From: julies418 < julies418@aol.com>
Sent: Tuesday, August 17, 2021 9:40 AM
To: Siri Champion < schampion@rialtoca.gov>

**Subject:** RE: 230 S Orange

We are open to selling 230 s orange to the city for future development. Thank you  $\label{eq:control_control} % \[ \frac{1}{2} \left( \frac{1}{2} \right) + \frac{1}{2} \left$ 

Julie Salazar

From: jose vindel <jvindel@att.net>

**Sent:** Thursday, August 26, 2021 11:03 AM **To:** Siri Champion < <a href="mailto:schampion@rialtoca.gov">schampion@rialtoca.gov</a>>

Subject: Responding to your letter: Rialto Methodist Church as potential "Opportunity Site" for

future residential development

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Siri

Thank you for your letter identifying Rialto United Methodist Church at 1230 N. Lilac Ave as a potential "Opportunity Site" for future development. When the time comes, and if considered by the city, Rialto UMC is willing enter in conversation regarding this matter.

Thank you very much for you letter

Rev. Jose Vindel

Pastor, Rialto UMC

From: Jared Sopko <jared@sopkoprojects.com>
Sent: Friday, September 17, 2021 1:43 PM
To: Siri Champion <schampion@rialtoca.gov>
Subject: Housing Opportunity Site: APN 012725114

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Ms. Champion,

Thank you for your outreach and interest in including our site, APN: 012725114, into the Housing Opportunity Sites. We are interested in the offer to add our parcel to consideration for an eventual overlay zone that would allow residential development.

Please contact me should you need any additional information.

Regards,

Jared Sopko Project Manager, Cloverfield Management, LLC, Manager for Allied Farms, Inc.

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**Jared Sopko,** LEED AP jared@sopkoprojects.com O: (424) 214-2164



#### Real Estate Development, Acquisition and Management

September 21, 2021

Ms. Siri Champion Senior Planner Community Development Department City of Rialto 150 S. Palm Avenue, Rialto, CA 92376

#### Housing Element Update, Gateway Specific Plan Amendment, Site Inventory #122-123

Dear Ms. Champion:

We are an established Southern California real estate development firm that is under contract to acquire and develop the two properties consisting of 18 +/- acres on the Southeast corner of South Riverside Avenue and East San Bernardino Avenue (APNs 0132-092-01 & 0132-252-01) in South Rialto (the "Property"). It has come to our attention that the City is in the process of updating the Housing Element of its General Plan, which will ultimately result in changes in policy as well as amendments to both the City's General Plan and the Gateway Specific Plan (which applies to our Property). We appreciate the opportunity to review and comment on the proposed Housing Element Update.

To begin, we appreciate and support the City's interest in allowing the development of residential on the Property. Housing demand is at historic levels, and providing developers the ability to develop more housing for the City's constituents is essential to meet such demands and combat the rising costs of home ownership and rental. It also happens to be a good use for a substantial portion of our Property. Retail is the best and highest use for the part closest to Riverside Avenue, but neither retail nor office are economically viable uses for the rear or East portion of the Property. Residential would be a good fit behind the retail since it is surrounded by other residential and in close proximity to freeway access and regional retail and services. As a result, we are currently in the process of preparing plans to submit to the City for the development of retail on the portion of the Property adjacent to Riverside Avenue and residential for the balance of the Property.

We are writing this letter, however, because we are deeply concerned about the City's proposed identification of our Property as a suitable site for high-density and affordable housing in the General Plan's Housing Element Update. High density and affordable housing in this South Rialto submarket and in particular on this Property – are not economically feasible now or in the forseeable future. The construction costs for this type of product require a rent structure or sale price that is not achievable in this submarket. Further, projects of this size and type typically require structured debt financing, and such financing is almost uniformly not available for this type of product in the Inland Empire (exceptions being premium rent / sale price locations such as TOD sites and affluent denser areas like in Rancho Cucamonga). Enclosed for your consideration is a letter from Land Advisors – residential brokers with



#### Real Estate Development, Acquisition and Management

extensive experience in the IE residential market – in support of our view that such residential product type is not feasible in this submarket and won't be in the forseeable future.

This is especially true for our Property. In addition to general market challenges, our Property will be more costly to develop because of mitigation costs associated with the federally-protected endangered species, the Delhi Flower-Loving Sand Fly (the "Sand Fly"). Habitat assessments have identified significant suitable Sand Fly habitat on the Property. As such, we will have to purchase sufficient Sand Fly conservation land elsewhere to mitigate the displacement of Sand Fly habitat on our Property in order to develop it. Our environmental consultant is in the process of working with the US Fish and Wildlife to determine the full extent and cost of such mitigation, but the range of such mitigation costs based on current mitigation agreements with surrounding landowners are all in the several millions of dollars. This additional financial burden to develop our Property makes it one of the least likely locations in this submarket for a high density / affordable housing project. In fact, based on the above and our/Land Advisor's experience and market analysis, the only economically viable residential development that can be pursued at this location is a market rate one with a density of 8 and 16 units per acre. Higher densities make a residential development here uneconomic and therefore infeasible. And without the residential development, the retail component of the development will also not be viable.

For the reasons stated above, we strongly encourage the City to reconsider its identification of the Property for high density and affordable housing in the Housing Element Update and plan amendments. Such designation may satisfy paper mandates from the State, but it is simply not realistic. More importantly, it might complicate the City's ability to approve our mixed use project with an economically viable residential component (especially in light of the recently passed laws, including SB-8 (https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill id=202120220SB8)). At the very least, we urge the City to remove any reference to a potential minimum density on our Property, even if it's not binding, and allow for lower densities between 8-16 du/ac. This would allow the City to comply with the State's RHNA requirements without unnecessarily complicating the City's policies and its ability to maintain local control and flexibility in determining whether to approve our forthcoming plan amendments and project application. By doing the above, the City avoids the potential for misuse and abuse of the State law's "consistency" requirement as a tool to frustrate the City's efforts to address the immediate need of housing and additional retail/services for its constituents.

Thank you for your consideration of our concerns and comments. Please don't hesitate to contact us if you would like to discuss this further or need any additional information.

Best Regards,

Chris Costanz Managing Member



September 21, 2021

Siri Champion
Senior Planner
Community Development Department
City of Rialto
150 South Palm Avenue
Rialto, CA 92376

RE: Housing Element Update, Gateway Specific Plan, Site Inventory #122-123

Assessor's Parcel Numbers: 0132-092-01, 0132-252-01

Dear Ms. Siri,

We are residential land brokers with approximately 40 years of experience focused exclusively on the Inland Empire. We are currently engaged by the County of San Bernardino as consultants to assist in its sale of 2,900 units in Rancho Cucamonga. This week, we hosted the auction and sale of more than 1,600 acres in the City of Highland on behalf of the County of Orange. And, last year, we managed the sale of 328 units in the City of Loma Linda on behalf of its Success Agency. We are intimately familiar with the goals proposed by the Regional Housing Needs Allocation (RHNA) and the municipalities needs to update their Housing Elements accordingly.

We received notification that the above-referenced parcels ("Subject Property") have been identified as an opportunity area within the Housing Element Update currently in process by the City of Rialto. It is our understanding the Housing Element Update plans an amendment to the Gateway Specific Plan to add a new residential zoning district to facilitate high-density residential development. This new residential zone would assume an average density for the Subject Property of 35 dwelling units per acre — yielding an estimated 635 units on approximately 18 acres.

The proposed density does not fit with current or anticipated market conditions. In the last five years, there have been zero new residential developments to achieve the proposed density. There has been only one community with a density over 20 dwelling units per acre. Built in December 2017, Santa Barbara Luxury Apartments, located at 606 South Riverside Avenue, yields a density of approximately 22 dwelling units per acre. Otherwise, all recent and anticipated new home development in this submarket has consisted of conventional single-family residences or attached townhomes with densities less than 12 dwelling units per acre. Higher density product at the Subject Property is unachievable because base home pricing does not support its development, nor do we see any prospect of this changing in the near or forseeable future.



We understand and support the City's need to meet its RHNA goals. We recommend the City propose a density for the Subject Property ranging from 8 to 16 dwelling units per acre. Any density above 16 dwelling units per acre will result in attached three-story product, which is not financially feasible for the Subject Property in the current market. If the City proposed a density up to 16 dwelling unit per acre for the Subject Property, then it would generate much needed new housing in the near future.

We want to see new housing built on the Subject Property; however, the proposed density will not achieve that goal. Any high-density or affordable housing designation will have a substantial negative impact on the Subject Property's land value. We believe the recommended density (8-16 du/ac) will better contribute to the fulfillment of the City's vision as established in the General Plan Update.

We thank you for your time and consideration. We have enclosed a copy of our biographies. Please feel free to contact us with any questions.

#### Sincerely,

Doug Jorritsma

Doug Jorritsma Senior Vice President Land Advisors Organization d. (949) 656-8004

e. djorritsma@landadvisors.com

Ian Sinderhoff

Ian Sinderhoff Vice President Land Advisors Organization

d. (949) 656-8005

e. isinderhoff@landadvisors.com

Enclosed: Land Advisors Organization, West San Bernardino Team Flyer

# WEST SAN BERNARDINO COUNTY LAND TEAM



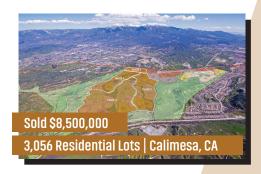


No one knows land better than Land Advisors. As the only nationwide firm focused exclusively on the sale of residential land, we know every market like it's our own.

Our land teams are local market specialists with decades of boots-on-the-ground experience navigating challenges such as development issues, asset positioning, and other make-or-break factors in land deal-making.

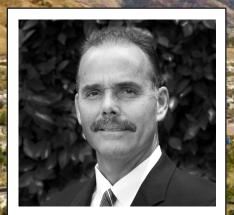
Utilizing our extensive list of prequalified local and national buyers, unmatched market intelligence, proprietary list of future development, and understanding of capital requirements, we are able to consistently deliver the highest market land value.





### **OUR TEAM**

## SAN BERNARDINO COUNTY'S TOP LAND EXPERTS



#### **DOUG JORRITSMA**

Senior Vice President Land Advisors Organization d | (949) 656-8004 djorritsma@landadvisors.com Lic. 00995382

#### Experience

- 30+ years of experience in land brokerage
- Successfully closed more than 30,000 residential lots for consideration over \$2 billion.
- Strong relationships with buyers, investors, capital and municipalities.
- Top Salesperson of the Year (2000, 2001, 2003, 2004, 2007, 2009, 2013 and 2017)





#### IAN SINDERHOFF

Vice President Land Advisors Organization d | (949) 656-8005 isinderhoff@landadvisors.com Lic 01948291

#### Experience

- 8+ years of experience in land brokerage
- Successfully closed more than 10,000 residential lots for consideration over \$200 million.
- Great at sourcing new team opportunities, maintaining current market data, and directing the transaction process.
- Environmental Law Attorney





#### **RACHEL BUBA**

Marketing & Brokerage Coordinator Land Advisors Organization d | (949) 656-8015 rbuba@landadvisors.com

#### Experience

- 10+ years of experience in marketing & real estate
- Specializes in researching and analyzing market trends, maintaining marketing metrics and the coordination and implementation of marketing materials including the preparation of proposals, Broker Opinion of Values, Offering Memorandums and Market Overviews



#### WHY CHOOSE US?

We take a personal approach with every assignment. The team you list with is the team that is creating and implementing a customized marketing strategy, making the calls to potential buyers, and personally working on all aspects of the disposition. We believe in transparency and strive to be your trusted advisor and partner for life.