housing
- Market rate-
 - Hard to pencil out market rate housing
 - 66 units on myrtle avenue-
 - Works for smaller units
 - Wages and cost of construction up. Construction is more complex, more codes, etc.
- In Arcata, he is building 142 student units
- Also working on the McKay project-which has a possible 320 units

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Developer Panel



Jim Furtado

- Builds single-family & multi-family housing in McKinleyville
- Demand is high for new single family homes under \$325,000; has a 2 month wait list on 2 bedroom apartments
- Small lots sold well and quickly
- Still sees community resistance to development- Arcata and Trinidad.

Combined Feedback

Local Planning and Permitting as Barriers

General

- Has been improvement with local processes
- Staff is better but customer service is important and can be improved

Time Commitment and Risk

- Problem is lead time for new projects- can take up to 5 years- Need certainty and don't have it. Contractors have to make investments that carry significant risk and take a lot of time
 - 9 months-1 year for design, studies & reports needed to apply for a tentative map
 - 1 year or more for tentative map approval
 - Construction plans and PG&E take a year or more now
 - Market could have changed in time it takes to get to a project to development
- Furtado started a project in 2009: 160 lots, 260 units in \$200s; still working on the project

Planning Department can lead

- There are some principally permitted properties, but still rare
- Need to shorten time to market
- Want more streamlined processes and zoning
- Need to have permitted land uses dialed in- Then developers can come in and start faster.
- Need more adequate multi-family zoning
- Need flexibility with parking, set-backs
- Some property has conditional use and/or requires design review. Developers don't really want to go to neighbors for review/approval
- Planning dept. could look at next 30 years/take a wider view; let market go and it will adjust to demand

Regulations and Costs to Consumers

- Though new regulations increase costs, consumers don't see or recognize direct benefits

Infrastructure Challenges

- McKinleyville, working on infill but need to address water and sewer needs

State Regulations and other Requirements as Barrier

- Increased regulations have cumulative effect- hard to meet demands of new construction
- Too complicated now—have to work with CalFire, Fish and Game, Caltrans, Coastal Commission
- Increases costs
- Key, regulatory processes need to be streamlined and predictable
- Condos have legal risks- which raise costs (insurance much higher for developer)



Affordable Housing

- Laws are set up to streamline and approve affordable housing, vs. single family, which can require \$200-500,000 up front.
- Need property

Homelessness/Shelters

- Need plan for temporary shelters, but don't have funding. Instead funding is for permanent supportive housing but need holistic approach. Need all types of housing.
- Need process that leads homeless to workforce and housing.

New ideas

- Construction is currently very labor intensive- need to find ways to cut costs
- It may be possible to use new technology to help lower costs of construction (3-D).
- Support industries that can meet housing construction needs, which may present opportunities in the area, such as pre-fabricated/modular construction. Though developers believe costs are comparable, especially with costs/challenges of local transportation
- Explore Social housing.
- Public/private partnerships are found to work better- creates accountability; while some projects have maintenance reserves to cover updates and maintenance (Danco), some projects do not have enough money to maintain and upgrade, need other solutions.
- Housing is a social determinant of health- which is part of why we need funding to maintain older housing stock
- Efforts should include a survey of individual landlords to better understand challenges and needs
- It would be valuable to include small developers in discussion and challenge-solving process.
- Important to keep dialoged going- want projects that lead to concrete results/improvement.

Workforce Training & Succession Planning

Lack of Workforce

- Contractors lack skilled workers
- Need more trades education and career pathways
- Often we overeducate youth with college thought it is not always needed
- Trades are in high demand and good wages
- We need more mentors in the field
- There is a shortage of subcontractors- which are in high demand.
- Adequate workforce but needs training
- It appears that there are few workforce or training programs
- Explore programs like that in Portland – a high school trades program

Note: Some contractors appear unaware of current workforce development programs at Humboldt county Office of Education, College of the Redwoods, etc.

Succession Planning

- There are less young people in the construction industry because of costs and risks/ uncertainty
- We need more contractors and more formal succession planning but it is an unpredictable industry developers are discouraged by increasing requirements, and costs.