

A Tale of Two Buildings

by Scott Plante, architect, co-founder of Silver Lake Together and co-chair of Silver Lake's Urban Design & Preservation Committee

The rental market in Silver Lake has been robust the last few years. Supply shortages and an increase in demand led monthly rental costs to new heights, to the detriment of renters but the benefit of landlords. While taking a dip during the pandemic, rental rates are now again on the rise. As of this writing, the website Zumper stated the average rental cost for a one-bedroom apartment in Silver Lake is \$2,295 — an increase of 9% over last year.

Two buildings along Sunset Boulevard are designed to meet the unique demand for housing products in the Silver Lake rental market. Both projects are well designed, and used under-utilized land to increase the supply of housing. Less than a mile apart, they provide a mix of housing opportunities for different categories of renters.

Two Projects, Two Plans

The Vica project, at Sunset and Micheltorena, is adjacent to the Hollywood Sunset Free Clinic and the Micheltorena Steps. Matching the scale of the recently renovated Silver Lake Towers, Vica provides 31 units scaled from studios to a penthouse. There are plenty of amenities for the building tenants: swimming pool, lounge, wellness studio and others. Units range in size from a 475 square foot studio to a 2,192 square foot penthouse. While rental deals are possible, studios start at \$3,250 while the three-bedroom penthouse rents for \$16,750 per month.

Down the street, the project at 3200 Sunset will replace the Sunset Body Works auto repair shop. The building will help bridge a missing pedestrian experience along Sunset with retail shops. This to-be-built project will contain 82 apartments in a combination of studio, one-, and two-bedroom units. This project is taking advantage of state density bonuses to increase the height, and thus the number of units – and in exchange, eight apartments will be set aside as deed-restricted affordable housing at a very low income level for 55 years.

Both of these projects fill a need for housing in Silver Lake, and all market sectors are included: from very low housing apartments at 3200 Sunset to two large penthouse units at Vica. In both projects, the multitude of units are in the middle of the current market rate: studio, 1-, and 2-bedroom units that meet the needs of most renters seeking housing in our community.

Pricing Reflects Reality of Building in Silver Lake

While some may decry the pricing, the rates reflect the market and the high cost of constructing housing in Los Angeles. Per a recent UC Riverside study, high land costs in Los Angeles account for nearly one-sixth (16%) of a multifamily project's total development cost. Other southern California cities studies have land costs of less than 2%. In terms of the unit cost, in 2020 report L.A.'s city controller found the average cost of building a single unit of housing for the homeless was \$531,000. These high costs must translate into higher density to make projects more affordable and efficient to build, though many mourn the increased density and height.

No easy answer exists to solve our community's housing shortage. Land and construction costs are high, and the permitting process is lengthy. Density is often not desired, but is a viable means to increase housing supply. Projects like Vica and 3200 are attempting to fill the need.