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## CRA Has LA's Council in a Mind Warp

THE CITY

Richard Lee Abrams



The Community Redevelopment Agency's spending on new projects grew from \$304.4 million in 2009 to \$448 million for 2010. That is a 47% increase in one year. The City has the power to apply these funds to other needs. Statistics, however, fail to convey how CRA affects our daily lives. Here's an example how the CRA's development mentality corrupts the thinking of one councilmember.

In 2000 former Councilmember John Ferraro introduced a motion to launch four Historic Preservation Overlap Zones (HPOZ) within the 4th Council District (COUNCIL FILE 04-1848). They were: Hancock Park, Windsor Square, Larchmont Heights, and Los Feliz. All of them have been certified except the Los Feliz HPOZ which has been renamed Hollywood Grove (HG-HPOZ) HG-HPOZ is north of Franklin Ave between Canyon and Saint Andrews.

Before January 2010, HG-HPOZ had completed its work for certification, but CD4 and Planning now say that the City cannot afford to certify the HG-HPOZ. Really? The City is so broke that it cannot process the paper work which is 99% finished! Let's see how this frugality compares to this councilperson's attitude on CRA projects.

1. CIM Pico Midtown Project: On May 28, 2010, this councilmember voted to give CIM Pico an additional \$21.25 million. \$2 million was an outright gift and \$19.25 million was a loan. That means the City borrows the money, gives it to the developer and then the City taxpayers pay off the loan.

2. The exact cost to the taxpayer over the life of the loan is unknown, but with interest it surely will exceed \$40 Million. From his statements made at the time of his vote, this councilmember seems to think that \$40 M is free because the City pays out of future revenue.

3. The Cahuenga Peak: This councilmember found \$4.4 million of City taxpayer money to give to the developer River Fox as part of the \$12.5 million purchase price. In its rush to shove money into the developer's pocket, the City ignored the fact that since Cahuenga Peak is 140 feet higher than neighboring Mount Lee which houses LA's most vital telecommunications equipment and a Homeland Security site, the peak should be non-buildable due to national security. In other words, it should never been sold to a private developer in 2002. But hey, what's a few millions bucks of taxpayer dollars between friends?

4. Hollywood-Western: After CIM Group destroyed a number of on-going businesses along Hollywood Boulevard and North Western, this councilperson supported CRA's buying these properties for \$14.3 million. Yes, that's \$14.3 million to support the destruction of on-going businesses. The councilperson said a 16-story office tower would go well on the site.

5. 1601 N. Vine: This is the project that the CRA bought from a developer for \$5.2 million in 2006 and proposes to sell back to the same developer for only \$825,000.

6. Hollywood-Highland: After CIM bought the \$615 million Hollywood-Highland for only \$201 million, this councilmember voted to give CIM \$30 million to retro the complex's Kodak Theater. One would think that after buying the project for a 2/3 discount, CIM Group could take out its own loan to retro fit the theater.

7. Other CRA Projects: We have yet to find a CRA project which this council-person has not supported, despite the fact that in 2009, CRA deprived the city of \$245 Million in incremental tax revenue.

Back to our lowly HPOZ. The HG-HPOZ has 138 parcels, mostly craftsmen type homes built between 1900 and 1935. The homes are under assault.

One pre-1920 home was demolished in 2009 to make way for a parking lot despite the fact that the home was zoned R1-1 and all the land around it was zoned R1-1 and there was an ICO that forbid demolitions.

CD4 and City Planning said that ICO's words "no demolitions" meant "no demolition that increases floor area." A novel concept to say the least!

The council district converted a prohibition on all demolition into a license to tear down all the homes. One express purpose of the ICO was to preserve the older homes. For this councilperson it seems that "up" means "down" and "yes" means "no."

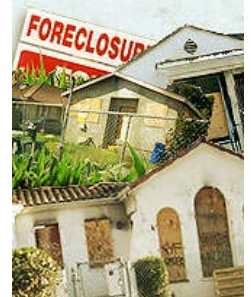
Despite this threat to the historical integrity of HG-HPOZ, CD4 and City Planning say it is too expensive to process the certification. What does it cost the City to process the certification? Zero Dollars. It cost not one cent; yet totally free is too expensive to save homes from destruction.

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The HG-HPOZ itself will pay 100% of the processing which is exactly the same way that Windsor Square HPOZ had its certification processed.

When HPOZ's began a decade ago, there were few of them so developers did not care. Now that the number has grown to 22 HPOZ's and more were on their way, developers have put on the full court press to stop them. Thus, we get looney tunes thinking.

The CRA's anti-homeowner and pro-big developer mentality destroys the City's quality of life. The mentality is so ingrained that the City sees nothing wrong with CRA's multi-million dollar gifts to its developer buddies, but free is too costly to help homeowners!

The time is long over-due for voters to excise this tomfoolery from the Council's thinking.

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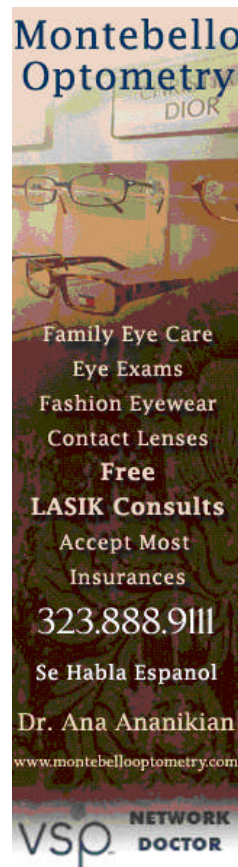
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