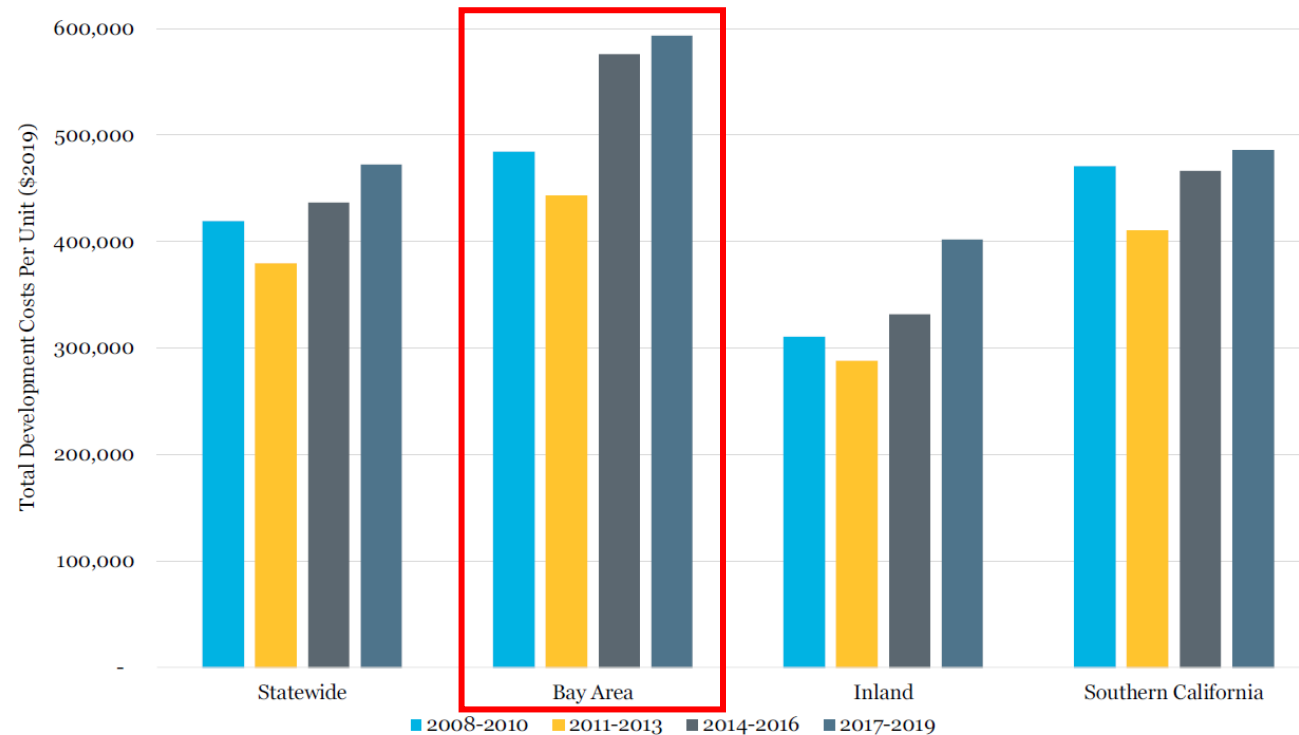


Cost Drivers of Affordable Housing

Presented by
Augustina Ullman, 2021 Summer Intern
August 18, 2021

Construction and Labor

Table 1: Regional Differences in Total Development Costs Per Unit Over Time



Source: UC Berkeley Turner Center (2020). The Costs of Affordable Housing Production. Retrieved from: <https://turnercenter.berkeley.edu/research-and-policy/development-costs-lihtc-9-percent-California/>.

Development and Entitlement

Several factors increase delays and development costs, and even pose challenges to obtain density:

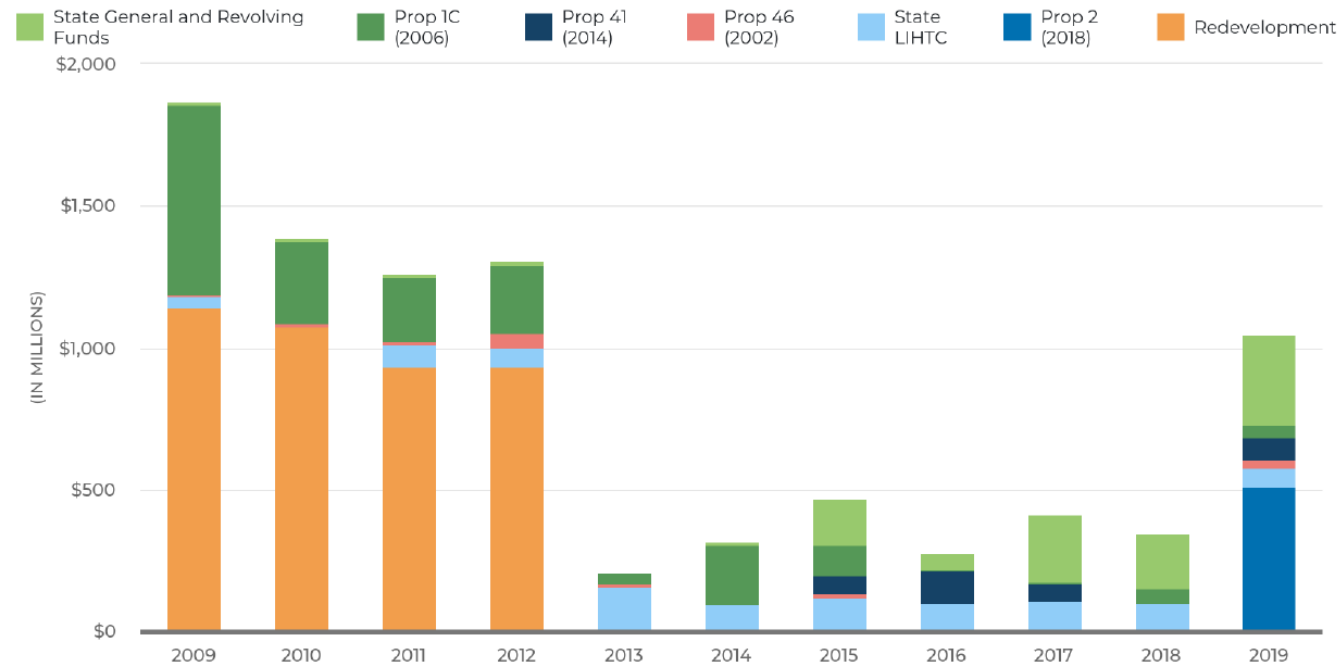
- the complexity associated with **regulations**;
- local design, parking, and environmental **requirements**;
- funding constraints to achieve **efficiencies of scale**; and
- lack of government **staff and capacity**.

Complexity in Financing

Table 3: Changing Composition of Funding Streams for Affordable Housing in California

STATE FUNDING

| State housing investments from FY 2008-09 to FY 2018-19.



Source: California Housing Partnership (CHPC). (2020). Housing Needs Dashboard. Retrieved from: <http://chpc.net/housingneeds>.

Case Study: 833 Bryant Street

Table 5: Comparison Projects and the Package of Cost Efficiencies

	Defined, Ambitious Cost & Time Goals	Unrestricted Capital During Construction	Streamlined Ministerial Approval Process	Off-Site Construction
833 Bryant	Yes	Yes	Yes	Yes
1064 Mission	Time Goal Only	No	Yes	Yes
Mission Bay Block 9	No	No	Yes	Yes
Casa de la Misión	No	Yes	Yes	No
Parcel 0	No	No	No	No

- **30% faster** and **25% cheaper** per unit than similar projects
- **\$382,917** per unit completed in 3 years
 - The average cost for similar projects is \$614,116 per unit

Source: UC Berkeley Turner Center for Housing Innovation. (2021). Strategies to Lower Cost and Speed Housing Production. Retrieved from: <https://turnercenter.berkeley.edu/research-and-policy/833-bryant-street-sf/>.

Case Study: 833 Bryant Street



Source: UC Berkeley Turner Center. (2021). Strategies to Lower Cost and Speed Housing Production. Retrieved from: <https://turnercenter.berkeley.edu/research-and-policy/833-bryant-street-sf/>. Cahill Contractors. (2021). 833 Bryant. Retrieved from: <https://cahill-sf.com/portfolio/833-bryant/>.

Questions?