

LA MAYOR ANNOUNCES \$5 BILLION AFFORDABLE HOUSING PLAN

Game Changer

On September 29, Los Angeles Mayor Antonio Villaraigosa announced an ambitious \$5 billion plan to provide 20,000 affordable homes in the city over the next five years, despite the national credit squeeze and the collapse of the local housing market.

Dubbed "Housing **continued on page 6**

GAME CHANGER

continued from front page

That Works," the mayor's multi-income, mixed-use plan seeks to create or preserve homes for low and moderate-income families (categorized as those making less than \$90,000 per year) to be located near Metro Rail stations and bus routes in an effort to address the city's housing crisis.

"This is the least affordable big city in America," Villaraigosa said, acknowledging the widening gap between the number of units available for high-income families and the dwindling options for those at the lower end of the spectrum. The plan falls under the direction of the mayor's office and according to Jonathan Powell, a representative from Villaraigosa's office, is "already going into effect."

Funded by a mixture of public sources (coming from the LA Housing Department, the LA Housing Authority, the LA Community Redevelopment Authority, Affordable Housing Trust Funds, and county, state, and federal funds) and private sector loans, the plan consists of broadly drawn proposals on an array of issues, from streamlining the city's entitlement and permitting processes, to providing housing for larger numbers of LA's homeless.

The plan includes a "Sustainable Communities Initiative," to create 20 environmentally friendly neighborhoods near transit nodes. These mixed-use, multi-income developments

will link affordable housing for low- and middle-class workers with easier access to centers of employment.

Stuart Magruder, an architect and founder of the LA-based firm Studio Nova A, points out that the plan, reminiscent of the European model that locates people closer to where they work, shop, and go to school, is reliant on a more effective transit system than currently exists in Los Angeles. "We've got to decide to go forward on all cylinders on both issues—developing denser communities and building more transit," he said.

Administratively, the mayor's plan includes a mixed-income housing ordinance, requiring developments over a predetermined size to contain an as yet undetermined percentage of affordably priced units. The ordinance requires passage by the City Council and final approval by the mayor. According to Powell, the City Council intends to pass the ordinance by the end of 2008.

The mayor's plan also seeks to streamline the city's convoluted entitlement and permitting process, which can involve 12 different departments, with the "12-to-2 Development Reform Plan." Under 12-2, the Planning Department will become the single point of contact for the entitlement phase of new projects, while Building and Safety will handle the construction phase.

Los Angeles' homeless population of over 44,000 is the nation's largest. The mayor's plan increases rent

subsidies, in the form of Section 8 vouchers, for the chronically homeless and creates 2,200 "permanently supportive housing" units that will move homeless people from revolving-door shelters into permanent housing.

Additionally, the plan seeks to redevelop blighted housing projects, beginning with the gang-infested Jordan Downs project in Watts, hoping to replicate the successful resurrection of the Pico Aliso complex in East Los Angeles.

The question is how the weighty financial framework of such a large proposal will survive the turbulent economic climate. The mayor has already secured one non-profit investor, Enterprise Community Partners, who has pledged \$700 million to the plan.

Still hopeful that the recent congressional bailout package will ease constricted credit markets and allow Housing That Works to move forward, Powell pointed out that, "It's the financing that's slowing down. The demand for housing, office, and retail space in Los Angeles is not slowing down at all."

With no timeframe as to when results would begin to materialize, Powell noted that the mayor's office was moving quickly to implement the various steps of the plan. "There's really no better time than right now, in the middle of a crisis, for us to show some leadership," he said.

MIKE SCHULTE