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Counsel File: 14-0855

Hearing: June 26, 2018, 10:00 A.M., Room 340

Property Address: 6373 Yucca Street, Los Angeles, CA; APN 5546-002-018



## Notice of Objection to Renewal of the Hollywood Entertainment District Business Improvement District

Objector is the owner of a low-income rent-controlled 30-unit apartment building with adequate on-site parking, and an active property manager, located at 6373 Yucca St., APN 5546-002-018 (the "Subject Property"). The average of the monthly rents is only \$954.00 because the apartments at the Subject Property are rent-controlled.

Current property taxes on the Subject Property for 2017-2018 are \$23,507.31, inclusive of the 2008 BID. The determined yearly assessment for renewal of the BID would be a very substantial portion (approximately one-third) of the tax bill (excluding the 2008 BID), and therefore represents a very substantial expense, especially over ten years and with annual increases, which Objector may well not be able to pass on to the tenants due to rent control. The determined yearly assessment for the BID, as is, thus provides a negative economic benefit to the Subject Property as it is not going to be highly impacted, if impacted at all, by the appearance and amenities in the immediate area or by the marketability of nearby properties. The only commercial use of the Subject Property is a small 390 square foot "hole in the wall" shop, which is negligible (less than 3%) as compared to the residential portion of the Subject Property, which is 13,536 square foot. The only real "special benefit" that will be realized by the Subject Property is the increase in security to be provided, as measured by the proportional amount of the District's security costs in relation to the overall District Budget.

The Subject Property is similarly situated to the property at 6376 Yucca St., known as the Halifax Apartments, which is a larger, multi-unit apartment building located directly across the street. The Halifax Apartments have already been recognized as a permanent low-income housing

parcel by the city, and thus receives a reduced assessment rate which matches the special benefit conferred by the city. This policy, applicable to low-income housing, to only charge real property an equal amount to the benefit conferred to the property is required under Proposition 218 passed in 1996, which has required agencies to "significantly tighten the kind of benefit assessment" an agency can levy on real property. Objector only wishes that its property, which again is under rent control, be treated in the same way as a similar (low-income housing) property located directly across the street.

Assessing this low-income housing property under a reduced rate would be consistent with the California Supreme Court decision in <u>Silicon Valley Taxpayers Ass'n</u>, <u>Inc. v</u>. <u>Santa Clara County</u>, (2008) 44 Cal.4<sup>th</sup> 431, 457, which found that the "purpose of an assessment is to require the properties which have received a special benefit from a 'public improvement' 'to pay the cost of that improvement,' and not to fund an agency's ongoing budget." "Special benefit" is defined by Proposition 218 as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large."

The only "special benefit" conferred on the Subject Property would be security, as marketability from the clean and beautification programs provided by the District would not be any more applicable to the Subject Property than the other recognized non-profit housing properties. The possibility for a "general enhancement of property value" would be a "general benefit," as defined by Proposition 218, and also of no benefit to the Subject Property that is positioned for low income households.

At a time of increasing gentrification, and skyrocketing housing costs, especially in Hollywood, it makes little sense to charge a rent-controlled property thousands of dollars in extra expenses which legally cannot be passed onto its residents, and which will confer little, if any, special benefit to its residents. Objector requests that the determined assessment amount for 6373 Yucca Street, APN 5546-002-018 be limited to the special benefit to be realized by the Subject Property, and assessed only for its street front footage multiplied by the zone 2 assessment rate of (\$33.01).

Dated: June 26, 2018

Respectfully submitted,

BME REAL ESTATE, LLC

William D. Little, Manager

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## **COUNCIL FILE 14-0855**

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Petition to Exclude the property located at 1350 N. Cahuenga Blvd., Los Angeles, CA 90028 a triangle lot From Hollywood Entertainment District.

City of Los Angeles
COUNCIL FILE 14-0855

"Property" address:

Property Assessors ID

Owner of the property:

1350 North Cahuenga Blvd. Los Angeles, CA 90028

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In my opinion the transients problem is partly created by the BID project so the lager parcel owners can buy the smaller parcel properties. The nuisance that was created by the transient problem which mainly started just about when the Sunset and Vine Bid project was taking off. The loss that was inflicted on our business since 2011 was over \$2,000,000.00.

Re: History of an Unlawful Tax Assessment on my property by Sunset & Vine BID Project for the fiscal year that started from July 1, 2011 to current date on my annual property tax bill.

Below are my complaints detail.



I am the owner of the above noted "Property". It is a triangle lot surrounded with Delongpre Ave. on the north, Cahuenga Blvd on the west and Ivar Ave on the east side. It was about July 2007, when I started receiving calls at my business location at 1350 North Cahuenga Blvd. Los Angeles 90028 asking me to call the city council and complain about graffiti on our walls and transients outside our building. We really didn't have any graffiti or transient problems. Most of the time, the graffiti was only once in the three months or so on one side of our exterior wall. These calls continued to come in, even though we informed the caller we do not have any graffiti or transient problems. I was wondering why these callers male or female wanted me to contact the city council and complain. After a few years, I felt that this was very odd. In mid 2009, I specifically asked one of the callers not to call us anymore. The calls to request calling the city council to complain about graffiti stopped. At the beginning of 2010, many times I had a male individual stop by and tell me that there is graffiti on the outside of my wall and advised me to call the city council office and file a complain to take care of this problem. This sounded like a mirror of the telephone calls I was receiving in the past. Around February 2011, several times a female came to my business location and told me that there is an older person creating a nuisance in our area and she was trying to get rid of him. When I asked for her name, she introduced herself as Kerry Morrison. Ms Morrison said that he is about 60 years old and six foot tall. Ms Morrison advised me to call the city council office and complain about him. I informed her that I have no interest in calling the city council office for a minor issue like this. Ms Morrison also informed me that she represents a non-profit organization trying to clean up Hollywood. A few weeks after her visit, someone started taking a leak at our entrance door, while my store was closed. This new nuisance went on for five to six months. In the same period, I saw a few transients sleeping against the wall at the rear of my "Property" on Ivar Ave side. Weeks went by and one day Ms Morrison came back to our store and left a pamphlet. She informed me that she is the director of a non-profit

organization and she is submitting a plan to the city council for providing services such as cleaning the graffiti off the walls, cleaning the sidewalks, adding trash bins at street corners and providing security services to clean up the transients from Hollywood. She asked me to join the project. I informed her that I have no interest in this project and there is no real benefit to me in it. She continued explaining the project and how that the charges will apply to the linear frontage footage of my "Property" at the street and how the charges will be added to the "Property" annual tax bill. I again informed her that our property being a triangle, I have near 330 linear frontage footage and the cost of their services would be very expensive even discriminating to my "Property" and there would be no real benefits to me or to our tenants. I think she was very unhappy with me declining her services when she walked away. After she left, I realized why we were getting the calls and the visits in the past three years asking us to complain to the city council.

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Beginning April 2011, the transients presence reached about five to six individuals at the rear of our building on Ivar Ave. I approached one of the transients and asked him "why you are sitting here under the sun in a hot day where you can be sitting in the shade across the street". I even told him that there is a park about six blocks west of our location. He said "No I have to stay here". When I asked him why? He replied "they paid me \$20.00 to come here and more people will be here later". I walked away, went inside into my office and called the police department. The police came later in the afternoon and moved everyone away from the sidewalk. Several days later, most of the same individual transients and more, came back and camped on the sidewalk again. The number of transients gradually increased to near 15 individuals. By September 10, 2011, the transients were camping east of our building on Ivar Ave and north of our building on DeLongpre Ave. These transients individuals were always camping on my property sidewalk of the street, but within two blocks of my property in any direction, there were no transients camping on sidewalks anywhere.

From the office of city clerk of Los Angeles, I received the management district plan of the Sunset & Vine BID Project District in early July 2011. The plan stated that The Sunset and Vine BID project was to be voted on September 13, 2011. Since the plan map showed that my property at 1350 N. Cahuenga Blvd was not part of the BID project, I did not attend the public hearing on September 13, 2011. The Sunset and Vine bid project was approved by the council chamber on Sept. 13, 2011. On Sept. 14, 2011, a day after the Sunset and Vine project approval, there was not a single transient on the sidewalks of my property at 1350 N Cahuenga blvd., even though the project was going to start by Jan. 2, 2012.

How is it possible that all these transient individuals disappear one day after the Sunset and Vine BID plan approval. Where as the services will start implementing by Jan., 2012. In my opinion, it looks like these transient individuals were somehow connected to the Sunset and Vine BID project and since the project got approved, they were no longer needed to create a nuisance in our area any more. My "Property" was assessed at approximately \$5,800.00 a year for the Sunset and Vine BID project which my "Property" is not even a part of this project nor am I getting any services from this BID project.

In my opinion, some of these transients if not most of them, were getting paid to camp at my "Property" sidewalk to create a nuisance so I would willingly join the SUNSET & VINE BID Project. Just before I started writing this letter I checked the BID Project Map again. Another property at 6300 Sunset Blvd where the property owner did not participate in the Sunset and Vine BID project. These twin buildings were occupied by Wells Fargo Bank and Bank of America. I clearly remember seeing near 8 to 10 transients sleeping or sitting on the sidewalk in front of Wells Fargo Bank and Bank of America almost every time I go to make a bank transaction at that location during the same period .

But there were no transients across the street or a block away of this location, I wonder if some of these transients were also getting paid to camp at that location.

As per Los Angeles Council File 11-1177 in Council District 13 The "District" Plan Map of Sunset & Vine project clearly indicates that my property at 1350 North Cahuenga Blvd. Is not a part of the Sunset & Vine project. In June, 2014, I contacted assessors office. I spoke to a supervisor believe his name was Fred. After explaining my case, I informed him that I like to have all charges assessed to my Property which relates to the Sunset & Vine project to be removed permanently from my annual property tax bill. Mr. Fred informed me that I need to contact the Sunset & Vine Bid Project. I contacted The Sunset & Vine Bid Project. After several attempts I finally reached Ms Morrison, the director. She told me very rudely "Sorry we already passed the plan not much you can do any more".

Attached is a copy of the **Council File 11-1177 in Council District 13 The "District"** Plan Map. In the map, Sunset and Vine Bid clearly states and shows that my triangle "Property" was a Potential Sunset and Vine Expansion Parcel subject to the owners approval which I always declined.

I have never authorized or agreed in any shape or form to be a member of Sunset and Vine project.

Today, I am petitioning and requesting to have my property not to be a part of Hollywood Entertainment District COUNCIL FILE 14-0855.

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