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### **Permalink**

<https://escholarship.org/uc/item/50r4h1bk>

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### **Publication Date**

2026-07-01

# Understanding Elevated Soft Costs in Affordable Housing Development: Lessons from the City of Los Angeles

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## Issue

Los Angeles faces one of the most severe housing affordability crises in the United States, driven in-part by restrictive zoning and land use controls, high construction costs, and design-related expenses. In “The High Cost of Producing Multifamily Housing in California,” Ward and Schlake suggest that prescriptive design requirements are a contributing factor to architectural and engineering fees that are significantly higher in Los Angeles than in comparable California jurisdictions. This project seeks to evaluate the role of Los Angeles Housing Department’s (LAHD) Architectural Design Guidelines on the cost and feasibility of affordable housing development.

This project investigates why design-related costs appear to be higher for affordable housing developments in Los Angeles than in neighboring cities, and how the design guidelines contribute to those price differences. Through stakeholder interviews, cost analysis, and comparative review of housing funding programs, the project aims to address the following question: What factors are contributing to higher soft costs for affordable housing development in Los Angeles, and to what extent do LAHD design guidelines contribute to those cost increases?

## Study Approach

This research employs a mixed-methods approach of qualitative interviews with a technical review of design guidelines to evaluate the role of regulatory standards in shaping affordable housing development. Primary qualitative data was collected through 11 semi-structured interviews with key stakeholders in the affordable housing development process, including four developers, six architects, and an L.A.-based general contractor. Interview questions focused on

participants’ experiences navigating LAHD design guidelines in comparison to other jurisdictions and funding agencies, including the California Tax Credit Allocation Committee (CTCAC) and Los Angeles County Development Authority (LACDA). Additional topics included the funding application process, design review procedures, and perceptions of working with LAHD staff.

Secondary data was collected through a comparative review of key regulatory documents, including the LAHD Architectural Design Guidelines, CTCAC Regulations, and LACDA Architectural Standards. In addition, this analysis incorporates relevant provisions from the Los Angeles municipal code, applicable building codes, and federal and state accessibility requirements. These documents were analyzed to identify similarities and differences in requirements related to unit design, building systems, accessibility, and overall quality-of-life provisions.

## Key Findings

### 1. Drivers of Elevated Soft Costs

Higher soft costs in Los Angeles are largely attributed to the interaction of multiple regulatory and labor-related requirements rather than the design guidelines alone. Interviewees pointed to redundant accessibility review processes and prevailing wage requirements as major contributors to increased costs. These factors introduce additional layers of review, coordination, and compliance, extending project timelines and requiring specialized expertise. LAHD’s design guidelines operate within, and are compounded by, a broader system that drives up soft costs.

2. Limitations of the Design Guidelines Document

Though not identified as the primary cost driver, the design guidelines present challenges in their structure and interpretation. Interviewees noted that passive and ambiguous language has led to inconsistent application during project review. Furthermore, duplication of existing building code requirements creates confusion and unnecessary documentation. These issues can increase back-and-forth between project teams and reviewers, adding time and administrative burden to the development process.

3. Barriers to Entry

This dynamic also shapes who can participate in the affordable housing sector. Many firms noted that newer architects face steep barriers to entry due to the time and institutional knowledge required to navigate the guidelines, whereas more established firms have internalized these processes over years of repeated exposure.

Recommendations

- » **Coordinate accessibility review across the project lifecycle.** LAHD should work with the Neutral Accessibility Consultant (NAC) program to introduce earlier touchpoints in the review process. The current three-stage accessibility review process — consisting of (1) the Certified Access Specialist (CASP) consultants, (2) LAHD plan check, and (3) NAC field inspections — generates significant costs because critical accessibility issues are not identified until the final inspection. Because NAC inspections occur after construction is complete, projects may be exposed to expensive remediation for deficiencies that could have been identified and resolved at the drawing stage.
- » **Eliminate passive and ambiguous language.** LAHD should undertake a systematic audit of the design guidelines to identify and revise language that is advisory in phrasing but applied as mandatory in practice.

- » **Utilize performance-based language and establish a sunseting process.** LAHD should identify requirements that duplicate existing code obligations and either remove them from the guidelines or replace them with explicit cross-references directing applicants to the applicable standard.
- » **Expand access for new developers and nontraditional sponsors.** LAHD should take deliberate steps to lower the informational barriers facing developers, architects, and institutional sponsors who are new to the affordable housing sector.

More Information

Shin, E. (2026). The Cost of Compliance: Assessing the Impact of LAHD’s Architectural Design Guidelines on Affordable Housing Development (Master’s capstone, UCLA). Retrieved from: <https://escholarship.org/uc/item/2td2f596>

References

Ward, J. & Schlake, L. (2025). *The high cost of producing multifamily housing in California: Evidence and policy recommendations*. RAND Corporation. <https://doi.org/10.7249/rra3743-1>