

Thursday, January 17, 2019

Honorable Paul Krekorian, Chair of Budget and Finance Committee  
City of Los Angeles, City Hall,  
200 N. Spring Street, Los Angeles, CA 90012  
Attention: City Clerk, Michael Espinosa

Dear Councilmember Krekorian:

**RE: Council File #14.1349-S-1 ----S-4**

At a town hall meeting at Washington Irvine Middle School in May 2018, Councilman O'Farrell described a 32-mile Enhanced Infrastructure Financing District, to the audience, made up of 30 neighborhood leaders, and activists and parents of students and city staff. He described a tax increment- financing district that would extend one mile on either side of the river. He refused to take questions during the panel discussion or afterward. Senior Policy Director Christine Peters also refused to present at ARC or NC meetings or to speak at the October ARC workshop.

California State law does not allow the City to adopt an EIFD, without following the rules, including: seeking input from river adjacent communities, providing a map, providing a list of specific projects, a budget, a financial analysis of cost versus benefit and of future tax increases and assessments. The City also must get at least LA County to sign off on the proposed EIFD, as well as the 17 other cities included. The County adopted its policy in 2017, requiring a social displacement analysis.

To date, the last version of an LA City Enhanced Infrastructure Financing District (EIFD) Policy heard in the Economic Development, and in the River, Arts and Parks and Entertainment committees was incomplete as was the application to form an EIFD. I see now, that the item before you, is pushing this envelop. Without adopting a policy, a map, a list of projects, a boundary, County review, or an economic analysis, you are ready to adopt and appoint people to a public financing authority. What exactly will this group be doing?

Do not create an LA River EIFD that does not meet State or County policy. Do not do this without looking at the social displacement impacts, as required by the County of Los Angeles. Do not do this, without speaking or at least listening to the constituents who know about this and have concerns.

Enhanced infrastructure financing district rely on tax Increment, the growth above the base. This is another form of redevelopment. Why is it the city's policy to generate lots of property taxes under this scenario, and displace the current residents? There are other funding sources to pay for environmental clean up and development of G-2, for example.

There is no precedent in California, for an Enhanced Infrastructure Financing District encompassing 17 cities, and 23 Los Angeles City Neighborhood Councils. The size and scope is unmanageable and impossible for local residents to have a say in.

Tax increment financing is expensive. IT DOES NOT COVER THE COST TO OPERATE OR MAINTAIN. An LA River EIFD will increase the pace and scale of market rate development. EIFD's would fuel gentrification, by increasing property values. Let's not an EIFD without first analyzing the effects. How much will this cost? How long before so much money is raised? How much will go to affordable housing? How much to public infrastructure? How much for environmental clean up?

Instead of this framework, I urge you to focus on updating our in Elysian Valley. The Q conditions promoted by our councilman, and the property owners he represents, actually **prohibit the construction of affordable rental housing**. The zoning code prohibits rental housing, in favor of live-work units, which are expensive to purchase for the entry level, and middle-income worker as well as the working class family.

State Enterprise Zone exempted all parking yet the state law expired in 2014, Ensure local zoning codes are updated so that the conversion of former industrial uses to commercial and residential does not occur WITHOUT PARKING, environmental impact studies, local design review or conditional use permits when alcohol is sold within 500 feet of a residence, or sensitive uses or affordable housing. Our land use plans need to be updated immediately with transparency, civic engagement and respect for our community values. This certainly cannot be left to a public financing authority that extends into 22 different cities.

EIFD's are the wrong approach. We need strong and enforceable affordable housing mandates not EIFD subsidies for market rate housing. Please direct your Department heads involved in the river, to work with neighborhood groups to secure the appropriate funding sources for parks, storm water clean up, brown fields, and acquisitions and public infrastructure improvements for cyclists and pedestrians and public transit users, instead of an EIFD: Measure A-Regional Open Space District; Measure R-Metro; Measure W,-LA County Department of Public Works Storm Water cleanup; and Prop 1/Prop 68 of the Santa Monica Mountains Conservancy are a few of such financing sources currently available for this kind of green infrastructure. Affordable housing funding is also available, although we need stronger mandates for market rate housing developer to include 20 % and greater number of units for very low and low income families.

Sincerely,

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cc: Honorable Los Angeles City Council Budget and Finance Committee Members