

Latino New Urbanism Dialogue #5

“LNU & Housing: Better Homes, Better Communities”

Friday, September 10, 2004

Los Angeles County Regional Branch Library, East Los Angeles

Introduction:

Katherine Perez, TLUC’s Executive Director, welcomed a near-full house of approximately 75 attendees to the not-yet-open to the public new East L.A. library at refurbished Belvedere Park and East L.A. Civic Center. She acknowledged the presence of several LNU Steering Committee members and other dignitaries before describing the Dialogue program as a way to explore in more depth the various issues raised at the October 2003 LNU Conference held at USC. Ms. Perez noted that, during her experience studying urban planning at UCLA, she noticed the similarities between the principles of New Urbanism being taught and such Latino-influenced cities as Mexico City. Now, a number of years later, she views LNU as an opportunity to talk about the diverse, unique needs of the region’s fast-growing communities.

Welcome Address:

California Director of Housing and Community Development Lucetta (Lucy) Dunn explained that she is passionate about making affordable housing the number one priority for the state. The unifying theme of HCD’s policies is that rapid population growth is occurring, and the state can either appropriately plan for this growth or the growth “will continue to plan us, as it has done for the last 40 years.” The statewide numbers are staggering: an average annual growth rate of 600,000 people over the last 20 years; a projected 20 million new residents in the next 20 years, 80% of which is in-state reproduction; and a statewide shortage of 1 million homes. As the baby-boomers are getting older, households are getting smaller. In contrast, two-thirds of the Latino population is under age 35, and will account for the greatest household growth over the next 40 years.

Housing is a critical component of the Schwarzenegger Administration’s economic development plan, which focuses on the three areas:

- Increasing housing supply– the administration plans to seek housing reform legislation, which would mandate local governments to make land available for housing as part of their 20-year plans. The Department of City and Regional Planning at UC Berkeley is currently completing its work on a comprehensive study cataloging potential infill sites statewide.
- Development by-right– statewide, only 6% of projects get approved without modification by local government. In order to streamline the approval process, the administration is studying legislation that would make development by-right for certain projects, limiting local government and environmental review. The state also is reviewing voter initiatives limiting supply, along with “real CEQA reform.”

- Public affairs– the state needs a broad-based campaign to educate people about the need for housing and debunk the myths of development. Those concerned about vanishing open space should be made aware of the fact that California has a total land area of 100 million acres. Fifty million acres are protected as open space, either by outright public sector ownership or conservation easement. Forty five million acres are agricultural land, and only five million acres are heavily developed residential, commercial or industrial. This campaign needs to push back on the quality-of life arguments that ignore the affect of unplanned growth. She added a pointed comment about how some parents would like their children eventually to be able to live near them, while others pointedly make their property values a higher priority and say that housing for their children “is what places like San Bernardino are for.”

Another primary goal of HCD is to identify and implement a long-term funding stream for housing, and infrastructure. HCD’s current priority is to spend Prop. 46 funds, especially for first time homebuyer assistance.

In a Q&A session, Dunn was asked how to ensure that smaller projects fit into a regional housing strategy. She noted that cities are required to have a housing element that accommodates a “fair share” of new housing but, because there is no real teeth to enforcement, cities often ignore this state requirement. She also noted that Latinos are very supportive of home ownership, while anglos tend to be the most vehement opponents of new housing development.

Keynote Address:

Los Angeles County Supervisor Gloria Molina discussed her current focus on projects that are small scale in nature, but which enhance communities. This focus is partly the result of Molina’s dissatisfaction with the impact of larger projects and plans she involved herself with earlier in her career. She offered Central City West, home of the infamous Belmont Learning Center, as a prime example. She noted that the 1990 CCW Specific Plan was developer-driven and projected a major renaissance on the west side of the Harbor Freeway near downtown Los Angeles. Yet, due to economic and real estate trends, very little of the plan has ever been implemented.

Molina now creates strategies specific to neighborhoods and works directly with residents in project areas. Successful examples of this strategy include Mabrisa Walk, Las Brisas Apartments, Vista Angelina, Casa Gloria, Immanuel House of Hope, Arbor Glen, Guadalupe Terrace, the Park of Dreams, Roosevelt Park and Centro Estrella, located in various parts of her large Supervisorial district. The Supervisor stressed that in building housing at any level it is important to improve amenities in the community, which also helps to ease the neighborhood opposition which seems to be inevitable despite income levels and housing costs. She concluded by noting the County’s willingness to directly involve itself with identifying (and sometimes providing) sites.

Panel Discussion

The LNU #5 panel was a mix of public sector decision makers, nonprofit developers and for-profit developers, moderated by Ken Gregorio of the California Community Foundation in Los Angeles.

Esther Valadez, Residential Communities & LA County Regional Planning Commission
Commissioner Valadez reported that, in her experience, diverse areas of L.A. County share universal adversity to density and development; NIMBYs oppose all housing, no matter what. She offered a striking example of opposition to a senior long-term care facility in which neighbors objected to housing seniors near them because seniors vote against school bond measures and would thus prevent local children from having a chance to go to college.

Despite such opposition, local and regional policy makers recognize the need and are responding with policies such as zoning for increased density, TOD, and adaptive reuse. One concern that new urbanism and Latino new urbanism will become the 21st Century version of urban renewal, with new development displacing lower income residents and pricing them out of the market. She cited an example in Santa Ana of how such unintended consequences could impact a community. In order to prevent this, policymakers need to be aware of this danger, and examine mitigating measures such as inclusionary zoning which has been employed in one form or another in about 100 California cities and is currently being debated in Los Angeles.

To this end, the county is currently studying a number of possible solutions:

- Updating zoning and general plans for greater density.
- Providing building and zoning code relief for adaptive reuse and experimental housing
- Reducing segregation of uses
- Reducing regulatory requirements
- Implementing a second unit ordinance that works
- Reducing the incidence of zoning by referendum
- Creative and flexible code enforcement

Jonathan Kevles, City of Los Angeles Community Redevelopment Agency

According to Mr. Kevles, whose career history includes work for elected officials such as Assemblywoman (now Congresswoman) Lucile Roybal-Allard and current Los Angeles Mayor James K. Hahn, talked about financing and subsidizing housing. He stressed that, in providing housing, we don't want to think merely about building buildings. Rather, we should think about building neighborhoods, which includes infrastructure, jobs, services and other amenities. He noted that CRA works primarily in run-down communities where affordable housing may already be plentiful. Sometimes, he noted, the need is for ownership opportunities.

Kevles talked about how to create more affordability:

- Homeownership – helps build wealth in a community as a whole

- Zoning issues – L.A. is currently working on a townhouse ordinance which would allow housing on smaller lots, with the goal of lowering land costs.
- New immigrant issues– homeownership needs to be marketed in different ways to different communities. Loans need to be tailored for immigrants’ unique credit history profile. Banks are starting to recognize this opportunity and Community-Based Organizations with special knowledge of their communities are being employed to help with marketing.

Dan Rosenfeld, Urban Partners

Developer Rosenfeld, himself partly of Spanish ancestry, noted that Spain from 1000 to 1492 was the most successful multicultural community in history. He offered it as a parallel for what Southern California can be, since this region includes many of the same ethnic, cultural, climatic and economic ingredients.

Mr. Rosenfeld then profiled the Del Mar Station and Wilshire/Vermont station projects being developed by his firm. Both are large, transit-oriented developments at key stops on the MTA’s Metrorail system. Del Mar is under construction in Pasadena at a Gold Line stop and combines residential, commercial and parking uses surrounding a station platform. Wilshire/Vermont is planned along the Red Line subway in a neighborhood more accepting of high density and mixed income than neighbors in many locations. Both locations require considerable noise and vibration studies to accommodate the presence of functioning rail mass transit lines.

On LNU, Rosenfeld noted that 150 years of anglo dominance of Southern California is in decline. The urban living patterns and density brought to the area by immigrant cultures will help transform the city. Those that grew up in the suburbs now crave company. Social contact creates the social contract, he noted. “People like to be around other people.”

Maria Cabildo, ELACC

The East Los Angeles Community Corporation’s focus is on Boyle Heights, where 49% of households earn under \$30,000, 40% of households are severely overcrowded, and 65% of the housing stock was constructed before 1966. The shortage of housing stock is exacerbated by the fact that the area has lost over 800 units in the last 15 years as a result of new schools, hospitals, and other development. Ms. Cabildo profiled the Las Grisoles, Lorena Terrace and Paseo Del Sol projects her organization is involved with.

Ms. Cabildo noted ELACC’s program, which includes development, job training and economic development. Development projects tend to include community amenities such as child care, open space and sensitive design. She also acknowledged that ELACC often runs into predictable neighborhood opposition and has to deal with the politics of each given situation.

Mark Weinstein, MJW Investments

Mr. Weinstein discussed his large Santee Court and Sears (Olympic & Soto) projects. Weinstein stressed the creative patchwork financing sources he had to use for these two projects. For Santee Court, he was forced to use four lenders, with Fannie Mae doing a take-out, and had to float a private bond issue to finance a needed parking structure. He also employed the state Mills Act, which supports adaptive re-use of old buildings. The project includes several buildings of loft apartments, ground floor retail, 20% affordable units, rooftop recreational amenities and the parking structure.

For the large, historic Sears building, the financing scheme promises to be even more complex and multi-source than for Santee Court. Under the watchful eye of Los Angeles City Councilmember Antonio Villaraigosa, MJW has also engaged in extensive community outreach for the Sears project, holding over 30 community meetings, and a five-day planning charrette. Weinstein said the plans for the mixed-use project are just about ready for submission to the city for entitlements. The project is expected to include both condominiums and apartments, a religious facility and four acres of open space relating to the adjacent Los Angeles River. It will also retain an existing Sears retail store.

Questions and Answers

Q. How do you package, pursue and balance public sector and private sector financing?

A. Mark Weinstein: Scrap – do everything you can, and leave no source untapped.

Maria Cabildo: Nonprofits like ELACC struggle to obtain the necessary capital for projects, which has been a barrier to pursuing large-scale development.

Q. Is building housing for the Latino community different?

A. Jonathan Kevles: Every community is different. The Latino community in Wilmington is different than the one in the MacArthur Park area.

Dan Rosenfeld: Yes, Latino community generally occupies real estate in certain discernable ways. Anglo leadership encouraged dispersion (aka sprawl). The new and upcoming Latino leadership grew up in and understands inner city communities. Overall, it is a balancing act to retain and foster the unique aspects of each ethnic group while at the same time maintaining a commonality among different ethnic groups. Latinos tend to be more open to developers.

Maria Cabildo: That has not always been ELACC's experience. Homeowners in the areas that ELACC has worked have been very resistant to new housing. But this is a small minority in these communities. The challenge is to get the end users of the product (renters) involved in community outreach to counter the small but vocal minority of people worried about the value of their homes and little else.

Q. Why does the Boyle Heights Adelante Redevelopment Area have less staff than any other L.A. Redevelopment Area?

A. Jonathan Kevles: CRA has half the staff it used to and twice the number of redevelopment areas, so there's a resource and staffing problem everywhere compared with 15 years ago.

Q. What about leveraging resources?

A. Jonathan Kevles: For some communities, leveraging redevelopment funds may be the only way to bring investment into the area. He described Marlton Square, on the 22 acre Santa Barbara Plaza site in the Crenshaw community, which combines funds from several sources to a total of \$180 million.

Q. What about inclusionary zoning? How can it be applied fairly?

A. Esther Valadez: You can use an in-lieu fee provision to make sure units aren't all built in the same over-crowded neighborhoods.

Q. What role does the state's fiscal imbalance play in all this?

A. Jonathan Kevles: We could spend four whole days talking about that. The state's fiscal paths are remarkably tangled up. Local communities need to get a reliable share of property tax revenues. Right now, the share we get is not reliable because the governor and legislature use it to balance the budget when they have a crisis.

Bea Stotzer: (Breaking from her role as Q&A moderator) Proposition 13 transferred the obligation for infrastructure from government over to developers and communities, and things have never been the same.