

L.A. Councilman Seeks to Ease Environmental Building Controls

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SACRAMENTO—A Los Angeles official is proposing that California relax the nation's toughest environmental controls on building in an effort to stimulate housing construction.

City Councilman Dave Cunningham wants to do away with environmental impact reports during severe housing shortages, but only if a development includes at least 51% low- and moderate-income units.

Cunningham calls his proposal, under study by the Assembly Housing Committee at Speaker Leo T. McCarthy's request, a "rather liberal approach to inducing" housing.

Others, however, view it as the club with which the building industry has long sought to batter the 10-year-old California Environmental Quality Act.

Cunningham, increasingly a spokesman on the Los Angeles City Council for pro-development interests, insists he is "not talking about throwing out all standards."

He says environmental standards are "fine in an ideal climate" but adds that the present housing shortage is a crisis that "requires our ability to respond quickly."

When a city or county has a 5% vacancy rate—the Los Angeles rate is currently below 1%—Cunningham proposes that low- and moderate-income housing developments be exempt from CEQA's environmental impact report requirement.

The proposal almost certainly would be opposed by environmentalists and perhaps even by advocates for the poor, on the ground that the law protects low-income people as well as the affluent. But sources say growing frustration over the housing shortage is such that the measure could pass.

The fact that an urban black official from the state's biggest city is pushing the idea—builders back it "in concept" but so far without any lobbying effort—seems to give the proposal more credibility than it would have as an industry initiative.

If McCarthy endorses Cunningham's idea, the proposal would be incorporated into pending housing legislation. A decision is expected within a month.

An aide said McCarthy promised Cunningham a "real fair appraisal" and said the Speaker generally backs efforts to expedite housing "consistent with environmental protections."

McCarthy has not committed himself, but sources note that housing is a politically charged issue this year.

A legislative aide familiar with Cunningham's proposal said, "It wouldn't have had a chance last year." This year, said a high official who opposes the measure but understands the politics, "I certainly don't think it's a loser."

In fact, Cunningham conceived the idea of the CEQA exemption a few years ago. Last year, he sent the proposal to several state legislators. None responded.

This year, he sent McCarthy the measure "to see if we could get a favorable response from the Speaker. That gives you some credibility," Cunningham said.

If the proposal gets off the ground, Cunningham said, he is prepared to lobby his "fanny off" and also would introduce companion city legislation that would speed up permit processing by giving priority status to low- and moderate-income projects.

State officials and legislative aides, who do not want to be identified, believe sentiment exists to curtail CEQA and do anything else to encourage new housing construction.

"There's a real concern about housing," an aide said. "Lots of legislative members are scratching their heads. They don't know how to get housing built."

John Zierold, Sierra Club lobbyist and a staunch CEQA defender, said of Cunningham's proposal: "It's not a surprise. It would be no great surprise if they're successful. This is a time of great economic uncertainty."

He criticizes the proposal as opportunism but concedes, "The climate's right."

Cunningham cites the high cost of obtaining permits and environmental requirements as a major impediment to producing low-cost housing. Using Construction Industry Research Board data, he said CEQA compliance translates into a 2% cost increase for every month a project is delayed.

So when a city or county vacancy rate drops below 5%, Cunningham would exempt developers of low- and moderate-income housing projects from filing environmental impact reports.

The councilman suggested that the exemption would be equivalent to a so-called negative declaration, a finding that a project has no adverse environmental impact and development can proceed after a 30-day period in which citizens may challenge such a finding.

With the exemption, the developer can go ahead with the project, provided that no challenges are raised. As Cunningham's proposal stands, such projects would have to include 51% or more low- or moderate-income units.

Cunningham concedes that the current language is vague and could allow a developer to build only moderate-cost units. He expects the Legislature would set a minimum number of low-cost units. The kind of housing project that Cunningham envisions could involve more than one site. The low- and moderate-income housing, Cunningham suggests, would be built mostly in inner-city districts like his own, and the most expensive units probably would go up in more affluent suburbs.

The other units could be "luxurious," and Cunningham said there would be "no limitation on what they can be sold for."

The incentive is that developers would not have to do environmental impact reports, which can take up to one year and sometimes become a focus for community groups opposing new housing projects.

Richard T. Wirth of the Building Industries Assn. would like to eliminate CEQA altogether. "Dave's proposal is what we call walking before you run," Wirth said.

He has told Cunningham that the industry supports the proposal in concept. But Wirth feels the 51% low- and moderate-cost housing quota "may be just too doggone high" and instead suggests "anywhere from 25%."

Cunningham replies that the percentage is "pretty hard."

As written, Cunningham's proposal does not require developers to pass on any savings that might result from a CEQA exemption. "If they come in under this scheme, I think they

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ought to be required by law to pass on the savings," Cunningham said.

A legislative aide said the cause of the housing crisis is high interest rates and not CEQA and called Cunningham's proposal a "classic example of oranges and apples—and this is a fruit salad."

"The real financial burden is not the environmental impact report," the Sierra Club's Zierold said. "The real problem is the high cost of money, the high cost of material, the high cost of labor. Whatever time is necessary for the environmental impact report is not really significant."

Zierold calls the proposal an "unwise, even dangerous precedent."

"If there are serious environmental problems," a legislative aide asked rhetorically, "should these be ignored just because the project is going to provide housing for poor people?"

Christine Minnehan is an advocate for the poor as lobbyist for the Western Center on Law and Poverty.

Although she is aware that some communities have used environmental impact reports to keep out low-income housing, Minnehan said the law protects the "human environment and physical environment. It did not say low-income people should live in less desirable areas."

Cunningham says the poor need a modest house, a house they can upgrade over a period of years, perhaps adding improvements that environmentalists otherwise would require at purchase time, such as thermal glass windows and covered parking areas.

"A lot of those things that the environmentalists have put on us have already shortchanged the poor, priced them out of ownership of homes," Cunningham said. "No concern was ever given to low- and moderate-income people when they put together the California Environmental Quality Act."

Under Cunningham's proposal, housing would qualify if its cost to the poor was 35% of the family's monthly income. Minnehan says that is too high, noting that the federal government sets 25% of income as the maximum the poor should pay for shelter.

"Probably 90% of poor people are paying 35% or greater now," Cunningham said, dismissing the criticism.

Income eligibility statistics for the city were developed by Los Angeles Housing Director Kathleen Connell for Cunningham's proposal. These are based on the present \$119,000 median price of a home.

Under Cunningham's proposal, the 51% of low- and moderate-income units could be occupied by a low-income family of four earning \$9,500

annually who would pay \$277 in rent and who would be eligible to buy a \$21,000 house. The same size family earning a moderate \$15,050 income would pay \$439 rent and would be eligible to buy a \$33,000 home.

Connell said these prices are possible if the city helps developers by subsidizing land costs.

Cunningham said he is ready to start seeking support for the proposal from his City Council colleagues. He already has Connell's backing.

"Timing translates into dollars on an environmental impact report," Connell said, adding that "it becomes a question of whether you're going to try to build affordable housing."