



# Preservation Next California Academy

**Navigating Rehabilitation  
of Small to Medium  
Multifamily Properties**

February 23, 2023

# Today's Agenda

**3** PRESERVATION NEXT OVERVIEW

**5** PRESERVATION NEXT TOOLKIT:  
REHABILITATION

**10** THE UNIQUE REHABILITATION NEEDS  
OF SMMF PROPERTIES

- Erin Carson, Construction Management Consultant and Founder of ECarson Consulting
- Sara Lope Retuerto, Construction Management Consultant and Founder of Zubi Consulting

**20** OCCUPIED REHABILITATION AND  
TENANT ENGAGEMENT

- Becky Dennison, Executive Director, Venice Community Housing

**27** PANEL Q&A AND DISCUSSION

**28** WALKTHROUGH OF CLIMATE  
RESILIENCE RESOURCES AND TOOLS

- Mihir Parikh, Senior Director, Enterprise

**22** PREVIEWING THE NEXT SESSION:  
PRESERVATION DEVELOPMENT  
MODELS

## PRESERVATION NEXT

# Preservation Next Overview

Preserving Affordability in Small to Medium Multifamily Properties and Protecting Residents from Displacement

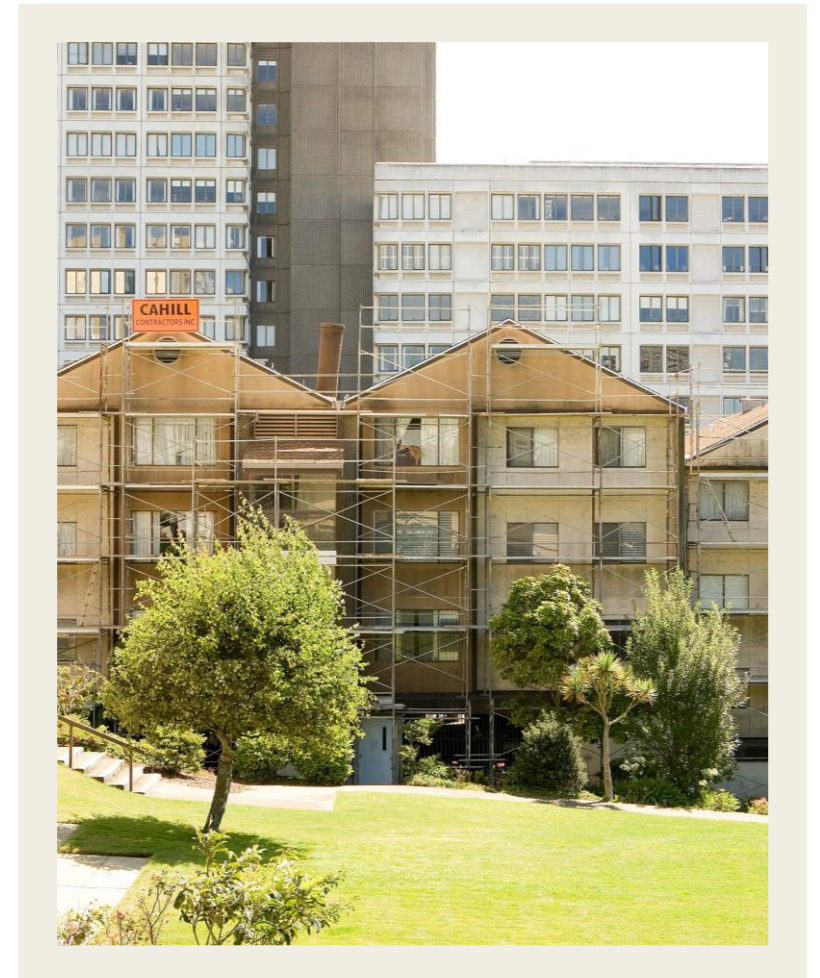
**Solutions at the intersection of renter and owner stability to promote an eviction prevention-first approach**

Through **Preservation Next**, Enterprise is committed to preserving affordable small to medium multifamily homes and ensuring that residents have access to safe, healthy, and resilient places to live.

To truly preserve these homes and protect affordability for residents now and into the future, we must:

- Protect existing affordability where it currently exists.
- Provide housing stability and prevent displacement of existing residents and families.
- Invest in healthy, sustainable, and resilient homes.
- Foster responsible stewardship by mission-aligned owners.

Small and medium sized properties provide a crucial foundation for affordable housing in this country: 80 percent of homes in these buildings are available to people who earn less than 80 percent of the area median income



# A Special Thank You to the Funders of Preservation Next

**MacKenzie Scott**



**KAISER  
PERMANENTE®**



A Division of First Citizens Bank

 **Enterprise®**

# Preservation Next Toolkit: Rehabilitation

[Click here to access the Toolkit](#)

**1. Determining Your Rehabilitation Approach:** Key questions to guide your planning, assessing property conditions, step by step guide to create your rehabilitation plan

**2. Engaging Existing Residents:** When and how to engage residents for occupied properties

**3. Estimating Rehabilitation Costs:** Key contributors to rehabilitation costs, average estimates for remediation

**4. Regulatory Considerations for Rehabilitation:** Local regulatory considerations that will impact your rehabilitation plan and scope

## Asbestos

If a property's tank or pipe insulation is not fiberglass, it likely has asbestos insulation. According to one estimate, asbestos inspections can cost between \$500 and \$1,000, and the cost of removal is usually between \$10 to \$15 per linear foot. Alternatively, encapsulation costs \$5 per linear foot.<sup>1</sup>

**\$10 to \$15**

ASBESTOS REMOVAL COST  
PER LINEAR FOOT.

## Lead-based paint

Lead-based paint inspections generally cost between \$200 and \$400. The cost of removal usually runs between \$8 to \$17 per square foot, encapsulation costs roughly \$4 per square foot, and enclosing lead paint costs approximately \$10 per square foot.<sup>1</sup> While removal can be more costly dollars-wise, it is the ideal approach when financially feasible.

**\$8 to \$17**

LEAD-BASED PAINT  
REMOVAL COST  
PER SQUARE FOOT.

Parking Requirements

Permitted Density

Nonconforming Structures

Building Codes

Accessibility

Disaster-Resilience Requirements and Zones.

# Meet Our Preservation Next Team

## National Staff



### Sara Haas

**ENTERPRISE, SENIOR DIRECTOR, SOUTHEAST**

At Enterprise, Sara leads affordable housing preservation programming in Miami and Atlanta, the Keep Safe Florida Resilience program, and the National Preservation Next program. Prior to joining Enterprise, Sara developed and managed national AmeriCorps VISTA programs at Habitat for Humanity International and Points of Light. Sara lives in Atlanta with her husband Stew, son Eli and dog Dolly Parton.



### Meaghan Vlkovic

**ENTERPRISE, VP AND MARKET LEADER, SOUTHEAST**

Meaghan leads Enterprise's programmatic work in the Southeast region, focused on providing an array of resources to affordable housing and community development partners. This includes capacity building assistance for proactive preservation and production of housing, and helping communities plan for future development, such as transit-oriented development opportunities.



### Jessie Wang

**ENTERPRISE, PRESERVATION FELLOW,  
PRESERVATION NEXT**

At Enterprise, Jessie supports program development and delivery for the National Preservation Next program. Prior to joining Enterprise, Jessie conducted applied research and technical assistance to assist a variety of community-based organizations and affordable housing advocates in Chicago, where she resides.



## PRESERVATION NEXT

# Meet Our Preservation Next Team

Northern and Southern California Market Staff



### Ruby Harris

**SENIOR DIRECTOR OF CAPITAL SOLUTIONS AND PARTNERSHIPS, SOUTHERN CA**

At Enterprise, Ruby is a thought partner with CBOs and tasked with creating new capital pathways to increase affordable housing. Ruby joins Enterprise with 22 years of experience in the community development field. Her experience ranges from nonprofit management, program and product design, public policy, and lending to grant-making. Notably, Ruby launched the Small Sites Program for the City and County of San Francisco, a \$100M endeavor to preserve NOAH properties.



### Caroline McCormack

**DIRECTOR OF PRESERVATION, NORTHERN CA**

Caroline oversees the Northern CA office's work to advance preservation policies, capital, and tools. Before Enterprise, Caroline was the Program Manager for the San Francisco Mayor's Office of Housing's acquisition and anti-displacement financing programs, including the \$170M Small & Big Sites Program and the \$260M Preservation and Seismic Safety Program. In addition, Caroline was one of the lead underwriters implementing the City's portfolio preservation strategy for its 23,000 existing affordable homes.



### Elizabeth Richards

**SENIOR PROGRAM DIRECTOR, SOUTHERN CA**

Elizabeth Richards is Senior Program Director for Enterprise Community Partners in Southern California, managing the Local Rental Owners Collaborative initiative in partnership with the Chan Zuckerberg Initiative. Elizabeth's twenty-year career in affordable housing began in Chicago with a focus on supportive housing, policy, and finance. She's been with Enterprise for ten+ years and has worked nationally across Enterprise markets.



### Geeta Rao

**SENIOR DIRECTOR, NORTHERN CA**

At Enterprise, Geeta oversees the Northern CA office's programmatic work and operations. She brings 20 years of experience in affordable housing and community development: program design and implementation, policy development, technical assistance, and legislative advocacy. Geeta serves on the leadership team of Bay Area Housing for All (BAHA), an effort to place a \$10-20 billion housing measure on the 2024 ballot for the San Francisco Bay Area, and led Enterprise's co-sponsorship efforts of AB 1487, which created the Bay Area Housing Finance Authority (BAHFA).

**Join Us!**

# California Preservation Academy Sessions

**November 2022 –  
June 2023**

<b>Dates</b>	<b>Sessions</b>
November 3, 2022	Preservation Academy Kickoff
November 17, 2022	Preservation Deals: Organizational Sustainability and Business Planning
December 1, 2022	Acquisition, Property Identification, and Evaluation of SMMF Properties
January 12, 2023	Financing SMMF Preservation
February 2, 2023	Sustainability and Health Considerations for SMMF Preservation
February 23, 2023	Navigating Rehabilitation of SMMF Properties
March 16, 2023	Preservation Development Models
April 6, 2023	Community Land Trusts and Preservation: Deep Dive Special Session
April 27, 2023	Policy and Its Impacts on Preservation
May 18, 2023	Property and Asset Management
June 8, 2023	Housing Stability and Eviction Prevention



# Meet Our Guest Speakers



## **ERIN CARSON, ECARSON CONSULTING**

In 2022, Erin established her own Construction Management consultancy, ECarson Consulting, where she provides consulting services to multifamily affordable housing development teams. Prior to this, Erin was the Director of Construction Services at the San Francisco Mayor's Office of Housing and Community Development ("MOHCD") where she oversaw all new construction and rehabilitation of affordable housing funded by the City. Erin has over 30 years of experience in housing development with a passion for the creation of housing.



## **SARA LOPE RETUERTO, ZUBI CONSULTING**

Sara is the Founder and Construction Management Consultant at Zubi Consulting. Prior to this, Sara was a former Construction Manager at MEDA for over 2 years. Her architectural background has helped coordinate prospect feasibility and design for the construction of ADUs and commercial ADA improvements, and her construction management expertise has allowed her to assist in over 30 projects, resulting in more than 150 residential units, 5 ADUs, and over 30 commercial units.



## **BECKY DENNISON, VENICE COMMUNITY HOUSING**

Becky has over 25 years of experience in non-profit management, organizational development, housing development, community organizing and housing policy. Since 2016, she has been the Executive Director of Venice Community Housing (VCH). Since her arrival at VCH, the organization has expanded its housing portfolio in operations from 196 to 280 units and has an additional 300+ units in varying stages of the development pipeline.



# **The Unique Rehabilitation Needs of SMMF Properties**

# Prioritizing the Priorities - Key Stakeholders

1. Lenders - Rehab Requirements, Labor, Wage, SBE
2. Building & Planning Departments (Permits, Codes)
3. Your Organization - Development (Project Management, Construction Management, and Asset Management)
4. Your Organization - Property Management (Leasing, Managing, Maintaining Property for Long Term Sustainability)
5. Building Occupants - Residential
6. Building Occupants - Commercial

# Determining the Rehabilitation Level

- Essential Scopes of Work
  - Seismic/Structural
  - Hazardous Materials
  - Building Envelope - (Roof, Windows, Doors, Drainage, Siding)
  - Life- Safety (fire alarms, smoke detectors, sprinkler systems)
  - Infrastructure - (plumbing, electrical, mechanical, HVAC, and elevators)
  - Accessibility - (residential and commercial)
- “Other” Improvements to Consider
  - Kitchen and Bathroom Updates
  - Interior Finishes (Painting, Flooring, Lighting)
  - Electrification / removal of gas fired appliances and services
  - ADU’s
- Potential Pitfalls!
  - Existing non-conforming code issues – Bringing up to code (only when “touched” replaced)
  - Regulatory Requirement Changes - Title 24, State & Local Jurisdiction Programs Regulations
  - Occupied rehab & Relocation - Tenant engagement and buy-in and insurance premiums
  - Commercial - Accessibility and Code compliance
  - Unforeseen Conditions! - Dryrot, unusual existing construction/conditions, hazardous materials or soils

# Mitigating the Pitfalls - Essential Reports to Obtain

1. Structural
2. Pest
3. Environmental - (Soils, where appropriate, Hazardous Materials: ACM and LBP)
4. Roofing
5. Systems: Electrical, Plumbing, Sewer, and Elevator
  - Sewer Laterals - Clear and working
  - Electrical service adequate for current needs
  - Elevator service records and inspections
  - Plumbing systems (Domestic Water Supply, Waste)
  - HVAC - Heating Systems, Boilers, Water Heaters
6. Property Inspection - PNA/CNA (Property Needs Assessment and Construction Needs Assessment)
7. Residents Insights and Reporting!
8. Local Jurisdiction Notices of Violation, Permits, Recent Work Completed, or Open Permits



The unique rehabilitation needs of SMMF

# Budget Strategies

Establishing & Managing Reasonable Budgets

## Sources of Cost Data

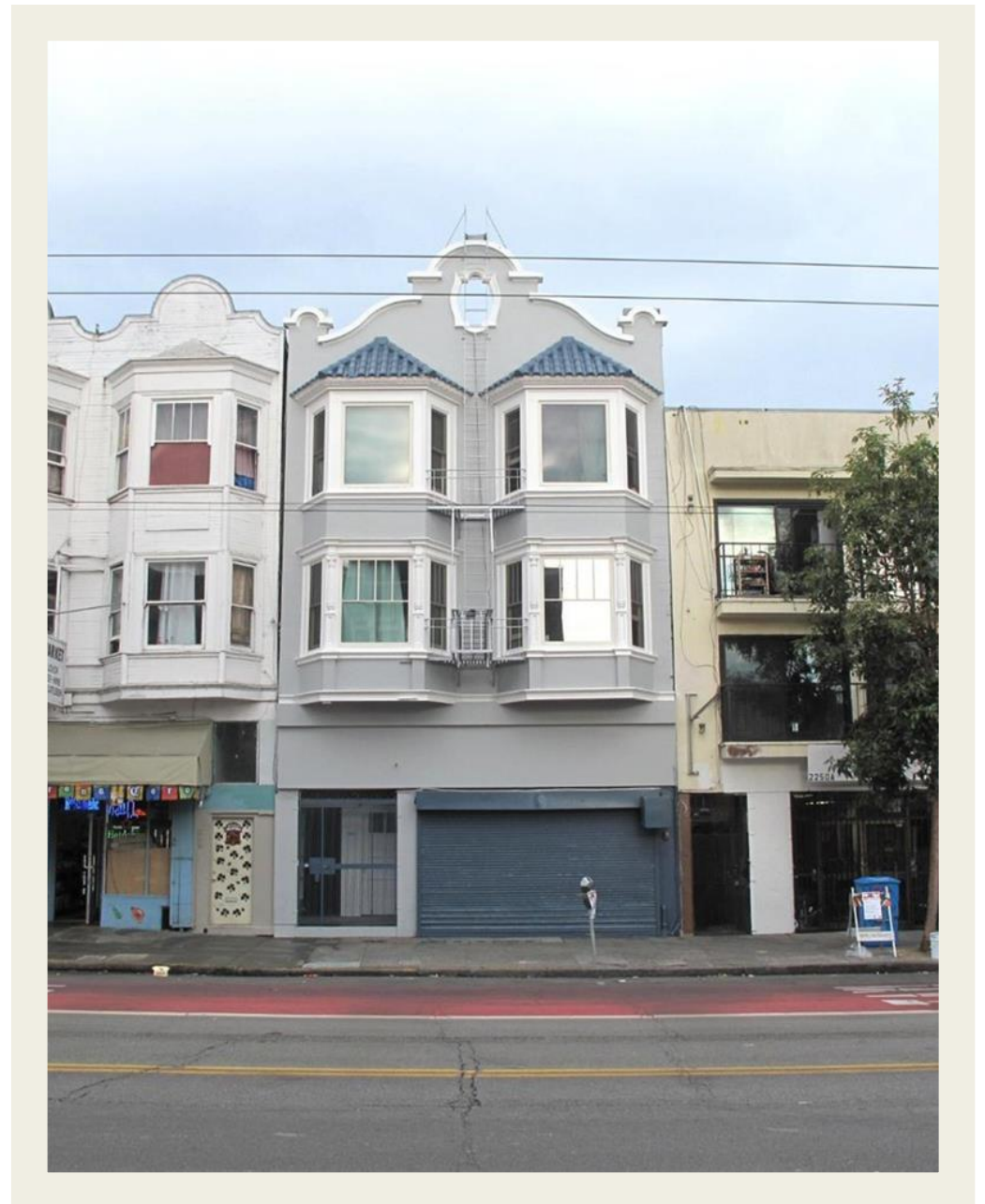
- Recent Projects
- Reports' Estimates
- CNA/PNA **Caution!**
- Construction Partners and Consultants
- Lenders' Project Data and Guidance

## Managing Budgets

- Escalation (Current Value v. Value at Bid / NTP)
- Contingencies
  - General Contractor (GC) Contingency
  - Owner Contingency = 18% +/-

## Value Engineering

- Add/Alts
- Scope of Work (SOW) Priority process
- Allowances - Assumptions for Quantity Pricing



The unique rehabilitation needs of SMMF

# Case Study I

“Light Touch”

- Minimum Rehab
  - Structural
    - Soft Story Retrofit
    - Deck and Back Porch rebuild
  - Systems
    - Electrical Upgrade
    - Fire Alarm
- Bundled 3 properties
- More Work = More Interested Contractors = Better pricing
- Occupied Rehabilitation Challenges
- Schedule Impacts and Solutions
- Communication during Construction with Occupants



The unique rehabilitation needs of SMMF

## Case Study II

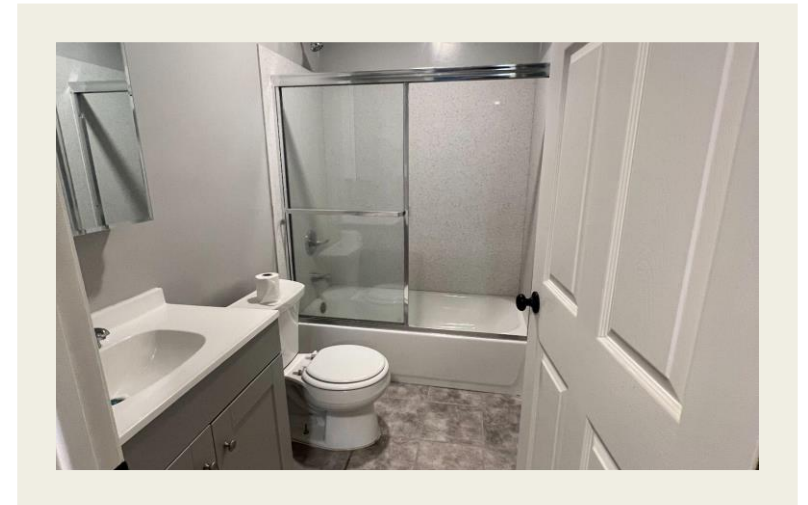
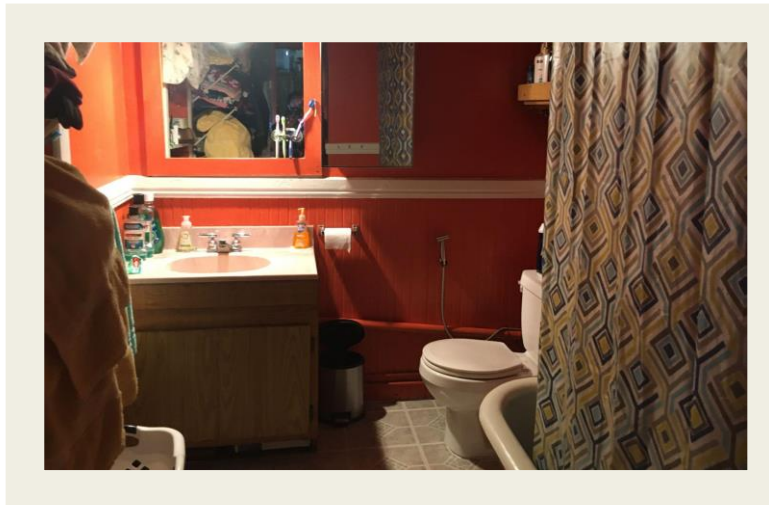
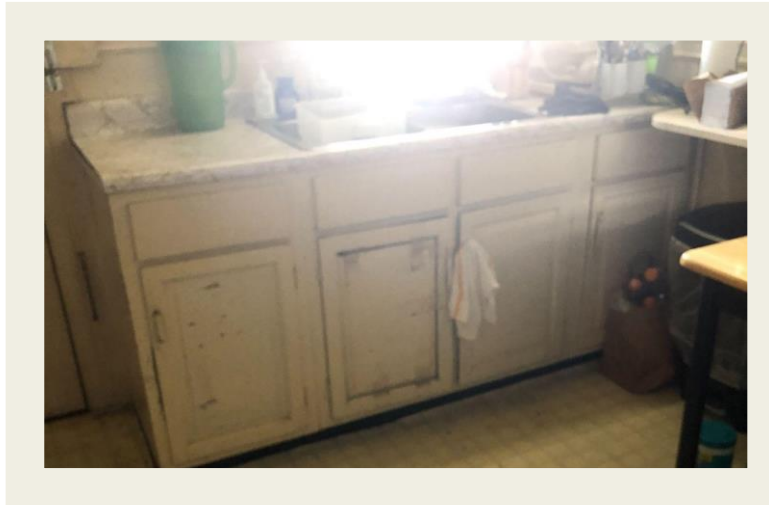
Gut Rehab + Unit Expansion

- Full Rehab

- Structural
- Roof and windows
- Systems
- Bathrooms & Kitchens
- Unit Expansion

- Permitting

- Unit Envelope
- Reconfigurations



# BEFORE & AFTER



The unique rehabilitation needs of SMMF

## Case Study III

Light Rehab + ADU

- Phasing

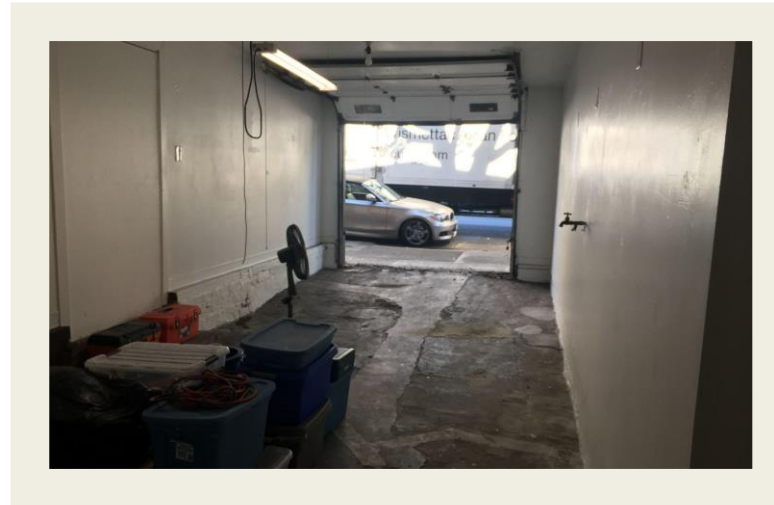
- Existing Units
- Structural
- ADUs

- Permitting

- Planning
- ADU Permit Program
- Street Improvement

- Utility Upgrades

- PUC - Water for Sprinklers
- PG&E - Upgrade Service



BEFORE & AFTER

The unique rehabilitation needs of SMMF

# Requirements and Resources **ALWAYS Changing - Stay Updated!**

Zoning, Permit Processes and Approvals - SF Property Information Map [SF PIM](https://sfplanninggis.org/pim/) <https://sfplanninggis.org/pim/>

ADU (Accessory Dwelling Units) - Opportunities and Challenges! [SF ADU Handbook](https://sfplanning.org/resource/accessory-dwelling-unit-handbook)  
<https://sfplanning.org/resource/accessory-dwelling-unit-handbook>

## Small Sites Program

**Guidelines** [SSP Guidelines](https://sf.gov/sites/default/files/2022-11/2022%20Small%20Sites%20Program%20Guidelines_Final.pdf) [https://sf.gov/sites/default/files/2022-11/2022%20Small%20Sites%20Program%20Guidelines\\_Final.pdf](https://sf.gov/sites/default/files/2022-11/2022%20Small%20Sites%20Program%20Guidelines_Final.pdf)

**Specifications** [SSP Specs](https://docs.google.com/spreadsheets/d/1_9_PQgijx345cNlohPBCxRL4M2ns4ItDs59MEqvSvkU/edit#gid=1025547430) [https://docs.google.com/spreadsheets/d/1\\_9\\_PQgijx345cNlohPBCxRL4M2ns4ItDs59MEqvSvkU/edit#gid=1025547430](https://docs.google.com/spreadsheets/d/1_9_PQgijx345cNlohPBCxRL4M2ns4ItDs59MEqvSvkU/edit#gid=1025547430)

Seismic Retrofit Programs and Requirements - SF Unreinforced Masonry Building [UMB List](https://data.sfgov.org/Housing-and-Buildings/Map-of-Soft-Story-Properties/jwdp-cqyc)

<https://data.sfgov.org/Housing-and-Buildings/Map-of-Soft-Story-Properties/jwdp-cqyc>

ADA and other accessibility requirements (Residential and Commercial) - eg. San Francisco Accessible Business Entrance Program ([ABE](https://sf.gov/accessible-business-entrance-abe-program)) <https://sf.gov/accessible-business-entrance-abe-program>

Title 24 - Electrification - <https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards>

Fire & Life Safety - [SFFD Safety Requirements for Building Owners](#)

Lenders! - Check Loan Agreements, Grant and NOFA requirements BEFORE & AFTER you apply



# Thank You

Sara Lope - Zubi Consulting - [sara@zubiconsulting.com](mailto:sara@zubiconsulting.com)  
Erin Carson - ECarson Consulting - [erin@ecarsonconsulting.com](mailto:erin@ecarsonconsulting.com)





# Venice Community Housing (VCH)

Housing Preservation and Rehabilitation with Tenants in Place



**Venice  
Community  
Housing**

# Overview of Venice Community VCH's Preservation/Rehabilitation Work



- Current portfolio includes 252 units in 18 properties
- Of those, five properties were ground-up construction and 13 were light to major rehab projects
- Housing preservation and rehab were important to VCH's approach since our founding in 1988, as a tool to prevent displacement and gentrification and also because of restrictive land use in much of Venice and the Westside impacting the feasibility of new construction
- Current projects under construction include 102 units in 4 properties; one new construction, one a combination of rehab and new construction, and one a moderate rehab project with limited tenants in place (Project Homekey site), and one a light/mod rehab with tenants in place
- In the past six years, VCH has completed four preservation/rehab projects with tenants in place – three were re-investment projects in existing buildings and one was a new purchase. All involved some temporary relocation.



# Tenant Engagement, Input and/or Decision Making for Tenant-In-Place Rehab Work

- Meaningful tenant engagement includes or requires:
  - A sufficient timeline – depends on number of tenants, accommodations needed or required, strength of relationships, complication and/or length of rehab work, other factors
  - Clear questions and/or decisions where tenant input can or will influence the outcome
  - Lots of transparency and information, and information available and accessible in a variety of ways
  - Language access, disability access, racial justice lens and approach
  - Involvement of existing tenant leadership and/or path to developing tenant leadership
  - Continuous process, not a time-limited activity
- Tenant Decision-Making is preferable, though may not be possible in some or all cases. Clarity and consistency about decision making and decision makers is key.
- Advance discussions with GC and contractors about tenant roles, rights, priorities is also key.
- Dedicated staff is necessary.





# Case Studies: 224<sup>th</sup> Street Apartments

- ▶ 4-unit property, purchased fully occupied
- ▶ LA County CLT Pilot Project site
- ▶ Significant deferred maintenance and some environmental issues, though planned as a relatively light rehab
- ▶ Tenant engagement had challenges, as we were new to the property, there were multiple languages spoken among tenants, and there were other trust and communication issues.
- ▶ Though much of the work could be done with tenants living on site, with appropriate notice and timing, temporary relocation was required for what was planned as a one-week scope and required two to three weeks.
- ▶ County required an approved relocation plan, and a consultant was needed, increasing time and costs.
- ▶ Additionally, the scope of work changed significantly twice during the project – the final stage is actually still pending and will require temporary relocation again.
- ▶ Scope of work and timing changes can impact trust, collaboration, cooperation among tenants.



# Case Studies: Navy Blue Apartments



- 14-unit property, fully occupied
- Received \$500,000 grant for light to moderate rehab work
- Tenant engagement raised some challenges due to project timeline and deadlines, temporary relocation concerns, and lack of dedicated staff to lead engagement.
- Tenant engagement led to some great outcomes based on the relationships with tenants, longstanding tenant leadership in the building, clarity around input and what could be impacted, and some limited decision making opportunities.

# Case Studies: Navy Blue Apartments



- This was our first temporary relocation project in some time, and we vastly under-budgeted, particularly around storage as we didn't clarify in advance that units would need to be fully emptied. We also under-staffed, as many people including people with disabilities needed strong supports throughout the process.
- Relocation plan was internal only.
- Property and project management staff were blurred, which contributed to some tensions between staff and tenants at times.
- Tenant and staff problem solving was really strong, largely based on relationships and trust built over time.





## Some Takeaways



- Meaningful tenant engagement is required at some level, as responsible landlords, as mission-driven organizations. While it may not seem that way in each and every meeting, it will also make a better and smoother project.
- Collaboration between Housing, Property Management, Resident Services and Tenant Engagement teams is critical.
- Regular maintenance needs occur during rehab, and likely require a different team to respond.
- Relocation of any kind requires strong staffing, flexibility and responsiveness, and likely extra costs (storage, reasonable accommodations, extended timelines of work).
- Get to know the City of LA's Primary Renovation and Tenant Habitability Programs, or similar programs – they are straight forward but can be time consuming.
- While not my section of the training – sufficient budget, full project staffing, significant contingency are all really needed to do these smaller projects right, and aren't always available.....try to include, but also be creative and flexible.

# PANEL DISCUSSION

# Climate Resilience Resources for SMMF Preservation

Walkthrough of Enterprise Tools



## Mihir Parikh

**SENIOR PROGRAM DIRECTOR,  
ENTERPRISE**

Mihir Parikh leads Enterprise’s Climate Resilience Academies, helping owners, operators and developers preserve and protect affordable homes across the nation from the risks and impacts of natural hazards and a changing climate. At Enterprise, Mihir also develops guidance, tools, technical support and advocacy support in climate risk reduction. Prior to joining Enterprise, Mihir worked in the private sector focusing on resiliency and sustainability consulting and program development. In 2020, Mihir served on President Biden’s campaign climate, energy and environmental policy committee focusing on resilience.

Learning Cohort

## West Coast Resilience Academy

Deadline March 17



Enterprise’s West Coast Resilience Academy was created to help developers, owners and operators of affordable housing to make properties more resilient and to reduce displacement of residents, damage to property, business interruptions, and other harmful impacts.



**Join us for our next  
session on March 16!**

## **Preservation Development Models**

**Hear speakers from:**

- **Enterprise**
- **Coalition for Responsible  
Community Development**
- **Atlanta Neighborhood  
Development Partnership**
- **Preservation of Affordable  
Housing (POAH)**

**[Register here](#)**

## **What to Expect This Session**

- Participants will gain an understanding of preservation models employed by partners in **Los Angeles, Atlanta, and Chicago**
- Participants will hear about **portfolio acquisition, joint ventures, and contractor + developer partnerships** through case studies
- Participants will learn about criteria for **successful partnerships** and how to strategically grow their capacity

# Thank you

## Contact Us:

### **Sara Haas**

Senior Director, Enterprise Preservation Next  
[shaas@enterprisecommunity.org](mailto:shaas@enterprisecommunity.org)

### **Jessie Wang**

Fellow, Enterprise Preservation Next  
[jewang@enterprisecommunity.org](mailto:jewang@enterprisecommunity.org)

### **Mihir Parikh**

Senior Program Director, Building Resilient Futures  
[mparikh@enterprisecommunity.org](mailto:mparikh@enterprisecommunity.org)

### **Ruby Harris**

Senior Director of Capital Solutions and Partnerships,  
Enterprise Southern California  
[rharris@enterprisecommunity.org](mailto:rharris@enterprisecommunity.org)

### **Caroline McCormack**

Director of Preservation, Enterprise Northern California  
[cmccormack@enterprisecommunity.org](mailto:cmccormack@enterprisecommunity.org)

## Resources:

[Preservation Next California Academy Sessions](#): Registrations, recordings, and materials  
[Preservation Next Small to Medium Multifamily Toolkit](#)  
[Enterprise Preservation Resources](#)