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SHELTER THE WEALTHY, LOCK OUT THE REST?

By ALVIVON HURD, PETER DREIER. Los Angeles Times. Mar 26, 2001. pg. B.7

On Tuesday, Los Angeles' Central Area Planning Commission has an important choice to make: whether to force G.H. Palmer Associates to meet the city's affordable housing requirement for Palmer's next luxury apartment project, the Visconti at 3rd and Bixel streets. The city should not grant the waiver Palmer has requested.

Under city law, housing developers in the Central City West area--downtown, just west of the 110 Freeway--must set aside 15% of their units for low-income residents or contribute to a fund aimed at providing more low-cost housing. Palmer, in its earlier Medici project at 8th and Bixel, successfully lobbied the city to be able to satisfy the requirement by building 60 moderately priced apartments--9% of the Medici's 658 units--on land within about three miles of the project. Now, with the Visconti, Palmer wants the city to forgo the requirement for low-income units. The city's answer should be a firm no.

The commission's decision regarding the Visconti will carry tremendous implications for the future of housing policy in Los Angeles. In making this decision, the commission's five members should remember that Los Angeles has one of the worst housing situations in the country. Only 39% of the city's households own their own homes, compared with a national homeownership rate of 67%. Most low-income families spend more than half their incomes on rent and utilities. Rents are so high that few working families can save enough for a down payment on a house. Many families are forced to live in overcrowded apartments. And nearly 150,000 of the city's apartments are substandard.

Despite this crisis, the city of Los Angeles spends far less than other major cities on housing. New York City, for example, with about double the population of Los Angeles, spends \$265 million a year on housing, compared to Los Angeles' paltry \$5 million. The resulting housing shortage in L.A. is of epic proportions. This hurts not only poor and middle-class residents but is bad for business--employers can't recruit workers, and neighborhood retailers suffer.

The major developers in Los Angeles, working with the city, have an opportunity to play a leading role in combating the housing crisis. In 1991, the City Council took a step in the right direction when it passed an ordinance affecting Central City West that requires developers who want to build luxury complexes to either set aside some units for low-income residents or contribute to a housing trust fund. The idea was to ensure that downtown development includes housing for a diverse population, including the many people who work in low-wage jobs in the downtown area. The City Council and the mayor should now adopt a policy--as other cities, like Boston, San Diego, Sacramento and San Francisco already have done--that fosters the development of low-income housing throughout the city.

Of course, some developers, like Palmer, would rather cater to the wealthy. The Medici apartment complex, for example, includes a 20-foot interior waterfall, lushly landscaped gardens and a one-acre private park. The complex is a virtual fortress that is walled off from the rest of the community. Indeed, one of Palmer's goals, according to a statement made to the Downtown News, is to "gentrify downtown."

The city should reject this approach and mandate that the Visconti project comply with the city's reasonable and needed affordable housing requirement. We cannot have a healthy city or business climate if only wealthy people can afford to live here.

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