

**Hollywoodians Encouraging Logical Planning  
H.E.L.P.**

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“Power tends to corrupt, and absolute power corrupts absolutely” Lord Acton 1887  
“Corruption Destroys” H.E.L.P. 2014

Tuesday, April 8, 2014

City of Los Angeles Housing Committee  
Councilmember Gilbert A. Cedillo [councilmember.cedillo@lacity.org](mailto:councilmember.cedillo@lacity.org)  
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Cc: Legislative Assistant, Richard Williams [Richard.Williams@lacity.org](mailto:Richard.Williams@lacity.org)

RE: Wednesday, April 9, 2014 Special Session – Housing Committee  
Items ##1-7 “The New CRA”

Dear Honorable Committee Members:

On Wednesday, April 9, 2014, the honorable members of this committee have another opportunity to help advance Los Angeles its two decade downward spiral into congestion, poverty, substandard infrastructure and increased political corruption by their revival of the new CRA, aka HCIDLA.

As the March 25, 2014 motion sets forth, this new agency plans to siphon off as many tax dollars to the corrupt development of Affordable Housing as the CRA was skimming with its incremental property taxes.

The motion shows one reason LA did not become insolvent after the abolition of the CRA. The end of the CRA stopped the diversion of tax dollars away from the city's legitimate needs.

With the dissolution of the CRA, this source of funding was eliminated and now a share of the property tax revenue that would have been directed to the CRA now is provided directly to the City as **unrestricted property tax revenue**. Since February 2012, the City has received approximately \$121M in property tax revenue from this source. A majority of these dollars have been used to fill the City's budget **shortfalls**. [bold added] *14-0361 March 25, 2014 Motion, page 1*

In other words, incremental tax dollars which were being diverted into the pockets of corrupt developers were being restored to their proper place in the City budget. If over \$3 BILLION of incremental property taxes had not been diverted to the CRA, the city could have repaired its streets and made its pension contributions.

The motion's use of the word "shortfalls" with its pejorative connotation indicates that the developer dominated City Council clearly sees tax dollars going to pay for municipal services as unnatural; a wrong which must be righted. These city expenses caused "shortfalls" only if one believed that tax payers do not have the right to have city taxes pay for city services. The honest way to describe the situation is: with the CRA no longer diverting tax payer funds away from city services, the City could pay its bills.

The collective hubris of the mayor, the city council and the developers does not allow them to see tax payers funds are belonging to the taxpayers. The restoration of the incremental property taxes to their rightful place in the City Budget is called "additional property tax funds."

The **additional property tax funds** that local municipalities have been receiving are an **excellent source for additional investment in affordable housing**.

In order to ensure a dedicated funding source to affordable housing, the City should consider a policy to earmark a percent of the incremental annual property tax revenue it receives from the disillusionment of the former CRA towards affordable housing. [bold added] *14-0361 March 25, 2014 Motion, page 1*

In other words, the city wants to deprive the residents of Los Angeles of their tax dollars in order to establish the old pattern where the city siphons money off to felons like Juri Ripinsky and we call upon men like Hal Katersky to engage in more real estate frauds such as Garcetti oversaw at CRA 1601 North Vine Project.

We have seen the disaster which the CRA has done to the City already. Garcetti used the CRA to destroy his own council district #13. Garcetti's CRA projects drove so many people out of council district 13, that it ceased to be a legal council district. But for a 1925 law requiring the City to have fifteen (15) council districts, we could have divided up the "corrupt 13<sup>th</sup>" among its neighbors and had only 14 council districts.

According to his April 2, 2014 report, UCLA Forecast Economist William Yu finds that since the advent of the Riordan Administration in 1993 until 2013, Los Angeles has not produced a single new job. No doubt, what is actually meant is that the number of jobs in Los Angeles has not increased. And who lost the most people and jobs in the City? Garcetti's council district #13.

We know how Garcetti was running Hollywood. His vision for 2030 was set forth in his June 29, 2009 Hollywood Community Plan.

### A Vision for Hollywood 2030

The Hollywood Community Plan envisions a compact city that is growing vertically, mixing residential, commercial and industrial uses in new and interesting ways. With core industries in entertainment, tourism and health care, this is a Hollywood which supports a strong local and regional economy. A rich, multimodal transit system, an inviting walking environment, and mixed-use housing along transit corridors enable many Hollywood residents to reduce their use of cars. <sup>1</sup>

The balanced growth of commercial and residential uses provides a jobs-housing balance, enabling an increasing number of residents and visitors to live, work, play and shop in Hollywood. Implementation of mixed-income housing incentives creates opportunities for people who work in Hollywood to find affordable housing nearby. [Bold added] *June 29, 2009 Draft Hollywood Community Plan*

Garcetti did not bother to wait for the new Hollywood Community Plan to be approved; instead, he pressed ahead with more dense projects allowing developers to do whatever they wished. In 2006, then the new director Planning Gail Goldberg said that Garcetti modus operandi of allowing developers to dictate zoning was leading to “disaster.” <http://bit.ly/cRH37r>

And, Hollywood has become an economic disaster. \$30 Million to bring Cirque du Soleil and it’s gone in less than 2 years. In 2013, Garcetti’s own (former) economic advisor said that Garcetti’s habit of choosing winners and loser was the worse way to run a city. <http://bit.ly/189FQHi>

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<sup>1</sup> One may note that none of the objectives were realized, but instead the opposite occurred. Educational level is down, auto ownership per household is up 30%, but subway ridership is ½ of that predicted for 2005, an continuing population exodus, the flight of the entertainment industry, vast municipal corruption and an escalation of violent crime throughout Hollywood.

And now we have another official report saying that all of Los Angeles is headed downhill. Garcetti started his “magic” on Hollywood in 2001, and for six years, he was City Council President where his ill-advised ways held sway.

The UCLA Anderson School April 2014 forecasts find that Los Angeles has been so mis-managed in the last 20 years that it has failed to create a single new job, and for thirteen (13) of the 20 years, Garcetti has been a major force driving City policy.

Nothing more epitomizes the Garcetti style than the CRA and now the HCIDLA. One does not have to predict it as a formula for disaster, we have proof that it ends in disaster.

After reviewing 70,000 pages related to Garcetti’s Hollywood Community Plan, on January 15, 2014, Judge Allan Goodman’s final Statement of Decision found that Garcetti’s Plan was “fatally flawed,” based on “wishful thinking” and that the City knew about the false premises in time to have corrected them. The court found the Garcetti Plan subverted the law. See attached

The same falsehoods and myths which underlay Garcetti’s Hollywood Community Plan underlie the HCIDLA. It is the two-prong falsehood of (1) the benefits of fixed-rail transit and (2) Transit Oriented Districts [TODs] with poverty housing and gentrified (but vacant) mixed-use projects. This scam is not new. In the best planning document the City of Los Angeles has ever produced, the 1915 Study of Street Traffic Conditions in the City of Los Angeles, the folly of subways and the corrupt nature of TODs were explained.

By 2001, other municipalities were realizing that the TODs’ benefits were largely mythical and that they caused problems. It took quite a while for people to figure out the real flaws in TODs. See *The San Jose TOD Study*, 2001

Except for cities which began in the 1700's and early 1800's, density has not been beneficial. Density historically drives people away. Why do people think exhortation, "Go West, young man," is woven into the fabric of American consciousness?

As for the marriage of population density and subways, Manhattan is an exception. It is a 2.5 mile x 11 mile island. If you run a subway line up the eastside and a subway line up the westside with a huge central park, almost everyone is within ½ mile of a subway station. The unique nature of Manhattan with respect to subways was well know one hundreds years ago. 1915 Study of Street Traffic Conditions in the City of Los Angeles

In addition, the nature of Los Angeles urban sprawl is very different from NYC's urban sprawl which is conducive to the suburbs using fixed-rail to get into Manhattan. How many L.A. City Councilmembers know the nature of sprawl in Los Angeles and how it is differs from NYC or Boston or Philadelphia? How many care?

### **Another Tax Increase While Giving Billions More Dollars to Corrupt Developers?**

The city residents voted a tax increase for Governor Jerry Brown after he abolished the CRAs. They voted down a tax increase favored by the corrupt city council. Is the council so naive as to think that these same residents will now vote for the \$4.5 Billion sales tax increase while the City is reconstituting the CRA and giving away billions of their tax dollars?

As was predicted in 2010 in CityWatchLA, Garcetti and others would continue to give away billions of tax dollars and then promote ballot measures to pay for the most essential city services. Garcetti and his fellow travelers believe that Angelenos will vote to increase sales tax by \$4.5 Billion because

they hate the terrible streets. Perhaps the voters will be duped, but let's also remember that Garcetti's machination got AB 2531 vetoed by the governor, his corrupt 1601 N Vine was a factor in justifying the CRA's abolished, he brings felons into Hollywood real estate projects, he supported Prop 20 which nixed AB 27x, and he decimated his portion of Hollywood.

### **Our History Shows us Our Future:**

UCLA showed us our future with its April 2, 2014 Forecast, and before that, Kantor's 2020 Commission Report (Phase #1) showed the disaster which over a decade of Garcetti policy has brought to Los Angeles. [Today, April 8, 2014, the Kantor 2020 Commission was supposed to release the second part but so far, there has been nothing]. We see our future by looking backwards at the deterioration of Los Angeles since 2001, the seeds of which go back to at least 1993.

By endorsing the HCIDLA, we are replicating the major errors which have visited economic disaster upon LA in the last two decades, and to make matters much worse, it HCIDLA will undo the only thing that saved us from economic collapse two years ago, i.e. the abolition of the CRA's and the return of the incremental tax dollars. <sup>2</sup>

Respectfully submitted

**Hollywoodians Encouraging Logical Planning, H.E.L.P.**

HP:HELP:CRA2:HELP-5000

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<sup>2</sup>The CRA tax dollars were in fact always available to pay for regular city services. There was no economic need to slash staff or take \$200 Million from the paramedics and firefighters. Garcetti and his cohorts chose to make those cuts so that they could continue to give tax funds to their developer pals.