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of low-cost and affordable housing. It's clear from the above cited cases (and others of recent vintage) that this approach is unworkable. We can all agree that the shortage of available low-cost, affordable and even workforce housing needs to be addressed if this state is to move forward both socially and economically. However, imposing onerous mandates on private developers without incentivizing them in any way just doesn't work.

It's clear that moving forward, we have a major educational challenge to demonstrate to policy makers that mandates alone do not work.

Cities need to step back and find more enlightened ways to engage the private sector in meeting this critical need. In doing so, cities could begin by embracing, rather than resisting, California's existing affordable housing statutes, notably Government Code Section 65915 and SB 1818. Both of these laws seek to incentivize the development of affordable housing by allowing the building of additional (bonus) market rate units to offset the cost of mandated affordable or low-cost units and allowing the developer to apply for zoning concessions or incentives. Incentives can include such things as relief from set back requirements, reduced on-site parking mandates, increased building heights and square footage, among others. Such incentives translate into the economic reality that helps make the inclusion of affordable housing in a private development possible. While the state mandate for increasing affordable housing has been around for years, local governments have been circumventing these state requirements thereby necessitating the adoption of SB1818 in 2008.

UPDATE: Hollywood Hotel Receives L.A. City Council Approval



As reported in our last edition of "Development Rights," JMBM land use attorney Sheri Bonstelle represented client Jeffrey Records, chairman and CEO of MidFirst Bank, in gaining approval from the Los Angeles City Planning Commission for a new luxury boutique hotel in the historic Security Pacific Bank Building in the heart of Hollywood's entertainment district. The Los Angeles City Council subsequently

approved the project entitlements in February 2010. According to architect Rottet Studio, the new hotel will reflect Hollywood's Golden Age with its myriad of classic features, beginning with a grand entrance and porte cochere (illustrated in the accompanying photo). The hotel will feature a total entertainment experience that begins with casual

refreshments in the roof-top bar and café with sweeping views of the Los Angeles skyline, continues with a sumptuous feast in the project's elegant dining room at ground level, and ends with live entertainment in the hotel's nightclub located in the original subterranean bank vaults. A construction commencement date for the hotel has not yet been set. ■

It Takes Creativity to Solve Problems

State law in no way precludes opportunities for cities to be creative in encouraging the development of affordable housing. There are a variety of other initiatives local governments can implement to assist in the private development of affordable housing. These include lowering development fees, expediting the project approval process, and increasing flexibility when it comes to zoning issues. Unfortunately, the

current economic climate may militate against some of these initiatives. The unavailability of construction funds have brought many residential and commercial projects to a screeching halt. Simultaneously, cities need money and we can expect them to increase rather than lower development fees. Lay-offs in the planning departments will make it more difficult to fast-track the project approval process. Nonetheless, short term fixes should not be allowed to crowd-out the implementation of long term solutions.

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