

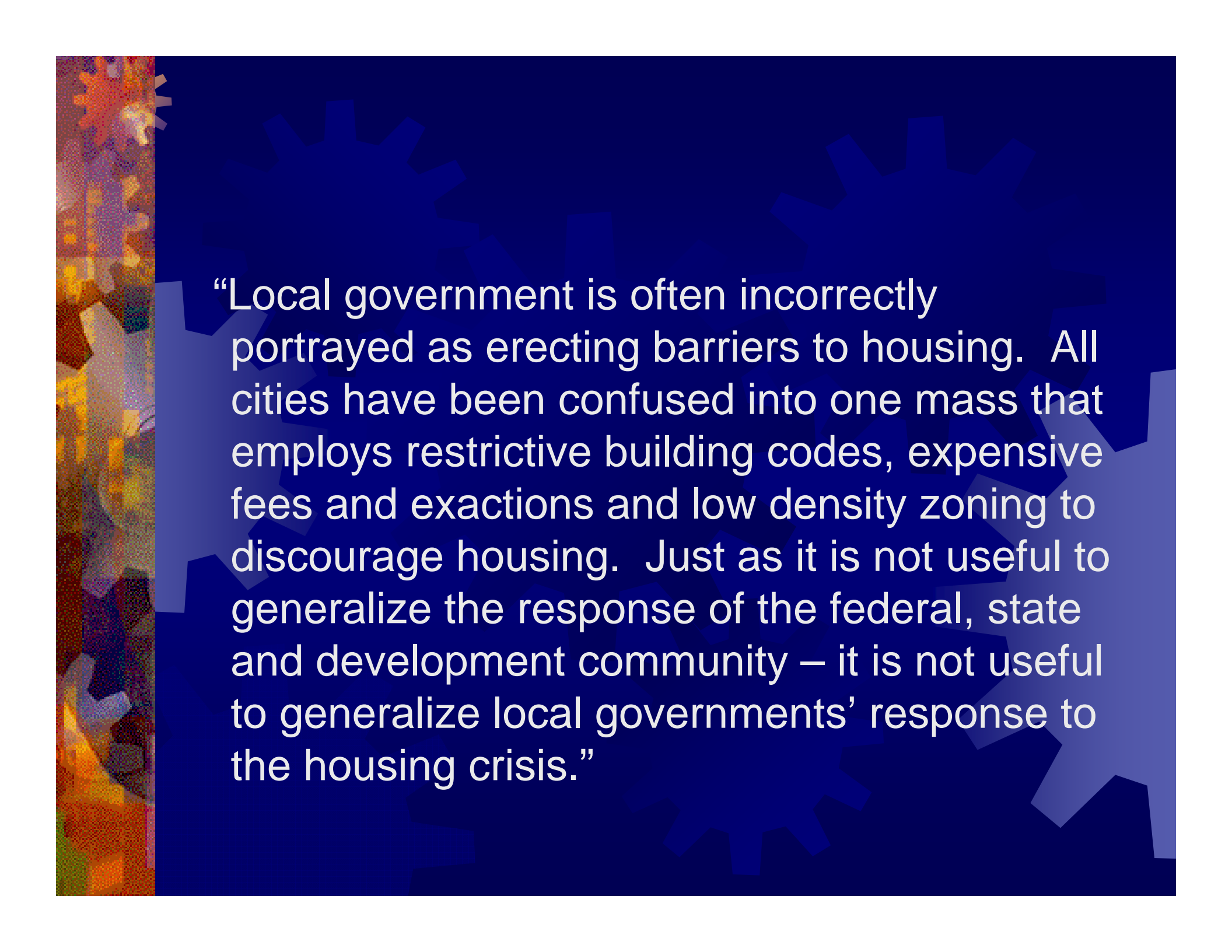


Infill Housing Development – A Local Government Perspective

By

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“Local government is often incorrectly portrayed as erecting barriers to housing. All cities have been confused into one mass that employs restrictive building codes, expensive fees and exactions and low density zoning to discourage housing. Just as it is not useful to generalize the response of the federal, state and development community – it is not useful to generalize local governments’ response to the housing crisis.”



Local Strategies

- ✱ Conversion of miles of obsolete strip commercial corridor to housing.
- ✱ Remediation of former brownfields for housing.
- ✱ Increasing residential density adjacent to mass transit stations and corridors.
- ✱ Revitalization of abandoned residential neighborhoods.



Cities Understand the Affordability Crisis

- ☀ 67% of Californians believe that housing affordability is a major problem.
- ☀ 78% believe affordability will worsen.
- ☀ Population increased by 200,000 persons from 1990 to 2000. The region only provided 37,000 housing units in this decade.

“As a result the median home price in Los Angeles County is now \$409,000 and the median rent for an apartment is \$1,291.”



Steep Decline in the Region's Standard of Living Impacts Affordability

- ✱ SCAG Region slipped from 4th to 16th in per capita income from 1987 to 2001 (out of 17 national metropolitan areas) and slipped from 4th to 11th in average payroll per job.
- ✱ The Los Angeles Region lost 440,00 jobs from 1990-94. It has taken a decade to replace the job loss. Replacement jobs pay less on average than those jobs lost.
- ✱ The 12 fastest growing job sectors were retail and service trades (\$33,145 average income), while the 12 fastest shrinking job sectors were in manufacturing and aerospace (\$45,165 average income).
- ✱ The median household income in Los Angeles County in 2002 was \$42,189.



Dramatic drop in standard of living translates into affordability problems

- ☀ Home owners would need to earn \$106,000 per year to afford a house priced at \$409,000.
- ☀ Renters would need to earn \$21.12 per hour, or \$44,000 per year to afford the median rent.
- ☀ At minimum wage, a renter would have to work 125 hours per week to afford the median rent.



Barriers to Infill Housing and Affordability

“Federal and State government have erected barriers to affordability by shifting financial resources away from local government. City Councils have the difficulty providing municipal services for new residents – while existing services are under funded.”

- ✦ State has shifted over \$40 billion in local government revenues to fund the State's deficit since 1992 – almost \$3 billion annually.
- ✦ Over \$1.3 billion of local revenues will flow to Sacramento in the next two years/ the \$3 billion annual base is lost permanently to local government under Proposition 1A.
- ✦ Redevelopment Agency funds are not protected under Proposition 1A. These funds provide for infrastructure and clean-up of brownfield sites.



Federal and State Disinvestment in Local Street Maintenance

- ✱ Federal government “restructured” the Federal Aid to Highways program with the adoption of ISTEA (1991) and TEA-21 (1997).
- ✱ Distribution of gas taxes to the cities based on population and miles of highways formula was substituted for competitive grants that exclude routine road maintenance.
- ✱ Recent survey of Gateway Cities documented 829 miles of existing primary and secondary highways that the cities are now responsible for maintaining. There is a \$243 million annual funding shortfall in the region.
- ✱ State has further impacted the local funding problem, by shifting road funds to the State’s General Fund to solve the deficit problems.



Failure of the Legislature to Recognize Transit Oriented Development

- ✱ Opportunities to support transit oriented development have not moved forward in the Legislature.
- ✱ Increased residential density within walking distance of transit centers and corridors makes good planning sense.
- ✱ COG sponsored legislation in 2003 to allow for increased residential density in exchange for increased local share of property taxes.
- ✱ Would give cities need resources to support services for new residents.



Failure of State to Prioritize Housing as #1 Goal

Single purpose boards and commissions at the State level impose regulations that work against housing affordability.

- **CARB and South Coast Air Board are considering new regulations prohibiting new housing within 1 mile of ports or rail lines yards and 1000 feet from highways.**
- **Regional Water Board have drafted a storm water regulations insuring that cities and developers will have to remove vehicular brake dust and tire tread dust from urban runoff.**
- **Instead of attacking pollution at the source, regulators are increasing housing affordability by limiting sites for development and adding costly environmental performance standards to residential development.**



Pushing the Density Envelope, Poor Urban Design and Disregarding the Public

“Existing residents feel that they have paid to support existing services and that new development should not worsen the quality of life in a community”

- ✱ Developers need to be willing to reduce density, improve urban design and add amenities.
- ✱ Developers need to consult “early and often” with the adjacent residents and businesses – prior to submitting formal applications to the city.



Success Stories

- ✦ Brownfield programs at the federal and state level have assisted cities and the developers in funding environmental studies/ removing the uncertainty and legal risks of discovering soil/ground water contamination on potential housing sites.
- ✦ State law was amended allowing cities adjacent to the City of Industry access to the City of Industry's housing "set-aside" funds. More flexibility should be allowed within sub regions to allow the transfer of housing funds.



Case Example #1 – Las Brisas Revitalization Project

- ✱ Revitalization of abandoned housing in six block area of Signal Hill for very-low income family housing.
- ✱ Started with vision by City Council to provide decent and safe housing for a special needs community.
- ✱ Included early public participation and efforts by the Planning Commission and city staff.
- ✱ Included partnerships with federal, state, county, non-profit housing developer, private foundations, city and redevelopment agency.
- ✱ Resulted in rehabilitation of 96 units, construction of community center, police substation and city park.



BEFORE



DURING



AFTER





Case Example # 2 – City View

- ✦ Conversion of brownfield – former machine shops, automotive repair and petroleum related businesses to residential.
- ✦ Included early public participation and desire by adjacent residents to guide the process of improving their neighborhood.
- ✦ 120 residential units on 5 acres of property.

City View



Pacific Coast Highway



Orizaba Avenue





Constraints

- **Small Lots**
- **Fragmented Ownership**
- **Oil Wells**
- **Soils Contamination**
- **Nonconforming Uses**
- **Demolition**
- **Infrastructure**



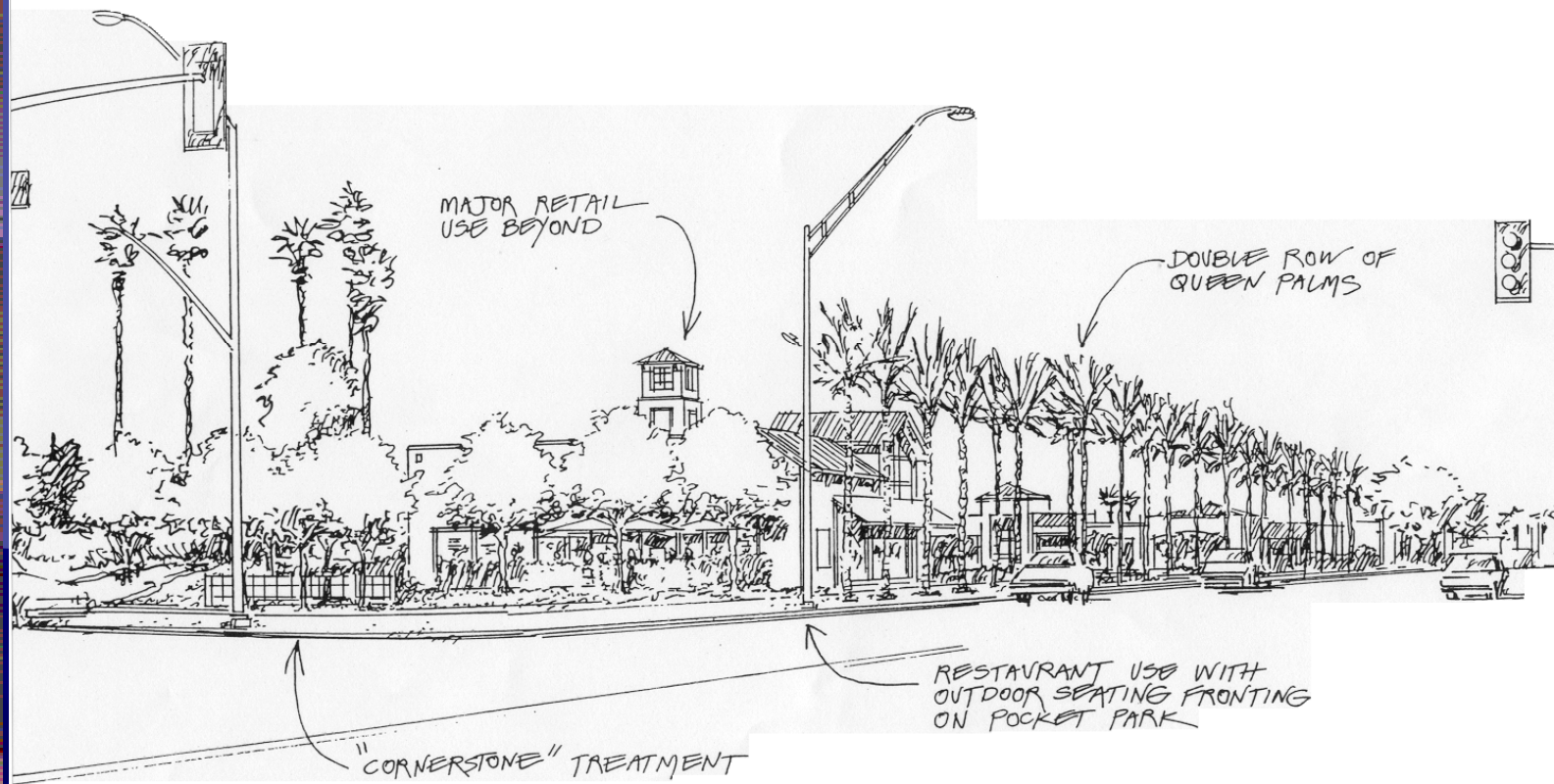
PCH Specific Plan

1999

Specific Plan - 10

This exhibit is
not to scale and
property lines
shown are only
approximations
of actual loca-
tions.





MAJOR RETAIL
USE BEYOND

DOUBLE ROW OF
QUEEN PALMS

RESTAURANT USE WITH
OUTDOOR SEATING FRONTING
ON POCKET PARK

"CORNERSTONE" TREATMENT

Elevations - Flats



NORTH ELEVATION



EAST ELEVATION

Elevations - Townhomes



WEST ELEVATION



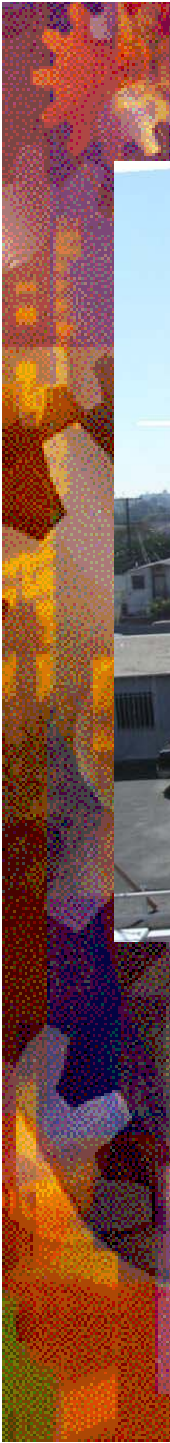
NORTH ELEVATION



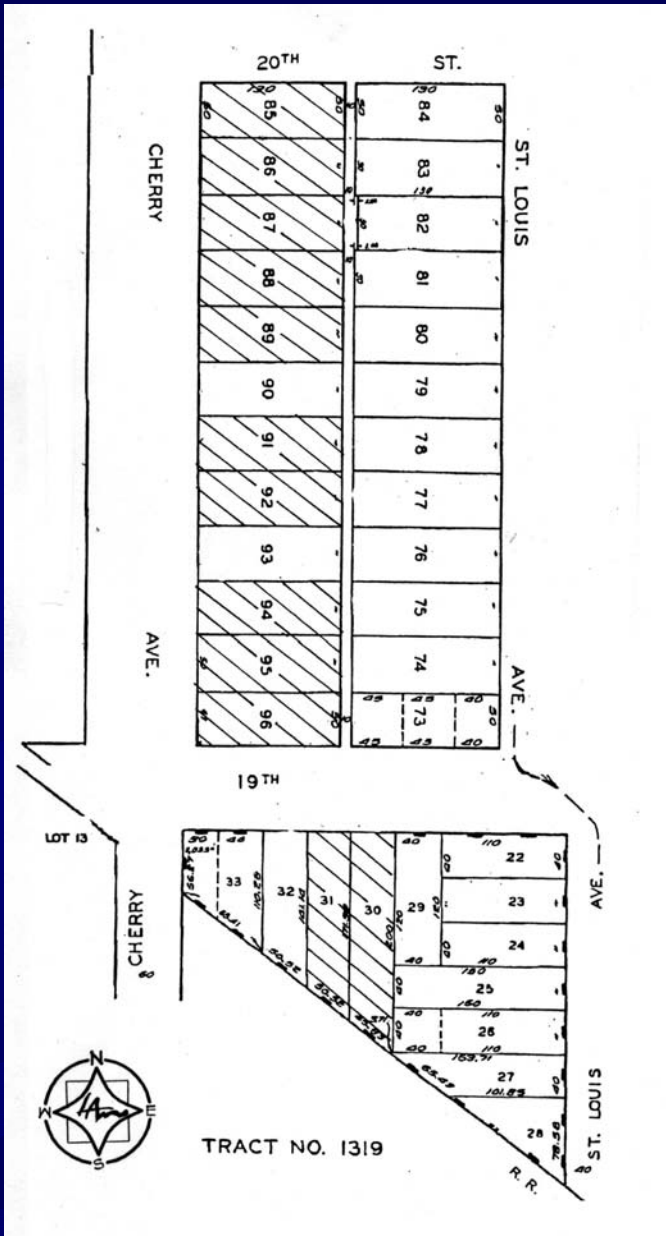
Cherry Avenue Corridor Specific Plan - 13

Anastasi Development

Site and View Analysis Photos
April 13, 2004 City Council



1 – 2000 Cherry Ave, Carlos Valdivieso





ANASTASI



Conclusions

- ✦ Cities understand housing affordability problems and have instituted programs to increase housing production, including
 - **Conversion of obsolete strip commercial corridors;**
 - **Remediation of industrial brownfields;**
 - **Increased density adjacent to mass transit stations and corridors; and**
 - **Revitalization of abandoned residential units and neighborhoods.**



Conclusions

- ✦ Federal and state partners can assist local government and increase housing by
 - Continuing brownfield assistance programs;
 - Provide incentives for transit oriented residential development;
 - Send a clear message to single-purpose state agencies that increasing housing is the #1 priority;
 - Allow flexibility in the transfer of housing funds within a sub region;
 - Allow local government to “count” rehabilitated housing towards housing goals; and
 - Return to the “formula” funding programs in order to assist local government in maintain primary and secondary highways.



Conclusions

“All levels of government, along with the development community, need to work together to solve the region’s housing crisis. It is unproductive to paint the cities with a broad brush as housing obstructionists. Critics should be willing to view the cities as an opportunity for creative partnerships for affordable, infill housing, involving federal and state partners, as well as the development community.”