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Cracking the Code

Planning Shift Could Be Most Important Housing Move Since Adaptive Reuse Ordinance

by Kathryn Maese

When Portland developer Tom Cody came Downtown three years ago to build a series of high-end condominium towers near 11th Street and Grand Avenue, he had some idea that the pioneering venture would shake up the community. After all, it was the first ground-up condo project Downtown in at least 20 years.

What Cody didn't expect was that the project would spark a rethinking of the city's antiquated zoning regulations. These, it turns out, are more suited to controlling suburban development than encouraging high-density urban housing.

Under the current code, for example, Cody's proposed 400-unit project could have been scaled back to about 250 units, and he would have been required to build 15 feet away from the street. The move would have killed any chance for pedestrian activity, if the project was even built.

Over the course of seven months, the development team had to finagle nearly two dozen complex variances, some of which the city had never granted, before the project could break ground.

"This one was tough because the zoning code was written to control large suburban developments," said Craig Lawson, whose land use consulting firm Craig Lawson & Co. helped shepherd the project through the planning process. "We were really pushing the



Developer Tom Cody had to secure more than two dozen variances to get his high-density condominium project built. If a city law changes, approval for Cody's next residential tower, and numerous other projects, will be much easier to achieve. Photo by Gary Leonard.

envelope in dealing with city code."

It's this disconnect between suburban and urban building standards that the city's Planning Commission will consider revising this Thursday when it contemplates a series of proposed code changes. Though low on the public radar, planners say the shifts could prove vital to future residential development in Downtown Los Angeles. The changes could also cut processing time by as much as half, and ease the way for thousands of additional condominium and apartment units.

Principal City Planner Jane Blumenfeld, who has spearheaded the project over the last several months, said the package of ordinances would not only remove the barriers to housing development, but would help create a large stock of affordable and, for the first time, workforce housing.

"In a lot of ways, we are trying to capture the interest in Downtown while the market will still allow it to occur," she said. "We don't want our antiquated codes to drive people away."

The goal, Blumenfeld said, is to correct the lopsided jobs-to-housing ratio in Downtown, which currently stands at 16.7 jobs for every housing unit. The key changes would apply mostly to high-rise housing, the bulk of which is rising in South Park near Staples Center. At least a dozen residential projects would benefit if the new code goes into effect within the next few months.

Size Matters

The most sweeping change proposed would increase the amount of land on which a developer can build. For example, on a 100,000-square-foot parcel, only 60,000 square feet can currently be developed, since the balance would be eaten up with required setbacks for landscaping typically found around a Craftsman home in Eagle Rock or another outlying neighborhood.

Removing this barrier would allow for a more vibrant streetscape, with sidewalk cafes, restaurants, bookstores and other retail edging the property line. The Community Redevelopment Agency is also drafting streetscape and design guidelines that every residential building would have to meet.

"We don't want to have each guy doing his own thing in front of each building," Blumenfeld said. "This would ensure that the public realm is designed in a cohesive way."

Blumenfeld said restrictions on the number of units and floors in a property would also be removed, leading to high-density projects that would help them pencil out. Recently the cost to build a condo tower has soared, with financial feasibility hinging on creating as many units as possible to meet the spiking costs of insurance, land and raw materials.

Currently, a project is required to have a fixed amount of common and private space, such as balconies, pools, recreation rooms and open space. Under the new code, those elements could be mixed and matched for each building.

The last change, which has generated the most discussion, is a plan that would allow a developer to increase a project's floor area by 35% in exchange for including an affordable housing component. Each project would have to set aside 5% of its units for very low-income residents, in addition to either 10% priced as low income, 15% for moderate income or 20% workforce - which Los Angeles has defined as 175% of the median family income (currently \$51,780, according to the California Association of Realtors Homebuyer Income Gap Index report).

"This is a voluntary but generous system," Blumenfeld said. "We are trying to make it attractive to build here and get this added affordable housing that we normally wouldn't have. We need an adequate amount of lower income housing so that in 20 years Downtown doesn't become an exclusive neighborhood."

Cody, whose first 194 units are set to open in early 2006, said anything the city can do to streamline the process and make high-density building on redevelopment sites easier will create a more viable housing market.

"This was our first project Downtown and it was pretty daunting on paper," Cody said. "For the city to formalize these things is a win-win situation because it allows people to do these variances by right as opposed to being subject to approvals."

The proposed ordinances would be the second major shift in planning policy to accommodate Downtown's rapid growth and redevelopment. The first was the 1999 Adaptive Reuse Ordinance, which loosened requirements for converting historic structures into housing and sparked the current housing boom. The ordinance led to the creation of 3,500 units by 2003, almost all of them in Downtown, according to the Planning Department.

The new code changes are expected to head to the City Council's Planning and Land Use Committee in the coming weeks, and then to the full council, before going to the mayor's desk.

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