

Rent Control Gains Traction Amid Housing Crisis in Bay Area

BY JOSH STEPHENS

Like a monster that’s been hiding in the basement for decades, rent control is rearing its head in the Bay Area. Whether it is an ugly countenance or a smiling face is a matter of perspective.

While the Bay Area has struggled with housing shortages and rising rents for the past decade or so, it has become evident that no amount of development will, in the near term, bring rents back down to manageable levels for residents earning median incomes and below. As tech jobs have made Bay Area residents more wealthy, and attracted newcomers flush with cash, landlords in unregulated cities have tried to cash in by raising rents and even evicting

incumbent tenants.

Therefore, over the past year, cities have again turned to what is, in many ways, the tool of last resort to preserve affordable housing.

“A year ago we had the wild west,” said Eric Strimling, spokesperson for the Alameda Renters Coalition, of Alameda’s rental market. “There were pretty much no regulation at all. Evict at will, raise rents at will.”

Rent control has not been a subject of controversy in California since the early 1980s, when rapidly increasing real estate prices led to big rent increases and political

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insight
WILLIAM
FULTON

California Needs More Housing — But It’s Not As Simple As Supply and Demand

Amid all the alarming news about housing in California, here’s the one piece of information that really stands out for me:

The average home price in the United States is about \$180,000. The average home

price in California is about \$440,000. Not just in San Francisco, or Oakland, or Los Angeles, or Orange County, or San Diego. The entire state.

As the Legislative Analyst’s

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‘May Revise’ of Governor’s Budget Addresses Homelessness, Housing

Gov. Jerry Brown’s “[May revise](#)” (pdf) of the \$122 billion 2017 state budget [includes](#) significant provisions meant to address homelessness and promote the production of housing. It calls for a \$2 billion bond, supported by Prop 63, to providing up to 14,000 units of housing for mentally ill homeless people, plus support for the CalWORKS jobs program. The budget seeks to speed the production of housing by compelling localities to speed the ministerial approval of developments that meet certain requirements for providing affordable units. The revise reiterates Brown’s support for bills such as Assembly Bill 2501, which would strengthen the state’s density bonus law, and several bills promoting accessory dwelling units. Brown said that the state should not expect to solve its housing crisis purely through the development of subsidized housing. The League of California Cities opposes certain elements of the revise’s housing plan for reducing local control over land use decisions.

High Speed Rail Revises Business Plan

The California High Speed Rail Authority (HSRA) [approved](#) a new two-year business plan. It includes an agreement to add more than \$1 billion

in costs to connect the City of Merced to the initial operating segment and to invest \$2 billion to improve existing rail services in Southern California. While it will not change the alignment, the plan calls for construction of an additional line that will connect to Merced and eventually further to Sacramento. This statement was released in a 22-page revision of the draft 2016 business plan that had received significant criticism. The new document did not name new sources of funding but examined potential private or federal funding. While HSRA is attempting to address complaints, residents of San Jose, farmers in Central Valley, officials in Bakersfield and Southern California are frustrated and pessimistic. According to the 2008 bond, the deadline for presenting the final to the legislature was May 1.

San Diego Stadium Plan Submits Signatures

The group backing the Citizens Plan initiative, one of two competing potential ballot measures to promote a new NFL football stadium in San Diego, has [submitted](#) 100,845 signatures to raise a hotel tax to pay for tourism promotion and a convention center. The hotel tax would be raised from 12.5 to 15.5 percent and hotel owners could deduct up to two percent from the patrons for tourism

marketing. The Chargers are pushing their own proposal, which would raise hotel tax to 16.5 percent, which would pay for the \$1.8 billion stadium and convention center. With the hotel tax funds, the Citizens Plan wants to renovate Qualcomm Stadium into a tourist and higher education facility in Mission Valley and protect and preserve the river park. (See prior [CP&DR coverage](#).)

ULI Enters Debate over Future of Planning in Los Angeles

The Urban Land Institutes’s Los Angeles Chapter has [released](#) a Planning and Development Principles Statement for Los Angeles to advocate for a community vision, instead of the project-by-project negotiations that has been currently happening. Acknowledging that the city’s 1995 General Plan Framework is outdated and that the city has “neglected” its Community Plans, the statement comes out in part as a response to the Neighborhood Integrity Initiative, a proposed ballot measure that could constrain the city’s ability to plan. The eight principles to help guide the way forward are 1) allowing all unique communities to thrive equally, 2) make great plans, 3) stick to the plans once they’re made, 4) allow growth but keep neighborhood character, 5) provide adequate infrastructure, 6) commit to budget so

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is published semi-monthly by

Solimar Research Group
Post Office Box 24618
Ventura, California 93002

Phone / Fax: 805.652.0695

Subscription Price: \$238 per year

ISSN No. 0891-382X

Visit our website:
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all community plans can be reviewed and updated regularly, 7) EIRs should be reliable and trusted, and lastly 8) engagement from everyone. (See prior CP&DR [coverage](#).)

Light Rail Line to Santa Monica Opens

Marking a major expansion of Los Angeles' rail network, Phase II of the Exposition Light Rail Line, from Culver City to Santa Monica, officially [opened](#) May 20. The extension realizes a long-sought goal of connecting downtown Los Angeles to the beach; the two combined phrases make the trip in 46 minutes. The Los Angeles County Metropolitan Transportation Authority and other backers hope that the line will attract commuters who would otherwise travel on the heavily congested Interstate 10. It is also hoped that by reaching into the region's affluent Westside the line will attract discretionary riders. Metro estimates that 64,000 riders will use the line daily by 2030. Built at a cost of \$1.5 billion, Expo Line Phase II is one of several rail projects underway in Metro's current construction plan. The design of the line has drawn criticism for having too many at-grade street crossings – 29 – and for not having signal priority in the City of Los Angeles. With the opening of Expo Phase II, Metro now operates over 100 miles of subway and light rail lines. (See prior CP&DR [coverage here](#) and [here](#).)

Report Describes Loss of Natural Lands in Western U.S.

A new report called [The Disappearing West](#), published by Truckee-

based non-profit research group Conservation Science Partners, charts the transformation of the west's natural lands by new subdivisions, roads, oil and gas production, agricultural operations, and other human developments. Between 2001 and 2011 nearly 4,321 square miles were developed in the 11 western states, with California [losing](#) the most natural land. They calculated every 2.5 minutes the West loses an area of natural land the size of a football field, that equates to a loss of over 430 square miles annually. Among California counties, San Bernardino lost the most land – 60,000 acres – followed by Riverside, Kern, Los Angeles, and San Diego counties. The report also found that only 12 percent of western land is protected as parkland or other type of preserve; California has the highest percentage of protected land in the West, at 24 percent.

American Planning Association Launches Planning Assistance Program

California Chapter of American Planning Association has [launched](#) a program that would offer planning assistance to financially constrained cities throughout California and Baja California. The Community Planning Assistance Team (CPAT) helps educate the community, engages and empowers the municipalities. Participants may qualify for AICP credit and team members help with short-term and future planning. The evaluations for pro-bono assistance consider community need, potential positive impact and community readiness in terms of local leadership

and community support. The community then reimburses team members for transportation, food, overnight accommodations and facilities and materials to undertake the project. The program is based on a similar programs in Illinois, Washington, and New Jersey.

Prop. 84 Park Spending May Have Short-Changed Disadvantaged Communities

Ten years ago in 2006, California voters approved Proposition 84, which directed \$5.4 billion to parks, protect natural resources and improve state's water quality and supply. UCLA Institute of the Environment and Sustainability released a [report](#) showing where the funds have gone and the inefficiencies of the initiative. Author Jon Christensen said some groups have received less of their fair share of the program. The report focuses on \$2 billion spent on 2,174 projects that were to have local community benefits. The report found that 45 percent of Prop 84 funds went to disadvantaged communities, but it cautions that many of these communities are rural and therefore have low population densities. This led to marked disparities: Residents in rural areas within a half-mile walking distance of projects saw \$7,475 per capita in spending in their neighborhoods, while residents in urban areas saw \$209 in per capita spending. The report found that 56 percent of the funding overall was spent in areas that already had more park acres for each resident, while 44 percent was spent in park-poor areas. One Prop 84 program, the Statewide Parks Act, was successful in creating

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parks for disadvantaged urban communities with little green space.

Coastal Commission Staff Supports New Banning Ranch Proposal

In a reversal of a previous recommendation, the staff of the Coastal Commission has [recommended](#) approval, with conditions, of a controversial development for Banning Ranch, a 401-acre parcel in Newport Beach. The new staff recommendation increases the amount of developable land from 19 acres to 55 acres, with most of the remaining land set aside as a nature preserve. As proposed, Newport Banning Ranch would include an upscale hotel, retail space and around 900 homes. The Newport Beach city council had approved the development years ago and subsequently [won a court challenge](#) by environmentalists, saying the Coastal Commission had final approval. Proponents of the project note that the parcel is far from pristine, as it is a working oil field. Opponents say the project needs to be reduced drastically because, despite the oil operations, it serves as an Environmentally Sensitive Habitat Area for the California gnatcatcher and endangered San Diego fairy shrimp. The commission will vote May 12.

Housing Advocacy Group Sues Bay Area Cities

The San Francisco Bay Area Renters' Federation (SFBARF) has [begun](#) its "sue the suburbs" campaign to force small cities to increase density amidst the growing housing supply issue. Lafayette is the first city being targeted because it scrapped a plan

to build high-density housing on 22 acres north of Highway 24 and is located near BART. The city opted for 44 single-family homes instead of the 315 units planned. SFBARF is suing because of the state's Housing Accountability Act, which stops cities from rejecting development for arbitrary reasons. SFBARF is hoping to teach other municipalities a lesson against construction and housing growth. The group is funded primarily by Yelp CEO Jeremy Stoppelman who says the lack of available housing has "choked off the growth potential" for companies in the Bay Area. In response to SFBARF, residents group Save Lafayette is now suing the city to have a ballot referendum that would allow voters to reverse the zoning plan for the future development area.

Rents May Be Topping Out in S.F., Poll Finds

A recent poll shows that high cost of living is promoting up to one-third of Bay Area residents to consider leaving the region. In the poll of 1,000 people ([pdf](#)), conducted by Bay Area Council, the top three reasons were high living costs, low housing supply, increasing traffic times. Around 60 percent of residents think additional housing should be built outside the nine-county region and 84 percent want better transportation networks between the Bay and surrounding cities. However, as President and CEO of the Bay Area Council Jim Wunderman said this will only push lower-income families farther away and mean commuters will travel farther distances. Housing supply in the Bay Area has shrunk, with a shortage of 50,000 homes per year.

In a separate Bay Area Council poll on commuting habits ([pdf](#)), 83 percent of residents said traffic will never improve. While some counties like San Francisco want transit planning to stay local, the majority of residents in the area want a regional transportation plan.

Report Ranks U.S. Cities According to Brownfield Redevelopment Potential

Arcadis, a Dutch design and environmental consulting firm released its Urban Land Restoration Index ([pdf](#)) that ranked development potential for 27 U.S. cities. In California, San Francisco was ranked 6th and Los Angeles 19th it and San Diego was 25th out of 27 U.S. cities in attractiveness for commercial development restoration. San Diego was ranked [worst](#) for cleanup costs and 24th for real estate opportunities. All three of the cities were ranked high on the cost for cleanup spectrum. A major factor in the high rating was the city's stringent regulatory requirements. While these are common in other major cities, San Diego has a much slower economy and fewer developers interested in cleaning up brownfield sites. A local real estate consultant, Gary London, says San Diego has very few brownfield sites as majority have been cleaned up in the past three decades. The main brownfield site is the 8-acre MTS bus yard that may become the new Chargers stadium. In Los Angeles, a 160-acre former aircraft and aerospace facility was converted into a 800 thousand resident community that stimulated \$800 million in private investment, \$45 million in lease and tax revenues. ■

Q&A: Moore Gets National Recognition for Leading San Diego Port Master Plan

BY JOSH STEPHENS

Ports can sometimes seem like neither fish nor fowl from a planning perspective. Though they often operate as a world apart, they are as big and complex as many cities are. Planning them therefore poses a challenge. It's a challenge that San Diego Port Commissioner [Ann Moore](#) took on enthusiastically.

A former city attorney for Chula Vista, where she led the [Chula Vista Bayfront](#) planning process, Moore is leading the effort to revise the master plan for the 6,000-acre Port of San Diego, which traces the shoreline of Coronado Bay, for the first time in 35 years. Under the brand name "[Port for All](#)," the Vision Statement and Guiding Principles was adopted in August 2014 and the [Framework Report](#) in November 2015. A full master plan is expected in 2018. The Framework Report envisions a radically re-planned port, with emphasis on parks and de-emphasis on development, which will constitute no more than 55 percent of the port's land area, down from 70 percent.

Moore received the American Planning Association's National Planning [Excellence Award for a Planning Advocate](#) at its conference in April; "excellence" is the APA's highest category for annual awards. CP&DR's Josh Stephens spoke with Moore about her award, the port, and her perspective on planning in the San Diego region.

How did the new Port Master Plan process come about?

When I was first appointed to sit on the Port Commission, every single project that came before us required a Port Master Plan amendment, which is not the way to do business from a planning perspective. If you had a 350-room hotel



project instead of a 500-room hotel project, it would require a Port Master Plan amendment. It was concentrating on projects as opposed to uses. The plan was really outdated. It just got amended as each project came along.

In 2013, when I was the chair, I wanted to push the idea of amending our Port Master Plan. I felt it needed to take away a level of specificity that was in the plan that is not in most master plans. I also felt there was no long-term vision of where we wanted to be in the next 50 years. When we started the Port Master Plan amendment process, we had over 100 meetings with interested stakeholders. We adopted this mission statement and our guiding principles in 2014. In November,

we adopted the next step, which was the Framework Plan. Now we're in our final phase, which is actually writing the policies and creating the final Port Master Plan Amendment that will be before the board, hopefully, by 2018.

What are the most important elements of this framework? What will the port look like in 10 or 20 years?

We have both water and land, and we have to plan with both in mind. We have parks that are under-utilized. There's no connection between the parks; they're not activated. A lot of people don't know they exist. To me, one of the most important aspects is the concept of public access and being able to provide access to the waterfront.

There's this old-fashioned notion out there that if you take up land to make a park or you have a public access walkway or something that you can't develop that land.

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There was this epiphany for us to realize that actually it increases the value of our surrounding properties and spurs development on those sites.

I think (the framework) gives a certainty to developers. Now they know that rather than have come before us and tell them, “We need to have more public access or we need to have a park included in your vision,” now they know that those things are important. They can design with those concepts in mind. That’s going to streamline project processing as well as give the public a guarantee that we’re keeping public access in mind.

How much of the framework focuses on the logistics industry and the actual mechanics of the port?

That is an important aspect of our plan. Because we’re a maritime port we have maritime uses, those types of uses could have impacts on adjacent properties. We need to plan accordingly, by providing buffers, providing transportation corridors, taking those elements in mind when we look at how we grow our maritime business.

Pivoting to a (related) topic, the port doesn’t even have a vote on the SANDAG board. Yet, we are an important jurisdiction in the whole picture of transportation. We need to take a comprehensive look at our transportation needs as a maritime port to provide rail as well as street transportation to and from our maritime facilities and minimize the impact on the surrounding land uses.

An exciting concept that came out of our framework plan is the concept of a haul road. That’s taking North Harbor Drive and splitting it so that we have a dedicated road for trucks around our maritime port so that North Harbor Drive can become more pedestrian-friendly without having to worry about passing major trucks.

You mentioned the 100 meetings and years of planning. Did you know what you were getting into?

Yes, very much so. I used to be the city attorney in Chula Vista during its go-go days. At the time, it was, like, the fifth-fastest growing city in the country. I was primarily doing the land development on the city’s behalf. We went through a

general plan amendment in 2005 so I was very familiar with what it would involve and actually was looking forward to it. In my view, it’s a lot of work, but it’s a great way to get public input and rethink concepts of where you want to be and what you want to look like.

How will the plan benefit from this type of input?

I’m looking forward to this streamlined process, instead of having to go through the Coastal Commission for silly things like maybe reducing the number of hotel rooms. The Chula Vista [Bayfront Master Plan](#), which is an important 535-acre master plan on the Chula Vista bayfront, has sort of been my inspiration for the integrated planning process. That master plan took about ten years, and the port worked hand-in-hand with the city of Chula Vista. We did a number of novel things with the Chula Vista Master Bayfront Plan. We entered into settlement agreement with environmental groups and interested stakeholders without ever entering into litigation. Before we put our master plan before the city council, we agreed on the number of things that were important to the interested stakeholders. That guaranteed us that when we went to city council, we had developers, environmental groups, interested stakeholders, community groups, all together, hand-in-hand asking the Coastal Commission to approve the plan. I’ve never seen that happen before, and it worked wonderfully.

You’ve been involved in many planning efforts in the San Diego region. How has the region evolved?

San Diego as a region is obviously growing up. It’s becoming more and more developed. And it’s becoming more difficult to get projects through.

I’ve had a long career of about 30 years in land use in the San Diego area. I’ve worked on the zoning code update. San Diego had this crazy zoning code where every (type of) permit had a its own process. If you were doing a conditional use permit, you had one process. If you were doing a variance you had perhaps totally different process. If you were doing a general plan amendment area you might have a different process than if you were doing a

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general plan amendment in a different area.

I basically took that apart and created five processes that are in place today, which has created a streamlined approach to making land-use decisions. I want to do the same thing for the port. Now, development in San Deigo, all the green acres are pretty much built-out. Development is becoming more difficult. The pieces of land left where you can have planned development is becoming more difficult to actually process.

What I see is oftentimes, the general public understands the need for development, but they just don't want development next to them. As these communities grow and mature it becomes more difficult to put new development next to the more mature communities. You have a lot of acrimony and lawsuits, and of course CEQA is the tool of choice that people use to try to stop development. What I see in the future perhaps is more use of citywide initiatives to perhaps get it beyond a NIMBYism to maybe (get) a broader look at whether or not voters want a certain development to occur.

The San Diego region has had planning challenges in recent years with its Sustainable Communities Strategy and Regional Transportation Plan, devised by the San Diego Association of Governments. How do you

feel about these regional planning efforts? (See prior CP&DR coverage.)

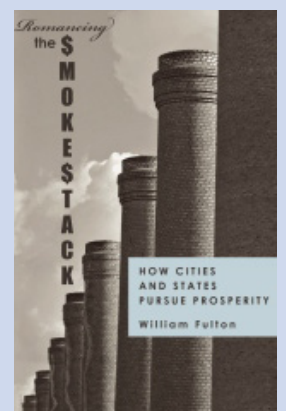
The Sustainable Communities Strategies I think it's a good idea to provide the long-term planning framework for the region. We also need to keep in mind that it's a framework. Development is never a static proposition. Development reflects trends, opportunities, private ownership, and market conditions. There has to be an expectation that those strategic plans that SANDAG has are not static and that changes will occur.

Sometimes there can be a misunderstanding by the public who think that because development is supposed to occur in a specific location in the SANDAG plan that that's only where it can go. There has to be more of an emphasis on the principles, and SANDAG needs to be flexible in their transportation planning to reflect the actual local demands in a community. Local jurisdictions need to feel that they have the ultimate control of their land use. I can't imagine a more fundamental role in local government than to make those land use decisions. ■

Conducted in April, this interview has been edited and condensed

Romancing the \$moke \$tack How Cities And States Pursue Prosperity

Bill Fulton's Book On Economic Development



legal digest

Elimination of Minimum Housing Densities Not Exempt From CEQA

BY WILLIAM FULTON

Overtuning the decision of a trial judge, the Fourth District Court of Appeal has ruled that the City of Palm Springs's decision to eliminate minimum residential densities from its general plan is exempt from the California Environmental Quality Act.

"The City's claim that the [General Plan] Amendment is exempt from CEQA analysis begs the question: Is the City able to accommodate its share of the regional housing needs if there is no minimum (and a lower average) density for residential areas as originally identified and required in the General Plan?" wrote Justice Thomas E. Hollenhorst for the unanimous three-judge panel. The case was issued in April but the court ordered partial publication in late May.

In 2007, the city approved a new general plan that included maximum and minimum densities for all residential land uses. In 2013, the city approved a general plan amendment that removed minimum densities. In the staff report and presentation before the city council in 2013

"Permitting low density residential development in areas previously set aside for high density projects will necessarily reduce the range of housing types, prices and opportunities available in the City to the frustration of the General Plan's goal of facilitating a broad range of housing types."

[http://palmsprings.granicus.com/MediaPlayer.php?view_id=2&clip_id=1644], the city's planning staff

said that in the wake of the 2008 real estate market downturn, developers began to request densities below the minimums, especially on planned development projects.

The city also accepted the staff's judgment that the action qualified for a Class 5 CEQA exemption, which covers minor land use alterations that do not result in a change in use or density. Riverside County Judge John Evans ruled in favor of the city, but the Fourth District overturned the decision.

On appeal, the city claims that the minimum densities were never really considered in the 2007 general plan environmental impact report, because the city had long had a practice of not enforcing minimum standards. But Hollenhorst said that the elimination of minimum densities could harm the city's ability to meet its Housing Element goals under the Regional Housing Needs Assessment.

"By eliminating the minimum density, the Amendment will impact the availability of high density, low and moderate income housing

>>> Elimination of Minimum Housing Densities Not Exempt From CEQA

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because high density designated parcels may now be considered for low-density development,” he wrote. “Thus, the Amendment lowers the average density for residential areas and changes the land use regulation to the detriment of every parcel designated as residential by the General Plan, potentially causing significant cumulative impacts on the City’s stock of high density, low and moderate income housing.

“Moreover,” he added, “permitting low density residential development in areas previously set aside for high density projects will necessarily reduce the range of housing types,

prices and opportunities available in the City to the frustration of the General Plan’s goal of facilitating a broad range of housing types.”

Hollenhorst concluded by rejecting that the city’s argument that the zoning ordinance provides guidance on how to avoid lowering residential densities, noting that the zoning ordinance contains no minimum densities.

The Fourth District, which covers Orange and San Diego counties as well as the Inland Empire, has been the workhorse of California land use law lately, issuing most of the important rulings in the last few

months. Writing for Division 2, the Riverside panel, Hollenhorst upheld Evans a couple of months ago in ruling that Palm Springs’ medical marijuana law **was not pre-empted** by federal law.

The Case:

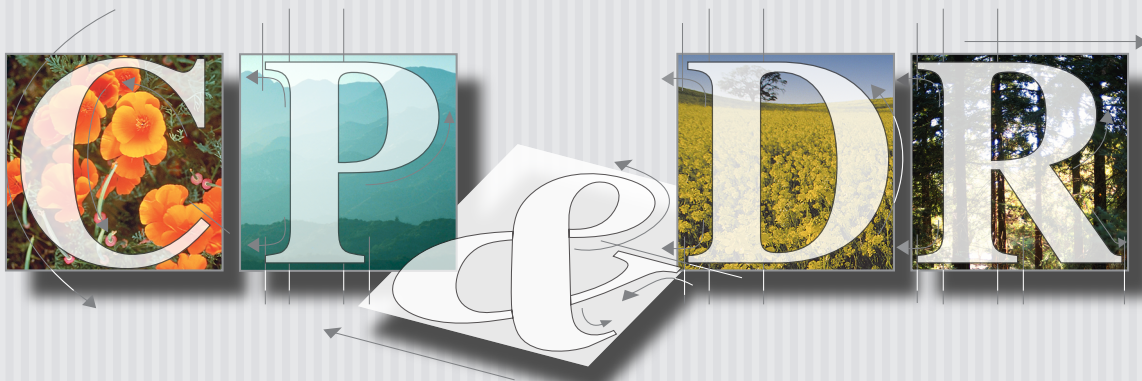
People for Proper Planning v. City of Palm Springs, No. E062725

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Pro-Environment Ruling Overturned In San Bernardino Groundwater Pumping Case

BY WILLIAM FULTON

Overturing a trial judge, the Fourth District Court of Appeal has ruled that the private water company Cadiz Inc. and two public agencies did not violate the California Environmental Quality Act in moving forward a groundwater pumping and restoration project in San Bernardino County.

The Center for Biological Diversity and other environmental groups had argued that the project's environmental review violated CEQA on two major points: First, by making the Santa Margarita Water District the lead agency rather than San Bernardino County; and second, by writing the project description in such a way that the project was characterized as a water conservation project even though it will result in a net loss of water.

Orange County Superior Court Judge Gail Andrea Andler ruled in favor of the environmental plaintiffs. But the Fourth District overturned her on all of the plaintiffs' claims.

In a second ruling the same day, the Fourth District also ruled that memorandum of understanding on the project among San Bernardino County, the Santa Margarita Water District, and the Fenner Valley Mutual Water Company, which represents the area where the water would be pumped, did not violate CEQA because it did not require environmental review. The second case was filed by Delaware Tetra Technologies, a salt-mining

operation in San Bernardino County that currently uses Cadiz water downstream from the proposed water diversions.

The Cadiz groundwater is located in the Cadiz and Fenner valleys near I-40 between Barstow and Needles. The fresh water currently flows downstream into two dry lakes, where it mixes with salinated groundwater and becomes unusable for drinking and other domestic purposes. Delaware Tetra uses the groundwater at the dry lakes for a brine mining operation that produces calcium chloride brine and sodium chloride salt.

The proposed project calls for the construction of 34 wells to extract fresh groundwater and a 43-mile tunnel to move the groundwater to the Colorado River Aqueduct, where it would flow into the regional system managed by the Metropolitan Water District for distribution to a wide variety of water district customers throughout Southern California, including Santa Margarita Water District. The project calls for the extraction and shipping of an average of 50,000 acre-feet of water a year for 50 years or 2.5 million acre-feet total. (The groundwater basin is believed to contain between 17 million and 34 million acre-feet.) San Bernardino County would receive 20% of the water and other users would get 80%.

A second phase of the project would

allow customers to send surplus surface water back to the water basin for storage in spreading basins until it is needed. This phase would require additional environmental review before construction.

In the MOU, Cadiz and its public-sector partners designated the Santa Margarita Water District as the lead agency. In the EIR, they characterized the project as primarily a groundwater storage and recovery effort whose main purpose is to save "substantial quantities of groundwater" that are currently being lost to evaporation and excess salinity. Cadiz is required to pump the groundwater according to a groundwater management, monitoring, and mitigation plan to be developed under a 2012 Memorandum of Understanding among Cadiz, the county, Fenner Valley, and Santa Margarita. Pumping cannot begin prior to the adoption of that plan.

In all, the Cadiz project has generated six lawsuits, two of which the Fourth District resolved on May 10.

The lawsuit from Center for Biological Diversity and other environmental groups attacked both the designation of Santa Margarita as the lead agency and the characterization of the project in the description.

The plaintiffs challenged Santa Margarita as the lead agency primarily on the argument that it is a customer of

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the water project and therefore could not serve as an objective analyst of the project's environmental impacts. In agreeing with the plaintiffs, Judge Andler wrote: "The County was in the best position to objectively balance the benefits and risks of the project rather than the purchaser of the water, [Santa Margarita]."

The Fourth District overturned Judge Andler, essentially concluding that any public agency involved in a public agency partnership could serve as lead agency. Santa Margarita's responsibilities on the project, the court noted, included a wide range of activities including overseeing Fenner Valley's activities and approving all design and construction of the project.

Writing for the three-judge panel, Judge Richard D. Fybel said: "It bears emphasis here that the Project consists of more than just the installation of wells that will draw water from the aquifer. The Project also involves activities such as the construction of pipelines and monitoring facilities, and the overseeing of the transfer of water to many of the Project participants for distribution to customers in at least five Southern California counties." He acknowledged that San Bernardino County has regulatory authority over the pumping but said: "This argument, however, myopically and improperly considers only the pumping portion of the Project."

The Fourth District also struck down the plaintiffs' two arguments against the project description.

The main argument was that the project's stated objective of water conservation was misleading because the project would result in a net loss of groundwater in the originating basin. But, Fybel wrote: "It is clear that the Project was not intended solely to conserve water that would be lost to evaporation, but to 'save substantial quantities of groundwater,' including fresh groundwater in the basin, which is not reachable and not yet drained to the dry lakes and becomes nonpotable."

The environmentalists also argue that the project did not analyze possible groundwater withdrawals beyond the stated 50-year duration of the project, but Fybel concluded that any groundwater withdrawals beyond the 50-year period would be subject to a separate environmental review.

Fybel also rejected the environmentalists' argument that the project would result in more groundwater withdrawals than the EIR anticipated.

In the Delaware Tetra case, the Fourth District rejected the argument that the 2012 MOU was subject to environmental review under CEQA. Again writing for a three-judge panel, Justice Fybel concluded: "The Memorandum establishes a process for completing the (Mitigation) Plan,

and provides that after the Plan is completed and approved, the County retains full discretion to consider the final EIR and then to approve the Project, disapprove it, or require additional mitigation measures or alternatives. The Memorandum further makes clear that it is subject to modification, depending on mitigation measures necessitated by CEQA or the Ordinance.

The Cases:

Center for Biological Diversity v. County of San Bernardino, G051058

Delaware Tetra Technologies v. County of San Bernardino, G050858

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>>> Rent Control Gains Traction Amid Housing Crisis in Bay Area

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activism to stabilize them. At that time, rent control wars raged throughout the Bay Area and the Los Angeles area. But not much has occurred on the rent control front since then – until now.

No fewer than eight Bay Area cities — from urban giants like Oakland and San Jose to small suburbs like Lafayette and Pacifica — have considered brand-new or significantly strengthened rent control policies in the past year. Debates over whether to adopt these policies and what form they should take have divided city councils, pit tenants against landlords, and raised perennial questions about the long-term value of an intervention that is considered extreme by many property rights advocates and counterproductive according to many economists.

The industrial East Bay city of Richmond, traditionally one of the most affordable cities in the Bay Area, was set to be the first California city to enact a new comprehensive rent control policy in the past 30 years in September.

“In Oakland, it’s impossible for normal working-class people to keep up with,” said Jael Myrick, who said that he cast the deciding vote in favor of the council’s ordinance. “We don’t want to see that happen in Richmond.”

That ordinance was stopped in its tracks – for now. A petition drive a petition drive sponsored by the California Apartment Association compelled the city council to suspend its implementation.

“We chose to repeal the whole thing because the version we passed had some flaws that we knew we’d have to fix... if we put on the ballot,” said Myrick.

It’s not surprising that rents are going up in the Bay Area. By one estimate, the Bay Area added over 440,000 private sector jobs between 2010 and 2014 but fewer than 54,000 housing units. Meanwhile, evictions seem to be on the rise. In July, the San Francisco Chronicle reported that the number of monthly evictions in the City of San Francisco, which has rent control, had risen 32 percent over the previous three years’ average.

“We think that preservation of housing opportunities is

complementary to adding new supply,” said Wayne Chen, division manager with the San Jose Housing Department. “However, adding new supply takes longer. It’s a whole different strategy.”

“In periods of spiking rents, supply can’t address the destabilizing forces that they may cause,” said Chen.

Almost all of the new and proposed regulations include limits on the annual percentage by which rent can increase for tenants in situ, typically keyed to increases in the consumer price index or median incomes and restricted to older units. The stateside Costa-Hawkins Act essentially forbids the imposition of rent control on buildings built before 1980.

Many ordinances and proposals also restrict evictions to only those that are for “just cause,” so that landlords cannot evict long-term tenants simply to raise the rent on new tenants. In some cases, rent control is governed by an elected rent control board. Cities have struggled, often with nearly violent disputes, to find the right mix of protections for tenants without raising the ire of property owners.

Drafting of rent control ordinances essentially hinges on a negotiation, either explicitly or implicit, between tenants’ rights advocates and landlords — and the elected officials who align themselves with, or at least want to avoid antagonizing, those groups, respectively.

“If you define excessive increases as 10 percent or more...most owners are going to say, I’ll take the 5 (percent) and leave the rest alone,” said Greg McConnell, president & CEO of Oakland’s Jobs and Housing Coalition, and representative of property owners in Alameda.

Chen said that San Jose has “struck a balance” between tenants’ and landlords’ interests.

“Owners feel that the current program gives them the flexibility,” said Chen. “Tenants feel that the provisions that the ordinance...gives tenants no predictability in their living situation.”

Some cities that have yet to find that balance have enacted moratoria as stopgap measures. They include Santa Rosa

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and Oakland.

The Bay Area cities include the following:

Strengthened

San Jose

The San Jose City Council lowered maximum rent increases to from 8 percent to 5 percent per year for 44,000 units, only in buildings of three or more units, on a 6-5 City Council vote in April. The limitation will not go into effect until the fall. The City Council had considered instituting an interim rent freeze to prevent landlords from raising rents in the near term. That proposal failed, but the council is considering speeding up the implementation of the 5 percent rule.

Contested / Under Review

Oakland

Oakland is in the midst of a 90-day moratorium on rent increases, which expires July 4. The city is pursuing a comprehensive housing plan called Oakland at Home, which seeks to produce 17,000 new units and preserve an equal number. Building on the city's rent control ordinance, which limits rent increases for buildings built before 1984, Oakland at Home recommends a suite of actions to help renters understand and assert their rights, including protection from arbitrary evictions. Meanwhile, the city council overwhelmingly approved, 7-1, an impact fee on new development. The fee, of \$750 - \$7,000 per new market-rate unit, will go into effect in September and rise to a maximum of \$24,000 by 2020. Funds will go to affordable housing and infrastructure.

Richmond

Richmond's ordinance would have limited rent increases to 2.3 percent annually, established a rent control board, and required that evictions be for just cause. A petition drive

No fewer than eight Bay Area cities — from urban giants like Oakland and San Jose to small suburbs like Lafayette and Pacifica — have considered brand-new or significantly strengthened rent control policies in the past year.

sponsored by the California Apartment Association suspended its implementation. The ordinance was repealed on a 7-0 vote in November. The City Council considered placing an initiative on the ballot; instead, an advocacy group is advancing its own initiative.

Alameda

Adopted and implemented in March, Alameda passed a rent control ordinance that limits rent increases to 5 percent per year uses the pre-existing Rent Review Advisory Committee, which is a “neutral forum” for both landlords and renters, to resolve disputes and approve increases of over 5 percent. The ordinance also provides for relocation assistance in the case of certain evictions. Many do not believe that these regulations offer sufficient protection. The Alameda Renters Coalition submitted 8,000-plus signatures May 24 to qualify the “Alameda Renter Protection and Community Stabilization Charter Amendment” for the November ballot if the signatures are certified. The initiative would ask voters to approve stronger protections for tenants.

Santa Rosa

A 45-day moratorium on rent increases will go into effect June 18, following a 4-3 city council vote May 10. The moratorium is designed to give the council time to study a potential rent control ordinance. In October, the council voted to commission a \$75,000 study of possible approaches to rent control. That study has been completed but has not resulted in a draft ordinance yet, with the council divided.

Mountain View

After the city council rejected a proposed version of rent control in March, advocates filed a ballot initiative called the Community Stabilization and Fair Rent Charter Amendment and are collecting signatures to place it on

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the November ballot. It would limit most rent increases to 2-5 percent.

Tabled/Rejected

Lafayette

Outcry over rent increases in a large apartment complex caused the Lafayette City Council to explore rent control, but no ordinance was ever drafted and the matter has been tabled. The council worked with property owner of the property in question, who pledged to keep rent increases below 10 percent. The council also found that most other property owners were not raising rents dramatically.

Pacifica

Pacifica's city council considered but rejected, on a 3-2 vote, a rent control ordinance in January. The council voted instead to draft a "Best Practices Advisory" to guide the city's housing policies.

The California Department of Consumer Affairs' website currently lists only 15 cities with rent control. They include longstanding rent controlled cities in the Los Angeles area, including Santa Monica, West Hollywood, Beverly Hills, and Los Angeles itself. Many of those cities are themselves experiencing housing shortages and rising market rate rents.

Rent control has gained momentum, ironically, at the very moment when Bay Area rents may be flattening out. A report by Real Answers, a Bay Area research firm, suggests that average rents throughout the Bay Area have remained stable since the beginning of the Fourth Quarter 2015.

The average rent for all property types, regardless of number of bedrooms, has held steady in San Francisco at around \$3,600; in Alameda County, rents for that time period held around \$2,260. While still high, the lack of

“If you define excessive increases as 10 percent or more....most owners are going to say, I’ll take the 5 (percent) and leave the rest alone,”

increase breaks a five-year trend of quarter-over-quarter increases, during which time rents have increased by roughly two-thirds since the Fourth Quarter 2010. Meanwhile, many lower-income Bay Area residents have admitted in recent polls that they are considering moving out of the area in order to escape high rents.

Even so, rents show no signs of dropping. They may merely have reached a “new normal,” dictated by what the hot Bay Area economy can withstand.

“The strong economy and rapid increase in job creation is creating a situation where there isn’t alignment between housing market and jobs market,” said Chen.

Contacts & Resources

Alameda Rent Program

<http://www.alamedarentprogram.org/>

San Jose Interim Rent Ordinance

<http://www.sanjoseca.gov/index.aspx?nid=4744>

Richmond Housing Policy

<http://www.ci.richmond.ca.us/3000/Housing-Policy>

Wayne Chen, Acting Division Manager, City of San Jose

Jael Myrick, City Council Member, City of Richmond,

Greg McConnell, President & CEO, Jobs and Housing Coalition (Oakland),

Eric Strimling, Spokesperson, Alameda Renters Coalition, alamedarenterscoalition@gmail.com

Christopher Thornberg, Founding Partner, Beacon Economics, Chris@BeaconEcon.com ■

>>> California Needs More Housing – But It's Not As Simple As Supply and Demand

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Office reported last year, California has always been somewhat more expensive than the rest of the country. In trying to understand the housing price gap, the LAO's office took a very long view – charting the increase over the past 75 years. And the gap's been getting worse for decades. In 1970 – the year, incidentally, that the California Environmental Quality Act passed – California housing was about 35% more expensive than the nation. By 2000, that gap had doubled, to about 76% more. And now it has doubled again, to about 144%.

Median home price is a pretty blunt statistical measurement. It masks a lot of things: median income, interest rates, crazy market run-ups, market crashes, lack of capital, changing household configuration. But what the LAO found is a pretty consistent pattern: For three-quarters of a century, California housing has been getting more expensive relative to the national average.

Most housing experts will say there is only one reason for this kind of a prolonged run-up: California is not building enough housing. Environmentalists, preservationists, and neighborhood advocates have been fighting this idea for decades. But here's an undeniable fact: It's true.

For the first half of the 75-year period that the LAO

examined – 1940 to 1980 – California's population grew by 16.6 million people and the state added about 6.9 million new housing units. That's about one new house for every 2.4 people added.

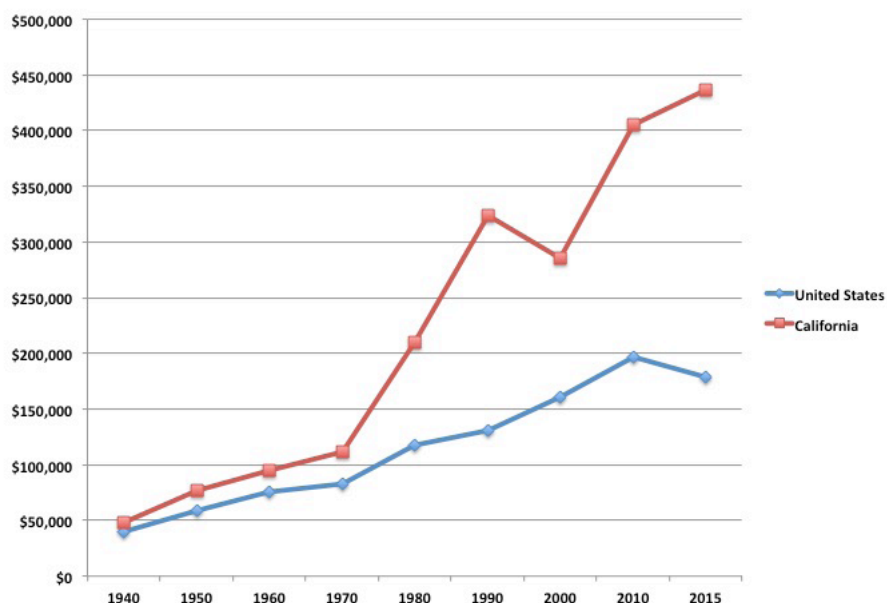
For the second half of the period – 1980 to today –

California's population grew by almost the same amount: 15.3 million people. But the state during this period the state added only about 4.6 million housing units. That's about one new house for every 3.3 people. There's an important blip along the way that I'll come back to in a minute. But overall it's reasonable to estimate that California is a couple of million

housing units down from where it should be, given the population growth over the past half-century.

Furthermore, at a time when housing prices were rising faster than the national average, incomes were stagnating, and coastal areas were running out of buildable land, the state built more single-family homes than before. Since 1980, California has built about 60% single-family detached and another 10% townhomes, compared to 53% and 5% between 1940 and 1980. Meanwhile, the percentage of units in flats – five or more units – has declined from about 28% to about 21%.

Median Home Price: California v. U.S., 1940-2015



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In short: California has not built enough housing for its people for decades, and it has consistently built the wrong kind of housing.

It’s easy to blame all this on CEQA and other land-use regulations, but I don’t think it’s quite that simple. The story of California since the 1970s has been the story of a state that has put a variety of barriers in the way ways of doing business – CEQA, Proposition 13, etc. – and then figured out how to end-run the barriers. ‘

Nobody in the 1980s would have guessed, for example, that by the 1990s voters throughout California would be routinely passing school bonds by the two-thirds vote required by Proposition 13.

And nobody would have guessed in the 1990s that between 2000 and 2010, California would build 1.4 million housing units. That’s one housing unit for every 2.3 new residents, which is better than we ever did in the 1940s, ‘50s, or ‘60s. Even with CEQA.

That housing boom ended with the Great Recession and has never come back. Since 2010, California has added more than 1.5 million people – yet built only 244,000 housing units. That one unit for every seven people.

But here’s the weird thing: During that time the median

home price has only gone by 8%. By contrast, between 2000 and 2010 – when production of housing was, relative to population, higher than anytime since World War II, the median home price went up 40%. (This is reminiscent of the 1970s, when population growth slowed to a halt,

more housing was built relative to population than housing than ever before, and yet California experienced its first housing price run-up.)

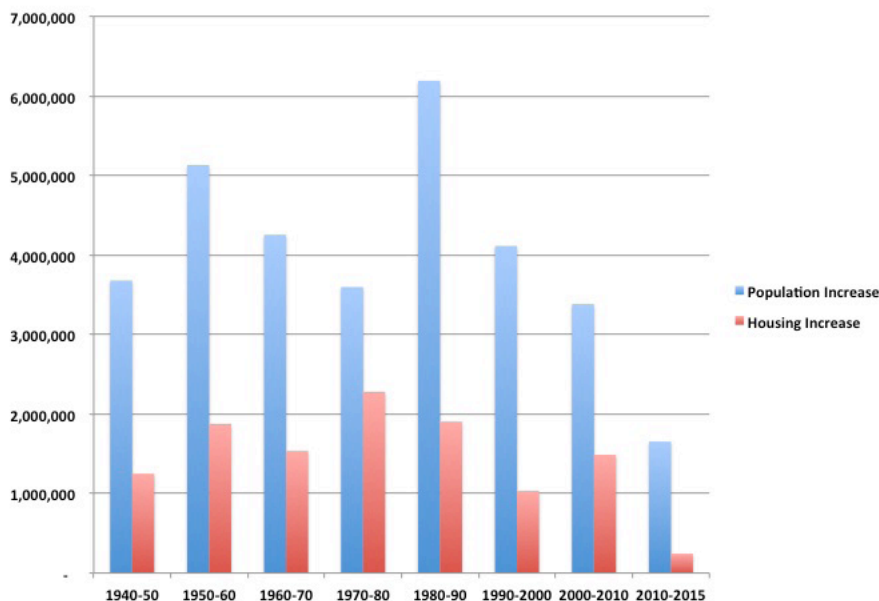
These decade and half-decade totals, of course, mask the huge run-up of the early 2000s and home price crash after 2008. But they help to make an important point: Building lots of housing didn’t lower prices. And then building very

few housing units hasn’t increased the price all that much.

That’s because, at least in the short run, production and price are not simply a result of supply and demand. They result from a complicated stew of regulation and the entitlement process, the availability of capital, interest rates, creditworthiness of prospective homebuyers, and a whole bunch of other things.

Homebuilding went up in the early 2000s because mortgages for more expensive houses were easier to obtain even for buyers with marginal creditworthiness, which increased the price of new houses, which in turn made it worthwhile for homebuilders to navigate California’s

Increases in Houston and Population, 1940-2015



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complicated regulatory system and build new houses. (It's also true that cities got bolder about using CEQA exemptions for more and more projects.)

Homebuilding went down because all this stuff got unwound: the mortgage collapse made it hard for people to obtain mortgages, especially for expensive houses, so home prices went down, meaning lenders no longer wanted to finance new housing projects and therefore homebuilders didn't build houses. At the same time, of course, lots of people defaulted on their mortgages and were then bought by investors, thereby turning owner-occupied units into rental units.

The point here is that the housing market is a whole lot more complicated than just CEQA and regulation. Yes,

In short: California has not built enough housing for its people for decades, and it has consistently built the wrong kind of housing.

California has been under-producing housing for decades. Yes, regulation has a lot to do with it. And yes, a lot of the regulation has to be cleaned out.

Local governments need both carrots and sticks to produce more housing. Surprisingly, as our blogger Adam Christian pointed out not long ago, a little money from the state will go a long way. [<https://www.cp-dr.com/node/3888>] And, as far as sticks go, Gov. Jerry Brown, for example, has [proposed a state override](#) of local approval of certain affordable

housing projects.

But even if the carrots and sticks line up – and housing production goes up – that doesn't mean prices will go down tomorrow. The housing market's more complicated than that. ■



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Simplicity Triumphs in Pershing Square Design Competition

Rarely does anything with a lawn, a photovoltaic canopy, a “great lawn,” no fewer than 13 design collaborators, and an estimated \$50 million budget, qualify as simple. But, relative to its competitors, that’s exactly what the winning design in the Pershing Square Renew competition is.

If all goes according to plan, by 2020 Pershing Square will be flattened, scraped clean, and reintroduced to a public that has long crossed the street to avoid it.

Located in the heart of downtown Los Angeles, Pershing Square has aspired to be one of the country’s great public spaces — and failed miserably. Twin forces of urban decay and atrocious, unwelcoming design have conspired to drive away would-be visitors for decades, leaving the square a notable exception in downtown’s steady revitalization. Nonprofit Pershing Square Renew was founded two years ago when by developers and other stakeholders, including City Council Member Jose Huizar, decided that enough was enough.

For all of Los Angeles’s homegrown talent, Agence Ter is French and could be seen as an interloper (though it has many local partners). Then again, Agence Ter and is amply familiar with the great public spaces of Europe. Many of them consist of, yes, grass, trees, and benches.

The organization sponsored a design [competition](#) that received submissions from a star-studded list of locally and internationally recognized design firms, each with expertise in architecture and landscape architecture. Out of ten semifinalists, four [finalists](#) were chosen last month. Two weeks ago, the team led by Paris-based [Agence Ter](#) was announced as the [winner](#).

In many ways, the choice was obvious. Agence Ter’s design was the only one that met Pershing Square Renew’s guidelines.

Pershing Square is currently encumbered by bunker-style walls and various follies that, notwithstanding the ugliness of their early-1990s neon paint jobs, physically separate the square from the surrounding streets. Pershing Square Renew called for the opposite in the redesign: something that would open the square up and welcome visitors rather

that intimidate them.

“We’ve said very clearly: Don’t approach this as the next wonderful portfolio piece that’s going to win awards,” said Eduardo Santana, executive director of Pershing Square Renew, in an [interview](#) in December.

That’s why it’s curious that the three other finalists submitted grossly visions that were grossly over-designed. Fussy, even. The team led by James Corner Field Operations would have built an artificial hill on the square’s south side, thus creating exactly the type of barrier that PSRenew sought to eliminate. The teams of WHY with Civitas and SWA with Morphosis also operated heavily in three dimensions, with raised lawns and undulating structures that, while they mimic a natural landscape, cut the square off from the street in the process.

The Agence Ter design is almost entirely flat, lowering the surface of the square so that it is flush with the encircling sidewalks. It aggressively bids adieu to the 1992 design’s purple tower and yellow walls with nothing more garish than trees and grass.

That design, by Mexican architect Ricardo Legoretta, itself emerged from a design competition, replacing a drab expanse of grass and concrete that had languished as suburbanization and urban renewal sucked the life out of downtown Los Angeles in the 1970s and 1980s. In fact, the 1959 demolition of the square’s 1910 design to make way for an underground parking garage is as good a symbol as any of the evisceration of American downtowns in the second half of the 20th century.

Its brilliance, or at least adequacy, is evident in a single [rendering](#). It is not of a dramatic birds-eye view or of some cute feature like a grotto or miniature mountain. Rather, it is a human-scale view from the middle of the square looking out, such that the square’s grassy lawn visually blends in with the Biltmore Hotel across the street, with trees framing its beaux-arts entryway and a rectangular water feature lined up with the front door, as if the hotel and square had been built together. (They were, were the most part; one has just aged better than the other.)

Simplicity Triumphs in Pershing Square Design Competition

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Of the six official renderings that each of the four teams submitted, the Biltmore view is the only one of its kind — the only image that truly connects the square with the city.

The other designs also accommodated the square's subterranean parking garage more generously, making way for its curb cuts and protuberances. The Agence Ter design would spend a large portion of its \$50 million budget to shave off the top five feet of the garage, thus achieving a double-benefit: a properly elevated square without extra funds to build ridiculous structures.

It's hard not to speculate that the star power that went into the competition's designs was, in fact, their undoing. Despite Pershing Square's Renew's calls for modesty, each included barriers and design flourishes that directed attention towards structures and away from people and the surrounding city. They took their cues from the type of disembodied starchitecture that downtown Los Angeles knows so well — Frank Gehry's Disney Hall, Diller Scofidio + Renfro's Broad Museum, and Rafael Moneo's cathedral, to name a few — and refused to give the city

The Agence Ter design is almost entirely flat, lowering the surface of the square so that it is flush with the encircling sidewalks. It aggressively bids adieu to the 1992 design's purple tower and yellow walls with nothing more garish than trees and grass.

what it desperately needs: an inviting vernacular streetscape in which people can live rather than another object at which they can gape.

This oversight comes at a time when Los Angeles is embracing low-impact, tactical urbanist improvements to public space. The [Sunset Triangle](#) in Silver Lake has achieved rock star status for all the photographs that it has inspired. How was this design marvel achieved? With green dots painted on asphalt, and strategic placement of some café tables.

Pershing Square will never be Hotel de Ville. It may never

even be Bryant Park. Indeed, until backers come up with \$50 million, the new Pershing Square may never be built at all. But, by opting for flat instead of flash, Pershing Square Renew has already elevated the prospects for public spaces in Los Angeles.

A version of this article entitled "[Why Winning Park Design Is a Win for Los Angeles](#)" originally appeared on Next City.

– JOSH STEPHENS | MAY 23, 2016 ■

Renters vs. Tenants: A Distinction with a Difference

Like 45 percent of other Californians and 52 percent of other Angelenos, I live in a home owned by a stranger. It's not quite the American dream. Nationwide, 65 percent of households own the units they occupy. But it suits me fine.

The question I've asked myself lately, though, is, am I a renter or am I a tenant? I happen to be both, so the point is moot. For renters and who aren't yet tenants, or who want to be someone else's tenant, the difference is more important than you might think.

A few months ago I spoke on a panel on affordable housing, sponsored by [Enterprise Community Partners](#). The panel included Larry Gross, the executive director of the grimly named [Coalition for Economic Survival](#) (CES) and longtime Los Angeles-area housing advocate. I contended, based on study and anecdote, that relief from the city's [crushing rental rates](#) will come only from increased housing production – for residents of all socioeconomic strata.

I recalled this discussion as I did my reporting for this month's article on [rent control](#) in the Bay Area.

CES primarily lobbies not necessarily for more housing but rather for housing policies like, among others, rent control, which is his signature issue. As he stated his case for rent control, I found us speaking different languages. They aren't mutually unintelligible. But they reveal fundamentally different ways to approach the problem of housing affordability.

I think of renters expansively, as more than just

parties who signed a piece of paper. Renters are demographic group, and an enormous one at that. They are people who, by necessity or choice, are committed to the lifestyle that renting connotes. Renters might be new in town. They might be inherently transient. They might like low-maintenance situations. They might not be able to afford to purchase a home, or they might simply have better things to do with their money.

As rent control spreads like wildfire across the Bay Area, even its advocates admit that it's not a complete solution. It is a solution for tenants, of course. But it will only create a game of musical chairs in which many of the state's renters end up without a seat

The renter demographic has notable subsets. All those Millennials we hear about who are repopulating center cities? Almost all of them are renters. Seniors who want to downsize? They might be renters too. [Minimum wage](#) workers? Surely renters. Same with young families, and many others. Whatever their reasons, they approach the housing market as customers. In theory, the more choices they have, and the lower the cost for their choices – at any given level of quality, location, and

amenities – the healthier a city's economy and urban environment will be.

A tenant is defined by a contractual relationship. They are people who live in someone else's property and pay rent. Policies that support them, such as those advocated by CES, are crucial. But they confer narrow, isolated benefits. Legal protections generally serve only the tenants in question and then only when disputes arise. (Though they surely deter malfeasance.)

Many tenant protections, including rent control, reflect philosopher John Rawls's maxim of the "Veil of Ignorance" by which any action must serve those who

Renters vs. Tenants: A Distinction with a Difference

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are least well-off. And they generally uphold negative rights: they prevent bad things from happening; they do not cause good things to happen. I've rarely heard from an economist who didn't argue that rent control drags down an urban economy. Those arguments are well known. Granted, they mean little when a family is faced with an unfair eviction.

I am pretty much the poster child for the perverse effects of tenant protections. I live in a rent-controlled apartment in a part of Los Angeles where rents are, to use the technical term, bonkers. I can afford more. I'd be glad to try a different part of town. But I can't afford *that* much more, and I'm not *that* eager to move. So I stay put. I get to enjoy my market distortion as a tenant and yet I feel trapped as a renter.

The dire, immediate perils that tenants face have given rise to organizations like the Coalition for Economic Survival. As well they should. They do crucial work. But make no mistake: groups like CES, and rent control itself, are necessary primarily because housing, both market-rate and affordable, has been unnaturally suppressed for decades. The slow-moving renters' crisis, because it is enormous and amorphous

have had no such advocates. Until recently.

Groups like the San Francisco Bay Area Renters Federation (with everyone's favorite schoolyard acronym, [SFBARF](#)) has enthusiastically taken up the cause up north. Similar groups are quietly forming in Los Angeles (disclosure: I am involved with one of them), and there's even going to be the first-ever [YIMBY](#) -- Yes In My Backyard -- conference in Boulder, Colorado, next month.

As rent control spreads like wildfire across the Bay Area, even its advocates admit that it's not a complete solution. It is a solution for tenants, of course. But it will only create a game of musical chairs in which many of the state's renters end up without a seat. (Literally – once you've paid your deposit and first month's rent, how can you afford furniture?)

As the renters movement grows, I hope renters and tenants will ultimately find themselves on the same page and speaking with common voice. Ideally, that page is a brand-new lease, listing a rent that everyone can afford.

– JOSH STEPHENS | MAY 23, 2016 ■

Google Boss Sees Housing Crisis Through 3-D Glasses

BEVERLY HILLS, May 2, 2016 – As the saying goes, when you’re holding a hammer, the world looks like a nail. What if you have a 3-D printer instead of a hammer?

If you’re Eric Schmidt, you build houses.

That’s what Schmidt, executive chair of Alphabet, Inc. (nee Google), proposed during the lunchtime keynote at yesterday’s [Milken Institute Global Conference](#), taking place in Beverly Hills this week. Schmidt listed “3-D printed houses” among a number of technology-fueled “moon shots” that might change the world in the next generation or so.

Schmidt didn’t dwell on this prospect long enough to elaborate. He nonetheless drew reverential murmurs from the crowd. What hedge fund manager or corporate executive wouldn’t appreciate the implied efficiency and cost reduction implicit in the mass production of what is typically an American’s most valuable and costly asset?

I imagine a 3-D printed house as an enormous Lego block, with interior walls, cabinetry, and even pipes and HVAC carved seamlessly from a single block of whatever plasticity material 3-D printing uses. With enough machines, a factory could crank out entire cities, layer by layer. Benjamin Braddock, eat your heart out.

It’s amazing how the mere mention of technology can effect an almost instant transformation from banality to hipness. It sounds exciting. Except, like many things that claim to be the “Uber of this…” or the “Airbnb of that…” there’s nothing novel about mass-produced housing.

Mobile homes, and the trailer parks in which they congregate, have long been inexpensive, mass-produced staples of America’s low-income housing supply. I won’t belabor their benefits and drawbacks except to say that in California they’re very [controversial](#). There isn’t a developer in the state

who wouldn’t like to bulldoze every park he sees and replace it with something – anything – else. And there isn’t a public official who wants to let it happen, lest she get accused of displacing low-income residents.

Trailer parks are contested not necessarily because residents love their homes but because land for low-income housing is so dear. No matter how hip 3-D printing is, it – like every other approach to housing in coastal California – will never be able to innovate its way through cities’ political process. As I wrote about Elon Musk’s [Hyperloop](#) concept: I don’t care how fast the train goes; it’s not going anywhere without old-fashioned regulatory approval and a right of way.

Again, Schmidt didn’t elaborate on what these homes would look like, but I assume two basic options: the first is the single-family home – the lone Lego block, if you will; the second is the tower, in which those blocks are stacked by twos and tens. Either way, I can’t imagine what paradise has the demand, land, and the regulatory leniency for 3-D homes to fulfill their promise any more effectively than conventional homes would.

As expensive as construction is, it’s often the least of developers’ worries, as compared to the cost of land and hurdles of zoning restrictions. 3-D-printed certainly houses aren’t going to help in Google’s home of Mountain View, where the average monthly rent for a two-bedroom is \$3,600 (and rising) and the population density is 6,000 people per square mile – one-third as much as that of nearby San Francisco.

Nobody doesn’t want cheaper construction methods, except maybe carpenters unions and existing homeowners. But perversely, the cheaper housing becomes, the more the opponents of density, congestion, etc. are going to bristle. Schmidt’s strategy works only if cities start printing more land.

(Cities in the developing world may have a far different attitude towards this type of housing.)

Google Boss Sees Housing Crisis Through 3-D Glasses

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Google and its fellow tech giants, living the [suburban dream](#) on the Peninsula, haven't exactly helped.

Notoriously, Google sponsors luxury [buses](#) shuttling employees from San Francisco to Mountain View, eliciting cries of elitism and the ruination of a great city. Facebook, which has buses of its own, has made [lame attempts](#) to subsidize housing for its employees. That's nice for the employees, but it does nothing for the supply problem and indirectly harms everyone else. It's no wonder that, according to survey results released this week, lower-income residents, exhausted from contending with ever rising rents, are considering [abandoning](#) the Bay Area en masse.

Of course, Schmidt at least deserves credit for optimism. So few jurisdictions in California, not to mention the state government itself, share his excitement. Despite reports such as the one the Legislative Analysts' Office [recently released](#), it

often seems like more cities are recoiling against housing than embracing it. Rent control has come back into vogue. Slow-growth ballot measures are on the rise. Some programs, like SB 1818, get attention while [clever incentive schemes](#) wither. The tech economy has invigorated the Bay Area but also made planning it [more complex](#) than ever.

California's housing crisis has never been physical. It is political, attitudinal, and, to a lesser extent, infrastructural. Until we solve those problems, we're not going to be able to build our way out of it, and we're not going to be able to "make" our way out of it either, no matter how hard we hammer away.

Fortunately, printing a new bill is easy if we want it to be. Easier, even, than printing a house.

– JOSH STEPHENS | MAY 4, 2016 ■

