

## **URBAN LAND INSTITUTE (ULI) – MEETING NOTES & OBSERVATIONS**

### **Monday, October 23rd:**

No workshops scheduled and all mobile tours were booked. Organizers suggested a self-guided tour of the LA Transit Expo Line and related transit-oriented development projects such as the mixed use Ivy Station project; office/retail/restaurant project titled The Platform; residential Access project; and, Helms District (retail/office/restaurant) development. Walking tour of downtown Los Angeles which included the LA Convention Center; Staples Center; Grammy Museum; and Japan Town which are all undergoing major revitalization. Ended the tour by traversing through 6th Street which is heavily concentrated by the homeless and appropriately named, “Skid Row.”

### **Tuesday, October 24**

#### **Los Angeles - More than La La Land (Opening Session):**

Discussion focused on the redevelopment of Downtown Los Angeles (DTLA). Panelists expressed concerns on the number of high-end luxury development, a number of which are being funded by foreign nationals, primarily Canada and Asia. All discussed the attractiveness of the EB5 program on gaining citizenship but predicted that the over build of luxury condos will inhibit further growth of the city by absent foreign owners.

On the issue of affordable housing, panelists believed that the private sector should lead this discussion. Advocated for more innovative design standards. All emphasized the need for comprehensive services to be incorporated in housing projects targeting the homeless.

Panelists also advised attendees to plan for less parking demands based on the popularity of transportation network companies and the development of fully automated (“driverless”) vehicles. Recommended that projects be designed with parking areas that can later be converted to residential.

#### **Rose Center Networking Session:**

Brief meet-and-greet with fellow Rose Center fellows and scholarship recipients.

#### **A Serious Conversation about Homelessness (Workshop):**

“We know what works, we just need to scale up.”

Discussion began with the identification of key factors that have led to the homelessness crisis nationally. Reforms in mental health institutionalizations; cuts in public investments for affordable housing; prison reform and lack of preparation for societal adjustment; aging out of foster care youth; and

structural/systematic discrimination and racism towards minorities were some of the issues discussed.

Charlotte: Panelist spoke about the diversity of the homeless population. However, numbers are decreasing due to its push for affordable and public housing. Also invested in Housing First programs and funded a public-private housing voucher program (\$2 million public; \$10 million private).

LA: Major issue was the gap between affordable housing and population increases. Noted the opposition towards density and current shortage of 15,000 affordable housing units.

SF: Important to build a base of public supporters in project development with the emphasis of "is it better to have them on the streets or in permanent supportive housing?" Found that property values actually went up after permanent supportive housing was built primarily due to effective management by the service provider. Noted that once the project is built, community opposition will dwindle if the project is well managed. Success leads to further success.

Seattle: Moving towards 24-7 shelters as opposed to traditional overnight shelters. Claimed that the cost to expand to this model is not significantly more expensive. Also recommended that the population for shelters should to be broaden to accommodate partners and pets. These are all effective in serving and maintaining the family structure. While speaking about its micro-unit projects, also emphasized that these should only serve as a transitional stage towards permanent housing. Further noted that we need to be careful of not overbuilding such projects for fear of creating ghettos. In relocating homeless towards shelters or transitional housing, thought should be given towards relocating encampments in their entirety to maintain its self-governance and security structure that was developed for the population.

#### Building Equitable Cities (Workshop):

Discussion focused on the opportunities, from both a public and private perspective, to develop economic and social value through equitable urban development (i.e. mixed-use development.). While urbanization is becoming more prevalent through the U.S., there are concerns that millions will be unable to successfully participate in its economic growth and be restrained from upward mobility. Panelists noted that as federal and state government have not been fulfilling the needs of our communities, cities are finding and enacting local solutions as their economies expand. Panelists shared examples of place-based and people-based solutions from Tyson Corner in Virginia and San Antonio, Texas.

### **Wednesday, October 25th:**

#### **Transportation Planning by Citizen Revolt: Self Inflicted Taxes Inspire Urban Transformation (Workshop):**

Panelists stated that the success for citizen-supported tax revenues for rail (increase in sales tax) are primarily due to traffic and specifically, the 3-fold increase in commute times in the last twenty years. It was noted that rail was not the only option, BRT (Bus Rapid Transit) has also been successful and is only 1/10th the cost of rail in most instances. Residential and mixed-use development continues to be planned along the rail line with the trend towards reducing parking requirements. There is also much support at the local level, politically, towards increasing density to get more housing units.

Neighborhoods are being transformed by transit and current development planning in downtown LA which is also being guided by the 2028 Olympic Games. Local jurisdictions have also initiated infrastructure financing districts, through bonds, to prepare communities for future transit and mixed use development with the focus on land-value capturing.

#### **Creative Solutions to the LA Affordability Crisis (Workshop):**

Present state of affairs in LA is that there are 18 resale's to every 1 new sale and the average median home price at \$900,000. There were 9 panelists that provided examples of innovative strategies in developing affordable housing, ranging from permanent supportive housing to accessory dwelling units. Typical financing methods were offered but of particular significance to the majority of the panelists was the land value costs, which could make or break a project and the necessity for following a true community-based process. One panelist detailed her strategy in building community consensus by having the community focused on the design of the project as opposed to the residents served.

#### **Ride Sharing and Driverless Cars — Real Game-Changers (Workshop):**

Panelists discussed the realities that ride-hailing companies and driverless cars will have in decreasing vehicle ownership and parking demands. Examples were given on developments, both private and public that have adjusted to these emerging markets but warnings were expressed with respect to the probable evolution of fully autonomous cars. While parking demands will decrease, planners should already be looking to redevelop/repurpose parking lots to commercial or residential. An interesting example that was given was in Summit, New Jersey where the city forego a parking garage near a transit station and instead, partnered with Uber to subsidize residents ride to and from the station. Cost savings — a \$2 million ten-year investment as opposed to a \$15 million parking garage.

### **Thursday, October 26th:**

#### **The New Face of Multi-Family Housing: From Micro to Macro, and Everything in Between (Workshop):**

Issues discussed include range of housing options and their marketability. For example, in high rent markets, developers are having difficulty in selling/leasing 2 and 3 bedroom units. To address this issue, focus redirected towards leasing these units to multi-lessees following the college dormitory model. Parking requirements are also a concern with electric cars (charging stations), ride sharing and self-driving cars. On the leasing market, concerns were expressed towards the popularity of subleasing (i.e., Air BnB) which is disruptive to long-term lessees.

#### Emerging Trends in Real Estate (Workshop):

General view is that the development market will continue to grow modestly. Expectations for modest GDP and employment growth — a trend that is favorable with respect to long-term sustainability. Real estate continues to be an attractive investment option.

With respect to employment trends, more people are “freelancing” with respect to professional endeavors (57.3 million). Population distribution are as follows: Boomers: 78.4 million; Gen X: 78.6 million; Millennials: 79.6 million; and, Gen Z: 65.1 million. Boomers are remaining in the workforce longer. By 2024, 30% of the workforce will be in the 64 to 75 age range. How does the housing market adjust to their needs? There is also a question as to whether Gen Z’s will follow the lead of Millennials in preferring “free-flow” work spaces.

Most cities are not meeting the demands for housing which will eventually hurt economic growth. Current natural disasters will further affect the market. Construction labor will also be an issue which already has a shortage which will be further exasperated by reconstruction needs in Houston (70,000 homes) and Puerto Rico/US Virgin Islands (300,000 homes). Retraining the current labor force to meet this shortage/demand for housing nationwide will be an area of focus/necessity.

Retail is not dead but changing. It was noted that E-Commerce continues to grow but only represents a little more than 10% of the total market sales. Retail, to survive, will need to meet the demands of the population which demand more than just storefronts. Retail needs to offer a diversity of services such as entertainment and produce to address the needs of today’s population of shoppers.

Accordingly, fulfillment centers (i.e., shopping centers) and age-friendly housing are the areas where growth is predicted.

#### P4 Deals: Powerful Public-Private Partnerships (P4) (Workshop):

Panelists gave an overview of projects, both Jack Kemp Award Winners for 2 jurisdictions, Austin, Texas and Boston, Massachusetts.

Austin, Texas:

Redevelopment of a vacated airport site. Built senior housing (age 55 and over) that included 5,500 ft. of ground floor space for retail. Project also designed to allow seniors to age in place and also includes on-site case management services to coordinate additional services such as meal delivery and chore services as necessary. Interior design includes many features, such as low level cabinets that make it easier for seniors to use as they age. Project penciled out because the city leased the parcel to the developer at a highly discounted rate and also provided \$2 million in general obligation bond funds to assist with construction.

Boston, Massachusetts:

Partnered with a hospital in the development of a 165,000 square foot project that included 5,500 square feet at the ground floor for a YMCA and child care facility but no parking to maximize density. Project was unique in that the land was donated to the developer from the hospital. Project was comprised of 142 units of which, 62 affordable rentals for those at 30% and 60% below the median income (primarily homeless individuals and families), 40 affordable rentals for 80% and 100% of median income and 40 market for-sale units. Funded through private for-sale proceeds and investments (over 50% of the total project costs), low income housing tax credits and other public funds for a total budget of \$68 million. It was noted that tenants with mental health issues are case managed by an adjacent mental health service provider. It was further noted that all tenants have access to all of the same amenities, there is no separation, including entrances/exits for the affordable or market rate tenants. Key to success in managing this project was an experienced property management company that has an aptitude for serving mixed income tenants. Average sale price for a 550 square foot unit was \$475,000, far below the market rate for Boston.

Closing General Session:

Earvin "Magic" Johnson, Jr. spoke of his athletic and business successes and the methodology that he applies towards both endeavors.

City Council  
City and County of Honolulu

# CLAIM FOR TRAVEL REIMBURSEMENT

Date: 11/1/17

Traveler: Chair Emeritus Martin

Event: 2017 Urban Land Institute Fall Meeting

Location: Los Angeles, California

Dates: From 10/22/17

To 10/27/17

Description	Amount	Notes:
1. Registration Fee		
2. Airfare		
3. Hotel		
4. Meals	<del>130.66</del> 153.64 ✓	
5. Ground Transportation		
6. Tips	<del>36.00</del> 20.04 ✓	
7. Other	90.00 ✓	Parking at Honolulu International Airport
Other		
Other		
8. Adjustment		
TOTAL REIMBURSEMENT	<del>286.66</del> 263.68	

This is to certify that the above data, based upon receipts submitted to Council Administrative Support Services via a CCLTRVL02 form, is accurate. Further, I am claiming reimbursement for expenses associated with a trip in which City business was conducted and personal funds were used to advance payment:

Signature of Traveler

Date

11/1/17