

Affordable Housing Doesn't Necessarily Lead to Less Traffic

By BENJAMIN M. REZNIK

OVER The past several years, Los Angeles and indeed the entire state of California, have been attempting to devise programs aimed at increasing the availability of low-cost and affordable housing. We all understand and appreciate the need for pro-active measures to meet an increasingly intractable housing crisis. However, many of the mandates emanating from local governments, including Los Angeles, are highly suspect.

Take for example the city's most recent efforts to justify affordable housing requirements – it is now a traffic mitigation measure!

It is common knowledge that in order for a city to legally require the inclusion of affordable units in a housing project, it must do so in a manner that demonstrates a legal nexus exists for such a requirement. Recently, the city of Los Angeles adopted a resolution requiring that new multi-family projects in Warner Center provide an unsubsidized 25 percent of units for people who work within three miles of the project and earn no more than 80 percent of median income. (If the prospective tenant or buyer works for a government agency, is a nurse, teacher or works in other community service fields, the three-mile radius does not apply.) The legal

nexus, or justification, given for this was the surprising one of traffic reduction.

Did the city perform a study to support the nexus between affordable housing and traffic reduction? Did it undertake research to determine that 25 percent was the correct amount for the unsubsidized set-aside? The answer is “no” in both cases! The idea was all based on anecdotal evidence, which may have no basis in fact.

As an example of how such suppositions can be misleading, recent studies have cast doubt on the generally accepted mantra that building apartments and condominiums on major transportation corridors in close proximity to transit stops will significantly reduce automobile usage by tenants in these projects. In fact, in one instance cited in Long Beach, only 6.3 percent of the tenants of a building with direct access to the Blue Line actually utilized that service, thus proving the limited value of such commonly accepted assumptions.

Carrot or stick?

But back to Warner Center. The first project to be subjected to this new city

mandate linking traffic mitigation to affordable housing was a development proposed by one of our clients for a swap meet site on Eton Street in Warner Center. Needless to say, we raised many legal challenges. Ultimately, the matter was negotiated at the Los Angeles City Council and a compromise reached to set aside a much smaller percentage of affordable housing

units in the development. In so doing, however, the legal issues regarding traffic mitigation were never resolved. These are left for the next Warner Center developer to fight.

This case plowed new ground as the city

attempted to impose affordable housing requirements that lacked the traditional legal nexus. To do so, it needed to manufacture a new and creative approach. However, creativity is not a substitute for the law! The city is ignoring its own inclusionary housing study, which demonstrates that an unsubsidized affordable housing set aside requirement even at 10 percent, is not economically viable unless accompanied by some form of subsidy or incentive. To bypass these factual realities, the city tried

to link the need for affordable housing with traffic reduction. But as indicated, it did so without a single shred of evidence to support it.

No one denies the need to find ways to increase our housing stock, be it low cost, affordable or workforce. The question is the best method to accomplish this worthy objective. In my view, the carrot is much better than the stick when it comes to incentivizing private developers. As an example, SB 1818, which went into effect this year, expands California's existing density bonus statute, providing a range of incentives for developers to incorporate low-income and affordable units within their projects. Besides allowing density bonuses of 20 percent to 35 percent, the law also makes available reductions in site development standards, modifications in zoning codes and relaxed architectural design requirements, among others.

Following this type of formula is more likely to create a cooperative climate between the public and private sectors leading to attaining the worthy goal of building additional housing for all our citizens.

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