

COMMENTARY

Gary London >> COMMENTARY

New Zoning Rules Needed to 'Age in Place'



San Diegans are getting older, much older. Aging is a subject that I have (so far) managed to avoid by the simple strategy of never opening my AARP mail solicitations, and not accepting movie theater discounts, which I am almost eligible for!

But there is a new, aging reality. Since 60 is the "new 40" the magic number for being old might be 70. From 2010 to 2030, an additional 340,000 persons will reach or exceed age 70 in San Diego County.

At an estimated 1.5 persons per household, this represents 227,000 households.

Most of these people currently live independently in a single family home, condo or apartment. But at some point over the age of 70, more will not. Ultimately, none will live independently.

And our community is ill prepared to accommodate them. The problem is particularly apparent when the senior begins the life transition from independence to dependence.

This is the "short" list of senior, dependent living choices:

- Hire a helper in the home.
- Move to an assisted care facility of gradating dependence for food, mobility and health services.
- Move in with family.

Hyatt has a local facility (in UTC) that accommodates seniors in a very luxurious way. A senior can "buy" a 1,300-square-foot unit for \$320,000, plus a monthly living cost of \$3,200 for a single senior or \$5,000/month for a senior couple. It's a great place to live. The senior is basically buying a long-term insurance policy.

Trouble is, it's expensive. And so are all of the other private-sector choices, with rent in a care facility ranging easily over \$3,000/month. Hyatt and other care operators are skimming the top of the market. But the base of the market is going unserved.

Some seniors will "age in place." In a recent AARP survey, 79 percent of participants said they wanted to "stay in their current home for as long as possible." The theoretic

San Diego County demand for 227,000 housing units can be projected lower if seniors hire help, or get help from family, and stay in their homes. Most others will move.

So where do they move?

Homes Behind Homes

One solution is to allow "granny flats." These are basically homes-behind-homes. The idea is that your parents can move into a small flat that you build behind your home, and you can look after them. They are living "semi-independent."

Most cities in California are being completely uncooperative about granny flats. Even though the state of California passed a law in 2003 to make granny flats more easily permitted, many cities, including the city of San Diego, responded by passing an extremely stringent law to effectively disallow the granny flat in most neighborhoods. It limits the size of granny flats to 700 square feet, and even then they are only allowed on lots at least twice the size required for a single-family house. For example, in a community where zoning requires a minimum of 5,000 square feet for a SF home, granny flats would be allowed only on lots of at least 10,000 square feet.

Most lots in the city are just not this big.

In addition, the law requires that the flat must provide one off-street parking space per bedroom. And you can't just convert the garage to a flat. If you do, you have to build a new garage. There are more requirements. I just don't have the space to cite them all.

The cities of Carlsbad and Chula Vista have both enacted restrictions against granny flats, also.

What is at work here is the concern by neighbors that the flats don't "blend-in" with single family neighborhoods.

Local builder Steve Lusk figured out a work-around at his Crown Point home to help his mother. He built his granny flat above a garage because his home happened to be located in a standard, zone-legal multifamily property. Since his home is not in a single family detached residential zone, the city's ordinance does not apply. This used to be called a "2 on 1" in real estate lingo.

The unit size is 1,200 square feet, a two-

bedroom/two-bath suite-style apartment with a dining room. The apartment is designed with wide doorways. The private bathrooms are accessible for a walker. The walk-in shower has wide glass doors, seat and grab bars. Since the unit is upstairs, an elevator lifts her from the garage and laundry.

Time To Reflect

His mother is happy, and he has had some time to reflect. What is necessary, he suggests, is for the city to "relax" requirements in multi-family zones where there is or will be a detached house and separate apartment. Encourage property owners and developers to design DFU's that are attractive and not massive.

He also suggests that the financing sector must get involved, creating DFU real estate loan programs to provide construction and long-term financing that emulates single-family financing. Currently, nothing exists beyond apartment financing, which is more restrictive and involves higher rates.

The big battle – and it will be big if we are talking about over 200,000 units — is preservation of neighborhood character vs. taking care of mom and dad.

States Lusk: "Are we going to force seniors into costly institutional facilities which erode their independence and comfort of easy access to family and friends?" He cites the need to "preserve and salvage aging parent(s) lifestyle by housing them within the same residential property with their boomer children. A fundamental assumption is that aging parents prefer maintaining their independence and living in their own home versus living in a senior facility. Life amongst family and friends, as well as interaction with people of all ages and association within a traditional neighborhood are emotional and social lifelines for aging people."

This is the place where land use policy meets health care and social services policy. If the land use policies were more accommodating, then inevitably public monies would be saved in the delivery of health care and social services.

Gary H. London is president of *The London Group Realty Advisors*, which provides real estate consulting and economic analysis. Check him out on the Web at londongroup.com.

Jack Stewart >> COMMENTARY

New Taxpayers, Not New Taxes, What's Needed

New taxpayers, not new taxes, will pull California and the rest of the country out of this recession.

That may sound like a distinction without a difference but these are two entirely different byproducts of government action. One helps, the other hurts.

It's also the reason that small businesses and large employers have joined taxpayer organizations throughout the state to stand together as Californians Against Higher Taxes and fight even more job-killing tax hikes.

California businesses and families are already paying \$12.5 billion in higher taxes this year. Every week in Sacramento, there are proposals for even billions more in tax increases.

One public employee union has outlined plans for 31 new taxes on businesses and consumers to rake in \$40 billion. And all of that is the opening salvo in an expected campaign next year to reduce the two-thirds majority vote requirement in the Legislature for new taxes, an attempt that, if successful, will make it easier for the politicians to raise our taxes even higher.

Creating New Jobs

Every new tax dollar taken from the economy is a dollar taken away from a business that could be creating new jobs or at least holding onto its current employees.

Tax increases would lead to unemployment beyond our already record-high levels and would work to undermine a potential economic recovery.

Last month, the Milken Institute released its latest report on California manufacturing, reporting that from 2000 through 2007, California's industrial work force declined 390,000 jobs, solid middle-class jobs. The study found the two major reasons for the decline were high taxes and over-regulation.

Since 2007, California has lost an additional 140,000 manufacturing jobs. Now is not the time to increase the tax burden on manufacturers.

The Orange County Register recently reported that small businesses in California are not shedding jobs as quickly as they have been.

The National Federation of Independent

Business' chief economist, William Dunkelberg, said, "Job creation is not happening yet, but job destruction is slowing, the prelude to the re-start of rising private employment in the coming months."

No New Taxes

Small businesses create two-thirds of all new jobs in California. It's easy to see the crippling impact of new taxes in this scenario just as the job creators seem poised to turn the tide.

Every new job brings along someone paying income taxes as well as spending money in ways that support other businesses and jobs, and generates sales taxes and other revenues.

Government needs to be doing all it can to get California businesses back on their feet so they can create the taxpayers that will solve the state's budget woes.

New and higher taxes would pull us in the wrong direction.

Jack Stewart is president and CEO of *the California Manufacturers & Technology Association*, which is a member of *Californians Against Higher Taxes*.

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Armon Mills • amills@sdbj.com
President & Publisher

Reo Carr • rcarr@sdbj.com
Associate Publisher

EDITORIAL

Editor
Tom York • tyork@sdbj.com
Managing Editor
Brad Sondak • bsondak@sdbj.com
Asst. Managing Editor
Julie Gallant • jgallant@sdbj.com

SENIOR REPORTERS

Mike Allen • mallen@sdbj.com
Finance, Int'l Business, Port, Public Companies, Sports Business

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Heather Chambers • hchambers@sdbj.com
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Indian Gaming, Web Editor

Ned Randolph • nrandolph@sdbj.com
Defense, General Assignment, Technology

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Research Director

Andrew Schweizer • aschweizer@sdbj.com
Research Assistant

Molly Pappas • mpappas@sdbj.com
Newsroom Assistant

Photographers

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ADVERTISING

Vice President of Advertising

Karen Mullen • kmullen@sdbj.com

Sales Manager

Dale Ganzow • dganzow@sdbj.com

Sales Development Manager

Jim LaMarca • jlamarca@sdbj.com

Internet/National Advertising Manager

Trina Mills • tmills@sdbj.com

Sales Administrator

Kathi McArthur • kmcarthur@sdbj.com

Senior Account Executive

Lisa LaScola • llascola@sdbj.com

Account Executives

Lisa Elrod • lelrod@sdbj.com

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Events Manager

Sara Brown • sbrown@sdbj.com

Events Administrator

April Edelston • aedelston@sdbj.com

Supplements Editor

Tara Sharp • tsharp@sdbj.com

Production Artist/Photographer

Michael S. Domine • mdomine@sdbj.com

ART DEPARTMENT

Director of Production

Darlene Ailain • dailain@sdbj.com

Pagination

Marta Klass • martak@sdbj.com

CIRCULATION

Director of Circulation & Marketing

Linda Olander • lolander@sdbj.com

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Circulation Assistant

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ADMINISTRATION

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Mark J. Misiano • mmisiano@sdbj.com

Executive Assistant

Cindi Tyburski • ctyburski@sdbj.com

Receptionist

Dorothy Blanchard • dblanchard@sdbj.com

4909 Murphy Canyon Road, Suite 200
San Diego, CA 92123
(858) 277-6359
Fax (858) 277-2149
E-mail: sdbj@sdbj.com
Web site: www.sdbj.com

