

# Housing the Workforce Instead of Cubicles

## 888 TOWER, SANTA ANA, CALIF.

Alliant Strategic recently closed on its investment in 888 Tower—a 148-unit, high-rise office building being converted to workforce housing. The project—at 888 N. Main St. in Santa Ana, Calif.—is the first adaptive reuse project to bring new multifamily units to Orange County.

“This is an extremely exciting project for us,” said Eddie Lorin, co-founder & CEO of the Woodland Hills, Calif.-based investment firm focused on the acquisition and preservation of affordable and workforce housing. “An opportunity like this—to turn a historic building into housing for the local workforce—is special for everyone involved.”

The original building was designed in the 1960s by architect Welton Becket, who also designed iconic landmarks such as Hollywood’s Capital Records building and Los Angeles International Airport. It will be repurposed to target workforce housing residents—those earning 100 percent of the AMI. Monthly rents will be in the low \$2,000 range for studio, one- and two-bedroom units.

The first two floors of the 10-story building will contain live/work units intended to attract local workers. Amenities, located in the basement, will include a fitness center, yoga studio, internet café and social convening area, and there will be two stories of subterranean parking. The basement also contains an old vault from Security Pacific Bank, which once occupied the building.

The project also features 3,500 square feet of space that is leased to the nearby Orange County School of the Arts to serve as a gallery for students to exhibit and sell their work. “This is a hip, cool, artsy building completely motivated by the school of the arts next door,” said Lorin. “We anticipate that after COVID-19, a lot of our residents will be faculty there.”

Alliant has already started taking names of potential tenants,



The plans to convert 888 N. Main St. into a mixed-use property were set in motion by the previous owner, Caribou Industries. The building is situated within the Santa Ana Adaptive Reuse Area and is eligible for certain exemptions under the city’s adaptive reuse ordinance.

*Image by Jordan Shields Design*

while Lorin expects a certificate of occupancy in early 2021. “888 N. Main is a rare adaptive reuse investment opportunity,” said Jeffrey Gould, founder of Lineage Asset Advisors in Woodland Hills, Calif., who brokered the deal with Michael Gion of Brookwood Group. “Santa Ana is one of the densest markets in Orange County and probably one of the markets where there’s the most need for housing. With its proximity to the civic center and major amenities, this is a market where the demographics were such that providing workforce housing for local working-class people was really critical.”

888 Tower is the second investment made by the Alliant Strategic Opportunity Zone Fund I, a fund created by Alliant Strategic to invest in qualified Opportunity Zone projects. According to Alliant, \$20 million of equity was infused into the project through a combination of Opportunity Zone funding and private investments, and a senior bridge loan of \$39.5 million was provided by Los Angeles-based Calmwater Capital.



With the building's shell, core, mechanical systems and underground parking already in place, the redevelopment of 888 Tower costs \$100,000 less per unit than it would to build from the ground up, according to developer Alliant Strategic. The interior spaces for the 148 units and two-story amenity deck were designed by Jordan Shields Design. *Images by Jordan Shields Design*