

USC Lusk

*Casden Real Estate
Economics Forecast*

MULTIFAMILY FORECAST | 2017 CONFERENCE



WEDNESDAY, OCTOBER 11, 2017

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LOS ANGELES, CALIFORNIA

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Los Angeles/Ventura Chapter



USC Casden Multifamily Forecast 2017 Conference



NETWORKING BREAKFAST

WELCOME

Richard K. Green | Director and Lusk Chair In Real Estate | USC Lusk Center for Real Estate

USC CASDEN MULTIFAMILY FORECAST

Richard K. Green | Director and Lusk Chair In Real Estate | USC Lusk Center for Real Estate

MULTIFAMILY FORECAST • STREET VIEW

Moderator | Anthony W. Orlando | Assistant Lecturer | USC Sol Price School of Public Policy

Richard K. Green | Director and Lusk Chair In Real Estate | USC Lusk Center for Real Estate

Paul N. Keller | Chairman & CEO | Mack Urban, LLC

Christopher Thornberg | Founding Partner | Beacon Economics, LLC

Kenya Williams | Executive Director, Real Estate Banking | J.P. Morgan Chase & Co.

KEYNOTE

Genger Charles | Former General Deputy Assistant Secretary | Federal Housing Administration

BREAK

MULTIFAMILY HOUSING SUPPLY — WHY CAN'T WE GET IT RIGHT?

Moderator | Gail Goldberg | Executive Director | Urban Land Institute Los Angeles

Richard Bruckner | Former Director of Planning, Los Angeles County | Department of Public Works

Meea Kang | Senior Vice President | Related California

Tony Salazar | President, West Coast Operations | McCormack Baron Salazar

Mark Vallianatos | Director | LAplus

CLOSING REMARKS

Richard K. Green | Director and Lusk Chair In Real Estate | USC Lusk Center for Real Estate

USC CASDEN MULTIFAMILY FORECAST



Richard K. Green | Director, and Lusk Chair in Real Estate USC Lusk Center for Real Estate

Dr. Green holds the Lusk Chair in Real Estate and is Professor in the Sol Price School of Public Policy and the Marshall School of Business. He recently finished a year as Senior Advisor for Housing Finance at the US Department of Housing and Urban Development, and as of July 1, 2016 became a Trustee of the Urban Land Institute. Prior to joining the USC faculty, Dr. Green spent four years as the Oliver T. Carr, Jr., Chair of Real Estate Finance at The George Washington University School of Business. He was Director of the Center for Washington Area Studies and the Center for Real Estate and Urban Studies at that institution. Dr. Green also taught real estate finance and economics courses for 12 years at the University of Wisconsin-Madison, where he was Wangard Faculty Scholar and Chair of Real Estate and Urban Land Economics. He also has been principal economist and director of financial strategy and policy analysis

at Freddie Mac. He is or has been involved with the Lincoln Institute of Land Policy, the Conference of Business Economists, the Center for Urban Land Economics Research, and the National Association of Industrial and Office Properties. Dr. Green also is a Weimer Fellow at the Homer Hoyt Institute, and a member of the faculty of the Selden Institute for Advanced Studies in Real Estate. He was recently President of the American Real Estate and Urban Economics Association.

Dr. Green earned his Ph.D. and M.S. in economics from the University of Wisconsin-Madison. He earned his A.B. in economics from Harvard University. His research addresses housing markets, housing policy, tax policy, transportation, mortgage finance and urban growth. He is a member of two academic journal editorial boards, and a reviewer for several others. His work is published in a number of journals including the American Economic Review, Journal of Economic Perspectives, Journal of Regional Science, Journal of Real Estate Finance and Economics, Journal of Urban Economics, Land Economics, Regional Science and Urban Economics, Real Estate Economics, Housing Policy Debate, Journal of Housing Economics, and Urban Studies. His book with Stephen Malpezzi, *A Primer on U.S. Housing Markets and Housing Policy*, is used at universities throughout the country, and he recently published a book, *Introduction to Mortgages and Mortgage Backed Securities*. His work has been cited or he has been quoted in the New York Times, The Wall Street Journal, The Washington Post, the Christian Science Monitor, the Los Angeles Times, Newsweek and the Economist, as well as other outlets. He spoke at the 31st annual Federal Reserve Bank of Kansas City Economic Symposium, and he has testified before US Senate and House Committees, as well as California Assembly Committees. The National Association of REALTORS, the Ford Foundation, and the Lincoln Institute for Land Policy have funded grants to support some of Dr. Green's research. He consults for the World Bank.

KEYNOTE SPEAKER

Genger Charles | Former General Deputy Assistant Secretary Federal Housing Administration

For over three years, Genger Charles served as the General Deputy Assistant Secretary and Deputy Commissioner for the Federal Housing Administration (FHA) at the United States Department of Housing and Urban Development (HUD). With a \$1.3 trillion dollar portfolio, the FHA is the largest mortgage insurer in the world.

For the first half of 2017, Ms. Charles served as the senior most official within the FHA, leading Single Family, Multifamily and Healthcare mortgage insurance programs – along with regulating the Housing Counseling industry and funding housing assistance payments for 2 million housing units - in the transition between Presidents Barack Obama and Donald Trump. As Deputy Commissioner, she oversaw the operations of the FHA and advised on policy and regulatory development and engaged in portfolio management, legislative affairs and communications. Prior to this, Genger served as a Senior Policy Advisor and Chief of Staff to the FHA Commissioner.

A specialist in leading strategic initiatives and achieving mission critical priorities, Ms. Charles has led multiple high priority initiatives impacting primary and secondary mortgage markets, distribution of mortgage insurance funds and preservation of affordable housing. From initiatives to increase access to mortgage credit in underserved markets, to the sale of distressed mortgage notes through the Distressed Asset Stabilization Program (DASP), Genger's work was instrumental in engineering the financial turn around the FHA's Mutual Mortgage Insurance Fund (MMIF) after independent actuaries determined the MMIF was inadequately capitalized to handle a severe economic downturn. As a champion of the Rental Assistance Demonstration (RAD), Ms. Charles worked with Congress to more than double capacity for the conversion and rehabilitation of public housing units, working with private sector partners and leveraging alternative forms of federal rental assistance to improve conditions for families nationwide. Genger also served as a key decision maker in the establishment of FHA Single Family and Commercial mortgage insurance premiums, enforcement policies and organizational change management through the Multifamily for Tomorrow Transformation Initiative and institutionalizing the FHA Office of Risk Management.

A frequent media contributor, speaker and guest lecturer, Genger earned a Bachelor of Science in Policy Analysis and Management from Cornell University and is a graduate of The George Washington University Law School. During law school she worked as a law clerk for the U.S. Department of Justice, the Senate Judiciary Committee and at the government affairs and public relations firm Dutko.

In 2013, Ms. Charles was nominated for the inaugural class of the President Barack Obama's Leadership Workshop, a highly selective leadership training course created by the 44th President and led by Chief of Staff Denis McDonough to help mid-level appointees gain the management, communications and leadership skills needed to serve as Senate confirmed principal leadership staff.

From assisting in the development and implementation of strategy on operational, legislative, legal and regulatory issues, to securing the passage of legislation in multiple sessions of Congress, Ms. Charles has a breadth of experience in multiple facets of consumer lending, affordable housing, operations, congressional and regulatory affairs.



MULTIFAMILY FORECAST — STREET VIEW



Paul N. Keller | Chairman & CEO | Mack Urban, LLC

Paul Keller has over thirty-five years of experience in the real estate investment/development and construction industries, formerly leading Urban Partners, LLC, Keller Equity Group, Inc., Keller CMS, Inc. and Keller Construction Company, LTD. Mr. Keller and Keller-related entities have been responsible for over 2,200 projects in the continental United States and Hawaii and have provided program development and project and construction management oversight services to a variety of clients on projects valued over \$7.5 billion dollars.

Mr. Keller is highly regarded in the industry for his comprehensive grasp of asset and project management details and his ability to match leasing, construction, marketing and financing requirements.

Among his present leadership roles, Mr. Keller is a member of ULI (Urban Land Institute) Los Angeles Advisory Board; Vice Chair of the ULI Los Angeles Land Use Leadership Committee; board member of the L.A. Streetcar Initiative (LASI); board member of FoLAR (Friends of the L.A. River); board member of Friends of Waterfront, Seattle; member of The Los Angeles Coalition for the Economy and Jobs, and an executive member of the Central City Association of Los Angeles.

Previous leadership roles include: Chairman of Eimago (formerly Union Rescue Mission Foundation) and former Chairman of the Board of Directors, Seven Arrows Elementary School in Pacific Palisades, California.

Anthony W. Orlando | Assistant Lecturer | USC Sol Price School of Public Policy

Anthony W. Orlando is an Assistant Lecturer in the Sol Price School of Public Policy at the University of Southern California, where he is completing his PhD in Public Policy and Management. He is an op-ed columnist for the Huffington Post. He serves as the Managing Partner of the Orlando Investment Group.

Orlando conducts research at the intersection of business and public policy. He is trained as an applied microeconomist with a focus on housing policy, health policy, and environmental policy. His dissertation explores risks, returns, and optimal regulations in real estate markets.

Orlando received his bachelor's degree in economics from The Wharton School of the University of Pennsylvania, as well as a master's in economic history from the London School of Economics and Political Science and a master's in professional writing from the University of Southern California.



Christopher Thornberg | Founding Partner | Beacon Economics, LLC

Christopher Thornberg is widely considered to be one of the nation's leading economists. He is also the Director of the UC Riverside School of Business Center for Economic Forecasting and Development and an Adjunct Professor at the School. An expert in economic forecasting, regional economics, labor markets, economic policy, and industry and real estate analysis, he was one of the earliest and most adamant predictors of the sub-prime mortgage market collapse and of the global economic recession that followed. In 2015, Dr. Thornberg was named to California State Treasurer John Chiang's Council of Economic Advisors. He also serves on the advisory boards of Paulson & Co. Inc., one of Wall Street's leading hedge funds, and of the Los Angeles Area Chamber of Commerce, Southern California's largest not-for-profit business federation. Between 2008 and 2012 he served as a chief economic advisor to the California State Controller's Office and was Chair of then

State Controller John Chiang's Council of Economic Advisors. Dr. Thornberg holds a Ph.D in Business Economics from The Anderson School at UCLA, and a B.S. degree in Business Administration from the State University of New York at Buffalo.

MULTIFAMILY FORECAST — STREET VIEW — CONTINUED



Kenya Williams | Executive Director - Los Angeles, Real Estate Banking | J.P. Morgan Chase & Co.

Kenya Williams is an Executive Director in the Los Angeles office of J.P. Morgan's Real Estate Banking Division ("REB") within the Commercial Real Estate Group. In this capacity, Kenya originates on-balance sheet acquisition, construction, term loans, and a host of related financial services to public and private real estate funds and developers.

Prior to joining J.P. Morgan, Kenya was a Senior Vice President and Market Manager at PNC Bank, managing its commercial real estate business in Southern California. Prior to joining PNC, Kenya spent 7 years in Wells Fargo commercial real estate practice, lending to both private and public real estate investors.

Kenya received a Bachelor of Science in Business Administration with an emphasis in real estate finance from the University of Southern California. She is one of the founding members of The Regal Group, a networking group for women in real estate, and is a member of the USC Lusk Board, City of Hope LARE Council, and ICSC. A native Californian, Kenya lives in Los Angeles with her husband and daughter.

MULTIFAMILY HOUSING SUPPLY – WHY CAN'T WE GET IT RIGHT?



Richard Bruckner | Former Director of Planning, Los Angeles County | Department of Public Works

Richard J. Bruckner was appointed Director of the Regional Planning Department of Los Angeles County in 2010. The Department of Regional Planning is responsible for land use planning and the enforcement of local use regulations with the unincorporated areas of Los Angeles County. Prior to this appointment, Mr. Bruckner was the Director of Planning & Development Department for the City of Pasadena. He was responsible for citywide economic development, planning, building, code enforcement, cultural affairs, real estate, and the management of eight redevelopment projects areas. Before his appointment in Pasadena in 1999, he was the Deputy Executive Director of the Community Development Department for the City of Anaheim, California.

Gail Goldberg | Executive Director | Urban Land Institute Los Angeles

S. Gail Goldberg, FAICP, was named Executive Director of the Urban Land Institute - Los Angeles in June of 2011. Ms. Goldberg brings to the table not only her many years leading the planning departments of two of the world's most significant cities, but also many years of service to ULI. Among her goals for the organization is to enhance its outreach to the public sector.

Goldberg was Director of Los Angeles City Planning Department from February 2006 through August 2010. She was responsible for organizing and directing the policies and activities of the City's Planning Department, including the development, maintenance and implementation of all elements of the City's General Plan as well as a range of other special zoning plans.

Prior to joining the Los Angeles Planning Department, Goldberg worked for 17 years in the City of San Diego Planning Department, serving as Planning Director from 2000 through 2005. She oversaw a planning process to update the city's 20-year-old General Plan. The result – which became an international model for urban revitalization – was a 20-year vision for the San Diego and a long-term strategy for achieving that vision known as the “City of Villages.”

Gail is a native Californian and holds a degree in Urban Studies and Planning from the University of California San Diego. She currently serves on the Board of Advisors for the USC Center for Sustainable Cities and the USC Price School Masters of Planning Program. She also serves on the Advisory Board for the UCLA Lewis Center for Public Policy as well as the Advisory Board for the University of California District 9 Transportation Center. Gail is on the Board of Directors of the Los Angeles Friends of Park 101 and serves on the Pershing Square ReNew Advisory Committee.



Mark Vallianatos | Director | LApplus.Residential

Mark Vallianatos is Director of LApplus, an urban change think tank that inspires and advances Los Angeles' positive urban future. Mark is also the co-founder and policy director of Abundant Housing LA, a volunteer YIMBY organization that supports more homes of all types in Los Angeles. He serves on the zoning advisory committee to re:code LA. Mark previously taught urban policy at Occidental College and received his BA and JD at the University of Virginia.



Meea Kang | Senior Vice President | Related California

As Senior Vice President for Related California, Ms. Kang is responsible for business development, strategic planning and creative financing mechanisms for Related's affordable residential developments. She comes to Related with over 20 years experience in affordable housing finance and development and has entitled and constructed more than 2,500 affordable multi-family housing units in California worth over \$500 million.

Ms. Kang is an expert in navigating California's complex land use entitlement processes, forging innovative public-private partnerships, and structuring multi-layered financing bringing difficult projects to fruition. Prior to joining Related, Ms. Kang was President and Co-Founder of Domus Development, LLC, where she led the company's development activities for fifteen years.

Ms. Kang's projects have received national accolades from the U.S. Environmental Protection Agency, U.S. Department of Housing and Urban Development, American Institute of Architects, U.S. Green Building Council, and the 2014 Governor's Environmental and Economic Leadership Award, California's highest environmental honor. She has been recognized with the Sacramento CREW Nancy Hotchkiss Woman of Impact Award, Smart Growth America's LOCUS Leadership Award, Sacramento Housing Alliance Housing Innovator of the Year Award, Northern California Real Estate Woman of Influence Award, Sacramento Business Journal Women Who Mean Business Award, and the Sierra Business Council Visionary 2020 Award.

Ms. Kang serves as a Commissioner on the California Commission on Aging, appointed by Governor Brown in 2016, is a member of Lambda Alpha International and serves as a director on the boards of the California Housing Consortium, Rail-Volution, Council of Infill Builders, and the California Museum. She earned a Master of Architecture from the University of California, Berkeley and a Bachelor of Fine Arts from Cornell University.

Tony Salazar | President, West Coast Operations | McCormack Baron Salazar

Tony Salazar's entire professional career has been dedicated to rebuilding inner-city communities. He has used his skills and expertise to bring a sense of belonging and hope for the future to America's forgotten neighborhoods. As a Principal at McCormack Baron Salazar, he is responsible for overseeing all aspects of the company and its affiliates, including real estate development projects, real estate property management, asset management, and a renewable energy and sustainability venture. Mr. Salazar is also responsible for new business development, including seeking out and responding to solicitations, acting as liaison with joint venture partners, and interfacing with government officials and local community groups. McCormack Baron Salazar specializes in developing large-scale urban projects in distressed communities that involve mixed-use, mixed-income (affordable and market-rate), multi-generational, various housing types (rental and for-sale) and blended financing. The financing for McCormack Baron Salazar's projects involve a combination of conventional debt, government sources (CDBG, HOPE VI/Choice Neighborhoods, Low Income Housing Tax Credits, New Markets Tax Credits, Section 8, HOME, Bonds and Tax Increment Financing), foundation grants and/or PRI loans, and pension funds.



Mr. Salazar has been involved in developing a variety of innovative projects, including seven HOPE VI (public housing redevelopment) projects, two Choice Neighborhood Implementation projects, five senior projects (including a LGBT seniors building), ten mixed-income communities, rental housing for persons with HIV, seven light rail transit villages, and five earthquake recovery projects. He currently serves on the board of Enterprise Community Partners, National Council of La Raza and the Center for Housing Policy. Mr. Salazar has a master's degree in social work specializing in administration from the University of Michigan and a B.A. from the University of Missouri at Kansas City.

USC University of
Southern California

Marshall School of Business
Sol Price School of Public Policy