

Communication from Public

Name: KB Edwards

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Council File No: 21-0002-S18

Comments for Public Posting: Dear Mayor Garcetti and Honorable City Council members: I strongly oppose Senate Bill 9, a land speculation bill that WILL ENCOURAGE PRIVATE INVESTORS to commoditize tens of thousands of units of single-family parcels, purchased during the recession, and turn them into large multi-unit complexes THAT WILL BE SOLD AT MARKET RATE because of NO AFFORDABILITY REQUIREMENTS. Approximately 67% of residential units in LA are owned by private institutions that will realize huge profits at the expense of California single-family homeowners. SB 9 EXACERBATES THE AFFORDABILITY CRISIS in California, does NOT SOLVE it. This bill does not limit the size of units on a lot, thus IT ENCOURAGES LARGE MARKET RATE HOUSING. We a know construction costs of \$250 per square foot is the going rate for “budget” construction. At this cost, a 1200 square foot Accessory Dwelling Unit (ADU) requires a \$300,000 construction loan. A 3000 square foot duplex requires nearly a \$1,000,000 loan. This financing is beyond most middle-income homeowners. SB 9 is not meant to help homeowners but to pave the way for developers, with available debt financing in hand, to buy up even more residential properties. SB 9 does NOT LIMIT THE SIZE OF CONSTRUCTION on these properties, and they now become easy major investment opportunities. Communities will have well financed institutions COMPETING WITH individual home buyers for property. This would further negatively impact people of color and low income buyers in their ability to purchase affordable housing. The optics are not favorable for any elected official who supports AB 9, if in fact they are truly concerned about affordable housing for their constituents, as they claim. Respectfully, K. B. Edwards
Northridge, CA 91326