

Thursday, June 12, 2008

" A Timeout On Development" Editorial

It's an unfortunate reality that it often takes trauma to change bad behavior.

The nation's housing market of cards had to tumble to stop the insanity of subprime mortgages. Gas prices had to top \$4 a gallon to get motorists to choose cars and transportation solutions that use less fuel. And the current slowdown in construction might just give leaders in the Los Angeles area the opportunity - and motivation - to engage in some smart, long-term planning.

Due to the soft economy and strapped financial markets, several major - and controversial - developments in the Los Angeles area have recently been put on hold or have faced delays.

Troubles in the housing market have taken their toll on the Avalon at South Bay, a \$850 million mall project that includes up to 1,500 homes. Because the project is no longer expected to be as profitable as it once was, the city of Carson plans to sink an additional \$10 million into it to keep it on track.

Cost projections to clean up the former Carson landfill site have also risen.

Further north, the parent company of the developers for the Newhall Ranch project - which, with its planned 21,000 homes, is the largest residential project of its kind - has filed for bankruptcy protection. The filing came after the company was unable to restructure a loan agreement due to the flat real-estate market and skittishness of financial institutions.

Likewise, the \$1 billion Grand Avenue Project - the high-end luxury redevelopment of L.A.'s downtown Civic Center, which includes nearly \$200 million in taxpayer subsidies for its rich developers - has been postponed. On Monday, the project's developers asked for, and were granted, a 60-day delay because of difficulty securing a loan.

These projects are hardly dead. But if the economy continues to worsen, further delays would be likely.

If there's a silver lining to the ongoing economic downturn, it's that it's relieved the pressure from developers to grow, grow, grow Los Angeles at all costs.

The race to build up L.A. and its suburbs has put tremendous strains on the region's residents and local quality of life. Too often, decisions have been made on the basis of politics - which developers had the ear of government leaders - and not with any thought to the region's long-term health and well-being. The results are most evident in the serious problems we face with traffic, water and the infrastructure.

Fortunately, city and regional planning officials now have a rare chance to hash out a sensible and comprehensive growth plan that addresses future needs for Los Angeles and adjacent communities. But time is short, and they must act quickly.

Here's what they need to do:

First, government officials must create sensible guidelines on projects that use significant infusions of taxpayer funding.

Next, regional leaders need to come together and start putting together a long-term growth plan that takes into account future water limits, climate change, traffic patterns, job growth, and a fair distribution of tax and infrastructure burdens.

What affects one city or community in Southern California affects the entire region. It behooves the entire region to have a smart plan that guides future development before it can cause the problems - such as homes being too far away from jobs - that the region now faces.

As the largest city in the region, Los Angeles needs to take the lead on creating a plan for future growth. The mayor, City Council and Planning Department have a unique opportunity to engineer the future of L.A. for the benefit of all Angelenos - and not just a few deep-pocketed developers.