

June 14, 2018

Director Scott Morgan
California Governor's Office of Planning and Research
State Clearing House
1400 Tenth Street, Room 117
Sacramento, CA 95814

Re: Hollywood Center Project Application (State Clearing House Tracking No. 2018051002) for ELDP Designation – SUPPORT

Director Morgan:

On behalf of the Los Angeles County Economic Development Corporation (LAEDC), an organization whose purpose is to advance opportunity and prosperity for all, please accept this letter in support of the Hollywood Center Project's application, submitted May 2, 2018, to be certified as an Environmental Lead Development Project (ELDP).

Here in Los Angeles, we are in desperate need of more housing. It has been well-documented that the LA basin is in the throes of a severe housing squeeze that has greatly degraded apartment affordability, with more than half of rental households in the region being "cost burdened" because they pay more than 30 percent of their income on rent. Indeed, there are simply not enough apartment units to meet current – much less future – demand in a way that reduces apartment rental rates to levels of real affordability.

But, it's not just affordable housing that is required – although we are pleased that the Hollywood Center Project voluntarily sets aside over 100 of its units for low-income seniors. As LA's housing squeeze deepens, one of the best ways to provide relief is to increase housing supply at all levels – affordable, workforce and market-rate. Without enough market-rate housing, upward cost pressures will be felt at the middle and lower ends of the apartment market as well. Look no further than the City of San Francisco, where doctrinaire allegiance to the status quo and missed housing goals have become a customary and time-honored tradition; now, the average rent in the city is above \$3,700 per month.

Exacerbating matters, and not to be outdone, the housing supply and affordability crisis has become so stark here in LA that it is now a major economic development and jobs challenge, affecting our ability, as economic developers, to attract and retain firms and workers in the region. With Los Angeles being a vibrant and growing center of commerce, and with the size of the population expected to expand substantially over the next 20 years, addressing the supply side of the housing equation is extraordinarily important to achieving our short- and long-term economic development and job goals.

So, while any project that helps to alleviate our region's severe housing squeeze could be credibly denoted as a "leadership project," we believe that Hollywood Center Project epitomizes the type of qualifying urban infill, transit priority project that the legislature intended under the "Jobs and

Economic Improvement through Environmental Leadership Act” and thus should receive streamlined judicial review for any challenge to its Environmental Impact Report (EIR) under the California Environmental Quality Act (CEQA). As indicated in its submitted application, the Hollywood Center Project meets all of the express criteria to be designated a leadership project under the aforementioned Jobs and Economic Improvement through Environmental Leadership Act, including:

- The project represents a \$1 billion investment in Los Angeles, far exceeding the \$100 million investment threshold;
- The project will achieve LEED Gold certification and lever the wide array of transit options located within close proximity to reduce vehicle miles traveled, to achieve greater transportation efficiencies, and to help meet mandated GHG emissions targets; and
- The project will generate approximately 7,450 full- and part-time construction jobs, and 937 permanent jobs upon completion, providing middle skill jobs and middle income pathways for thousands of Californians.

As you know, the ELDP certification will not alter the public review or public hearing process; change the scope or contents of the EIR; modify the public noticing requirements; or adjust the statute of limitations. In short, the Hollywood Center Project must still fulfill the normal CEQA process to publicly evaluate the significant environmental impacts of the new project; nonetheless, the ELDP designation will provide a bit more certainty in terms of avoiding years of potential litigation that would only stop us from adding units to the cumulative residential apartment supply we so desperately need.

For these reasons, the LAEDC supports and respectfully urges you to approve the Hollywood Center Project’s ELDP designation. Thank you.

Sincerely,



David Flaks
President & COO
LAEDC