

**News Release**

For Immediate Release

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**ACHIEVING MAYOR'S 100,000 UNIT HOUSING GOAL BY 2021 CREATES OPPORTUNITY TO BOLSTER ECONOMY, ENHANCE AFFORDABILITY AND SUPPORT CITY'S OLYMPIC DREAMS**

*Creating a timely process to analyze new projects would also benefit the Olympic Village, a short-term home for 16,500 athletes and part of a long-term solution for LA's housing needs*

LOS ANGELES (October 23, 2015) – At today's LABC Mayoral Housing, Transportation and Jobs Summit at UCLA, Mayor Eric Garcetti reinforced his ambitious plans to spur the development of 100,000 new residential units in five years by outlining new initiatives designed to reform the City's permitting process and accelerate low-income housing production.

Past LABC Institute studies have found that traditionally underutilized areas of the City, including public transit corridors and properties adjacent to the Los Angeles River, provide particularly strong opportunities for new housing development. Yet, LABC has voiced concerns that the wave of new projects could be stifled by what one media outlet referred to as "the city's sclerotic permitting process."

"Streamlining the EIR entitlement process is crucial given Los Angeles' crushing need for affordable and workforce housing in one of the most expensive rental markets in the US," said LABC Institute Chair Brad Cox. "The LABC believes that the production of 100,000 new units in the next five years will increase multi-family rental inventory and create a variety of housing options for families in Los Angeles."

To help expand the City of Los Angeles' housing production, the LABC has worked with the Garcetti administration and City Council Housing Committee Chairman Gil Cedillo to develop policies designed to reform the current permitting system. This includes proposals designed to expedite the environmental review process dictated by the California Environmental Quality Act (CEQA), and increases in the City's staffing capacity, including the use of technical specialists, to ensure timely review of environmental documents required under CEQA.

The numbers reveal the importance of continued development reform. Currently, 49 projects totaling nearly 25,000 units of newly-proposed housing units are in the City's approval pipeline, and are subject to environmental impact reports (EIRs) – voluminous documents that require extensive staff time to prepare and modify throughout the city approval process. That is in addition to over 600 additional environmental cases pending in the Planning Department.

"Ensuring the development pipeline continues to flow will also support Los Angeles' aspirations to host the 2024 Olympic Games," said LABC Chair Nadine Watt. Currently, the LA24 Committee is evaluating many potential sites for the Olympic Village to accommodate 16,500 athletes. "Expediting the review and approval process will demonstrate our City's readiness to create a modern, sustainable Olympic Village that will provide long-term housing solutions for Los Angeles residents," Watt said.

The LABC's growing and diverse membership applauds the goals of the Mayor's housing plan, and endorses Councilman Cedillo's House LA Initiative – a multifaceted effort that includes an expansion of the Planning Department's Expedited Processing Section (EPS) to reduce the processing time for EIRs for new housing projects. EPS is currently not available for projects that require a new EIR.

"Councilman Cedillo's House LA Initiative has enormous promise to move the needle on the City's ability to meet the Mayor's 100,000 unit housing goal by dramatically shortening the processing time for EIRs up to 30% to 50%, reducing the cost to developers and creating new housing units the city needs," said LABC President Mary Leslie.

In coming months, the LABC Institute plans on releasing findings of a study addressing the fiscal impact and overall economic value of achieving the Mayor's 100,000 unit housing goal. The study is expected to quantify the fiscal impact to the City's general fund of achieving high levels of housing production, as well as long-term financing sources to accelerate the development of affordable housing units.

"Our affordable housing shortage has hit crisis levels," Councilmember Cedillo said. "The House LA Initiative will provide critically needed solutions to support the production of new housing units by implementing reforms to expedite the development process in our City. It's time to get housing projects out of the pipeline and begin breaking ground on affordable homes for Angelenos. We can no longer go on conducting business as usual. We must take drastic measures to change the status quo."

#### **About the LABC Institute**

The LABC Institute is a forward-thinking research and education organization dedicated to strengthening the sustainable economy of California, particularly the Southern California region. Founded in 2010, the LABC Institute provides a bridge between the business, government, environmental, labor and nonprofit communities of Southern California to develop policies and programs that promote investment, jobs and business development. We are the research and education arm of the Los Angeles Business Council, one of the most respected business advocacy organizations in Southern California.

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