



August 3, 2020

Rental
Real Estate

Chairman Mark McLoughlin
Santa Ana Planning Commission
20 Civic Center Plaza
Santa Ana, CA 92701

Property
Management

Marketing
Services

**Re: Item #1 - AN ORDINANCE OF THE CITY OF SANTA ANA
AMENDING THE HOUSING OPPORTUNITY ORDINANCE**

Corporate
Services

Dear Chair McLoughlin and Commissioners:

Acquisitions &
Development

As you may know, our proposed multifamily project at 651 W. Sunflower in the South Coast Metro area of Santa Ana was unanimously approved by both Planning Commission and City Council last summer. Since that time, we have invested a substantial amount of money and time to develop construction documents and process those through the building department for approval. We had planned to close on the land with the Sound Church, pull permits and start construction on the project in May until the COVID crisis caused our financial partner to put the project on hold.

Design Services

Construction
Management

Financial
Services

Ownership

The COVID crisis has caused serious economic issues in the apartment industry and have driven rents and values are down by approximately 5% to 10%. At this time, our financial partner is prepared to move forward with the project, however, we need to get the cost down to make the underwriting work based upon current economics.

A flat fee reduction of \$5 psf applying to Sunflower would have a direct impact on this project and result in an immediate construction start this Fall. The project would be a substantial investment in the City, with immediate construction jobs and fees, all at a time in which it is most critically difficult and important.

It is important to note that the project provides other community benefits to the Sandpointe neighborhood, the Santa Ana Unified School District and local union jobs. The project received broad Planning Commission, City Council and community support and allows the Sound Church to fulfill its community mission in relocating to downtown Santa Ana. The project will also fund approximately \$900,000 to the HOO Fund this year.

We appreciate your consideration on this matter and request that you recommend a \$5 psf flat fee for all projects including entitled projects.

Sincerely,
Timothy J O'Brien
Tim O'Brien