

June 17th, 2026

Affordable Multifamily Retrofit Series

WEBINAR #4: Construction Management



We will start promptly at 10am



Recording



Slides



Q&A

TODAY'S SESSION

Agenda

- | | | |
|----|--|---|
| 01 | Background & Context | Why occupied rehab is different |
| 02 | Why Construction Management Matters | Lessons from recent projects |
| 03 | Pre-Construction, During & Close-Out Plans | Planning, permitting, coordination & hand-off |
| 04 | Roles, Responsibilities & Lessons Learned | Who does what — and what we'd do again |
| 05 | Partner Reflections & Q&A | Field perspectives and open discussion |



HOST

DAVID HODGINS

Founder & CEO

SUSTENTO



LIVE POLL

Who is here today?

Property Owner

Property Manager

Contractor

Consultant

Community Member

Other

BACKGROUND & CONTEXT

Why this matters



Housing Affordability



Aging Buildings



Extreme Heat



Air Pollution



Utility Bills



Regulation



Access to Funding



Tenant Safety

FIELD GUIDE FLOW CHART





SPEAKER

ADALIA RODRIGUEZ

VP Human Capital & COO

East LA Community Corporation



Why occupied rehab is different

Protecting Residents, Assets, and Incentives from due diligence to close-out

Protect the Residents

- Construction happens around them. The primary objective is protecting tenants' rights while restoring essential services (water, power, heat) daily.

Protect the Asset

- Unlike standard vacant rehab with a single LADSB reviewer, occupied retrofits require massive coordination.
- Incentive Program Implementers, LADWP, AQMD and LADBS each have their own inspections

Protect the Incentives

- Getting equipment specifications exactly right is a make-or-break decision that ensures long-term reliability for residents and satisfies strict incentive funding requirements.

Assess Building Realities Six Months Before Bidding

ASSESS BEFORE YOU BID

- ▶ Start benchmarking 6 months before construction
- ▶ Electrical load studies – confirm existing capacity
- ▶ Environmental & Structural Testing - Complete lead and asbestos testing for pre-1980 properties. Identify roof weight capacity.
- ▶ Fire Rating Assessment - Know your existing fire ratings to accurately plan for restoration or updates.
- ▶ Logistics Mapping – Map shut-off locations for water, gas, and electrical. Identify contractor restrooms and secure on-site storage.
- ▶ Understand new equipment requirements – ex. Know how to get rid of condensation that meets code.

IDENTIFY YOUR CONSULTANTS

General Contractor

Electrical Engineer

Environmental Consultant

Architect



Aligning Scope with Permitting Timelines

Permitting timelines vary widely by path. Build them into your schedule — and engage the utility as early as possible.

6 – 8 weeks

Over-the-counter permits, when no plan check is required

12 – 16 weeks

When the project must go through full plan check

+6 months

Additional time for LADWP service upgrades — start early



Key – Scope must align with available funding and utility realities before commitment.
Electrical service upgrades will dictate your master construction schedule.

PRE-CONSTRUCTION PLANNING

Scope development

- Align scope with available funding and incentives before committing
- Require all contractors walk the site before bidding
- Walk your site and identify any potential issues upfront.
 - This is a good time to gather pre-construction photos.
- Engage tenants in pre-construction planning
- Plan equipment procurement around long lead times
- Know the incentive timelines

Note document condition requirements: pre-construction photos of water heaters & AC units — brand, model, serial numbers, pulled-back views, date-stamped



Selecting a contractor



EVALUATE ON THESE 4 CRITERIA

1. Occupied Rehab Track Record

Requires proven experience managing tenants safely, not just working in vacant units.

2. Financial Stability

Must have the capacity to float costs and wait for slow incentive reimbursements.

3. Responsiveness to defects & warranty issues

Fast response to punch list items and defined resolution timelines

4. Communication quality

Must immediately route any potential issues through the owners Project Manager and the Property Manager.

Who does what



PROJECT MANAGER

- Contractor oversight
- Schedule management
- Budget & invoicing
- Relocation coordination

PROPERTY MANAGER

- Single point of contact for the Tenants
- Tenant communication
- Habitability monitoring
- Notice coordination: aligns with GC on which units and when

GENERAL CONTRACTOR

- Schedule updates
- Compliance with project rules & performance specs
- Prevailing wage & supervised apprentices
- Field-condition reporting

ASSET MGMT / OWNERSHIP

- Major decision-making
- Relocation approvals
- Risk management

Tenant Communication: routes to PM/Project Manager, never crew-to-tenant.

Notices: Use a standard template so the right notice reaches the right unit at the right time.

Tenant Habitability Plans (THP)



- ▶ Normally required whenever the building is occupied
- ▶ **The Goal:** Minimize costly, disruptive tenant relocation.
- ▶ The General Contractor's "means & methods" must convince LAHD that their approach keeps units habitable.

Boundaries: Crews are strictly prohibited from using tenant restrooms.

LAHD STANDARD: HABITABLE BY END OF DAY

Water running
Hot & Cold

Power restored
To all units

Holes covered
All wall breaks sealed with paper or temp covers



Units accepted
To LAHD standards



POLL QUESTION

What pre-construction issue has caused the biggest delay on your projects?

1. Permitting delays — especially LADWP electrical service upgrades
2. Discovering unknown conditions (asbestos, structural issues, mismatched units)
3. Equipment long lead times — orders placed too late, holding up crews
4. Scope creep when contractor bids low and surfaces change orders once walls are opened
5. Tenant access issues — unit unavailable when crew is scheduled



DURING CONSTRUCTION

Construction best practices

Put contractor expectations **in the contract** — don't leave them to good intentions.

01

Daily Clean-up & Safety

- Clean site daily; protect tenant property and shared spaces

02

Look-Ahead Scheduling

- Maintain 1- and 2-week schedules with backup work plans

03

Equipment & Incentive Approval

- Secure all equipment and confirm incentive approval before starting

04

Documentation Requirements

- Before/after photos, itemized invoicing, old and new equipment logs

Contractor Conduct

- No tools or materials on tenant furniture
- No use of tenant restrooms
- Prevailing wages, licenses, and minimum equipment specs required
- Pre-inspect as systems are installed, before completing each unit
- Participate in tenant meetings during construction

“

In the future... they need to go to each unit and measure each unit and make sure it'll work. We'd like to think all the units are uniform, but they're just not.

”

- Suzuki · Little Tokyo Service Center



Managing surprises and change

WHEN SURPRISES HIT

Escalation process

- A defined path for raising and resolving resolving field issues fast
- Resolve at the lowest level; escalate escalate only what blocks schedule or schedule or scope

WHO DECIDES

Communication chain

- Everyone knows who to call and in in what order
- Field issues route through the GC; tenant issues through the PM

COST CONTROL

Change management

- Keep change orders to a minimum
- Beware contractors who bid low then pile on changes
- Reserve change orders for true surprises or LADBS requirements

Financial Leverage:

Manage the construction schedules via the pay application process. Hold at least 10% retention until the Project Manager physically verifies the completed work. Require lien releases for each draw.

“

The contractor set a timeline, but didn't anticipate the city requesting changes, which pushed it back. Many timelines ran past schedule. Inspectors were inconsistent too: one would approve an approach, then another would show up and call it wrong.

”

- Marc Alvarez · Esperanza Community Housing



Equipment: order, specs & compliance

ORDERING EQUIPMENT

Pilot First, Procure Later

- ▶ Test equipment in a vacant unit before bulk ordering to confirm sizing and compatibility.
- ▶ Resolve sizing or compatibility issues first, then bulk order. Even two 1 bedrooms can be different.
- ▶ **Plan for 1–3 months lead time** — order early so equipment never holds up the crew.

INCENTIVE COMPLIANCE

No substitutions after approval

- ▶ Equipment specs must match incentive program requirements exactly before work begins.
- ▶ Once approved, **no substitutions are allowed**. Any deviation can jeopardize your entire incentive eligibility.
- ▶ Coordinate closely between project teams, suppliers, and contractors — especially for large equipment deliveries.

CASE IN POINT — LORENA TERRACE

Wrong specs = \$40K lost

- ▶ Equipment installed at Lorena Terrace didn't meet incentive program specifications — resulting in approximately \$40,000 in lost incentives.
- ▶ Two HPWHs were also installed in outdoor closets designed for indoor use — triggering manufacturer complications and unexpected replacement costs.

Both were avoidable with better spec alignment upfront.

PROJECT CLOSE-OUT

Closing out the project

- Final walk-throughs with all stakeholders
- Punch-list completion before sign-off
- Warranty documentation collected and filed
- Operations & maintenance manuals handed over
- Train building staff to maintain the new equipment
 - Filter changes, descaling and routine upkeep — the owner designates someone, and the contractor trains them

Reality Check:

- Vallejo – The surprise: City inspector mandated a total re-piping and new water meter (\$130,000 unexpected costs)
- Lorena Terrace - The surprise: \$40,000 lost incentive due to deviated HPWH specifications.



Top 10 occupied rehab success factors



01 Start permitting early

03 Clearly define roles and responsibilities

05 Require regular coordination meetings

07 Maintain tenant safety and habitability

09 Document all communications and decisions

02 Complete due diligence before bidding

04 Make the Property Manager the tenant communication lead

06 Establish notice and access protocols

08 Order equipment early

10 Build a culture of collaboration among all partners

AFFORDABLE MULTIFAMILY RETROFIT SERIES

Q&A

Thank you for joining Webinar #4. What questions can we answer about managing managing construction in occupied buildings?

Better neighborhood, same neighbors.

Thank you

There will be a 2-3 min survey (from Zoom) when this meeting ends. Your responses are extremely helpful.