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SECURING LAND ENTITLEMENTS IN THE NEW YEAR

There are a few strategies Western-based land owners and developers should employ before proceeding with the entitlement process.

By Rob Solomon

The commercial real estate sector has experienced tremendous growth over the past few years. Market fundamentals, especially in primary urban core markets like Los Angeles, San Diego and Orange County, remain extremely strong and are attracting investors from across the country.

Los Angeles, for example, currently has more than 2.4 million square feet of office space under construction, while an additional 5.2 million square feet of industrial product and more than 6,000 multifamily units are currently in the development pipeline. San Diego and Orange County have demonstrated similar increases in development pipelines, from ground-up construction to repositionings, and more development projects are anticipated over the next several years.

This influx of development in urban cores throughout the West Coast has led to questions about land entitlements from many developers and land owners. The process of entitling land is complex, requiring finesse and constant attention.

Below are BLT's top four strategies to keep in mind when securing land entitlements in 2017:

1. Drum Up Support: One of the most important strategies owners and developers can implement is to build community support for a project before filing an entitlement application. This is especially important in high-density urban areas where land supply is limited and new developments may garner opposition from the local community.

After assembling a comprehensive local team — including a local land use expert, architect, civil engineer and community outreach expert — developers should begin to meet with various stakeholders, local officials and neighborhood groups. Support can be gained prior to filing an application by connecting with these influential community leaders early on, which will aid in the ability to obtain a land entitlement.

2. A Picture's Worth a Thousand Words: Up-to-date renderings are essential for community stakeholder meetings. Developers and owners can build excitement around a project, as well as get local stakeholders on board, by visually showcasing a development.

3. Conduct Environmental Assessments Early On: It's important to begin analyzing a project's environmental impact early in the entitlement process. The California Environmental Quality Act (CEQA), for example, requires every new development to report all anticipated environmental impacts from traffic to parking to objections from neighbors, among others.

Developers and property owners who have analyzed these impacts and developed solutions in advance are most prepared for questions that arise during the entitlement process. For example, BLT recently secured a land entitlement for a 500-unit multifamily community in Napa, Calif. We conduct-

ed environmental testing early on, which allowed us to foresee and plan for potential environmental impacts and hot-button issues. This played a tremendous role in our ability to secure the entitlement.



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4. Monitor Local Politics: Successful developers and land owners must continuously monitor new and proposed ballot initiatives. Proposed initiatives can often have a tremendous impact on a planned development or entitlement. There is currently an initiative on the ballot in Los Angeles that, if approved, will drastically reduce the number of new developments for the foreseeable future. It's critical that owners and developers maintain a thorough understanding of what is being voted on, and how those proposed regulations could impact land entitlements.

Finally, while not a separate strategy, securing land entitlements in California requires a lot of patience.

A high degree of preparation and flexibility will enable developers and land owners who follow the steps above to succeed as development continues to thrive in the Western U.S.

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