



Date: 9/24/12  
Submitted in Public Hearing Committee  
Council File No: 11-0023  
Item No.: 1  
Deputy: Adam R. Lid

**Responses to Late Comments  
to the  
Convention Center and Event Center EIR**

**A. Introduction**

Legal Aid Foundation of Los Angeles (LAFLA) submitted a letter dated September 12, 2012 providing comments to the August 2013 Final EIR for the Convention Center and Event Center (Final EIR). In addition, LAFLA representatives provided additional comments at the September 13, 2012 public hearing before the City Planning Commission on the Convention and Event Center Project described in the Final EIR (referred to herein as the Project or Proposed Project). Each of these comments was submitted after the close of the public comment period on the Draft EIR for the Project. SB 292 provides:

The lead agency need not consider written comments submitted after the close of the public comment period, unless those comments address any of the following:

- (A) New issues raised in the response to comments by the lead agency.
- (B) New information released by the public agency subsequent to the release of the draft environmental impact report, such as new information set forth or embodied in a staff report, proposed permit, proposed resolution, ordinance, or similar documents.
- (C) The following responses to the late comments have been prepared to demonstrate that nothing in any of the late comments meets either criterion (A) or (B) above, and to provide the City Council with the most complete record possible.

**B. Responses**

1. **The EIR is inadequate and the Planning Department is requested to: (1) revise and recirculate the EIR for additional comment and review before certification, or (2) prepare a supplemental EIR for public comment and review.**

Response: This comment is similar to the opinions expressed in Comment No. 16-4 in the Final EIR. Refer to Final EIR Response to Comment No. 16-4. As set forth in that response, the Draft EIR has been prepared in accordance with CEQA and the City's CEQA requirements for preparing EIRs. In addition, as set forth in Topical Response No. 4, Adequacy of Draft EIR, neither the comments submitted on the Draft EIR nor the



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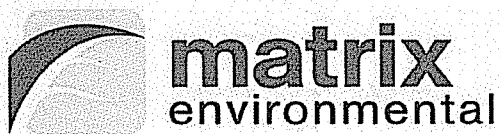
responses constitute new significant information warranting the recirculation of the Draft EIR as set forth in CEQA Guidelines Section 15088.5.

Section 15163 of the CEQA Guidelines addresses requirements for the preparation of a supplemental EIR when a discretionary approval is sought *following certification* of an EIR. In this case, the EIR has not yet been certified, so Section 15163 does not apply. In any event, none of the requirements for preparation of a supplemental EIR is met in this case.<sup>1</sup> Thus, there is no basis under CEQA or the City's CEQA requirements to warrant the preparation of a supplemental EIR.

As further documented in the specific responses to the issues raised in the balance of this document, none of the conditions requiring recirculation of the EIR pursuant to Section 15088.5 of the CEQA Guidelines or preparation of a supplemental EIR pursuant to Section 15163 of the CEQA Guidelines have occurred. Thus, the EIR remains, as concluded in the Final EIR, adequate with regard to CEQA and the City's CEQA requirements.

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<sup>1</sup> Section 15163 of the CEQA Guidelines incorporates the provisions of Section 15162 of the CEQA Guidelines to determine when a supplemental EIR may be prepared. Section 15162 prohibits a lead agency from requiring preparation of a subsequent EIR unless the lead agency determines, based on substantial evidence, one of the following: (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the Negative Declaration was adopted, shows any of the following: (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration; (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR; (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.



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**2. The EIR process is constitutionally flawed.**

Response: This comment does not raise any environmental issues that are addressed under CEQA. Further, it is similar to the opinions expressed in Comment No. 16-7 in the Final EIR. Refer to Final EIR Response to Comment No. 16-7. This comment is noted for the administrative record and will be forwarded to the decision-makers for review and consideration. It should be noted, however, that SB 292 was approved by the legislature and signed into law by Governor Brown. It is valid and binding on the City and the Applicants unless and until a court rules the legislation to be invalid.

**3. The FEIR fails to comply with CEQA.**

Response: The comment incorrectly claims that the City has failed to comply with CEQA with regard to responding to the comments raised on the Draft EIR. The responses to the comments included in the Final EIR provide the detailed reasons why specific comments and suggestions were not accepted. Further, the responses to comments were prepared in good faith using clear language and based on factual information and reasoned analysis in accordance with the provisions set forth in Section 15088(c) of the CEQA Guidelines. As such, the responses to the comments on the Draft EIR that are included in the Final EIR are consistent with CEQA and the City's CEQA requirements and are not conclusory, unsupported by factual information, or evasive as suggested by the Commenter.

**4. The Project's boundaries do not include the entirety of the Project.**

Response: This comment is essentially the same as Comment No. 16-9 in the Final EIR. Refer to Final EIR Response to Comment No. 16-9. As set forth in that response, the Project's boundaries in the EIR are correct. Changing the boundaries as requested would not alter any of the EIR's analysis or conclusions.

**5. The Project objectives are impermissibly narrow.**

Response: This comment is essentially the same as Comment No. 16-69 in the Final EIR. Refer to Final EIR Response to Comment No. 16-69. As set forth in that response, the project objectives in the EIR, which reflect the City's public policy priorities, are legally adequate under CEQA. In addition, the EIR presents a reasonable range of alternatives



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pursuant to the provisions set forth within Section 15126.6(c) of the CEQA Guidelines. Further, the Commenter, while maintaining that the EIR fails to provide a reasonable range of alternatives, only suggests the consideration of one additional alternative site, which upon further analysis was deemed to be infeasible.

**6. The transit mode share projections are overly optimistic. The City improperly relies on SB 292 as evidence that the transit projections are accurate.**

Response: This comment is essentially the same as Comment No. 16-22 in the Final EIR. Refer to Final EIR Response to Comment No. 16-22. As set forth in that response, the Project is uniquely situated in the center of an existing and expanding regional transit hub. The EIR's transit projections are based on credible evidence from other stadiums well-served by transit. These projections reflect the type of use proposed and its location and, as such, are not reliant on additional transit usage that may result from implementation of the "Best in NFL" trip ratio requirements of SB 292. Further, the transit use estimates in the EIR do not take into account the potential use of express park-and-ride buses or charter buses by spectators and other measures in the Event Center Transportation Management Plan. This Plan, as described in the EIR, will include transit measures that are far more robust than anything undertaken to date by STAPLES Center. The fact that Southern Californians are prepared to, and want to, take transit to major football sporting events has been demonstrated by the recent USC football game at the Coliseum when approximately 8,000 patrons took the Expo Line to the game. This represented about 8.5% of the total attendance of 93,600, and was achieved with only one rail line serving the Coliseum. It validates the EIR weekend transit projection of 15% of patrons taking transit to the Event Center which will be directly served by four rail lines and considerably greater bus service. Also the fact that, as identified in the EIR, Metro has estimated that 5% of Rose Bowl football game patrons regularly take the Gold Line even though the nearest Gold Line station is almost two miles away also validates the Event Center projections.

The comment incorrectly states that the City relies on SB 292 as evidence that the EIR's transit projections are accurate. As stated in Section IV.B, Transportation, of the Draft EIR, the analysis conservatively did not take SB 292 into account in the traffic analysis. Therefore, actual impacts are likely to be somewhat less than described in the EIR.



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**7. The City fails to address how the Project will be evaluated regarding its SB 292 trip ratio requirements.**

Response: The Development Agreement includes a detailed protocol to enable the City to determine compliance with SB 292's trip ratio requirements.

**8. The developer should be required to commit to ticket bundling, contributing funds to increase bus service, and operating shuttles buses.**

Response: The specific suggestions regarding ticket bundling, increased bus service, and the use of shuttle buses have already been identified as the type of measures that would be included in the Proposed Project's Transportation Management Plan. Refer to Mitigation Measure No. B.1-29 of the Draft EIR and to Topical Response No. 1 of the Final EIR.

**9. The Project will have significant unmitigated impacts on transit.**

Response: This comment is essentially the same as Comment No. 16-24 in the Final EIR. Refer to Response to Final EIR Comment No. 16-24. As set forth in that response, increased transit use by Event Center attendees (who will pay fares to Metro), can be accommodated by the existing transit fleet. Therefore, operators would not need to purchase any new transit vehicles, or to divert vehicles from other transit services.

**10. The Neighborhood Traffic and Parking Management Program lacks sufficient detail and funding.**

Response: This comment is essentially the same as Comment No.16-26 in the Final EIR. Refer to Final EIR Response to Comment No 16-26. As set forth in that response, the Neighborhood Traffic and Parking Management Program focused on the Pico-Union neighborhood because it is the only area that exhibits the characteristics that could lead to cut-through traffic (i.e., local residential streets that connect to key approach routes to the Proposed Project). The factors that contribute to the potential for cut-through traffic do not apply to the areas east and south of the Project Site; nonetheless, Mitigation Measure B.1-9 has been revised to include South Park and South Los Angeles in addition to Pico Union. As stated in the EIR, the funding of \$250,000 is for the actual implementation of measures. A separate amount of \$75,000 has been allocated for the preparation of the plan. In



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addition, funding beyond that set forth in Mitigation Measure B.1-9 is part of the community benefits that would be implemented by the Event Center Applicant per the provisions of the Development Agreement.

With regard to the specific neighborhood protection measures that may be implemented, it is not feasible or desirable to identify specific neighborhood protection measures at this time because the Plan will be developed in consultation and coordination with the community and LADOT, in accordance with the process and procedures developed by LADOT. This process is an iterative process through which the impacted neighborhood is included to help assess which options would be effective and preferred by the community. In this manner, and as stated in Mitigation Measure B.1-9 and Response to Comment No. 16-26, all measures will be developed in coordination with the community.

**11. Certain light pollution impacts remain undisclosed and significant.**

Response: This comment is essentially the same as Comment No. 16-49 in the Final EIR. Refer to Final EIR Response to Comment No. 16-49. As set forth in that response, the EIR comprehensively and adequately analyzes all potential lighting impacts, including construction lighting, façade lighting, sports lighting, special event lighting, fireworks, parking garage lighting, plaza lighting, skytrackers, and signage. The EIR includes 25 separate measures to reduce potential impacts from artificial light and glare. However, significant impacts would remain after mitigation with respect to spectator lighting, nighttime construction, temporary lighting during special events, fireworks, and low cloud ceilings with high albedo. Response to Comment No. 16-49 is adequate and consistent with the requirements set forth in CEQA Guidelines Section 15088(c) in that the response represents a good faith effort to respond to the issues raised in the comment and includes factual information based on a reasoned analysis.

**12. Certain noise impacts remain undisclosed and/or unmitigated.**

Response: This comment is essentially the same as Comment No. 16-56 in the Final EIR. Refer to Final EIR Response to Comment No. 16-56. As set forth in that response, the EIR comprehensively and adequately analyzes all potential noise impacts and imposed all feasible mitigation measures. The EIR acknowledges that the Project will result in



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significant and unavoidable noise impacts. The Commenter has not suggested any additional feasible mitigation to reduce these impacts.

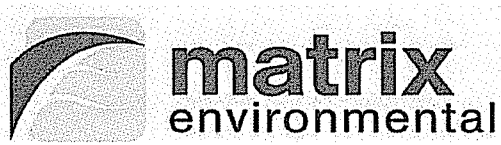
Operation of the proposed Event Center would occur outside normal school instruction hours and, therefore, would not adversely impact school operations. Operation of the Convention Center would result in less than significant noise impacts and, therefore, would also result in less than significant impacts on school operations.

**13. Certain air quality impacts remain undisclosed and/or unmitigated.**

Response: This comment is essentially the same as Comment No. 16-33 in the Final EIR. Refer to Final EIR Response to Comment No. 16-33. As set forth in that response, the air quality analysis was prepared in accordance with all applicable methodologies required by the SCAQMD and the City, as lead agency. The EIR acknowledges that the Project will result in significant and unavoidable air quality impacts. The Commenter has not suggested any additional feasible mitigation to reduce these impacts.

Also of note is that the operational localized impact analysis went beyond SCAQMD recommended methodologies and included both on-site and off-site sources (i.e., traffic on freeways and arterials within one quarter-mile of the Project Site). Based on this very conservative analysis, the Proposed Project would result in less than significant localized impacts for carbon monoxide (CO), sulfur dioxide (SO<sub>2</sub>), and particulate matter less than 2.5 microns in diameter (PM<sub>2.5</sub>). Localized levels of particulate matter less than 10 microns in diameter (PM<sub>10</sub>) were forecasted to exceed threshold levels on only two days over a two-year period, whereas localized exceedances of NO<sub>2</sub> were forecasted to occur for a maximum of less than one percent of the analyzed hours over a two year period. Further, these forecasted pollutant levels are based on the very conservative assumptions that include, but are not limited to, a capacity event at the Event Center could occur any day of the year. In addition, the analyses do not account for additional trip reduction measures resulting from implementation of SB 292. Thus, the probability of an actual exceedance occurring is remote.

The comment incorrectly contends that the EIR did not include an analysis of reproductive and developmental health impacts. The EIR's health risk assessment, which addresses diesel exhaust as well as other sources of toxic air contaminants, analyzed impacts in



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terms of both chronic and acute hazard indices. These indices address potential reproductive and developmental health impacts, as well as health impacts to a number of other human organs and systems (e.g., kidney, liver, nervous system, and respiratory system).

**14. Population and housing impacts remain undisclosed and/or unmitigated.**

Response: This comment is essentially the same as Comment Nos. 16-38 to 16-47 in the Final EIR. Refer to Final EIR Responses to Comment Nos. 16-38 to 16-47 and Appendices C, D, and E to the Final EIR. These responses are based on two expert reports. As set forth in these responses, the HIA is methodologically flawed and does not demonstrate that the Project will result in any displacement or other significant impacts with respect to population and housing. In contrast, the expert reports attached to the EIR provide substantial evidence that the Project will *not* result in any such significant impacts. MR+E, the author of the expert reports provided as Appendices C and D to the Final EIR, also reviewed the comments included in Legal Aid's September 12, 2012 letter. MR+E based on this review reaffirmed the conclusions set forth above (see Attachment A of this analysis). In summary, MR+E concluded the following:

The methodological deficiencies in the Health Impact Assessment (HIA) prepared by Human Impact Partners (HIP)<sup>2</sup> are significant enough in their own right to call into question the authoritative nature of the HIA;

The contention that Feng and Humphries' research somehow supports the findings of Carlino and Coulson that there is evidence for an 8% increase in housing costs misrepresents Feng and Humphries' study and its implications;

No causal relationship between changes in the stock of affordable housing and the development of LA Live has been established nor is any evidence presented that supports how these alleged impacts relate to the development of the Proposed Project;

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<sup>2</sup> Human Impact Partners submitted a Preliminary Health Impact Assessment on May 18, 2012 during the public comment period on the DEIR and then submitted an updated version of the Health Impact Assessment on July 6, 2012, after the close the public comment period.





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The conclusion that a jobs-housing balance will result is based on numerous faulty assumptions including, but not limited to, all of the jobs will be filled by a head of household as the sole wage earner for a family; and

A plausible connection between the Project and impacts to affordable housing or a jobs-housing balance has not been established, and even, assuming for argument's sake, that a causal connection was established, no evidence is provided to support the level of impact asserted.

**15. An unreleased housing linkage fee study shows that the Project will have a significant impact on affordable housing.**

As Deputy Director of Planning Ken Bernstein stated at the Planning Commission hearing, the purpose of the draft, unreleased, and unadopted linkage fee study is to explore the feasibility of imposing a potential housing linkage fee on new development on a citywide basis. It is not intended to assess impacts of a particular project, and it is not specific to the Project vicinity. Further, the study is still under review by various City departments. It is at this point uncertain when, or even if, it will be publicly released. Therefore, the draft study does not show that the Project will have a significant impact on affordable housing.

**16. Aesthetic impacts remain undisclosed and/or unmitigated.**

Response: This comment is essentially the same as Comment Nos. 16-49 to 16-52 in the Final EIR. Refer to Final EIR Responses to Comment Nos. 16-49 to 16-52. As set forth in these responses, there is no scientific study or analysis to support the Commenter's opinion that changes in lighting color would result in significant impacts to drivers or passengers or "interior disruption." Nor does the L.A. CEQA Thresholds Guide establish a significance threshold for, or otherwise require analysis of, such color changes.

The EIR's analysis was based on an extensive field survey of the vicinity of the Project Site to locate and identify land uses that could be exposed to the greatest amount of artificial light associated with the Proposed Project. It is not feasible to document views from every potential sensitive receptor. Therefore, a reasonable number of Receptor Locations were identified that are representative of the surrounding uses and lighting conditions in the vicinity of the Project Site. These Receptor Locations are all considered to be sensitive



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receptors to artificial light, based on the L.A. CEQA Thresholds Guide, and include residential, hospital/medical center, and hotel uses. Representative roadway locations were also chosen to assess potential impacts on drivers. The EIR concluded that impacts at other sensitive receptors not specifically studied would be similar to or less than those at the Receptor Locations identified in the Draft EIR, depending on such factors as topography, building height, and intervening buildings, foliage, and public improvements, such as a freeway.

Further, the comment incorrectly describes the billboards as “continuously changing images.” The comment itself acknowledges that image changes will be limited by a specified refresh rate. As set forth in Response to Comment No. 16-49, the electronic signs facing the freeway would not have flashing images or continuous motion, and that images would be static and remain at a constant brightness for 8 seconds and then complete an instant refresh to the next image, which would then be static for 8 seconds. As the analyses in the EIR fully and adequately address the issues raised in this comment, there is no basis pursuant to the provisions of CEQA Guidelines Section 15088.5 to recirculate the EIR.

**17. Improvements to open space and green space are needed.**

Response: This comment does not raise any environmental issues that are addressed under CEQA. This comment is noted for the administrative record and will be forwarded to the decision-makers for review and consideration. It should be noted, however, that the Project will include three public plazas, including a greatly improved Gilbert Lindsay Plaza, that will be available to the community on non-event days. In addition, as part of the community benefits in the Development Agreement, the Event Center Applicant will contribute \$2,750,000 for the creation or improvement of green space, parks and recreation facilities, including but not limited to land acquisition, park design and construction, soccer field development and the development of community gardens in the Project vicinity.

**18. Public Safety impacts remain undisclosed and/or unmitigated.**

Response: This comment is essentially the same as Comment Nos. 16-58 to 16-68 in the Final EIR. Refer to Final EIR Responses to Comment Nos. 16-58 to 16-68. As set forth in



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these responses, the Project's impacts on police and fire will be less than significant after mitigation. The letter from LAPD cited by LAFLA states that the project could result in a significant impact *without mitigation*. However, the EIR included mitigation developed in consultation with LAPD that reduced the potential impact to less than significant. Further, Response to Comment Nos. 16-62 and 16-59 provide an adequate and complete response to the issues raised in this comment with regard to emergency response times, and appropriately summarize with cross references to the more detailed analyses within the Draft EIR that conclude that based on consultations with the City's police and fire departments, Proposed Project impacts on emergency response times would be less than significant with the implementation of the identified mitigation measure.

### **19. The EIR's Alternatives Analysis is Flawed.**

Response: This comment is essentially the same as Comment Nos. 16-69 to 16-80 in the Final EIR. Refer to Final EIR Responses to Comment Nos. 16-69 to 16-80. As set forth in these responses, the EIR analyzed a reasonable range of alternatives that meet the requirements of CEQA. The comment maintains that alternatives were improperly dismissed based on the Event Center Applicant's asserted "threat" that it would not fund the renovation of the Convention Center unless it could build the Event Center. This is not a threat, but a simple fact reflected in the business deal. No developer would pay for such renovation without adequate consideration. Moreover, revenue streams from the Event Center are needed to pay off the bonds for the construction of the New Hall. Without these revenue streams, the City's general fund would be at risk. For this and the other reasons set forth in Response to Comment Nos. 16-69 to 16-80, the EIR's analysis of alternatives has been prepared in accordance with CEQA and the City's CEQA requirements for preparing EIRs. As such, no further analysis of this, or any other issue raised in this letter is required, and recirculation of the EIR is not warranted.

### **20. The methodologies used in the City's and Event Center Applicant's analyses of the revenues that the Project would generate likely overstate potential economic benefits of the Project.**

Response: The comment is based on unsupported claims that spending at the Event Center would displace other local spending and that the academic literature concludes that sports stadiums provide little to no economic gains. (The comment also ignores the positive



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impacts of a modernized Convention Center.) The Market Impact Study at Appendix H to the Draft EIR applies the input-output methodology to determine the projected economic impact of the Proposed Project. It is generally accepted that the input-output method is better at capturing the localized effects of a specific change in the economy, such as a development project. The comment's assertions that the Proposed Project would displace other local spending incorrectly assumes that all economic activities are interchangeable and that consumers do not respond to different options in the market. Sports and entertainment activities are specific in time and quality (a consumer wants to attend a NFL game on a given Sunday, not just make an entertainment expenditure). This lack of substitutability creates new demand and stimulates new expenditures. With respect to the economic gains of sports stadiums, neither the comment nor the study upon which it bases its contentions provide a review of the academic literature that supposedly support these contentions. The academic literature that has evaluated the economic benefits of sports stadiums primarily has focused on effects at the regional or metropolitan scale. This literature, however, generally does not question the direct local economic benefits of these projects. Even if the consumer spending and jobs anticipated to be generated by the Project were not assumed, the Proposed Project would generate new property taxes for possessory interest on land that is currently not contributing to the tax rolls, parking occupancy tax from attendees to events, and both utility user tax and gross receipts taxes from events that would occur there. These revenues are direct economic gains to the City.

**MR+E**

**Response to Legal Aid Foundation of Los Angeles  
Letter to the City of Los Angeles Planning  
Commission, dated September 12, 2012**

Prepared by  
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9/19/12

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# MR+E

This report provides an analysis of the Legal Aid Foundation of Los Angeles (LAFLA) correspondence to the City of Los Angeles Planning Commission of September 12, 2012, on the Final Environmental Impact Report (FEIR) for the Convention and Event Center Project (Case No. ENV 2011-0585-EIR) ("LAFLA Letter"). In particular, this report analyzes the suppositions and assertions contained in the LAFLA Letter under Section I "**Impacts to Population and Housing Remain Undisclosed and Unmitigated**" (pages 8-10). In general, the comments contained in this section do not support the LAFLA's assertion that the FEIR failed to disclose population and housing effects attributable to the Project nor does the LAFLA Letter provide credible evidence for the conclusions or mitigations it recommends.

## 1. Claim of authority of the Human Impact Partners Health Impact Assessment

The LAFLA Letter asserts that "the City rejected our authoritative evidence supporting documentation out of hand, continuing to insist the project will not have significant impact on population and housing."<sup>1</sup> LAFLA states that the Health Impact Assessment (HIA) prepared by Human Impact Partners (HIP)<sup>2</sup> was "authoritative". Previous analysis has demonstrated a number of methodological errors and misinterpretations of data that were contained in that report.<sup>3</sup> The range of and type of errors included in the HIA were significant, including:

- The HIA did not establish appropriate boundaries for the study area and instead selected data from neighborhoods distant from the Project, while at the same time ignoring data from neighborhoods and districts that were closer to the Project site. This resulted in a highly selective set of data inputs that significantly undermined the value of any conclusions contained in the report.
- The HIA based a significant portion of its findings on a series of qualitative interviews with self-selected panel participants, some of whom were located outside of the expanded boundaries identified by HIP. At no point did the HIA establish that this input was representative of the community as a whole or that it was solicited in an unbiased manner.
- The HIA misrepresented the findings of the academic literature that was cited in the report.
- The HIA did not establish any chain of causality to support that the Project will result in increased housing costs.

The questions raised by the above-mentioned issues are significant enough in their own right to call into question the authoritative nature of the HIA.

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<sup>1</sup> LAFLA Letter, p.8.

<sup>2</sup> Human Impact Partners submitted a Preliminary Health Impact Assessment on May 18, 2012 during the public comment period on the DEIR and then submitted an updated version of the Health Impact Assessment on July 6, 2012, after the close the public comment period.

<sup>3</sup>MR+E, Response to Human Impact Partners Health Impact Assessment 7/25/12.

## 2. **Claim that Feng and Humphries found evidence of an 8% increase in residential rents caused by NFL stadiums.**

The LAFLA Letter re-asserts the incorrect claims in the HIA that the academic literature provides evidence of an 8% increase in residential rents caused by the introduction of an NFL stadium to a community.<sup>4</sup> The HIA includes a discussion of an academic paper by Feng and Humphries that examines empirical evidence related to the economic impact of sports facilities on residential housing values.<sup>5</sup> This paper includes a literature review of previous studies that have been performed on the question of economic benefits associated with public investment in spectator sports facilities. Feng and Humphries cite a wide range of studies and summarize their findings as part of the literature review. They are particularly interested in studies that claim to find an economic benefit to communities that result from improvement in "quality-of-life". The LAFLA letter selectively quotes from the Feng and Humphries paper, including that study's observation that other literature found evidence of an increase in residential rents due to the presence of an NFL Stadium.

Generally speaking, however, Feng and Humphries are skeptical of these arguments and call for a more focused and quantitative analysis of measures of improved quality of life. They note that a number of studies, including the paper by Carlino and Coulson (referenced in the LAFLA Letter)<sup>6</sup>, have attempted to use housing costs and willingness to pay for proximity to a spectator sports facility as a proxy indicator for these quality-of-life improvements. Importantly, the Carlino and Coulson study examined data for metropolitan areas as a whole and does not include any discussion of neighborhood effects. Feng and Humphries classify the Carlino and Coulson study and others that have approached this question as using a "standard hedonic housing model to estimate the intangible benefits of sports facilities."<sup>7</sup> This is an approach that they find unsuitable to the task of determining the effects of a sports facility on housing values because it discounts spatial variables. As a result, Feng and Humphries suggest that studies such as those by Carlino and Coulson cannot accurately reflect the relationship between the facilities and housing values. Feng and Humphries indicate that the previous studies (including Carlino and Coulson) that found a strong connection between the presence of the sports facility and an increase in housing prices are unreliable.

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<sup>4</sup> LAFLA Letter, p.8.

<sup>5</sup> Feng, X. & Humphreys, B. Assessing the Economic Impacts of Sports Facilities on Residential Property Values: A Spatial Hedonic Approach. International Association of Sports Economists (IASE)/North American Association of Sports Economists (NMSE) August 2008. Working Paper p.2.

<sup>6</sup> Carlino, G.A. and Coulson, N.E. (2004), "Compensating Differentials and the Social Benefits of the NFL," *Journal of Urban Economics* 56(1): pp.25-50.

<sup>7</sup> Op. Cit p.3.

Feng and Humphries, therefore, explicitly question the accuracy and reliability of the findings cited by HIP in its HIA. The assertion in the HIA that Feng and Humphries' research somehow supports the findings of Carlino and Coulson that there is evidence for an 8% increase in housing costs misrepresents Feng and Humphries' study and its implications.

### **3. Claim that more than 2,100 units of affordable housing have been removed since the approval of LA Live**

The LAFLA Letter asserts that more than 2,100 affordable housing units have been removed since the approval of LA Live, apparently relying on data presented in the HIA. An inspection of the data presented in the HIA<sup>8</sup> shows that a significant number of the units identified were not removed from the available stock, but have been classified as experiencing rent increases. The HIA, however, does not provide any rent survey data indicating if the rent for these units now exceeds existing housing affordability limits nor does it present any evidence of this change over time. No data is presented as to whether or not these increases were in line with those being experienced elsewhere in the community. Additionally, the HIA included units in the Historic Core district without establishing the relationship between the development of LA Live and housing conditions in the Historic Core. The HIA establishes no causal relationship between changes in the stock of affordable housing and the development of LA Live. More importantly, neither the LAFLA Letter nor the HIA presents any evidence to support how these alleged impacts relate to the development of the Convention and Event Center Project.

### **4. Claim that the Project will generate a jobs housing imbalance**

The LAFLA Letter asserts the Project provides only low-wage jobs and that these jobs will lead to a jobs-housing imbalance. The letter's conclusion that a jobs-housing balance will result is based on numerous faulty assumptions. For example, it assumes (based on no evidence) that all of the jobs will be filled by a head of household as the sole wage earner for a family. Many of these jobs, however, may be filled by residents who are not married, who do not have families, or who are part of families with multiple wage earners. Moreover, a review of the occupational and labor force characteristics of nearby residents shows a strong match between the needs of the Project during both construction and operations and the characteristics of the local labor force<sup>9</sup>. At present, the local area has a strong concentration of workers employed in the occupational categories that will be required to construct and operate the Project. The presence of new employment opportunities in the Central City that do not require any previous work experience or specialized skills is a good match for populations with

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<sup>8</sup> HIP "Preliminary Findings and Recommendations of the Rapid Health Impact assessment of the Proposed Farmers Field Development" May 18, 2012 Appendix table A-11.

<sup>9</sup> MR+E "Response to Social and Economic Impact Comments" 7/26/12, pp. 4-5.



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limited education, skills, social networks and transit dependency. This coupled with high rates of local unemployment leads to the expectation that there is surplus labor in the community that has the ability and access to take advantage of employment opportunities that would be generated by the Project. A jobs-housing imbalance also would not result from positions filled by residents outside of the local community, since such residents are not likely to relocate into the neighborhood due to the site's accessibility by transit and vehicle and by the event-driven nature of many of the anticipation positions to be generated by the project.<sup>10</sup>

## **5. Economic Value of Proposed Mitigations**

Despite the fact that neither the LAFLA Letter nor the HIA establish a plausible connection between the Project and impacts to affordable housing or a jobs-housing balance, the LAFLA Letter suggests a dollar amount required to mitigate these supposed effects. Even if LAFLA or HIP had established a causal connection, which they have not, neither the LAFLA Letter nor the HIA present any evidence to support the level of impact asserted, how the value of an initial \$5 million contribution and a \$2 million annual contribution towards mitigation was determined, or how such a mitigation fee would address the asserted impacts.

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<sup>10</sup> Id. at p. 5.