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advisors

College Area City Plan Update January 2023

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College Area, San Diego

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College Area CPU SANDAG Series 14 Update and Clarification

London Moeder Advisors (“LMA”) has completed a review of the latest San Diego Association of Government’s (“SANDAG”) Regional Growth Forecast Series 14 (“Series 14”) data to determine how the updated regional forecast may impact our previously issued analysis on the economic opportunities which might be realized with the Community Plan Update (“CPU”) for the College Area of San Diego. This memorandum addresses the key updates to our previous analysis which were based on inputs from the SANDAG Series 13 data. Additionally, we have included an overview of the key differences in methodology employed in the Series 14 forecast and how these have contributed to changes in the forecast.

The overarching conclusion is that Series 14 data does not change the types of housing that should be targeted in the College Area. Although there has been a notable reduction in the share of forecasted growth of young adults, there has been a significant increase in the share of forecasted growth of those aged 70 and over.

With this update, future SANDAG growth forecasts will allocate a greater share of the projected regional growth to the College Area. Therefore, we continue to recommend housing prototypes consisting of *dense multifamily housing* including a mix of small units including micro-units, studios and one-bedrooms, all of which would target the marginal but existing growth of students and young adults.

It should be noted that this report uses data from SANDAG’s 2019 Population and Housing Estimates, which is the most accurate data available at the time of this report’s authorship. This data is subject to change at any future point in time if and when SANDAG produces more accurate estimates.

Series 13 v. Series 14 – Methodology & Data

The key change that has been made for the Series 14 forecast is the use of the Department of Finance (“DOF”) projections as a control for the regional wide forecast. The current DOF projections have a lower population total than prior projections for most California counties.

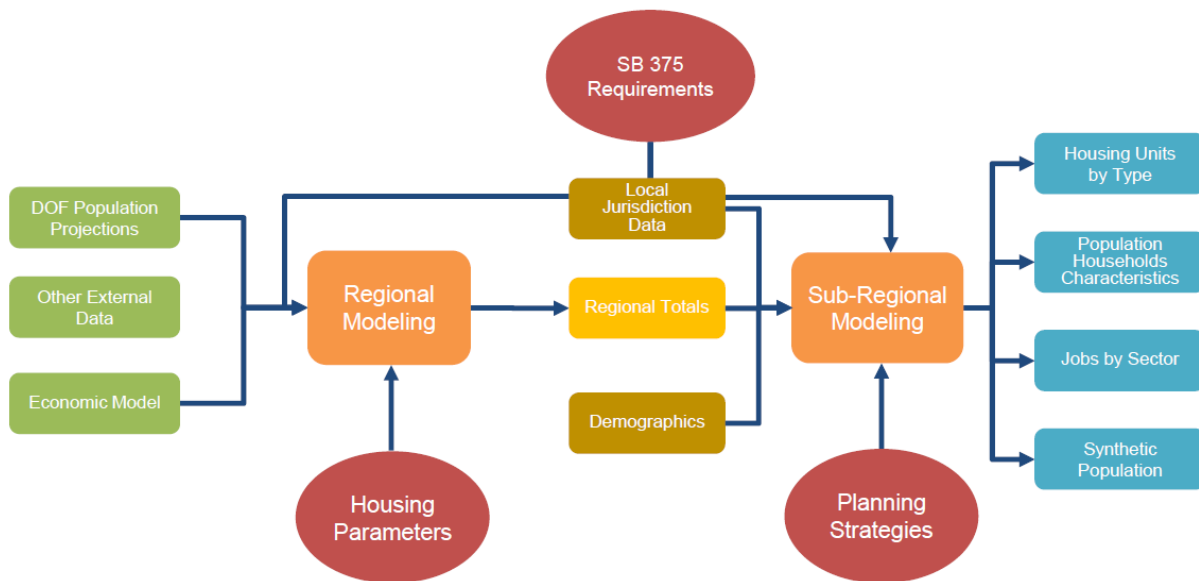
The SANDAG forecasting method is based on DOF economic forecasts. The model used for regional-wide forecasting is the San Diego Demographic and Economic model (“SanDE”). The primary input for the SanDE model is the DOF population growth projections. Using cohort-specific rates, the SanDE then refines the overall DOF population projections to result in specific socioeconomic details required for the forecast.

The regional forecast models inform the subregional forecast models. The model used for sub-regional allocation of regional growth is the Integrated Land Use, Demographic, and Economic Model (“iLUDEM”). The iLUDEM uses the current distribution of jobs, housing units, income and population to project subregional growth based on the updated regional numbers.

After the number of housing units at the regional level are calculated, the number of housing units needed in each of the 19 jurisdictions within the region is determined for every year of the forecast. These jurisdiction-level controls are determined by the proportion of units between jurisdictions in previous SANDAG forecasts and by an analysis of the available capacity in each jurisdiction based

upon the adopted community plans. The iLUDEM process then allocates the needed units to the parcels within each jurisdiction using a criterion developed during consultation with subject matter experts and several professional peer review meetings held at SANDAG. The following illustration details the workflow involved with the subregional allocation of regional growth figures:

Figure 1: Regional Growth Forecast and Subregional Allocation Flow



A critical element of the SANDAG subregional allocation method is the land use input for its models. This input reflects local plans and policies. The SANDAG approach can be viewed essentially as an *aggregation* rather than a *forecast* because it is driven by policies and plans determined by the City of San Diego. This is a “bottom-up” approach, not a “top-down”. In other words, it is up to local jurisdictions, including the City of San Diego (which uses its community plans), to determine how they plan to distribute housing allocations based on the regional forecast from DOF.

Therefore, as each new Series is completed, the result is inevitably a refinement in the forecast. Every forecast Series represents a single possible outcome of development given the assumptions, sources and methodologies that are used.

As other jurisdictions or communities update their general plans or community plans this will result in alterations in the share of the overall regional growth for those jurisdictions and community plan areas.

Once the College Area Community Plan Update is complete and additional capacity has been created through updated plans and policy, the following forecast Series will reflect an increase in the capture of regional growth for the College Area.

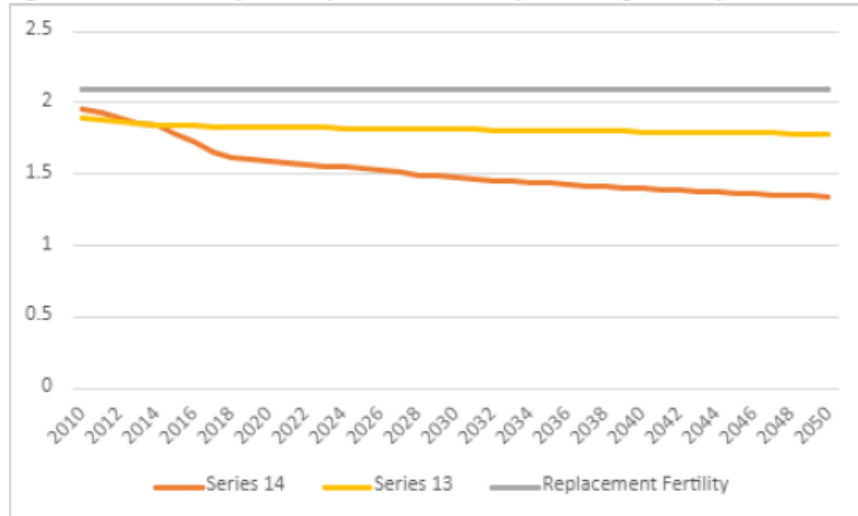
Key Modeling Differences

The SANDAG regional growth forecasts begin with base year demographic data that is then projected forward. The Series 13 is derived from the base year of 2012. Series 14 forecasts begin in 2019.¹

A major difference in the results of the Series 13 and Series 14 data is the decrease in forecasted population and households. As a region, the Series 13 forecast projected a total regional population of 3.98 million while Series 14 projects 3.74 million, a reduction of approximately 240,000 people.

A major assumption in declining forecasted numbers is fertility rates. Based on a new base year of 2016 and updated data from 2017 and 2018, the Series 14 data includes trends in declining total fertility within its inputs for modeling population and households. The following illustration highlights the declining trends in total fertility that were used as inputs for the Series 13 and 14 forecasts:

Figure 5. Total Fertility and Replacement Fertility, San Diego County: 2010-2050



Source: SANDAG Series 13 Regional Growth Forecast, Series 14 Regional Growth Forecast

Series 13 models assume that total fertility in the region would remain relatively stable between 2010 and 2050. Conversely, Series 14 assumes that total fertility will constantly decrease between 2010 and 2050. Due to this reduction in projected population, the resulting subregional allocation of growth is reduced, causing a decrease of forecasted population and households in the College Area.

Additionally, Series 14 utilized parcel-based inputs instead of sub parcel-based inputs. The difference is defined by SANDAG as follows²:

¹ The Series 13 Forecast is based on the base year 2012, while Series 14 is based on a base year of 2016. However, Series 14 models have also included actual data from the years 2017 and 2018. Therefore, true forecasted demographic data begins in 2019 for Series 14.

² SANDAG, Series 14 Regional Growth Forecast Documentation and Baseline Subregional Allocation, p. 11 section 1.5.3

In previous forecasts, inputs for the subregional modeling efforts used subparcel-based information, which assigned a land use code and dwelling unit count at a subparcel-level when appropriate. For the Series 14 RGF process, the decision was made to develop the forecast inputs at the parcel-level to align with the data development effort of the new subregional allocation model. This entailed an additional data development effort of assigning a singular land use to the parcels that have more than one land use.

The Series 14 methodology is intended to capture existing dwelling units and planned dwelling unit capacity in mixed use parcels. However, it remains unclear as to whether this will result in the reduction of capacity for housing or if mixed-use projects could increase residential capacity in the area.

Another difference between Series 13 and 14 is the incorporation of the development of Accessory Dwelling Units (“ADUs”) within the capacity of local jurisdictions. In Series 14, it is assumed that five percent of single-family lots of at least 5,000 square feet will have an ADU.³ While ADUs might result in more housing units, thus accommodating the total regional growth that is projected in Series 14, so far this is unclear. Many, if not most, of the ADUs built to date are mostly utilized as augmented space for the existing homeowners, such as for home offices. We do not expect the ADU count increase to have an appreciable effect on housing counts.

It is important to note that over the many years of SANDAG forecasts, the near-term forecasts tend to be accurate. Over the longer term, adjustments are made with each succeeding series, which reflect critical demographic, economic and policy changes over time. Therefore, in viewing Series 14, it is more important to address the short-term changes, less important to consider the longer term. They are likely to change. Candidate changes might be:

- Alterations to the fertility rate assumptions
- Migration pattern changes, both domestic and international
- Population decreases in our region due to cost of living
- Increasing urbanization of communities, including density and height due to limited land availability to accommodate new housing demand
- Changes in live/work relationships and transportation patterns

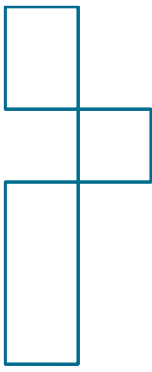
Undoubtedly there are other factors which impact our region’s growth. Some of the above may have more impact than others, some may not factor at all. And there may be unanticipated factors or “outliers”.

Another key issue is our region’s ever-increasing cost of living. It already plays out as an important factor in housing affordability, including the types and location of new housing, all of which are going through a transformational cycle. This could evolve into a greater economic issue, such as companies not expanding locally or even exiting our region due to their inability to attract workers. Such is not the case now, but a longer-term forecast will undoubtedly grapple with this issue.

³ LMA wishes to note, however, that we have determined that a 5,000 square foot lot is likely, in most instances, to be too small for the addition of an ADU and should not be included in the SANDAG calculation.

The cost of living is already affecting migration patterns. These are generally reflected in high outmigration counts which are owed, to some extent, to the cost of living. Lower income workers and retirees are particularly vulnerable, and greater numbers have migrated to lower cost markets to the east, and out of state. The high cost of living is particularly centered on the cost of a home, and disproportionately affects households of younger cohorts in their childbearing years. Owning a home is the single greatest asset to building wealth and economic security. The inability of younger generations to achieve ownership will have long-term negative implications for the regional economy. This issue also relates to the type of housing needs: even if built in the coming years in sufficient numbers, current housing additions are often not appropriate, either in size or type, to the needs of growing families.

The point is that community plans cannot be based on long term forecasting. They are based on estimates and assumptions that will change as demographic trends unfold, including housing capacity from existing adopted plans. Therefore, it is important that community plans accommodate what we know to be the relatively short or mid-term needs while allowing for flexibility to address future needs.



Series 13 v. Series 14 - Update to Analysis Conclusions

The purpose of this section is to address the key changes to the conclusions of our previous analysis based on the transition from Series 13 to Series 14 data. The differences can be seen in the following table:

		2020 - 2050 Population Growth			
		City of San Diego		College CPA	
		Series 13	Series 14	Series 13	Series 14
D i s a g r e a t e	70 and over	115,559	136,093	2,138	3,085
	50 to 69	64,319	33,165	2,836	2,365
	30 to 49	62,509	51,356	4,311	2,727
	20 to 29	21,731	14,402	7,717	1,460
	0 to 19	60,823	-40,163	6,650	1,084
(#)	Total Expected Growth	324,941	194,853	23,652	10,721
P e r c e n t a g e	70 and over	35.6%	69.8%	9.0%	28.8%
	50 to 69	19.8%	17.0%	12.0%	22.1%
	30 to 49	19.2%	26.4%	18.2%	25.4%
	20 to 29	6.7%	7.4%	32.6%	13.6%
	0 to 19	18.7%	-20.6%	28.1%	10.1%
(%)	Total Expected Growth	100%	100%	100%	100%

Source: SANDAG Population Forecasts and LMA

Shifting Age Distribution – City of San Diego

Series 13

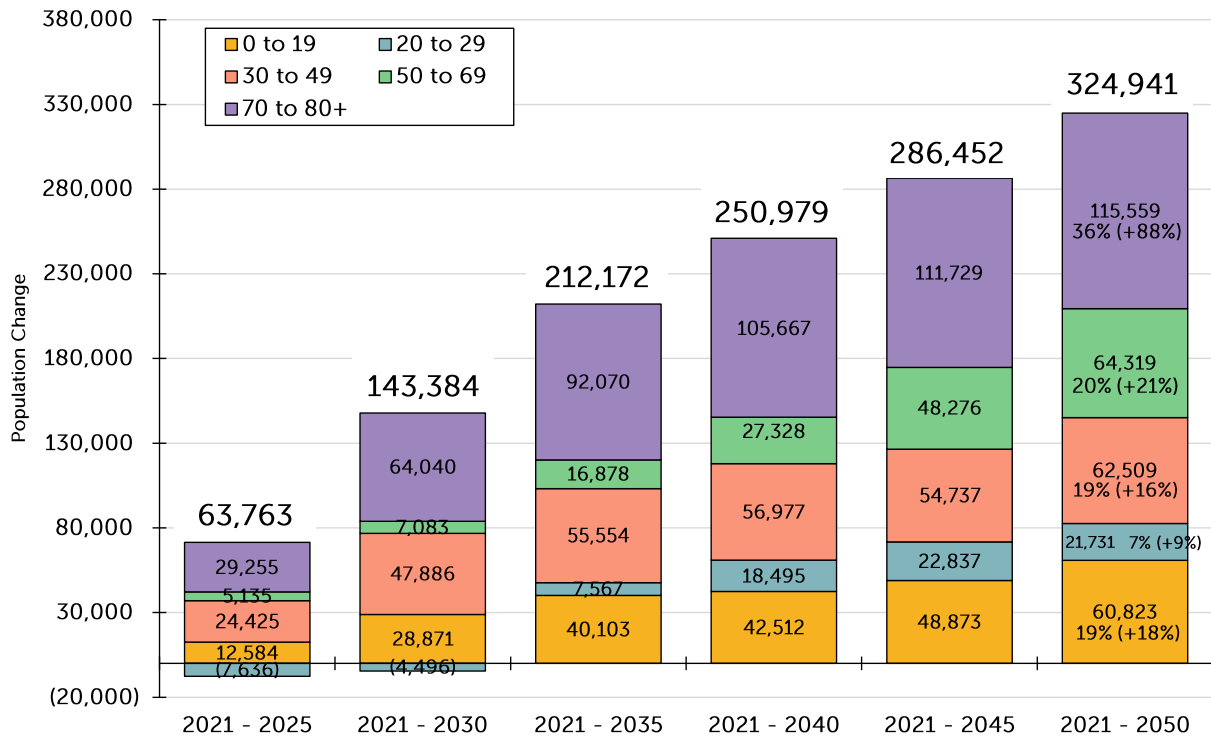
According to SANDAG’s Series 13 forecast of population growth, the City of San Diego (“City”) was expected to grow by 324,941 total residents between 2020 and 2050, a 22.9% increase. The biggest demographic shifts would be experienced in the portion of the population aged 70 and over,

comprising 35.6% of the total population growth over the next 30 years. The portion of the population aged 70 and over was forecasted to grow by 115,559, an 88% increase.

Following the 70 and over age group, the age groups of 0 to 19, 30 to 49 and 50 to 69 were forecasted to experience relatively equal growth in population size consisting of 18.7%, 19.2% and 19.8% of total population growth in the City.

The following chart illustrates the cumulative population growth in the City of San Diego by age

Series 13: Population Age Distribution Forecasted Change
City of San Diego
(2021-2050)



Source: SANDAG Growth Forecast (Series 13)

group:

The anticipated growth in persons aged 70 and over (senior population), can be largely attributed to the natural aging of adults aged 50 to 69 who occupy the region's existing stock of family-oriented housing (units comprised of two or more bedrooms).

As today's young adult population ages, there would be an uptick in those aged 30 to 49 (young families) reaching total cumulative growth of 56,977 by 2040. The growth in this age group would translate to an increase in family formation.

When compared to total population growth, those aged 20 to 29 (young adults) would experience the smallest increase in population. In fact, this age group was forecasted to decrease region-wide by 4,496 persons between 2020 and 2030, a 1.9% decrease in population. By 2050, young adults were forecasted to account for 6.7% of the total population growth in the City of San Diego.

Series 14

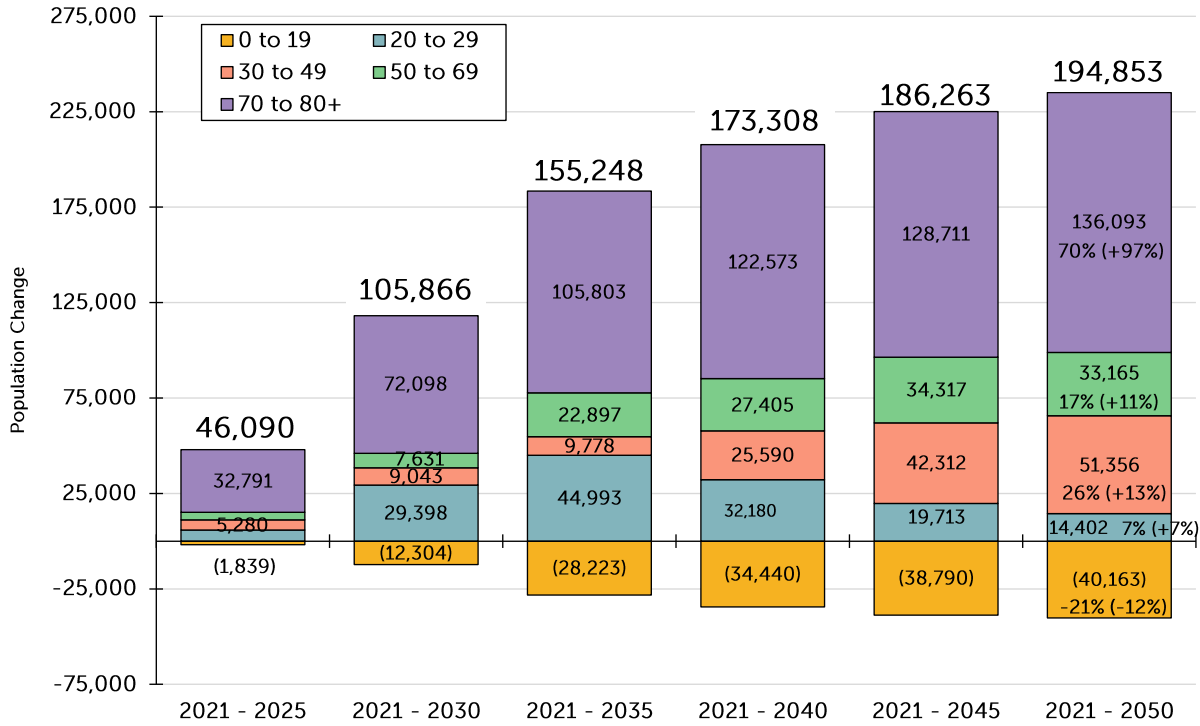
As part of the Series 14 data, the total forecasted growth in population has decreased by 130,088 to an adjusted total growth of 194,853. This represents a decrease in forecasted growth of 40% when compared to Series 13.

As seen in ages between 0 to 19 in the previous table, instead of an increase of 60,823 by 2050 as reflected in Series 13, Series 14 projects overall growth, there is a projected decrease in population of 40,163 by 2050 between Series 13 and 14. This is principally attributable to a decrease in family formation.⁴

Additionally, the City is now forecasted to increase, in the short term, its young adult population. Those aged between 20 and 29 are now forecasted to grow by 44,993 by 2035 followed by decreases in population resulting in total growth of 14,402 by 2050. In Series 13, this age group was projected to decrease in size until 2030 before beginning to grow modestly to an overall growth of 21,731 by 2050. As this age group begins to age in place, they are forecasted to contribute to an uptick in growth of those aged between 30 and 49. After years of marginal growth resulting in growth of 9,778 by 2035, those aged 30 to 49 will achieve growth of 25,590 by 2040 and 51,356 by 2050. This is less than the total growth forecasted in Series 13 of 62,509. Series 14 age distribution suggests that as the City's younger generation begins to age it will be increasingly difficult to grow families within the City. This is attributed to the forecasted decrease in the child population concurrent with the increase in those aged 30 to 49.

⁴ LMA wishes to point out that household child reduction is based on what we consider to be the dubious assumption that the region will continue to be impacted by fewer households bearing children. We do not expect this outcome, and we anticipate that there will be a future revision in a succeeding Series.

Series 14: Population Age Distribution Forecasted Change
City of San Diego
(2021-2050)



Source: SANDAG Growth Forecast (Series 14)

Shifting Age Distribution – College Area

Series 13

SANDAG’s Series 13 forecast for the College Area contrasts greatly with the City and the region. The College Area was forecasted to more than double its current population by 2040. The area was forecasted to add 23,652 residents between 2019 and 2050, with projected population growth from 23,696 to 49,089, a 107.2% increase.⁵

The forecast anticipated that young adults would account for the largest portion of population growth in the College Area, followed by that of children aged 0 to 19. The portion of the population aged 20 to 29 would grow by 7,717 which accounts for 32.6% of the total population growth in the area while the portion of the population aged 0 to 19 would grow by 6,650, or 28.1% of the total population growth.

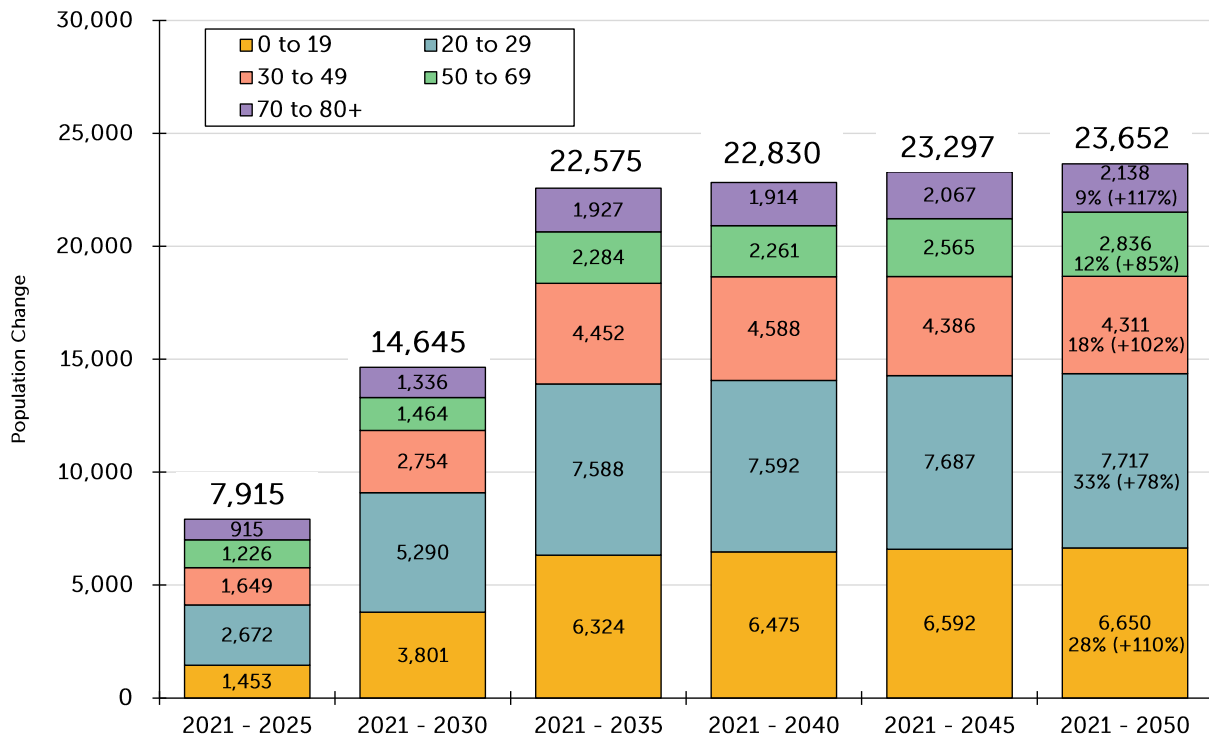
Those aged 30 to 49 would add 4,311 residents, or 18.2% of the total population growth. The anticipated growth in the child population coupled with growth in the ages of 30 to 49 suggested

⁵ SANDAG – 2019 Estimate College Area

that today's young adults, aged 20 to 29, would begin to form families and continue to live in this area.

The following chart illustrates the cumulative population growth in the College Area by age groups:

Series 13: Population Age Distribution Forecasted Change
College Area Community Planning Area
(2021-2050)



Source: SANDAG Growth Forecast (Series 13)

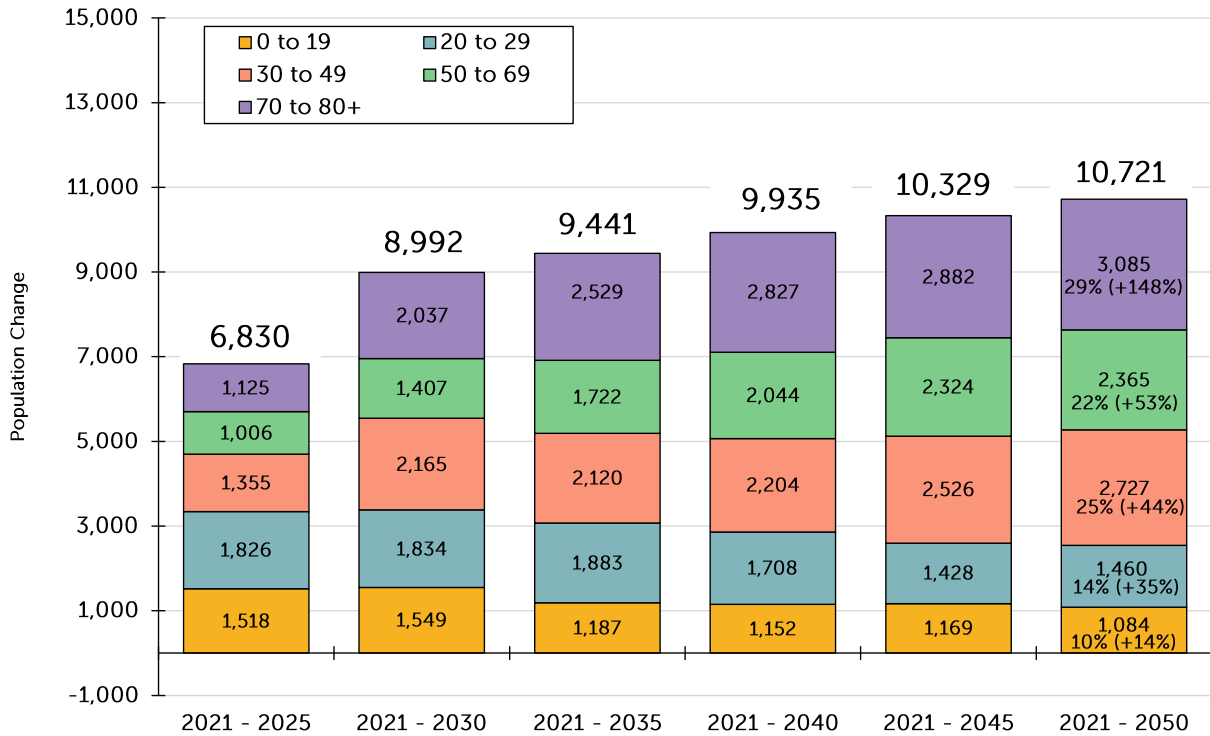
Series 14

The Series 14 forecast data for the College Area reflects similar changes as the forecast data for the City as a whole. As part of the Series 14 data, the total forecasted growth in population has decreased by 12,931 to an adjusted total growth of 10,721. This represents a decrease in forecasted growth of 55% when compared to Series 13.

The most notable change to the forecasted age distribution is that the age group with the greatest projected growth is now those aged 70 and older with a forecasted increase of 3,085, or 28.8% of the total forecasted growth. This is in direct contrast to the Series 13 data in which the largest segment of growth was those aged 20 to 29 with 32.6% of the total forecasted growth.

The major growth that was previously forecasted to occur between 2025 and 2030 and then again between 2030 and 2035 has now been erased. According to Series 14, most of the growth in the College Area is expected to occur between 2025 and 2030 followed by modest but consistent growth until 2050.

Series 14: Population Age Distribution Forecasted Change
College Area Community Planning Area
(2021-2050)



Source: SANDAG Growth Forecast (Series 14)

Housing Demand: College Area

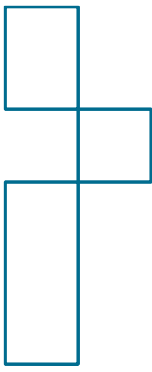
2021 Analysis - Series 13

Housing Mix

The growth in the child population must be accounted for within adult households. To provide a recommended distribution of housing types to be envisioned in the College Area, LMA made the following assumptions in the allocation of child population growth:

- ➔ 5% of children housed in the young adults age group (aged 20 to 29)
- ➔ 75% of children housed in the young families age group (aged 30 to 59)
- ➔ 20% of children housed in the older families age group (aged 50 to 69)

Based on these assumptions and the forecasted population growth trends in Series 13, young adults and young family households would drive the largest demand for housing in the College Area, accounting for 53.2% and 25.9% of forecasted population growth. The following table details the housing demand distribution based on types of households:

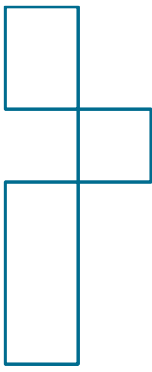


Total Child Population Growth (0 to 19): 5,167		2020 - 2050 Child Population Growth in College Area	
		Child Allocation	Total Population Growth
D i s a g g r e g a t e	<i>70 and over</i>	0	2,247
	<i>50 to 69</i>	1,034	3,049
	<i>30 to 49</i>	3,875	6,584
	<i>20 to 29</i>	258	13,513
	(#)	Total Expected Growth	5,167
P e r c e n t a g e	<i>70 and over</i>	0.0%	8.8%
	<i>50 to 69</i>	20.0%	12.0%
	<i>30 to 49</i>	75.0%	25.9%
	<i>20 to 29</i>	5.0%	53.2%
	(%)	Total Expected Growth	100%

Source: SANDAG Series 13 Population Forecasts and LMA

Housing Growth Scenarios

To address the region’s housing shortage and affordability goals, LMA analyzed a low and high housing growth scenario. According to existing land use plans during the creation of the SANDAG Series 13 forecasts, there was capacity for an additional 10,183 housing units in the College Area CPA by 2050. As part of a low scenario, LMA analyzed an increase in housing capacity to 20,000 units (increase of 9,817 units) by 2050. As part of a high scenario, LMA analyzed an increase in housing capacity to 40,000 units (increase of 29,817 units). The following table details the Series 13 housing growth forecast and potential increase to housing growth capacity:



Forecasted Housing Growth Capacity (2019 est. - 2050)						
	2019 Est.	2020	2030	2040	2050	Housing Units Added 2019 Est. to 2050
Total City of San Diego Housing Units	534,820	551,655	603,465	653,835	688,371	153,551
Total College Area Housing Units	7,845	8,402	14,253	17,679	18,028	10,183
<i>Housing Units Added</i>		557	5,851	3,426	349	
<i>Cumulative Housing Units Added</i>		557	6,408	9,834	10,183	
Percentage Capture	1.47%	1.52%	2.36%	2.70%	2.62%	
<i>Source: SANDAG Series 13 Forecast</i>						
Existing College Area Housing Growth Capacity 10,183						
Forecasted Housing Growth Scenarios						
	Low	High				
<i>Increased College Area Housing Capacity (by 2050)</i>	9,817	29,817				
<i>Total College Area Housing Units Added</i>	20,000	40,000				

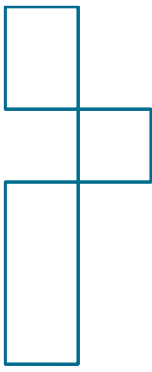
The concentration of future population growth, and the characteristics of this growth, suggested housing prototypes consisting of *dense multifamily housing* including a mix of small units including micro-units, studios and one-bedrooms, all of which would target the growth of students and young adults. As part of the mix to accommodate additional population cohorts, *high-density townhomes and rowhomes* can provide flexibility to accommodate recently formed young families. Since the College Area is mostly a built-out community, with the majority of land being used for single-family homes, this will require gradual conversion of some willing single-family homeowners to transition their properties to higher density multifamily townhomes and rowhomes.

Updated Analysis - Series 14

Housing Mix

The most notable difference in our analysis when using the Series 14 data is the decrease in forecasted population growth. Between the Series 13 and 14 data, there is a total decrease in forecasted population growth of 13,642, or 54%.

Following the same methodology as our previous report, we estimate that young family (aged 30 to 49) and senior (aged 70 and over) households will drive the largest demand for housing in the College Area, accounting for 34.6% and 29.3% of forecasted population growth. The following table details the housing demand distribution based on types of housing.



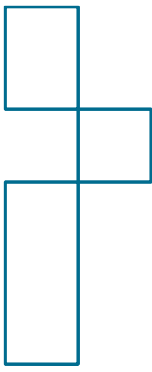
Total Child Population Growth (0 to 19): 1,319		2020 - 2050 Child Population Growth in College Area	
		Child Allocation	Total Population Growth
D i s a g g r e g a t e	70 and over	0	3,447
	50 to 69	264	2,957
	30 to 49	989	4,063
	20 to 29	66	1,285
	(#) Total Expected Growth	1,319	11,752
P e r c e n t a g e	70 and over	0.0%	29.3%
	50 to 69	20.0%	25.2%
	30 to 49	75.0%	34.6%
	20 to 29	5.0%	10.9%
	(%) Total Expected Growth	100%	100%

Source: SANDAG Series 14 Population Forecasts and LMA

Housing Growth Scenarios

Based on the decrease of population, there has also been a decrease in the projected household growth in the City of San Diego and the College Area. The Series 14 forecasts a decrease in household growth of 7,668 units for all of San Diego and 4,626 for the College Area. This represents a decrease of 4.9% and 45.4% respectively.

Based on existing capacity in the Series 14 forecast, the College Area is forecasted to add 5,557 units by 2050. To plan for additional housing opportunities and alleviate the long-term shortage of housing, we have adjusted our low and high scenarios that increase housing capacity in the College Area to 20,000 units and 40,000 units. This translates to added capacity of 14,443 and 34,443 units in our low and high scenarios, respectively.



Forecasted Housing Growth Capacity (2019 est. - 2050)						
	2019 Est.	2020	2030	2040	2050	Housing Units Added 2019 Est. to 2050
Total City of San Diego Housing Units	534,820	543,820	618,664	669,652	680,703	145,883
Total College Area Housing Units	7,845	8,244	12,166	13,075	13,402	5,557
<i>Housing Units Added</i>		399	3,922	909	327	
<i>Cumulative Housing Units Added</i>		399	4,321	5,230	5,557	
Percentage Capture	1.47%	1.52%	1.97%	1.95%	1.97%	
<i>Source: SANDAG Series 14 Forecast</i>						
Existing College Area Housing Growth Capacity 5,557						
Forecasted Housing Growth Scenarios						
	Low	High				
<i>Increased College Area Housing Capacity (by 2050)</i>	14,443	34,443				
<i>Total College Area Housing Units Added</i>	20,000	40,000				

Our adjusted housing growth scenarios following the publication of the Series 14 data does not change our overall conclusion regarding the types of housing that should be targeted in the College Area. Although there has been a notable reduction in the share of forecasted growth of young adults, there has been a significant increase in the share of forecasted growth of those aged 70 and over.

Therefore, we continue to recommend housing prototypes consisting of *dense multifamily housing*, including a mix of micro-units, studios and one-bedrooms, all of which would target the existing population and marginal growth of students and young adults. This type of housing can also accommodate the growth of those aged 70 and over, albeit likely in different multifamily developments in different parts of the community. This would have the effect of freeing up some of the existing housing stock for the forecasted growth of family households. As previously recommended, there should be a part of the mix to accommodate additional population cohorts. *High-density townhomes and rowhomes* can provide flexibility to accommodate recently formed young families. This will require gradual conversion of some single family to higher density multifamily homes.

Results of Increased Housing Capacity

The main factors of residential growth according to SANDAG's methodology are as follows:

1. Residential growth occurs only in areas with additional capacity for residential development.
2. The greater the capacity that is available for residential development in a jurisdiction, the greater the potential for residential growth in that subregional area.
3. Capacity in some areas is constrained based on a set of parameters in a manner that promotes urban infill.

Capacity for housing development and therefore, population growth, are key inputs for SANDAG to use for the allocation of regional growth forecasts. Therefore, with each new forecast series, SANDAG readjusts this allocation of growth based on the newest land use plans from each jurisdiction. The College Area CPA is currently undergoing updates to its portion of the City of San Diego's general plan. This offers the City the opportunity to redirect growth towards transit corridors and areas of the City it believes will most adequately absorb growth consistent with the City's General Plan City of Villages strategy and Climate Action Plan. With this update, future SANDAG growth forecasts will allocate a greater share of the projected regional growth to the College Area. If the City intends to redirect growth, such as in the case of the College Area Community Planning Area, this will not be reflected on current SANDAG forecasted numbers.

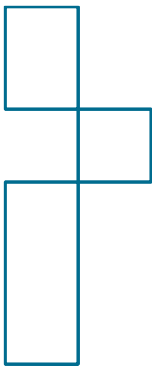
Short Term v. Long Term Community Effects

The Series 14 forecast does not present any major changes to our completed economic study that evaluates the feasibility of specific housing prototypes. To accommodate the projected growth within the region, local planning officials and staff are required to create opportunities for development. If plans are not updated to strategically allow for increased housing and population growth, there is a risk that this growth will lead to a worsening of the regional housing affordability crisis that San Diego already faces.

In the College Area, maintaining the status-quo makes it difficult to build more housing to meet local demand for students and families. This is likely to perpetuate the current practice of accommodating this demand by converting single-family units to multifamily units through bedroom additions and backyard infill ADU development.

San Diego State University ("SDSU") is, and will remain, the most important driver of economic expansion and housing needs in the community. SDSU has plans to undergo major growth in the coming years. The updated plan must address SDSU's needs and prevent growth from following unplanned paths of development, traffic and affordability based on the imbalance of supply and demand.

Whether or not the Community Plan Update accommodates demand for future housing, there will inevitably be some changes to single-family neighborhoods in the future. However, if the plan update allows growth, short-term changes are likely to concentrate along the existing major corridors of El Cajon Blvd and University Avenue. Changes to single-family neighborhoods will be



more gradual, occurring mostly after the construction of denser housing (such as townhomes or rowhomes), public recreational and retail amenities that will support the demand for families.

The changes to zoning that are involved in a community plan update do not create new developments and the City does not force the redevelopment of communities based on new zoning. Changes in zoning simply create the opportunity for feasible development that can be undertaken as market conditions evolve.

Developers and investors will first need to acquire or partner with properties that have the physical attributes and the allowable densities that create opportunities for financially feasible projects. This does not happen immediately following a change to zoning or planning guidelines or, for that matter, during the next 30 years. There is a need in this community, and in the City as a whole, for greater capacity for development to take place. The concept behind planning is to provide the platform for eventual development. This is an effort to provide for capacity prior to the next plan update.

Should you have any questions regarding this analysis, please feel free to contact us.

Sincerely,

Gary H. London

Nathan Moeder

Corporate Profile

London Moeder Advisors

REPRESENTATIVE SERVICES

Market and Feasibility Studies	Development Services	Litigation Consulting
Financial Structuring	Fiscal Impact	Workout Projects
Asset Disposition	Strategic Planning	MAI Valuation
Government Processing	Capital Access	Economic Analysis

London Moeder Advisors (formerly The London Group) was formed in 1991 to provide real estate advisory services to a broad range of clientele. The firm principals, Gary London and Nathan Moeder, combine for over 60 years of experience. We have analyzed, packaged and achieved capital for a wide variety of real estate projects. Clients who are actively pursuing, developing and investing in projects have regularly sought our advice and financial analysis capabilities. Our experience ranges from large scale, master planned communities to urban redevelopment projects, spanning all land uses and development issues of all sizes and types. These engagements have been undertaken principally throughout North America and Mexico.

A snapshot of a few of the services we render for both the residential and commercial sectors:

- **Market Analysis** for mixed use, urban and suburban properties. Studies concentrate on market depth for specific products, detailed recommendations for product type, absorption and future competition. It also includes economic overviews and forecasts of the relevant communities.
- **Financial Feasibility Studies** for new projects of multiple types, including condominium, apartment, office, and master-planned communities. Studies incorporate debt and equity needs, sensitivity analyses, rates of return and land valuations.
- **Litigation support/expert witness services** for real estate and financial related issues, including economic damages/losses, valuations, historic market conditions and due diligence. We have extensive deposition, trial, mediation and arbitration experience.
- **Investment studies for firms acquiring or disposing of real estate.** Studies include valuation, repositioning projects and portfolios, economic/real estate forecasts and valuation of partnerships. Often, the commercial studies include the valuation of businesses.
- **Estate Planning services** including valuation of portfolios, development of strategies for disposition or repositioning portfolios, succession planning and advisory services for high-net-worth individuals. We have also been involved in numerous marriage dissolution assignments where real estate is involved.
- **Fiscal Impact, Job Generation and Economic Multiplier Effect Reports,** traditionally prepared for larger commercial projects and in support of Environmental Impact Reports. We have been retained by both developers and municipalities for these reports. The studies typically relate to the tax revenues and employment impacts of new projects.

The London Group also draws upon the experience of professional relationships in the development, legal services, financial placement fields as well as its own staff. Clients who are actively investigating and investing in apartment projects, retail centers, commercial projects, mixed use developments and large master plans have regularly sought our advice and financial analysis capabilities.

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