Not Just for the Gentry

PETER DREIER DECEMBER 17, 2006

We need to imagine a future in which Los Angeles is the greenest and cleanest big city in America," Mayor Antonio Villaraigosa said in his April 2006 state of the city address. That's a tall order when you consider Los Angeles' long-standing love affair with the twin icons of suburbia -- the car and the single-family home. Yet many agree with Villaraigosa that it's time for Los Angeles to kiss the suburban sweetheart goodbye and start courting urban green.

After three decades of significantly improving air quality through tougher automobile emissions and factory standards, Los Angeles is losing ground again. The idling ships and trucks at L.A.'s port, the nation's largest, are a major source of pollution. Proposals to "green" the port range from having docked ships turn off their engines and plug into electric outlets to encouraging rail rather than trucks to move containers out of the port.

But that still leaves the cars, which produce about half the air pollution in California. If current sprawl trends continue, more people will commute even longer distances on publicly funded highways. More than 18 million people live in greater Los Angeles' 177 cities, five counties (Los Angeles, Orange, Riverside, San Bernardino, and Ventura) and nearly 35,000 square miles.

Between 2000 and 2004, Southern California, the nation's second-largest metropolitan area, was also the second fastest growing, mostly on the urban fringe, 40 to 75 miles inland from coastal jobs. Two of the nation's fastest growing communities, Rancho Cucamonga and Moreno Valley, are located 42 and 60 miles inland from L.A. Between 2000 and 2005, Rancho

Cucamonga increased by 32 percent, from 127,000 to 169,000, while Moreno Valley spiked by 25 percent, from 142,000 to 178,000.

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Endless sprawl?

The combination of cheaper land and fiscally trapped small cities welcoming new single-family subdivisions, encourages developers to build on the suburban fringe rather than near the urban center. But the "externalities" -- the economic and social burdens caused by traffic congestion, insurance premiums, potholes, pollution, and health problems -- aren't factored into the costs that residents, and the public sector, have to bear.

Hardly any piece of open space seems immune. Environmentalists are currently fighting development of the 270,000-acre Tejon Ranch, 75 miles north of downtown Los Angeles. The Tejon Ranch Co. plans three large projects. Tejon Mountain Village would include a 23,000-acre resort with spas, boutique hotels, shops, and more than 3,000 homes. Its proposed Centennial project would replace more than 12,000 acres of grasslands, oak woodlands, and chaparral with some 23,000 homes and 1 million square feet of retail and commercial buildings. An industrial complex would destroy another 1,100 acres of farmland and grasslands.

Some portray Los Angeles as a model of the free market, with developers simply responding to consumer choices. But the patterns of how Angelenos live, work, and commute are not simply the result of millions of people making separate, individual choices. They also reflect government policies -- about housing, transportation, zoning, taxes, business location, and others.

The average home in Los Angeles County sells for a cool \$500,000 -- affordable to just 19 percent of the region's population. Several factors led to the price run-up: low interest rates, adjustable-rate and interest-only mortgages, and the failure of residential construction to keep pace with population growth. From 2000 to 2004, the area's population grew by 1.6 million people who, assuming roughly three per household, needed about 533,000 new homes. Actual construction, however, was only about 350,000 units, a shortfall of 183,000 units -- this during a residential building boom.

Insights and obstacles

Choices -- and the relative cost of alternatives -- are shaped by public policies. So any effort to address the region's imbalance between the location of housing and jobs will require changes in government policy as well as changes in consciousness and individual behavior. For a progressive mayor like Villaraigosa, there are limits to what can be accomplished in one city -- even a city as big as L.A.

Yet a growing number of government officials, planners, and environmentalists have begun redressing sprawl. In older cities like Los Angeles, Pasadena, and Burbank, and even some newer suburbs, advocates of "smart growth," "transit-oriented development," and denser, pedestrian-friendly downtowns are making some headway. Some developers responded with proposals for denser projects along transit corridors.

But developers who want to build apartments and condominiums much closer to jobs and public transportation must contend with homeowner groups who fight such proposals. Visions of ideal single-family homes with two-car garages and free-flowing freeways are still etched in the psyches of many people who came to Los Angeles in the 1950s and 1960s. Even some newer arrivals shudder at families with children living in apartments, walking or taking the bus.

In fact, contemporary L.A. is a very different city than it was 50 years ago. Today, 60 percent of the population rents. Although renter households are relatively large, about a quarter have no car and another 45 percent have only one car. Ignoring these realities, homeowner groups cite increased local traffic, shortage of parking, and a loss of community character as reasons not to build in their close-in neighborhoods. Left unexamined is the need for housing, or the regional implications for traffic and air quality of building needed housing far from jobs.

Neighborhood groups' concern about traffic and parking are often sincere, but sometimes they are camouflage for race and class biases, even in working-class neighborhoods. In 2003, a proposal by the nonprofit East LA Community Corp. to build a 49-unit apartment building and child-care center met intense opposition from local Latino homeowners who dubbed the

proposed child-care center a "gang incubator." The nonprofit persevered and completed the apartments and child-care center.

NIMBYism -- Not In My Back Yard -- isn't confined to homeowner associations. Last year, the Walt Disney Co. fought a plan, endorsed by the city of Anaheim, to construct a mixed-income housing development -- 1,300 condominiums and 200 low-income apartments -- just outside the gates of Disneyland, even though its many low-wage employees need affordable housing.

Land for affordable housing requires government subsidies, and public funds are in short supply. In Los Angeles, competition for land is fierce, for schools, parks, libraries, businesses, as well as housing. All this has driven up land costs. Plus, the cost of construction is spiraling. But despite these obstacles, L.A. is moving forward, with strategies that simultaneously address the problems of both pollution and housing. green solutions.



In January 2002, a grass-roots coalition of labor, housing groups, and faith groups pushed through a \$100-million-a-year housing trust fund. In 2005, voters elected Villaraigosa as mayor, who pledged to make L.A. a "green" city and to address housing shortages by building up areas of the city that already have subways, light rail, or rapid bus service, and expanding public transit. Last November, 57 percent of California voters -- 64 percent in Los Angeles -- approved a \$2.8 billion state housing bond,

targeted for the homeless, working-poor renters, and middle-income families priced out of homeownership. On the same day, over 62 percent of L.A. voters endorsed a \$1 billion municipal housing bond. Although it fell short of the necessary two-thirds, more than a majority of voters in 13 of the 15 city council districts supported the measure, which would have been paid for by an increase in property taxes. These votes reveal a critical shift in the electorate toward an understanding that government must complement the market to resolve the housing crisis.

Housing activists, environmentalists, and public transit advocates agree with Villaraigosa that one way to address these problems is to build more housing closer to public transit. But is there enough public transit in L.A.? The great trolley car system that crisscrossed Los Angeles in the early 1900s is the stuff of nostalgic postcards and conversations among train buffs. Extending far beyond Los Angeles into Orange, Ventura, San Bernardino, and Riverside counties, the network of rail lines and electric streetcars reached its peak in the 1920s. It was slowly dismantled in the post–World War II boom with the political support of the oil, auto, and highway lobby.

Not until the 1980s did Los Angeles again began to acknowledge the limits of its car-oriented culture. It began a transit system that now includes more than 1,400 miles of bus routes, that now carry 1.3 million people on weekdays. Given the sheer size of Los Angeles, bus service must be the backbone of the transit system, which is why the Bus Riders Union has fought so hard for improvements in the overcrowded buses even while rail is being expanded. Under the watchful eye of a court magistrate, the Metro has purchased hundreds of new buses and now boasts one of the cleanest fleets in the nation with 80 percent running on compressed natural gas. Innovations in bus services include 15 new Rapid Bus routes with about one stop every mile on heavily traveled routes. The Rapid Bus is a real boon to transit users who often must travel 10 to 15 miles across the city. But unlike New York, Portland, and other cities, bus riding in Los Angeles is still seen as the option of last resort, utilized primarily by the working poor rather than the middle class.

To get more middle-class commuters out of their cars, public officials want to expand the region's rail system. Daily, more than 40,000 Angelenos use a burgeoning rail system with its regional commuter rail, a subway, three urban light-rail lines, and a bus rapid transit route. Metrolink regional commuter trains run along six routes over 416 miles to connect surrounding counties to downtown Los Angeles. Four subway and light-rail lines, covering 73 miles of the most built up areas of the city, have created faster alternatives to driving between downtown and Hollywood, the San Fernando Valley, and Pasadena. About 12 percent of people in Los Angeles use public transit to get to work, more than double the national average of 5 percent but far below Seattle's 17 percent, Chicago's 26 percent, and New York City's 52 percent.

Housing developers now prize building apartments and condos near transit stops and corridors. This "transit-oriented development" has become part of the regular lexicon of "smart-growth" advocates. In most cities in Europe and even Canada, this is simply part of the taken-for-granted culture. People live in denser neighborhoods, take buses, bikes, and trains to work, live above and near shops. But in Southern California, this is almost a revolutionary idea. With rail expansion over the past 15 years there are plenty of stations to build around: 62 rail stations in the Metro's urban rail system, and another 47 in the Metrolink's regional system. A key question is who will benefit, the new urban gentry, or the hard-pressed working and middle class?

Smart growth and affordable housing

Los Angeles City Councilman Ed Reyes, a city planner by trade, has pushed hard to include mixed-income housing near the new Gold Line station in Lincoln Heights, a predominantly Latino neighborhood close to downtown. Amcal Housing, a for-profit developer experienced in building affordable rentals, purchased seven acres adjacent to the station that was vacant after a furniture manufacturer shut its factory and moved elsewhere. On the site, Amcal and a local nonprofit housing developer called works have built three residential developments: 165 condominiums, about 50 of which are affordable to middle-class workers; 102 apartments affordable to seniors on fixed incomes; and 121 apartments with rents affordable to low-wage working families. Counting two more developments under construction nearby -- Amcal's 146 affordable family rentals and Livable Places' (see sidebar below) 102 for-sale condominiums -- more than 600 new homes will be within three blocks of the station.

Happily, these new developments did not spark neighborhood opposition. First, they were built in a blighted industrial area that separated the Gold Line station from the residential neighborhood. Second, most of the rental apartments and for-sale condos are within economic reach of people living in the surrounding neighborhood. This is only possible because more than 75 percent of the new units are truly affordable to working-class residents. The high level of affordability reflects local Councilmember Reyes' commitment to mixed-income housing.

A different scenario played out four stops down the Gold Line in South Pasadena, which prides itself on historic preservation and high-quality schools. Progressive developer Michael Dieden, who managed Tom Hayden's state assembly campaign 24 years ago, built the Mission Meridian mixed-use development next to the Gold Line station. Designed by New Urbanist architects Elizabeth Moule and Stefan Polyzoides, the development is a model of new construction that reflects the bungalow architecture and small-town values of the surrounding community. Last year, 67 homes sold out during construction for \$350,000 to \$850,000.

When Dieden first proposed building multi-family rather than single-family homes on the site, opponents raised the specter of new residents bringing down vaunted school test scores and destroying the community character. With such a climate, affordable housing was never on the table. Even for fairly costly housing, it took Dieden four years to secure permission from the city to build. The opposition subsided after it became clear that the prices for the new units would far exceed what the neighbors paid for their own homes and that there would be no children from affordable housing projects in the local public schools. In the end the development succeeded in bringing tasteful density and vibrancy to a historic neighborhood, as well as 100 subsidized parking places for Gold Line users. What it didn't bring was any affordable homes to the people who work in the restaurants and shops in the area.

Pasadena, a polyglot city of 140,000 residents, adjacent to L.A., has been wrestling with the dilemmas of gentrification and revitalization for more than a decade. The Gold Line has six stops in Pasadena. City planners hoped to take advantage of this to invite mixed-income development, but the rail line immediately pushed land prices skyward. Del Mar Station Village was the brainchild of Urban Partners, a development firm that restored downtown L.A.'s Grand Central Market years before the residential building boom hit. Working with Moule and Polyzoides, they designed a mixed-use development that brings tremendous energy to an unremarkable low-slung commercial strip. The Gold Line tracks run through the middle of the site, which now has a seven-story apartment building, a restored train station, a plaza, ground-level retail and 1,200 subterranean parking places. Urban Partners was seeking approvals from the city in the midst of a debate over requiring some affordable units in every new development. The developer offered to make 6 percent of the apartments

affordable as below-market rents and disperse them throughout the development.

Among developers, Urban Partners was an exception. Most developers oppose municipal mandates to incorporate affordable units in otherwise market-rate projects -- a policy called "inclusionary" or mixed-income housing. They typically claim that it isn't financially feasible to include affordable units. But more than 100 cities in California -- and dozens more around the country -- have adopted some version of this mixed-income housing policy, and there's no evidence that developers have avoided doing business in these cities.

Green, as in greenback

The same developers who claim "the numbers don't work" when it comes to including affordable housing in their projects change their tune when it comes to parking. Using the very conservative figure of \$30,000 per underground parking place, the parking alone at Pasadena's Del Mar development cost at least \$36 million. To see how that compares to the costs of building affordable housing, consider that the total development costs for Amcal's 223 affordable rentals was \$34 million.

Our collective preference to park all the cars and let working people fend for themselves in a brutally tight housing market is a sad commentary on our priorities. So where will the secretaries, nurses, janitors, schoolteachers, security guards, hotel housekeepers, and waiters -- the people who make the economy work -- live? The gentrification of "newly discovered" older urban neighborhoods near transit often pushes low-wage workers out. One has to question the wisdom of pushing the very people who are walking and using public transit rather than driving away from transit.

A recent study by the Center for Neighborhood Technologies and Reconnecting America found that census tracts with transit zones are more racially diverse, are home to more low-income people, and have low rates of car ownership. Rather than catering to the perceived desires of higher income people who have transportation choices and more cars, the authors of the study recommend preserving rental housing near transit and targeting affordable and mixed-income housing at higher densities to transit zones.

Both of these ideas are now in play in Los Angeles. Several older neighborhoods with great

public transit access -- such as Koreatown, Westlake, and Echo Park -- are gentrification hot spots. Developers are snatching up apartments for conversion into condominiums. In November, the city moved to restrict condo conversions when vacancy rates were too low, giving tenants groups like acorn, the Coalition for Economic Survival, and Coalition LA a huge victory.

Villaraigosa's new planning director Gail Goldberg wants to target new residential development to transit zones as a matter of policy, not just to showcase pilot projects. But this could simply exacerbate gentrification unless the city also requires that such developments include mixed-income housing. Housing and labor activists in Los Angeles are pushing Villaraigosa and the City Council to adopt new rules requiring some affordable units in every new development for all new development across the city. There are hundreds of housing development projects in the city's pipeline, more than 50 high-rises in the downtown alone.

But without a strong mixed-income law and government subsidies to take commitments to scale, "green" housing will have a double-edged meaning: friendly to the environment, but too expensive for all but the affluent to afford.

Peter Dreier is professor of politics at Occidental College, director of its Urban and Environmental Policy Program, and coauthor of The Next Los Angeles: The Struggle for a Livable City (University of California Press, 2006). **Beth Steckler** lives, works and rides the bus in Los Angeles where she advocates policies that support mixed-income communities and transit oriented development on behalf of Livable Places.

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