

City, developer resolve dispute over development

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Author: Mike Sprague, Staff Writer

WHITTIER - A Beverly Hills developer who plans to build 96 condominiums on Whittier Boulevard will pay only about one-fifth the amount of park fees that the city might have charged his company.

The city and HDS Group of Beverly Hills have agreed for the company to pay \$5,000 per unit, or \$480,000, instead of what the city formula calls for: \$2.7 million.

The City Council on Tuesday unanimously approved that agreement for the project at 16050 and 16110 Whittier Blvd.

Mayor Owen Newcomer said Thursday the agreement was fair because the city's formula is too high.

"We believe the city ordinance is out of line," Newcomer said. "We're doing studies to revise it so we can have some evidence to base the fee on."

But the study isn't completed, he said.

Park fees can be used to buy new park land or upgrade existing ones.

The agreement will allow HDS Group to break ground later this month and have the first homes completed by early fall, said Michael Albrecht, director of operations.

Hagop Sargisian, owner of HDS Group, said in December that the original city requirement of \$2.7million would have killed the project.

Albrecht called the agreement acceptable.

"We feel it's a fair agreement of what the fees should be, given what other communities in Southern California charge," Albrecht said.

This is the second time the city has agreed to reduce park fees.

In September 2006, the City Council agreed to reduce the park fees for MBK Ravello from \$3 million to \$1 million for 114 town homes.

Jeff Collier, director of community development, said HDS Group is paying less per unit than MBK Ravello, but is also paying for new street lighting and medians and dedicated several feet of property to allow the parkway to be widened.

Collier said Whittier's park fees are much higher than what most other cities charge.

"It normally ranges from \$2,000 to \$5,000," he said.

The council also approved an affordable-housing agreement with the developer in which the Redevelopment Agency will pay about \$3.7 million to HDS Group to provide 15 affordable units.

State law requires that any housing project in redevelopment areas have 15 percent considered affordable.

That means a three-bedroom project would need to sell for \$206,700 even though the market price will be about \$500,000, Collier said.

The Redevelopment Agency will subsidize the units to allow the sale for the lesser price.

Collier said the agency can afford to do that because it expects to get about \$5.1 million over the 39 years remaining of the redevelopment plan.

A family of four could make no more than \$62,150 in order to qualify for the three-bedroom unit at the reduced price.

mike.sprague@sgvn.com - (562) 698-0955, Ext. 3022

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