

PROPERTY OWNERS ASSOCIATION OF RIVERSIDE COUNTY

DENSITY

STATEMENT OF THE PROPERTY OWNERS ASSOCIATION OF RIVERSIDE COUNTY

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DENSITY

Statement of the Property Owners Association of Riverside County

Density is among the most important issues to be resolved in preparing the new General Plan. Unless the County's density policies reflect sound economic and engineering principles they will be a source of continuing controversy and litigation. Worse, as outlined in the addendum to our statement, improper policies would likely lead to a shortage of buildable land, a progressive decline in homebuilding, and a weakened economy.

BASIC PRINCIPLE

In our view, then, allowable densities must be based on the real costs of development rather than on subjective judgments and faddish ideas.

The traditional purpose of density has been to recover homebuilding costs, and it is important to return to that concept.

In order to succeed, every residential project must be able to distribute its costs over enough lots to keep its cost per lot affordable. If its density is too low, its cost per lot will be excessive and the project will fail financially.

This is true no matter where a project is located. Projects in rural areas must have the same densities as projects in urban areas if their real costs of development are comparable. Otherwise they cannot proceed. In each case, then, the controlling consideration has to be development cost. Everything else is secondary.

EXCLUSIONARY ZONING

Requiring large-lot projects in rural areas, moreover, is <u>exclusionary</u>. Low-density development can occur only where the market can support high-priced homes. Currently, for example, it is not feasible financially for builders to offer homes on 2-acre lots unless their prices average \$400,000 or more. At lower prices, development costs per lot become prohibitive.

By requiring lot sizes of 1 acre, 2 acres, 5 acres, and larger, the County is preventing the construction of homes in the low and moderate price range. For new construction, this makes rural areas the exclusive province of well-to-do families. Thus, the zoning of rural land for large lots violates the General Plan's proposed vision statement that promises housing will be provided for all income groups. Large-lot zoning denies people of lower income access to new housing in rural areas, and that is arguably illegal.

UNLAWFUL "TAKINGS"

In addition to being exclusionary, large-lot zoning usually prevents property

owners from making any economic use at all of their land. The market can support high-priced homes only in a few places, and the total market for expensive homes is relatively small. The zoning therefore renders most rural land unusable. That would seem to constitute a "taking" of private property for public purposes without compensation.

DEVELOPMENT QUALITY

Furthermore, large-lot zoning frequently leads to development of poor quality.

It encourages lot splits and other parcel-map land divisions that create lots that are too large for most people to maintain. Developers of even "successful" large-lot projects say that many of their buyers are retired and cannot take care of their oversized lots indefinitely. Sooner or later, many are forced to let their property deteriorate, to the detriment of community quality.

ENVIRONMENTAL IMPACTS

Large-lot projects also do the greatest environmental damage. They consume an excessive amount of land and expose all of it to human access and use. By preventing "clustered" development, the zoning does little to preserve and protect open space.

VARIABLE-DENSITY ZONING

For these reasons, it is essential that the County discontinue large-lot zoning

This concept might constitute good planning for insects, but certainly not for people.

These extreme ideas have no place in a free society, and we urge the County to reject them. In the interest of continued economic health, the County should instead adopt land-use policies that will (1) keep homebuilders' land costs affordable, and (2) allow the normal workings of the marketplace to determine where and when multifamily housing makes sense. We see no justification for expanding multifamily zoning until market demands and cost recovery requirements make this increased density necessary.

<u>ADDENDUM</u>

Unless large-lot zoning is replaced by variable-density zoning, the large-lot zoning will act increasingly as a regulatory barrier to new development. Almost all undeveloped land in the unincorporated area presently is zoned for large lots and little of it is usable without rezoning.

Unless removed, these lot-size restrictions will aggravate the growing shortage of buildable land, drive home prices beyond the financial reach of most people (including County planners and other public employees), force a corresponding decline in homebuilding activity, and ultimately create an economic recession. Many of the county's businesses cannot thrive in the absence of continued residential development.

Thus, if variable-density zoning is not adopted, Riverside County will almost certainly experience a more-or-less permanent "real estate recession" similar to that of the early 1990's, with consequent employment layoffs in both the public and private sectors.

To avoid such an outcome, homebuilders' land costs must be kept "affordable". This requires that the land supply be seen to be essentially unlimited. If there is a real or perceived shortage, land prices will be bid up. Thus, a primary objective of the new General Plan should be to ensure that the potential land supply is not restricted by County land-use policies, "political correctness" notwithstanding.