

**Eric A. Nelson**

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October 31, 2023

**Brad Johnson – Community Development Director**

City of Claremont

207 Harvard Ave.

Claremont, CA 91711

**Re: LaPuerta Residential Development – Formal Request for Inclusionary In-Lieu Fee**

Dear Mr. Johnson,

On behalf of Trumark Homes, I am writing to formally request approval of an in-lieu fee to satisfy inclusionary housing requirements for the development of the LaPuerta Project. This request is in accordance with Section 16.036.040(C) of the City of Claremont Inclusionary Housing Ordinance.

Our analysis, included with this submission, demonstrates that providing on-site affordable units in the quantity required would impose significant economic hardship on the project. The findings detailed in the attached exhibits reflect:

1. **Development Costs:** Analysis based on project cost elements, including land acquisition, construction, and development fees.
2. **Revenue from Below-Market Sales:** Projected revenue aligned with affordable unit pricing, consistent with the City's Inclusionary Housing Analysis by Keyser Marsten Associates (January 18, 2023).
3. **Economic Hardship Consideration:** The in-lieu fee aligns with both project feasibility and the City's broader housing goals by allowing for appropriate contributions while preserving the project's financial stability.

Please feel free to reach out at your convenience for any clarifications or further discussion regarding this request.

Sincerely,

A handwritten signature in blue ink that reads "Eric Nelson".

Eric Nelson

Vice President

Community Development

## **16.036.040 ALTERNATIVES**

To approve a discretionary in-lieu fee, the City Council must make all of the findings set forth below. It is the developer's burden to provide any and all information needed to make these findings. Even if the City Council can make these findings, it still has discretion to deny a request for an in-lieu fee and can, instead, require the housing development project meet the requirements of this chapter by providing on-site inclusionary units and/or dedicating land unless doing so would legally constitute a taking of property without just compensation under the California or Federal Constitutions.

### **Findings**

1. *The housing development project complies with all requirements in the administrative manual.*

This request complies with all applicable provisions of the Administrative Manual. As indicated in this request, underwriting and sales price assumptions are based on project development costs prepared by Trumark, the Administrative Manual, and City of Claremont Housing Element.

2. *Providing the inclusionary units on-site and/or through land dedication would result in an unreasonable and unavoidable economic hardship. In evaluating this finding, the City Council should evaluate whether there are feasible financial, design, and/or development methodologies that would mitigate or avoid the unreasonable economic hardship of providing inclusionary units on-site and/or through land dedication.*

### ***On-Site Analysis***

Trumark prepared a proforma to evaluate the economic impacts imposed by the Inclusionary Housing Ordinance. The proforma includes price predictions, costs associated with the current proposed project plans and expected profits. Since Trumark operates in the competitive free market, specific proprietary data has been excluded for confidentiality reasons.

The following assumptions were made to determine if there is an economic hardship to providing the inclusionary units on-site. (1) Trumark Homes would develop 55 single-family homes consistent with the Specific Plan and Tentative Tract Map as approved by the Planning Commission,(2) 5% of the units would be sold as affordable low-income units and 10% of the units will be sold as affordable moderate-income units, (3) the remaining 46 units will be sold as market-rate (4) Total Finished Lot Cost is sum of the land purchase price, land use entitlement

& engineering costs, project level development fees, site development costs and lot level impact fees (5) Total Direct House Cost is the sum of base construction cost, on-lot improvements, building permit fees, site supervision and house design consultants (6) Other costs include consultants, insurance, model expenses, finance cost as well other costs associate with the sales and marketing of the homes (9) Sales Revenue prices (price) based on the low-income & moderate price assumptions pursuant to the administrative manual and adjusted up with the expectation that the Los Angeles County Median Income would increase and interest rates would decrease while Market Rate Revenue is based on price projects as compared to the existing housing market with assumptions that include increased prices as a result of demand and lower interest rates. While speculative, the result shows the impacts of providing the inclusionary units on-site

This proforma includes price predictions, costs associated with the current proposed project plans, and expected profits. Since Trumark operates in the competitive free market, specific proprietary data has been excluded for confidentiality reasons.

Exhibit A shows that the total average cost for the development per unit is \$1,205,177 because the cost does not change due to sales price or affordability level. The total cost of development for the nine below-market-rate units, as required by the City of Claremont Inclusionary Housing Ordinance, is approximately \$10,846,593

Exhibit B shows that the total sales revenue for all of the nine below-market-rate units combined is estimated to be approximately \$ 3,204,000.00. The resulting gap between the cost to construct each inclusionary unit and the subsequent sales revenue for the inclusionary units is roughly \$849,177 per unit for a total cost of approximately \$7,642,593.

Exhibit A displays the total operating margin (profit) for the 55-unit project, which includes nine below-market-rate units, amounting to \$987,956, or 1.47%. In comparison, the total operating margin for the same 55-unit project, when paying the in-lieu fee, is shown to be \$8,764,523, or 11.38% as shown on Exhibit C.

To assess whether there is significant economic hardship, we compare the operating margin of each project to the average industry margin of 17.5%, as detailed in Exhibit D. The proposed project with the inclusionary fee has an operating margin that is approximately 6% lower than the average. In contrast, the project that includes below-market-rate units has a margin nearly 10% lower than the project paying the in-lieu fee, both of which fall well below the average industry profit margin.

Profitability, as indicated by metrics such as operating margin, is essential for ensuring our financial stability. A healthy operating margin suggests that a project is not only generating revenue but also effectively managing its costs. This financial stability allows homebuilding projects to withstand market downturns and maintain positive cash flow.

Moreover, profitability influences our funding sources. In the normal course of business, we rely on a combination of equity, debt, and cash flow to finance home building operations. Profitability and healthy operating margins make a project more attractive to investors and lenders, signaling reduced financial risk. This helps secure more favorable financing terms and lower development costs.

Given these findings, providing on-site below-market-rate units results in a significant economic hardship, demonstrated by the substantial decline in operating margins compared to the project paying the inclusionary in-lieu fee.

### ***On-Site Land Dedication Analysis***

In evaluating if there is an economic hardship as the result of dedicating land, the following assumptions were made: (1) Trumark Homes would develop 46 single-family homes consistent with the Specific Plan and Tentative Tract Map as approved by the Planning Commission, (2) Land Area is sufficient to provide the required number of Inclusionary Units, (3) Total Finished Lot Cost is sum of the land purchase price, land use entitlement & engineering costs, project level development fees, site development costs and lot level impact fees (4) lost profits resulting from the reduction in market-rate units is calculated based on the average sales price and resulting average per unit profit shown on Exhibit E.

Based on land area assumptions, and costs from the land & land development costs, the analysis calculates lost profits due to reduced market-rate units multiplied by the per lot profits for the 9 below-market rate lots that would be dedicated to the City under this scenario.

The total economic impact of an on-site land dedication totals \$5,405,186. The evaluation of economic hardship from dedicating on-site land for inclusionary units in the proposed development demonstrates substantial financial hardship.

### ***Off-Site Land Acquisition Analysis***

An analysis of off-site land acquisition has been conducted based on the following assumptions. The land area required for a development accommodating a total of 9 units will be determined based on the underlying land use density. The search radius, as outlined in the Administrative Manual, included an examination of all properties located within a ¼ mile of the La Puerta Site, based on the following criteria:

All properties were considered, regardless of land use, except those that contain single-family homes or are zoned and sized for one single-family home.

- No minimum lot size.
- No maximum lot size.
- No restrictions on land use or zoning, except for the criteria mentioned above.

The property search utilized various sources, including Light Box, the Multiple Listing Service (MLS), and the City of Claremont's Zoning and Land Use Maps. As a result of these searches, 24 properties met the specified criteria, as shown in Exhibit E. According to Table 1, out of these 24 properties, public agencies own 21, while 3 are privately owned.

**Table 1**

PROPERTY OWNERSHIP SUMMARY	
City of Claremont	13
Claremont Unified School District	1
La County Flood Control	2
Metropolitan Water	4
Southern California Water Co	1
Privately Owned	3
Total	24

To assess whether any of these properties satisfy the requirements specified in the administrative manual, the underlying zoning of each site was reviewed to determine if the property is designated for residential use. As shown in Exhibit F, three of the properties are zoned for residential use; however, they need more land or increased density to accommodate the proposed number of Inclusionary Units. Based on the requirements of the administrative manual, none of the 24 properties shown on Exhibit G meet the property eligibility requirements.

In conclusion, no viable sites would accommodate off-site land dedication to satisfy the City of Claremont's inclusionary requirements.

3. *The Developer has explored and exhausted all options to reduce the cost of development and sources of funding to subsidize on-site inclusionary units, such as participating in such programs like: (a) low income tax credits; (b) below market rate financing; and (d) any other government programs.*

Over the last five years, the La Puerta development project has undergone multiple revisions to meet the feedback from Claremont city officials and local stakeholders. These changes included reducing the number of units, modifying lot configurations, and revising architectural elements, all in line with the recommendations from the Architectural Review Commission. However, these adjustments, combined with delays from California Environmental Quality Act (CEQA) requirements and changes in state and regional regulations, have increased overall development costs despite efforts to manage expenses.

A comprehensive review of funding options for affordable housing has been included as Exhibit H and found that most available subsidies or support programs are not a fit for this project. Key programs such as the Veterans Housing and Homelessness Prevention Program, Tribal Homeless Housing Assistance, and Transitional Age Youth Program cater primarily to rental housing, specific demographics, or projects developed by public entities, making them inapplicable here. Programs like the San Gabriel Valley Regional Housing Trust (SGVRHT) offer limited funds per unit, which, while potentially helpful, do not provide enough to offset significant development expenses.

Additionally, accepting and using any funds, grants, or other forms of financial assistance that come from a local, state or federal agency would likely result in the entire project becoming subject to prevailing wage laws under California Labor Code section 1720 and the *Azusa Land Partners v. Department of Industrial Relations* case, thereby significantly increasing construction costs by approximately 30%. This would result in significantly increased costs for the market-rate units in the project and further exacerbate the gap between construction costs and project revenues to the point where the project would become infeasible.

Trumark Homes has pursued and exhausted various cost-reduction measures and explored potential funding avenues. However, eligibility constraints and the limited impact of available funding options have precluded their practical application to the La Puerta project. Consequently, while the team remains committed to managing costs, the current environment and lack of suitable financial support programs make on-site inclusionary units substantially significant economic hardship.

# Exhibit A

## 55 UNIT DEVELOPMENT PROFORMA

### La Puerta 55 Update - Onsite BMR



October 31, 2024

Claremont, CA  
Project Proforma

BMR Onsite

PRODUCT	Plan 1 (SFD)	Plan 2 (SFD)	Plan 3 (SFD)	Plan 4 (SFD)	Plan 2 (SFD)	Plan 3 (SFD)	Total	Average	Percent
Units	17	10	13	6	6	3	55		
Mix Percentage	30.91%	18.18%	23.64%	10.91%	10.91%	5.45%	100.00%		
Square Feet	2,470	3,012	3,293	3,013	3,012	3,293	160,948	2,926	
Bedrooms/Bathrooms	3+/3	4+/4	4+/5.5	3+/3 + ADU	4+/4	4+/5.5			
Garage/Story	2/2	2/2	2/2	2/2	2/2	2/2			
Type	SFD	SFD	SFD	SFD	SFD	SFD			
Lot Dimension	50x90	50x90	50x90	50x90	BMR - Mod	BMR - Low			

**SALES REVENUE**

NET SALES REVENUE	\$ 1,278,426	\$ 1,412,637	\$ 1,493,164	\$ 1,466,321	\$ 414,000	\$ 240,000	\$ 67,272,662	\$ 1,223,139	100.00%
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**LAND & LAND DEVELOPMENT COST**

TOTAL FINISHED LOT COST	\$ 444,858	\$ 444,858	\$ 444,858	\$ 444,858	\$ 444,858	\$ 444,858	\$ 24,467,172	\$ 444,858	36.37%
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**DIRECT HOUSE COSTS**

TOTAL DIRECT HOUSE COST	\$ 465,066	\$ 504,907	\$ 528,683	\$ 512,618	\$ 444,620	\$ 464,983	\$ 26,966,443	\$ 490,299	40.09%
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**TOTAL FINISHED LOT & DIRECT HOUSE COSTS**

	\$ 909,924	\$ 949,765	\$ 973,540	\$ 957,476	\$ 889,477	\$ 909,840	\$ 51,433,615	\$ 935,157	76.46%
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**OTHER PROJECT COSTS**

TOTAL OTHER PROJECT COSTS	\$ 272,646	\$ 279,021	\$ 282,846	\$ 281,571	\$ 231,586	\$ 223,321	\$ 14,851,103	\$ 270,020	22.08%
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<b>TOTAL COSTS</b>	\$ 1,182,570	\$ 1,228,786	\$ 1,256,386	\$ 1,239,047	\$ 1,121,063	\$ 1,133,161	\$ 66,284,717	\$ 1,205,177	98.53%
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<b>OPERATING MARGIN (before G&amp;A allocation)</b>	\$ 95,856	\$ 183,851	\$ 236,777	\$ 227,274	\$ (707,063)	\$ (893,161)	\$ 987,945	\$ 17,963	1.47%
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Operating Margin by Model	7.5%	13.0%	15.9%	15.5%	-170.8%	-372.2%		\$ 0	
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**Exhibit B**

Inclusionary Sales Price & Sales Revenue Assumptions

	<u>Sales Price</u>	<u>Total Required</u>	<u>Total Revenue</u>
Low Income Sales Price	240,000	3	720,000
Moderate Income Sales Price	414,000	6	2,484,000
<b>Total Revenue</b>			<b>\$ 3,204,000.00</b>



## Exhibit C

### Proforma Summary w/ In-Lieu Fee

PRODUCT	Base Case - In-Lieu fee		
	Total	Average	Percent
Units	55		
Mix Percentage	100.00%		
Square Feet	160,948	2,926	
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<b>SALES REVENUE</b>			
<b>NET SALES REVENUE</b>	<b>\$ 77,023,974</b>	<b>\$ 1,400,436</b>	<b>100.00%</b>
<hr/>			
<b>LAND &amp; LAND DEVELOPMENT COST</b>			
<b>TOTAL FINISHED LOT COST</b>	<b>\$ 26,102,305</b>	<b>\$ 474,587</b>	<b>33.89%</b>
<hr/>			
<b>DIRECT HOUSE COSTS</b>			
<b>TOTAL DIRECT HOUSE COST</b>	<b>\$ 27,236,368</b>	<b>\$ 495,207</b>	<b>35.36%</b>
<b>TOTAL FINISHED LOT &amp; DIRECT HOUSE COSTS</b>	<b>\$ 53,338,674</b>	<b>\$ 969,794</b>	<b>69.25%</b>
<hr/>			
<b>OTHER PROJECT COSTS</b>			
<b>TOTAL OTHER PROJECT COSTS</b>	<b>\$ 14,920,777</b>	<b>\$ 271,287</b>	<b>19.37%</b>
<b>TOTAL COSTS</b>	<b>\$ 68,259,451</b>	<b>\$ 1,241,081</b>	<b>88.62%</b>
<b>OPERATING MARGIN (before G&amp;A allocation)</b>	<b>\$ 8,764,523</b>	<b>\$ 159,355</b>	<b>11.38%</b>

## **Exhibit D**

### Home Builder Operating Margin Averages

#### **1. Defining Operating Margin and Its Significance for Home Builders**

Operating margin is a financial metric that measures the proportion of a company's revenue left after paying for variable costs of production, such as wages and raw materials. It is calculated by dividing operating income by net sales revenue and is often expressed as a percentage. For home builders, the operating margin is a key indicator of efficiency and profitability, reflecting how well they are managing their costs relative to revenues from home sales. A higher operating margin implies better control over construction costs and more effective management of overhead, which ultimately contributes to a home builder's bottom line.

#### **2. Operating Margins of Major Publicly Traded Home Builders**

To determine the average operating margin, I have selected five of the largest publicly traded home builders in the U.S. Below are their latest reported operating margins:

**D.R. Horton (NYSE: DHI):** Operating margin of 18.3% for Q3 2023.

**Lennar Corporation (NYSE: LEN):** Operating margin of 17.5% for Q3 2023.

**PulteGroup (NYSE: PHM):** Operating margin of 16.7% for Q3 2023.

**Toll Brothers (NYSE: TOL):** Operating margin of 16.0% for Q3 2023.

**NVR, Inc. (NYSE: NVR):** Operating margin of 19.2% for Q3 2023.

These margins reflect the efficiency with which these companies convert revenue into profit after covering the direct and indirect costs associated with their home building activities.

#### **3. Calculating the Average Operating Margin**

To calculate the average operating margin for these five major home builders, we simply add their individual margins and divide by the number of companies:

Thus, the average operating margin for these home builders is approximately **17.5%**.

#### **4. Trends and Factors Influencing Operating Margins**

Several trends and factors can influence operating margins in the home building industry including:

**Market Conditions:** Fluctuations in the housing market, driven by factors like mortgage rates, housing demand, and general economic health, directly impact home builder profitability. For example, rising interest rates can suppress demand, putting downward pressure on margins.

**Supply Chain Issues:** Supply chain disruptions and rising material costs have been a significant challenge since the pandemic. Lumber, cement, and other critical building materials experienced price volatility, which can erode operating margins if costs can't be passed to consumers.

**Labor Shortages:** Skilled labor shortages can lead to higher wages and potentially delays in completing projects, impacting both revenue recognition and profitability. Managing labor effectively is crucial for maintaining a favorable operating margin.

**Regulatory Changes:** Local, state, and federal regulations on zoning, building codes, and environmental standards can also influence operating costs. Increased compliance requirements tend to raise the costs of building homes, reducing operating margins unless home prices adjust accordingly.

**Operational Efficiency:** Companies with better operational controls and scalable processes (e.g., efficient land acquisition strategies, optimized construction schedules, or tech-driven project management) tend to achieve higher margins. The recent trend toward digital tools in construction management has helped some builders maintain strong operating margins.

## **Data Sources and References**

**D.R. Horton, Lennar, PulteGroup, Toll Brothers, NVR:** Operating margin data was obtained from each company's respective Q3 2023 earnings report.

**Yahoo Finance and SEC Filings:** Financial summaries for each company, providing context and key metrics.

**National Association of Home Builders (NAHB):** Industry-wide insights on construction costs, regulatory challenges, and market conditions.

**Bloomberg and Reuters:** News articles highlighting recent market and regulatory trends affecting the home building industry.

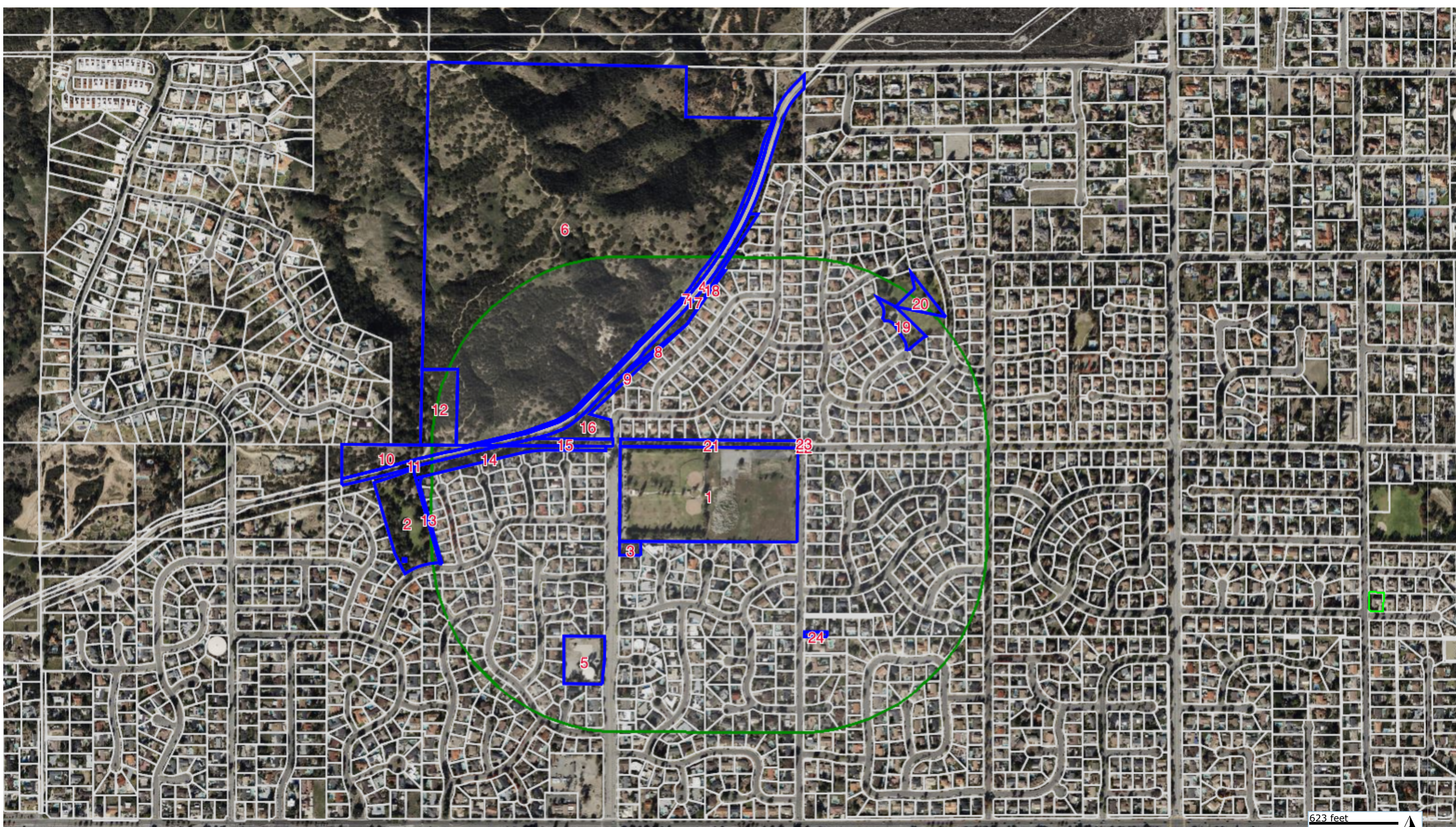
*These sources ensure a credible and up-to-date understanding of current operating margins and influencing factors as of October 2023.*

**Exhibit E**

On-Site Land Dedication

	Total	Per Lot
Land & Land Development Costs	3,970,992	441,221
Lost Profit	1,434,195	159,355
<b>Total Impact</b>	<b>\$ 5,405,186.78</b>	<b>\$ 600,576.31</b>

**Exhibit F**  
**Off-Site Acquisition Properties**



<b>1</b>					
<b>APN</b>	8670-003-900	<b>LANDUSE CATEGORY</b>	PUBLIC	<b>LANDUSE CODE</b>	650
<b>LANDUSE DESC</b>	SCHOOL	<b>LOT SQUARE FEET</b>	815560	<b>OWNER 1 FIRST</b>	CLAREMONT UNIFIED SCHOOL DIST
<b>OWNER 1 LAST</b>		<b>OWNER ADDRESS</b>	2475 FORBES AVE	<b>OWNER CITY</b>	CLAREMONT
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	7200
<b>2</b>					
<b>APN</b>	8670-002-902	<b>LANDUSE CATEGORY</b>	RECREATIONAL	<b>LANDUSE CODE</b>	757
<b>LANDUSE DESC</b>	PARK	<b>LOT SQUARE FEET</b>	185882	<b>OWNER 1 FIRST</b>	CLAREMONT CITY
<b>OWNER 1 LAST</b>		<b>OWNER ADDRESS</b>	600 MOUNT CARMEL DR	<b>OWNER CITY</b>	CLAREMONT
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	8841
<b>3</b>					
<b>APN</b>	8670-004-014	<b>LANDUSE CATEGORY</b>	RESIDENTIAL	<b>LANDUSE CODE</b>	115
<b>LANDUSE DESC</b>	DUPLEX	<b>LOT SQUARE FEET</b>	14196	<b>OWNER 1 FIRST</b>	MARK
<b>OWNER 1 LAST</b>	WATSON	<b>OWNER ADDRESS</b>	2372 N INDIAN HILL BLVD	<b>OWNER CITY</b>	CLAREMONT
<b>NUMBER OF UNITS</b>	2	<b>UNIT</b>		<b>USE CODE MUNI</b>	0200
<b>4</b>					
<b>APN</b>	8670-001-915	<b>LANDUSE CATEGORY</b>	TRANSPORT	<b>LANDUSE CODE</b>	880
<b>LANDUSE DESC</b>	UTILITIES	<b>LOT SQUARE FEET</b>	177888	<b>OWNER 1 FIRST</b>	LA COUNTY FLOOD CONTROL DISTRI
<b>OWNER 1 LAST</b>		<b>OWNER ADDRESS</b>	900 S FREMONT AVE	<b>OWNER CITY</b>	ALHAMBRA
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	8100
<b>5</b>					
<b>APN</b>	8670-011-016	<b>LANDUSE CATEGORY</b>	TRANSPORT	<b>LANDUSE CODE</b>	880
<b>LANDUSE DESC</b>	UTILITIES	<b>LOT SQUARE FEET</b>	92551	<b>OWNER 1 FIRST</b>	SOUTHERN CALIFORNIA WATER CO
<b>OWNER 1 LAST</b>		<b>OWNER ADDRESS</b>	630 E FOOTHILL BLVD	<b>OWNER CITY</b>	SAN DIMAS
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	8100
<b>6</b>					
<b>APN</b>	8670-001-918	<b>LANDUSE CATEGORY</b>	VACANT LAND	<b>LANDUSE CODE</b>	465
<b>LANDUSE DESC</b>	RESIDENTIAL LOT	<b>LOT SQUARE FEET</b>	4560254	<b>OWNER 1 FIRST</b>	CLAREMONT CITY
<b>OWNER 1 LAST</b>		<b>OWNER ADDRESS</b>	PO BOX 880	<b>OWNER CITY</b>	CLAREMONT
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	010V
<b>7</b>					
<b>APN</b>	8670-001-904	<b>LANDUSE CATEGORY</b>	VACANT LAND	<b>LANDUSE CODE</b>	400
<b>LANDUSE DESC</b>	VACANT LAND (NEC)	<b>LOT SQUARE FEET</b>	73716	<b>OWNER 1 FIRST</b>	CLAREMONT CITY
<b>OWNER 1 LAST</b>		<b>OWNER ADDRESS</b>		<b>OWNER CITY</b>	
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	8800
<b>8</b>					
<b>APN</b>	8670-001-913	<b>LANDUSE CATEGORY</b>	VACANT LAND	<b>LANDUSE CODE</b>	400
<b>LANDUSE DESC</b>	VACANT LAND (NEC)	<b>LOT SQUARE FEET</b>	5501	<b>OWNER 1 FIRST</b>	CLAREMONT CITY
<b>OWNER 1 LAST</b>		<b>OWNER ADDRESS</b>		<b>OWNER CITY</b>	
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	8800
<b>9</b>					
<b>APN</b>	8670-001-912	<b>LANDUSE CATEGORY</b>	VACANT LAND	<b>LANDUSE CODE</b>	400
<b>LANDUSE DESC</b>	VACANT LAND (NEC)	<b>LOT SQUARE FEET</b>	10241	<b>OWNER 1 FIRST</b>	CLAREMONT CITY
<b>OWNER 1 LAST</b>		<b>OWNER ADDRESS</b>		<b>OWNER CITY</b>	
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	8800



**10**

APN

8670-002-914

LANDUSE CATEGORY

VACANT LAND

LANDUSE CODE

400

LANDUSE DESC

VACANT LAND (NEC)

LOT SQUARE FEET

109213

OWNER 1 FIRST

CLAREMONT CITY

OWNER 1 LAST

OWNER ADDRESS

OWNER CITY

NUMBER OF UNITS

UNIT

USE CODE MUNI

8800

**11**

APN

8670-002-924

LANDUSE CATEGORY

VACANT LAND

LANDUSE CODE

400

LANDUSE DESC

VACANT LAND (NEC)

LOT SQUARE FEET

48548

OWNER 1 FIRST

LA COUNTY FLOOD CONTROL DISTRI

OWNER 1 LAST

OWNER ADDRESS

OWNER CITY

NUMBER OF UNITS

UNIT

USE CODE MUNI

8800

**12**

APN

8670-001-908

LANDUSE CATEGORY

VACANT LAND

LANDUSE CODE

400

LANDUSE DESC

VACANT LAND (NEC)

LOT SQUARE FEET

131779

OWNER 1 FIRST

CLAREMONT CITY

OWNER 1 LAST

OWNER ADDRESS

OWNER CITY

NUMBER OF UNITS

UNIT

USE CODE MUNI

8800

**13**

APN

8670-030-900

LANDUSE CATEGORY

VACANT LAND

LANDUSE CODE

400

LANDUSE DESC

VACANT LAND (NEC)

LOT SQUARE FEET

10015

OWNER 1 FIRST

CLAREMONT CITY

OWNER 1 LAST

OWNER ADDRESS

OWNER CITY

NUMBER OF UNITS

UNIT

USE CODE MUNI

8800

**14**

APN

8670-002-927

LANDUSE CATEGORY

VACANT LAND

LANDUSE CODE

400

LANDUSE DESC

VACANT LAND (NEC)

LOT SQUARE FEET

79859

OWNER 1 FIRST

METROPOLITAN

OWNER 1 LAST

WATER

OWNER ADDRESS

OWNER CITY

NUMBER OF UNITS

UNIT

USE CODE MUNI

8800

**15**

APN

8670-001-905

LANDUSE CATEGORY

VACANT LAND

LANDUSE CODE

400

LANDUSE DESC

VACANT LAND (NEC)

LOT SQUARE FEET

33326

OWNER 1 FIRST

METROPOLITAN

OWNER 1 LAST

WATER

OWNER ADDRESS

OWNER CITY

NUMBER OF UNITS

UNIT

USE CODE MUNI

8800

**16**

APN

8670-001-916

LANDUSE CATEGORY

VACANT LAND

LANDUSE CODE

400

LANDUSE DESC

VACANT LAND (NEC)

LOT SQUARE FEET

63287

OWNER 1 FIRST

CLAREMONT CITY

OWNER 1 LAST

OWNER ADDRESS

OWNER CITY

NUMBER OF UNITS

UNIT

USE CODE MUNI

8800

**17**

APN

8670-001-903

LANDUSE CATEGORY

VACANT LAND

LANDUSE CODE

400

LANDUSE DESC

VACANT LAND (NEC)

LOT SQUARE FEET

59258

OWNER 1 FIRST

CLAREMONT CITY

OWNER 1 LAST

OWNER ADDRESS

OWNER CITY

NUMBER OF UNITS

UNIT

USE CODE MUNI

8800

**18**

APN

8670-001-914

LANDUSE CATEGORY

VACANT LAND

LANDUSE CODE

400

LANDUSE DESC

VACANT LAND (NEC)

LOT SQUARE FEET

4599

OWNER 1 FIRST

CLAREMONT CITY

OWNER 1 LAST

OWNER ADDRESS

OWNER CITY

NUMBER OF UNITS

UNIT

USE CODE MUNI

8800





<b>19</b>					
<b>APN</b>	8671-030-900	<b>LANDUSE CATEGORY</b>	VACANT LAND	<b>LANDUSE CODE</b>	400
<b>LANDUSE DESC</b>	VACANT LAND (NEC)	<b>LOT SQUARE FEET</b>	40259	<b>OWNER 1 FIRST</b>	CLAREMONT CITY
<b>OWNER 1 LAST</b>		<b>OWNER ADDRESS</b>		<b>OWNER CITY</b>	
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	8800
<b>20</b>					
<b>APN</b>	8671-031-901	<b>LANDUSE CATEGORY</b>	VACANT LAND	<b>LANDUSE CODE</b>	400
<b>LANDUSE DESC</b>	VACANT LAND (NEC)	<b>LOT SQUARE FEET</b>	36597	<b>OWNER 1 FIRST</b>	CLAREMONT CITY
<b>OWNER 1 LAST</b>		<b>OWNER ADDRESS</b>		<b>OWNER CITY</b>	
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	8800
<b>21</b>					
<b>APN</b>	8670-032-903	<b>LANDUSE CATEGORY</b>	VACANT LAND	<b>LANDUSE CODE</b>	400
<b>LANDUSE DESC</b>	VACANT LAND (NEC)	<b>LOT SQUARE FEET</b>	63436	<b>OWNER 1 FIRST</b>	METROPOLITAN
<b>OWNER 1 LAST</b>	WATER	<b>OWNER ADDRESS</b>		<b>OWNER CITY</b>	
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	8800
<b>22</b>					
<b>APN</b>	8671-029-902	<b>LANDUSE CATEGORY</b>	VACANT LAND	<b>LANDUSE CODE</b>	400
<b>LANDUSE DESC</b>	VACANT LAND (NEC)	<b>LOT SQUARE FEET</b>	955	<b>OWNER 1 FIRST</b>	METROPOLITAN
<b>OWNER 1 LAST</b>	WATER	<b>OWNER ADDRESS</b>		<b>OWNER CITY</b>	
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	8800
<b>23</b>					
<b>APN</b>	8671-029-021	<b>LANDUSE CATEGORY</b>	VACANT LAND	<b>LANDUSE CODE</b>	465
<b>LANDUSE DESC</b>	RESIDENTIAL LOT	<b>LOT SQUARE FEET</b>	286	<b>OWNER 1 FIRST</b>	NAUMAN
<b>OWNER 1 LAST</b>	KHAN	<b>OWNER ADDRESS</b>	17729 SUPERIOR ST UNIT 72	<b>OWNER CITY</b>	NORTHRIDGE
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	010V
<b>24</b>					
<b>APN</b>	8671-019-035	<b>LANDUSE CATEGORY</b>	VACANT LAND	<b>LANDUSE CODE</b>	465
<b>LANDUSE DESC</b>	RESIDENTIAL LOT	<b>LOT SQUARE FEET</b>	5406	<b>OWNER 1 FIRST</b>	DEBORAH
<b>OWNER 1 LAST</b>	ROBINSON	<b>OWNER ADDRESS</b>	2252 FORBES AVE	<b>OWNER CITY</b>	CLAREMONT
<b>NUMBER OF UNITS</b>		<b>UNIT</b>		<b>USE CODE MUNI</b>	010V

## **Exhibit G**

### Summary of Potential Off-Site Properties within ¼ Mile

<b>APN</b>	<b>Residential Zoning?</b>	<b>Appropriate Density</b>	<b>For Sale?</b>	<b>Existing Land Use</b>	<b>Owner</b>
8670-002-90	No	N/a	N/a	Park	City of Claremont
8670-001-91	No	N/a	N/a	Open Space	City of Claremont
8670-001-90	No	N/a	N/a	Open Space	City of Claremont
8670-001-91	No	N/a	N/a	Open Space	City of Claremont
8670-001-91	No	N/a	N/a	Open Space	City of Claremont
8670-002-91	No	N/a	N/a	Open Space	City of Claremont
8670-001-90	No	N/a	N/a	Open Space	City of Claremont
8670-030-90	No	N/a	N/a	Park/ Open Space	City of Claremont
8670-001-91	No	N/a	N/a	Open Space	City of Claremont
8670-001-90	No	N/a	N/a	Open Space	City of Claremont
8670-001-91	No	N/a	N/a	Open Space	City of Claremont
8671-030-90	No	N/a	N/a	Park/ Open Space	City of Claremont
8671-031-90	No	N/a	N/a	Park/ Open Space	City of Claremont
8670-003-90	PROJECT SITE			Park/ Vacant School Site	Claremont Unified School District
8671-019-03	Yes	No, too small	N/a	SF Residential	Deborah Robinson
8670-001-91	No	N/a	N/a	Flood Control Channel	La County Flood Control District
8670-002-92	No	N/a	N/a	Flood Control Channel	La County Flood Control District
8670-004-01	Yes	No, too small	N/a	SF Residential	Mark Watson
8670-002-92	No	N/a	N/a	Utilities	Metropolitan Water
8670-001-90	No	N/a	N/a	Utilities	Metropolitan Water
8670-032-90	No	N/a	N/a	Utilities	Metropolitan Water
8671-029-90	No	N/a	N/a	Utilities	Metropolitan Water
8671-029-02	No	N/a	N/a	Utilities	N. Kahan
8670-011-01	Yes	No, too small	N/a	Utilities	Southern California Water Co

**Exhibit H**  
Funding Sources

**Veterans Housing and Homelessness Prevention Program (VHHP)**

**Program Description**

Long-term loans for developing or preserving rental housing for very low- and low-income veterans and their families.

**Program Threshold | Requirements**

- (a) Involve the acquisition and/or construction or rehabilitation of an Affordable Rental Housing Development or Transitional Housing, or the conversion of an existing structure into one of these housing types.

**Determination**

The proposed project **does not meet** the minimum threshold outlined in Veterans Housing and Homelessness Prevention Program Guidelines because it does not include rental housing.

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**Tribal Homeless Housing, Assistance and Prevention (Tribal HHAP) Grants Program**

**Program Description**

Tribal HHAP provides flexible funding to California Federally Recognized Tribes for a variety of unique, culturally responsive interventions to prevent and address homelessness in their communities.

**Program Threshold | Requirements**

California Federally Recognized Tribes are the only applicants able to receive funding from Tribal HHAP. However, Tribes may partner with other organizations or may designate another individual or entity to complete the application on their behalf, provided that the proper tribal authority signs and certifies the application.

**Determination**

The applicant, Trumark Homes, **does not meet** the minimum requirements because it is a privately held home-building corporation and is not recognized as a Tribe.

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## **Transitional Age Youth (TAY) Program**

### **Program Description**

Funds to help young adults 18-24 years secure and maintain housing, with priority given to those formerly in the foster care or probation systems.

### **Program Threshold | Requirements**

The **HNMP program** allocates grants to counties based on each county's percentage of that total statewide number of young adults aged 18 to 24 years of age, inclusive, currently or formerly in the foster care system.

### **Determination**

The proposed project is a private enterprise and **does not meet** the minimum requirements for this program.

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## **Prohousing Incentive Program (PIP)**

### **Program Description**

Program provides funds to assist local governments with Prohousing Designation to accelerate affordable housing production and conservation.

### **Program Threshold | Requirements**

Funding is for local governments with Prohousing Designation as determined by HCD.

### **Determination**

The City of Claremont **is not** designated as Prohousing; therefore, the proposed project **does not meet** the minimum requirements and is **not eligible for funding**.

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## **Predevelopment Loan Program (PDLP)**

### **Program Description**

Short-term loans to finance predevelopment costs to preserve, construct, rehabilitate or convert assisted housing for low-income households.

### **Program Threshold | Minimum Requirements**

- (b) Housing assisted by the Predevelopment Loan Fund must be Assisted Housing at least 51% of which is designated to be occupied by Persons of Low Income and affordable to such persons in accordance with Section 6910 et seq.

### **Determination**

The proposed project must comply with the City's inclusionary ordinance, which requires a minimum of 15% of the units to be below market rate. Based on these requirements, this project does not meet the minimum program requirements of 51% and, therefore, is **not eligible for funding.**

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## **National Housing Trust Fund Program (NHTF)**

### **Program Description**

Federal program to increase and preserve the supply of affordable housing, with an emphasis on rental housing for extremely low-income households.

### **Program Threshold | Minimum Requirements**

The NHTF Program is a federal formula grant that provides annual allocations to states to increase and preserve the supply of decent, safe, and sanitary affordable housing specifically for extremely low-income households, defined as having income at or below 30 percent (30%) of the Area Median Income ("AMI") or income less than the federal poverty line (whichever is greater).

The Department will award NHTF funds for developing eligible multifamily rental projects in California through a non-competitive and competitive application process.

### **Determination**

The proposed project doesn't include extremely low-income households and is not a for-rent project. Therefore, it does not meet the minimum requirements and is **not eligible for funding.**

---

## **Multifamily Housing Program (MHP)**

### **Program Description**

Low-interest, long-term deferred-payment loans for new construction, rehabilitation, and preservation of permanent rental housing for lower-income households.

### **Program Threshold | Minimum Requirements**

The Program requires that the project includes the new construction or Rehabilitation of a Rental Housing Development or conversion of a nonresidential structure to a Rental Housing Development.

## **Determination**

The proposed project does not include any rental housing units; therefore, it is **not eligible for funding**.

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## **Local Housing Trust Fund (LHTF) Program**

### **Program Description**

The LHTF program matches local and regional housing trust funds dedicated to creating, rehabilitating, or preserving affordable housing, transitional housing and emergency shelters. In addition, the program provides Loans for multifamily rental housing projects that require tenant income and rent restrictions imposed through a regulatory agreement for 55 years. When program funds are used to make loans for homeownership projects or units within a homeownership project, the Local Housing Trust is required to record a deed restriction in compliance with Health and Safety Code Section 50843.5(d)(3).

### **Program Threshold | Minimum Requirements**

A Local or Regional Housing Trust Fund is required to be a public, joint public and private, or charitable nonprofit organization organized under Section 501(c)(3) of the Internal Revenue Code, which was established by legislation, ordinance, resolution (including nonprofit articles of incorporation), or a public-private partnership organized to receive specific public, or public and private, revenue to address local housing needs.

## **Determination**

The proposed project does not comply with the minimum requirements and is not eligible for funding. However, funds allocated to a Local Trust Fund could be eligible. Based on the proposed project's location, funding through the San Gabriel Valley Housing Trust has been analyzed below.

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## **San Gabriel Valley Regional Housing Trust**

### **Program Description**

SGVRHT established the RLF to provide financial assistance to preserve and increase affordable housing opportunities. The RLF is primarily designed to fill funding gaps and provide

predevelopment loans (i.e., early-stage loans that help affordable housing developers overcome initial hurdles while they determine the details of a project and secure permanent financing).

### **Program Threshold | Minimum Requirements**

Eligible ownership housing projects shall be limited to those that serve households with incomes up to 80% of AMI, adjusted for household size.

### **Determination**

The proposed project is eligible for funding but only for the three low-income units. Given the program's loan terms, which cap maximum loan amounts based on per-unit limits, the financing available per affordable housing unit is relatively modest. This limited funding significantly restricts its influence on total development costs, as construction and other factors dominate these expenses.

Consequently, the loan assistance offers little leverage in offsetting the broader financial burdens associated with building and selling income-restricted units. The program's funding, while supportive, remains the same financial landscape that developers face when creating affordable housing.

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### **Homeownership Super NOFA**

A One-Stop Shop for Affordable Homeownership Projects and Programs. The California Department of Housing and Community Development (HCD), in accordance with Assembly Bill 434 (Chapter 192, Statutes 2020), is working to make our homeownership program funds accessible to more developers and communities.

### **Program Description**

This Homeownership Super NOFA (HOSN) is issued to distribute funds for the CalHome Program and funds for the homeownership activities within Serna only.

### **Program Threshold | Minimum Requirements**

To be eligible to apply for CalHome funding, the Applicant shall be a Local Public Entity, Local Public Agency, Tribal Entity, or Nonprofit Corporation. Therefore, the proposed project would not be eligible for funding.

### **Determination**

Trumark Homes is a privately held homebuilder that does not meet the minimum entity requirements. Therefore, the proposed project would not be eligible for funding.