

HIDDEN OC MARKET-RATE WORKFORCE HOUSING OPPORTUNITIES

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**ORANGE COUNTY
BUSINESS COUNCIL**

The Leading Voice of Business

“SUSTAINABLE” WORKFORCE HOUSING SITE CRITERIA

1. Market rate, non-luxury rents for apts.
2. Modest, entry-priced homes for sale
3. Non-subsidized; no government funds
4. Close to healthy OC employment hubs
5. No more than 20 min. work commute
6. Low crime
7. Good public schools
8. Recreation/churches/shopping within 10 minutes

OC LACKS ZONED LAND AREAS FOR WORKFORCE NEEDS

- New OC Master Planned Communities (MPC's) either too far or too pricey
- Former OC base sites: insufficient workforce housing due to lot costs
- Housing land developers need high lot prices from builders due to costs/risks
- No supply to meet demand long-term
- Traffic to get worse with MPC's build-out

NON-SUBSIDIZED WORKFORCE HOUSING PRODUCT TYPE EXAMPLES

- Apartments (e.g., five levels)
- Renovated industrial/office building lofts for-rent or for-sale
- Small lot and square footage single family detached homes
- Entry-level condominiums (if & when market returns)
- Mixed-use retail & apartments
- Traditional small housing adjacent to industrial/retail and/or major arterials

5 HIDDEN OPPORTUNITIES

1. Outdated Industrial Zoning
2. Permanently Weak Retail Uses, Strip Corridors & Centers
3. Over-zoned, Unrealistic Office Zones
4. Old, Poorly-Located, Eye-Sore Hotels
5. Unused “Public”/Civic & School Sites

COMMON HIDDEN SITE CHARACTERISTICS

- Zoning anachronisms
- Zoning not reflective of very **long-term** business needs/plans
- General plans lacking market demand
- Cities' unrealistic desires for retail sales & hotel transiency taxes
- Attitude: “Zone it and they will come.”
- Sites vacant or under-utilized

OUTDATED INDUSTRIAL ZONING AREAS

1. Lack freeway visibility & access
2. Not suitable for regional-serving distribution facilities
3. Excess land vis-à-vis long-term demand
4. Rationale for zoning no longer exists; e.g., unused rail lines

PERMANENTLY WEAK RETAIL

- Retail Follows Residential
- Mature residential=no retail growth
- Over-saturation of 1960s/1970s retail strip corridors & oversupplied weak malls
- Highly professional, single-operated “Power Centers,” Discount-Value Centers, Strong Department-Store Malls permanently diminish ability of strips & weak centers to come back

PERMANENTLY WEAK RETAIL (continued)

- General Plans mistakenly protect retail corridors: retail sales tax issues
- More booming sales requires more homes
- Retail is not an ever-growing product
- Many weak retail corridors are eye-sores
- Renovation \$ will not reap higher sales
- “Customers do not shop city boundaries...”
- Retail “leakage” analyses misunderstands shopping dynamics

UNREALISTIC OFFICE COMMERCIAL ZONING

- Over-zoning of office zones, particularly in second-tier No. County markets
- Company downsizing, greater efficiencies with fewer people
- New, free-form company work stations
- Entrepreneurial, small companies taking industrial, loft, mixed-use retail & live-work areas
- Non-contemporary, old, 30-year-plus configurations no longer suitable

OUTDATED HOTEL/MOTEL SITES

- Old properties not near business centers or tourist/beach activities
- City reluctant to rezone due to transient taxes
- Badly maintained, eye sores; renovation will not improve
- Locations permanently weak

UNUSED CITY/STATE/SCHOOL SITES

- Excess lands owned by City/State
- School sites well located near existing residential
- Substantial bureaucracy for city/state-owned lands & public scrutiny

IMPLEMENTATION STRATEGIES FOR CHANGE

1. Corporations lead the way: propose workforce housing on their excess industrial/office lands—but not just for their workers
2. Target Cities with weak financials to re-examine retail/commercial zoning
3. Urge City officials to update General Plans, insisting that Plans be market-driven based on RESEARCH & FACTS—not futuristic “WISH LIST”
4. Urge financially strained cities to conduct Economic Development Strategic Plan for under-utilized, under-performing commercial sites
5. Encourage flexible mixed-use; “mixing uses;” and re-zoning in weak commercial zones