

STONE WEST HOMES

June 16, 2026

Assembly Committee on Housing and Community Development
1021 O Street, Suite 5740
Sacramento, CA 95814

Re: SB 1090 (Pérez) — OPPOSE

Dear Chair and Members of the Committee:

- 1. Who We Are.** My name is Woody Gruninger. I am President of Stonewall Construction, Inc. and co-founder of Stone West Homes, a residential development joint venture focused on workforce and starter housing in Los Angeles County. I also serve, and have been serving for the last 20 years, as the president of Home Ownership Made Easy, which creates housing for people with developmental disabilities. We hold several properties in Altadena acquired to deliver starter homes under SB 1123. We oppose SB 1090.
- 2. The Bill Suspends the Tools Altadena Is Rebuilding With.** SB 1090 would suspend SB 9 and SB 1123 ministerial approvals in Altadena for five years. These are the pathways that allow fire survivors and small builders to rebuild quickly and affordably. Suspending them does not protect the community. It freezes reconstruction and prolongs displacement at the moment recovery is most fragile.
- 3. The County Promoted This Framework.** The Los Angeles County Planning Department actively promoted the SB 1123 framework to both developers and fire-affected homeowners, including in a published brochure that identified these statutes by name as available rebuild tools. We acquired our Altadena parcels in reliance on that representation. Our partnership structures, infrastructure plans, and affordability commitments are all built around SB 1123. Suspending the law months into that process strands assets acquired in good faith under a County-advertised program and chills Altadena investment for years.
- 4. We Paid Survivors Far Above Single-Family Value. Single-Family-Only Development Does Not Pencil.** These are lots that owners needed to sell to continue their lives after the devastating fires. We paid a premium above single-family value to help them do it. We could only pay those prices because SB 1123 lets each lot yield multiple homes. We analyzed each parcel under a single-family-only scenario, and not one supports a market-rate single-family home that recovers acquisition, construction, carrying costs, and a reasonable return. The numbers show the gap directly:

Address	We Paid	SFR-Only Land Value	Premium We Paid
1540 E. Altadena Dr.	\$1,750,000	\$645,433	\$1,104,567
2821 Santa Rosa Ave.	\$1,350,000	\$645,433	\$704,567
1145 E. Altadena Dr.	\$1,300,000	\$524,590	\$775,410
1134 E. Altadena Dr.	\$1,000,000	\$354,098	\$645,902
369 E. Altadena Dr.	\$753,000	\$354,098	\$398,902

Assumptions: \$350/sf hard costs, \$100K soft costs, 9% interest on 50% of land cost for 18 months, 5% cost of sale, 20% profit on net sales revenue. Comps: Movoto June 2026 (\$711–\$729/sf median); NP Altadena I, LLC post-fire comp at \$1.9M/2,200 sf (Dwell, December 2025).

At 1540 East Altadena Drive we paid \$1,750,000 for a lot worth roughly \$645,000 as a single-family site, a premium of more than \$1.1 million over single-family value. At 1145 East Altadena Drive we paid \$1,300,000 against a single-family value of about \$525,000. At 369 East Altadena Drive we paid \$753,000 against about \$354,000. We would not have paid those prices, and these owners would not have received them, without SB 1123. Take that pathway away and the only buyer left is one who can pay single-family value, which means survivors get hundreds of thousands of dollars less and the lots most likely sit vacant for five to fifteen years.

5. The Bill Forces Displacement and Strips Survivors of Their Lot Value. SB 1090 harms fire survivors twice over. A survivor who wants to return loses the affordable path: under SB 1123, a family can rebuild and remain in the community at a price within reach, because the lot can yield a modest starter home rather than only a \$2.0 to \$3.0+ million house they cannot afford. Without that path, they leave permanently. A survivor who instead must sell is paid far less, because the value of a lot reflects what can lawfully be built on it. When the only permitted use is a single home that does not pencil, the bid for these lots collapses. A \$1.3 million lot can fall toward \$500,000, leaving a survivor who has already lost everything with a fraction of their land's value and no replacement home available anywhere in Greater Los Angeles. The ministerial pathway protects both the homes survivors need and the lot value that is, for many families, the only asset they have left after the fire.

6. A Single-Family-Only Altadena Is a Wealthy-Only Altadena. Altadena is often described as affluent, but that picture hides real economic diversity. Before the fire, the community's median household income was roughly \$129,000, yet about a quarter of households earned under \$65,000, and roughly one in six residents lived below twice the federal poverty line. These are teachers, tradespeople, seniors on fixed incomes, and working families, not the wealthy. If the only home that can be rebuilt on a fire-cleared lot is a \$2.0 million-plus house, the community that returns will be far wealthier and far smaller than the one the fire displaced. The homes we were going to build would have been accessible to the real Altadena, not just the wealthy Altadena. SB 9 and SB 1123 are what allow households across the income spectrum to

come home. Suspending these bills leaves Altadena as a community only the very wealthy can afford to rejoin.

7. Every One of Our Projects Would Deliver a Deed-Restricted Home a Working Family

Can Own. This is not density for its own sake. Every one of our Altadena projects is committed to providing one affordable for-sale home, deed-restricted under the Los Angeles County Inclusionary Housing Ordinance (Title 22, Chapter 22.121) and sold to an income-eligible buyer at a price the County itself determines and approves. We have committed to even deeper affordability than the Ordinance requires. Where the Ordinance would allow these set-aside homes to be offered at the middle-income level of up to 135 percent of area median income, we are committing each affordable home a full income tier lower, at the moderate-income level of 120 percent of area median income. That affordability is secured by a recorded covenant that restricts the sale to an income-eligible buyer. For Los Angeles County in 2025, 120 percent of area median income is a household earning roughly \$128,000 for a family of four: a two-income household of teachers, nurses, tradespeople, or public employees, the working families who have long been the backbone of Altadena.

Across our parcels at 1540 East Altadena Drive, 2821 Santa Rosa Avenue, 1145 and 1134 East Altadena Drive, 369 East Altadena Drive, and the others, that is one deed-restricted home for a working family on each lot. Under a single-family-only scenario, none of these affordable homes get built, because the lot supports only one market-rate house priced far beyond their reach. SB 9 and SB 1123 are what turn each lot from a single home only the wealthy can buy into a small cluster that includes one home a working family can actually own. Suspending these laws eliminates the deed-restricted affordable homes our projects would otherwise deliver, and it cuts off the path we built to get real Altadena families into them.

8. What SB 1123 Produces on a Single Lot, and Why We Cannot Pay Survivors More

Without It. The link between this legislation and a survivor's recovery runs directly through the price we can pay for land. A developer can only pay what the permitted project can support. Under single-family-only zoning, each lot yields one home, and the most we can responsibly pay for the land is the value that single home leaves behind after construction and carrying costs. On our parcels, that implied single-family land value falls far below what survivors paid and far below what they need to rebuild or replace their homes. We acquired 1540 East Altadena Drive for \$1,750,000, but on a single-family-only basis the lot supports a land value of only about \$645,000. We acquired 1145 East Altadena Drive for \$1,300,000, against a single-family-only land value of roughly \$525,000. The story repeats at 2821 Santa Rosa Avenue, 1134 East Altadena Drive, 369 East Altadena Drive, and across our portfolio. We cannot pay more for these lots based on single-family home prices alone, because the single home simply does not generate the value to support it.

SB 1123 changes that math in the survivor's favor. When a lot yields multiple homes instead of one, it supports a far higher price, which is why we could pay \$1,750,000 at 1540 East Altadena

Drive instead of the \$645,000 a single-family buyer could justify. Take that same lot under single-family-only zoning: it yields one home that must sell for roughly \$2.65 million to pencil, and there is no affordable unit because there is only one unit and it is a luxury home. Under SB 1123 the same lot yields multiple homes. One would be deed-restricted under the County Inclusionary Housing Ordinance at 120 percent of area median income, sold to a working family for a County-set price within reach of a household earning about \$128,000, while the rest are modest starter homes priced well below \$2.65 million. The same holds at 2821 Santa Rosa Avenue, where we paid \$1,350,000 against a \$645,000 single-family value, and at 369 East Altadena Drive, where we paid \$753,000 against \$354,000. Each of those lots becomes multiple homes with one guaranteed affordable. This is the choice SB 1090 forecloses. It is not luxury versus density. It is one home for the few, bought from a survivor at a depressed price, versus several homes including a guaranteed affordable home, bought from a survivor at a fair one.

9. Where Survivors Cannot Rebuild Alone, Builders Are the Only Way the Lots Come Back. Some survivors will rebuild themselves. Many cannot. A large share of fire-affected owners have already sold and left, and those who remain are often elderly, underinsured, or financially unable to finance new construction at current costs. Where a family cannot rebuild on its own, the lot does not rebuild itself, and it will sit vacant for years unless someone can build the home in their place. Small builders working under SB 9 and SB 1123 are, for many of these lots, the only realistic way homes get rebuilt and neighbors return. Suspend the ministerial pathway and the likely result is not survivor-led recovery. It is empty lots and a neighborhood that does not come back. The streamlined process is what keeps both survivors and the builders who can help them able to rebuild the homes the community needs.

10. Conclusion. We're writing because we are passionate about building homes for people who need it. These families are not going to come home if these pathways are taken away. The people who matter here are the survivors who want to return to the community they built. SB 1090, however well intended, would leave their lots empty and their recovery stalled. We respectfully urge a NO vote on SB 1090.

Respectfully submitted,

Woody Gruninger
President, Stonewall Construction, Inc.
Co-Founder, Stone West Homes
President, Home Ownership Made Easy