



CITY HALL
LOS ANGELES, CALIFORNIA 90012

JAMES K. HAHN
MAYOR

April 14, 2004

Honorable Ed P. Reyes, Chair
Planning and Land Use Management Committee

Honorable Eric Garcetti, Chair
Housing, Community and Economic Development Committee

Re: CF 04-0637, proposed ordinance for Inclusionary Zoning

Honorable Members:

I am writing today to express concern over the process that has led to the Inclusionary Zoning proposal before you today. Specifically, the broader development community, business community and Neighborhood Councils across the City have not had an adequate follow-up opportunity to study and provide input on the specifics of this proposal.

I believe it is critically important that we continue to work in collaboration with all stakeholders to ensure that any new policy to promote the construction of affordable housing uses a variety of incentives and continues to build upon the City's current housing programs. This balanced approach yields results. As such I would urge the committee to reserve action today in order to allow time for additional public input.

I know that we all understand that the scope of Los Angeles' housing needs is vast. Over the last ten years, the City's population has outstripped the City's housing stock. And homeownership, which is so vital to our communities, is only enjoyed by 39 percent of Los Angeles residents, far behind the national average of 66 percent. In the midst of a real estate market that continues to see housing



costs soar, we must remain strongly committed to the development of affordable housing.

A top priority of my administration is to build more quality housing, particularly housing that is affordable for Los Angeles' working families. My office has focused intently on enacting a balanced approach to expanding and creating housing policies that foster an environment that attracts housing development. We are making progress in addressing the housing crisis.

In 2002, the City created the first Los Angeles Housing Trust Fund (LAHTF). The LAHTF is the largest local trust fund in the nation. I was proud to stand yesterday with Councilman Garcetti in announcing that the fund had reached its goal of \$100 million in total funding. This investment of public funds has alone been responsible for more than 1,000 units of affordable housing built over the last year and a half.

This historic investment in the future of Los Angeles is being accompanied by an aggressive housing policy and budget agenda that are working to facilitate housing production.

- The Adaptive Reuse Ordinance, which was launched Citywide in December 2003, is responsible for more than 1,508 completed units with another 3,400 in the pipeline.
- The pace of applications for the 25% Density Bonus Ordinance will produce over 7,600 units, of which nearly 2,400 will be affordable. It is also important to note that these units are dispersed throughout the City and are producing on-site, mixed income housing.
- The City recently adopted the Residential and Accessory Services Zone (RAS), which seeks to provide incentives for building housing or mixed-use projects in commercial corridors. The ordinance doubles the allowable floor area, relaxes setbacks, and increases building height. We are beginning to see such projects coming to fruition.

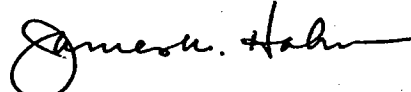
Additionally, in 2002 my office created the Development Services Committee (DSC). The purpose of the DSC is to make Los Angeles more housing and business friendly by streamlining internal processes within each department related to construction development review and approval. Through improved coordination among City departments and deliberate efforts to streamline the subdivision map process, simplify and modernize the zoning code, improve public conveniences, create an early notification protocol and a construction liaison network, we have vastly improved the time it takes to issue building permits for both housing and commercial projects. We will be announcing the progress of the DSC to the development community tomorrow.

While I appreciate and share the commitment that Councilmembers Garcetti and Reyes have shown on the issue of affordable housing, I believe that we should allow affected stakeholders time to respond to the specifics of this proposal that will greatly impact them. Given the progress that we are making through current City policies, I am confident that a sound affordable housing plan developed with the input of all stakeholders will be successful in encouraging the production of units.

We all share the same goal of helping Los Angeles working families have access to homes they can afford. My office stands ready to help you in examining existing and potential solutions for our City's affordable housing crisis. A roundtable discussion, comprising City officials, staff, the development community, business community, Neighborhood Councils and housing advocates would be a good forum through which to take a closer look at the specifics of this proposal to ensure that we continue to accelerate the pace of affordable housing construction in Los Angeles.

I look forward to working with you on this vital issue to Los Angeles' economy and quality of life.

Sincerely,

A handwritten signature in black ink that reads "James K. Hahn". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

JAMES K. HAHN
Mayor