

Worst Case! City Hall Leadership Pulls Off Sleazy Backroom Deal in K-Town

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Written by Jack Humphreville

LA WATCHDOG - In one of the sleaziest backroom deals in years, City Council President Herb Wesson and Mayor Eric Garcetti orchestrated a zoning change that resulted in a windfall profit estimated to be in the range of \$15 to \$20 million for a Beverly Hills real estate developer.

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In return, Michael Hakim, the developer, will "contribute" \$1,000,000 to City's Affordable Housing Trust Fund and \$250,000 to the CD 10 Community Benefits Trust Fund which is controlled by local Councilman Herb Wesson.

This 27 story development is located in Koreatown on a 54,000 square foot parcel at 805-833 South Catalina Street (photo below) that extends west to 806-836 South Kenmore Avenue. Importantly, there is no frontage on 8th Street. This so called "mixed use," 322,000 square foot development, representing a 6 to 1 floor area ratio, will consist of 7,500 square feet of commercial use (2.3%), 33,000 square feet of common open space, and 269 market rate apartments with over two parking spaces per apartment. So much for transit oriented density.

This development, which has been floating around City Hall since 2006, was rejected unanimously by the Garcetti appointed City Planning Commission in December, 2014 because it did not conform to the City's General Plan and the Wilshire Community Plan. In other words, this 300 foot tall luxury apartment building without any affordable housing was not compatible with this low rise, densely populated, lower income neighborhood.

Nevertheless, on April 15, without reaching out to the local community, Mayor Eric Garcetti rejected the findings of his own Planning Commission and approved the up zoning of this parcel, despite the fact that 14 rent controlled units were going to be demolished.

On May 5, the Planning and Land Use Management Committee, consisting of Jose Huizar and Mitch Englander, approved the project, despite the fact that they did not have time to read a detailed eight page memo that was not available to the public. However, they were able to read the last minute amendment to the memo that outlined the \$1.25 million bribe to the City that needed to be paid before any building permits were issued. One week later, the City Council blessed this deal with no dissenting votes or discussion.

City Hall will blow smoke in our face, touting transit oriented density. But the tenants in this luxury high rise are more likely to be tooling around town in their BMWs rather than biking to work or riding the bus or the subway with the hoi polloi.

City Hill will tout the \$1,000,000 contribution for Affordable Housing. But assuming that 20% of the units were to be built in another location, the average contribution for the 54 required units would be \$18,500, or less than 10% of the low ball cost of \$200,000 per unit of affordable housing.



This backroom deal is another example of how ordinary, hard-working Angelenos in ordinary residential neighborhoods throughout the City are being overwhelmed by big time real estate developers who are able to buy influence and favors from the City Council and the Mayor. Take, for example, the Millennium Hollywood, Il Vilaggio Toscano in Sherman Oaks, the Wilshire La Brea apartment complex in the Miracle Mile, and the numerous traffic clogging developments in DTLA or on the Westside.

For the most part, we do not have the resources to fight City Hall. But we do have the vote. Our power was evident in the recent Council District 4 election where David Ryu upset the City Hall sponsored candidate based on local issues involving development and traffic.

And in March, 2013, 55% of voters rejected Proposition A, the permanent half cent increase in our sales tax to a mind boggling 9½%, despite being outgunned by Herb Wesson's \$2 million slush fund.

City Council President Herb Wesson and Mayor Eric Garcetti may have pulled off this deal. But longer term, this luxury high rise erection at Catalina and 8th Street will be a permanent reminder of why we cannot trust City Hall.

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Note: A shout out to David Zahniser of The Los Angeles Times who exposed this backroom deal in his May 18, 2015 First & Spring column, '**Garcetti Overrules His Own Appointees for Koreatown Developer**'.

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