

# CITY WATCH

*An Insider Look At City Hall*

May 17, 2004 Volume 2 Issue 10

## CITY WATCH

*Inside This Issue*

( 7 Pages)

✦ **NC's Get More Time on Inclusionary Zoning-Pg 2**

✦ **The Search for Budget Heroes-Pg 2**

✦ **Renters/Landlords Asked to Pay for Bulky Item Pick Up -Pg 3**

✦ **Election-Delinquent NC's Told to Explain Why-Pg 4**

## CITY WATCH

We publish City Watch to promote grassroots civic engagement through information and ideas.

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**We welcome your comments**

## Warning Memo: Millions May be Lost to LA in State/Fed Actions

By David Lowell

City Administrative Officer, William Fujioka, has forwarded a memo to the City's Budget Committee warning that the loss of State and Federal funds could cost millions of dollars more than what's accounted for in the Mayor's budget. Worst-case scenario: as much as \$236 million. Even in the "softer" estimates, the potential losses ran from \$37 million to \$121 million.

The memo claimed that the "Governor's Budget would likely reduce City property tax by about \$39 million," which is included in the Mayor's 2004-2005 proposal. However, the City loss of Vehicle License Fee revenue could be "\$46 million to \$66 million, with \$66 million being more likely," which is not included.

"The risk to the City's 2004-2005 budget," Fujioka concluded, "ranges from the \$39 million, currently included, up to a very unlikely \$260 million, worst-case scenario."  
*Continued on Page 7. See "Memo"*

## Mayor's Budget Sails Through City Council

By Ken Draper

With barely a ripple on the political pond, the Mayor's 2004-05 budget sailed through City Council Monday nearly intact. None of the political jostling that accompanied last year's budget process surfaced this year, in part because this slimmer trimmer offering had less fat to pick over.

This budget weighs in at \$5.3 billion. It adds 30 police officers and 24 paramedics and leaves the hiring freeze in place. A \$60 million increase in the Department of Water and Power transfer to the General Fund, along with a \$130 million transfer from city reserves, will help balance the budget.

The Council restored Environmental Affairs, consolidated the five smaller social agencies, restored \$1.4 million to Cultural Affairs, found money for some parks and arts programs and overruled the Mayor on diverting \$7.1 million from the Business Tax Reform Trust Fund. ■

*(For more on LA's new budget, see: "Budget Heroes", and Budget Analysis on Page 2.)*

## Perspective

## Saturday's NC Congress a Benchmark

By Ken Draper

Not counting the pep rallies they called Neighborhood Conventions, the first Congress of Neighborhoods happened two years ago at the Sheraton in Universal City. A surprisingly large collection of wide-eyed pioneers showed up mostly unprepared for the trek ahead.

The journey from the Sheraton to the Convention Center, where the forthcoming Congress is set to unfold, has been bumpy. But, none-the-less, thrilling and ... depending on your perspective ... fulfilling. Democracy is messy. Only the naïve and the negative would have expected otherwise.

*Continued on Page 4. See "Perspective"*

# Deadline Extended for NC Input on Inclusionary Housing Ordinance

By David Lowell

Ask and ye shall receive. Committee Chairs Eric Garcetti and Ed Reyes have extended the timeline for Neighborhood Councils to consideration of the Inclusionary Zoning motion for 90 days.

Garcetti's Chief of Staff, Richard Llewellyn, Jr., said that a number of interests had asked for more time, including NC's. Under the new schedule, the Council plans to consider the issue, "and all the feedback received from Neighborhood Councils, builders and housing advocates in early August." (*City Watch will keep you posted on the public meeting opportunities to make your NC voice heard.*)

Originally, the Planning and Land Use and Housing Committees, at a joint session on April 14, had ask for Neighborhood Council input but provided only 45 days to respond. In NC and Brown Act time, that's considerably short of the window required by most Councils to consider an issue as controversial and complex as Inclusionary Zoning.

As Silver Lake NC Co-Chair, Jason Lyon, reminded in his letter to Garcetti, "If the (City) Council was sincere when it put the DWP and other city agencies on notice about giving NC's ample time for input in discussions, it must heed its own warning."

In the City Watch quick-turnaround survey of NC's, only two felt they would be prepared to respond on time. Fifty-eight of the 60-plus elected boards responded. ■ (*For related stories on this subject, see "Perspectives" Page 1 and "IZ Views" Page 6 of this City Watch. To view or download the Inclusionary Zoning motion and related materials, visit: [www.allncs.org](http://www.allncs.org)*)

## Permit Info Now On-Line

Bonnie Kopp (Councilman Jack Weiss office) says that **now for the first time ALL PERMIT INFO ON ALL LA PROPERTIES can be obtained from: [www.ladbs.org](http://www.ladbs.org).**

Scroll down to "Get Property Activity Report" and enter the address in question.

...

THINK CITY HALL  
THINK CITY WATCH

## Insight

### Departments in Distress Go in Search of Budget Heroes

By Mark Siegel

If you are a department general manager and your budget is about to be chopped, the first thing you need is a councilman who will step forward and be your hero. Sometimes heroes are hard to find. Other times the council offices trip over themselves in the rush to save what is perceived to be a popular program.

The budget process is very interactive (read: political). Starting with the Neighborhood Council input, the Mayor's priorities and the CAO, CLA and City council input, the budget has to have enough appeal to pass with eight votes and the Mayor's signature.

The budget that Mayor Hahn delivered this year really reflected that consensus. Still some departments looked for heroes.

**Continued on Page 6. See "Heroes"**

## Analysis

### Committee Submits Budget: Analyst Offers His Take On It

By Jim McQuiston

(*Jim McQuiston has been monitoring Budget and Finance Committee budget hearings since April 20. What follows are some of his notes and comments.*)

**Trash Collection Costs Must be Recovered**-The trash-collection fee will not cover the collection expense by about \$220 million. *Now is the time to correct this financial drain.*

Many Neighborhood Councils support increasing the collection fee.

Trash collection fees, as currently collected, are used totally for *public-safety protection*. *The City cannot continue to provide trash service without getting paid for it.*

**Continued on Page 7. See "Analyst"**

Issues Trac (I-Trac)

## Illegal Bulky Items Cost LA Millions: Apartments Blamed

Saying that illegal bulky item pickup costs the City \$3.7 million, and noting that the bulk of that is from multi-unit apartment buildings, 4<sup>th</sup> District Councilman Tom LaBonge has introduced a plan to do something about it.

Since 1991, the responsibility for removing couches, refrigerators, televisions and other so-called bulky items, at apartment complexes with five or more units, rests with the apartment owner. A Sanitation Department survey last fall, showed that three out of five tenants and landlords routinely call the City for bulky item pickup.

LaBonge's proposal has apartments paying a fee for the City service and the cost of that fee split 50-50 between renters and owners. His logic is that the fees will help improve the program and stop the multi-million dollar drain on the City's General Fund. ■

### "LA Businesses Are Not a Bad Debt"

Councilman Greig Smith has introduced legislation that would exclude "bad debt" from the City's gross receipts tax. Smith wants the City to stop taxing businesses on revenue that is uncollectable.

When paying Federal taxes, he points out, bad debt can be written off. The City of Los Angeles doesn't allow such a write-off.

"Penalizing businesses by taxing them on money they will never receive is just plain bad policy," Smith says, "It's time to send a message to businesses in Los Angeles that they are not a bad debt." ■

*(City Watch will track these issues and keep you posted.)*

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[www.laissuesaction.org](http://www.laissuesaction.org)

## We've Got Mail

### CW Goofs. New Stuff Not New

Thank you for another great issue of City Watch in May. I wanted to point out a slight factual error in "New Stuff at May NC Congress" for the benefit of your readers. The article states that a gay & lesbian caucus will be introduced at the next Congress of Neighborhoods. In fact, the Los Angeles Neighborhood Council Gay & Lesbian Caucus was convened for the first time at the November, 2003 Congress and has continued to meet monthly since then.

The Caucus, whose members include gay and lesbian NC leaders from across the city, has addressed issues as varied as the Federal Marriage Amendment and the persistent whispers regarding Scientology and the NC system. We have advocated positions before both the City Council and Board of County Supervisors. At the June meeting of the Caucus, Assembly member Jackie Goldberg will speak, addressing the current dearth of gay and lesbian leadership in city politics. Please let your readers know that all are welcome and they may contact me or any caucus member for further information — or, better yet, stop by our May meeting at the Congress.

-Jason Lyon, Co-Chair  
Silver Lake Neighborhood Council  
[www.silverlakenc.org](http://www.silverlakenc.org)

### Civics Lesson for City Council

I have attended many City Council meetings in the last few months, and I saw a pattern that frankly angered me. A pattern of arrogance and flat out disdain for those who take the time to raise their concerns to the City Council.

For those who watch on Channel 35, you will notice that their is a point in time at the beginning of the agenda where people from the public can address the City Council on issues that concern them, but have not yet found their way to a Council agenda. These people have taken time off of work, driven to City Hall or taken public transportation, and have been subject to search and security screening to enter City Hall, just so they could be heard by the body that is sworn to represent them, only to be blatantly ignored.

#### What You Don't See

That's right, what you don't see on TV is that out of the few council members who even bother to show up for this part of the meeting, many and often most of them are engaged in conversations with each other, reading the paper, in fact doing just about anything else but sitting in their chairs and acknowledging the person before them who pays their salary. Just once I want to see someone stand at that podium and demand silence and attention.

I can understand that some people will complain about benign issues, we have that at our Neighborhood Council Meetings. But we always remember that in a world when so many people don't even bother to show up, the person before us did and for that, if nothing else, deserves our respect and attention. That issue which may be meaningless to us, was so important to that individual that they felt compelled to speak and if we are going to live in a nation of the people, by the people and for the people, it's time that those the people elected sit down in their chairs and listen.

-Jim Alger, Councilmember  
Northridge West Neighborhood Council

*(Some letters to City Watch are edited for brevity and/or clarity.  
Send letters to Editor at [LACityWatch@aol.com](mailto:LACityWatch@aol.com).)*

# NC WATCH

*An Insider Look at Neighborhood Councils*

**Perspective – Continued from Page 1**

## Saturday's NC Congress a Benchmark

Saturday's Congress is a kind of benchmark for NC's and the LA system. In part the result of proximity. In part the result of the Congress' program and format. The training sessions have given way to roundtables. Much of this gathering's content was influenced by the councils themselves. Thus, the emphasis on networking, sharing, peer-education and productivity.

For the first time ever, the Congress will deal with its place in the citywide issues mix. A package of election guidelines will be unveiled and dissected. Subjects that reflect the leadership potential and the maturation of NC's are on the docket: emergency preparedness, involvement of businesses, control of neighborhood filming, homelessness, community policing. A Congress program that reflects where Neighborhood Councils are on the "grand grassroots experiment" meter.

### Neighborhood Councils Finding Their Niche

Neighborhood Councils are finding their stride and their niche. They are figuring the empowerment thing out and, as a result, their relationship with the City, including the Department of Neighborhood Empowerment, is coming into focus.

The NC success in derailing the Department of Water and Power 18% rate increase is exhibit one. But, the Inclusionary Zoning exhibit is an even bigger deal. In mid-April, the PLUM and the Housing committees began consideration of a motion to make Inclusionary Zoning mandatory all over the city. In late April, DONE forwarded the motion, and support materials, to the Neighborhood Councils. In mid-May, in response to a City Watch survey, 62 of the eligible 71 elected boards reported in. Three had already forwarded impact statements, four had already appeared before a committee, a third of them had agendized the issue and all but two of the remaining NC's planned to review and consider the Inclusionary Zoning issue. Almost all of the councils recognized that the window they had been given to talk to stakeholders and consider the proposal was too brief. Ed Reyes and Eric Garcetti agreed and added another 90 days for NC consideration and input.

### Councils Are Getting It

Another sign that Councils are getting it surfaced in the DWP experience. Sheperded by Northridge West activist, Jim Alger, councils got the DWP to the table and spent hours engaging the support of City Council members. And, they got the DWP to signoff on a Letter of Intent, promising to sit down with NC's and craft a Partnership Inclusion Agreement. In late January, four East Valley councils forged a Memorandum of Understanding with the Department of Public Works.

Perhaps the most important proof that Neighborhood Councils have abandoned their training wheels, is the fact that dozens of NC's across the city are successfully going about the Neighborhood Council work of monitoring the delivery of city services, making their neighborhoods safer, greener and better places in which to live, work and own property.

Too many critics, trying to measure the progress of Neighborhood Councils, have concentrated on how quickly and well the City has figured out empowerment. They should turn their attention to the Neighborhood Councils.

**Continued Next Column**

Spring 2004  
**Congress  
of  
Neighborhoods**  
May 22, 2004  
Los Angeles Convention  
Center

### Schedule

7:30 am – Registration  
8:30 am -Morning Sessions  
10 am –Mayor's Welcome/  
NC Roll Call  
11 am –City Departments Exhibits  
11:45 am – Afternoon Sessions  
1:30 pm – 2 pm –Closing Session  
(Prize Drawings)



## CITY WATCH

Join Us  
at the  
**Alliance Networking  
Center  
at the  
Congress**  
11:30a - 1:30p

**Cont. from previous column**

They have begun to figure out that empowerment isn't something the City, or anyone else, gives you. Empowerment is an entitlement. An inalienable resource. And no Charter or government gives it. Nor, can they take it away. ■

**BONC****Election-Delinquent NC's Asked to Account**

By David Lowell

Indicating that patience is wearing thin, the Board of Neighborhood Commissioners has summoned six Neighborhood Councils to their next meeting to explain why their elections are late and what they're going to do about it. Three NC's have yet to hold their first election, even though they have been certified for more than a year. For three others, it's been more than a year since their last election.

In a letter from DONE General Manager Greg Nelson, calling "timely elections a major legal responsibility," each election-delinquent council was formally asked to appear before the Commissioners. They were also required to provide a written report on the status of their election, outstanding issues, proposed solutions and steps and timeframes for completing the election.

**Now 22 Months Without Election**

The South Robertson, Greater Cypress Park and Foothill Trails Neighborhood Councils have yet to hold an election. South Robertson, now 22 months beyond certification, has no interim board named in their bylaws. Greater Cypress Park, now 17 months after certification, appears to be at odds with the idea that interim boards are less than legitimate.

The West Adams and Mid City Neighborhood Councils have held an election but are now unable, or unwilling, to hold their second. Van Nuys has its own unique internal problems that appear to prevent its recovery from a challenged first election.

The councils should make their appearance before the BONC in June. ■

# City Watch Issues DayPlanner

**Wednesday May 19**

**Audits and Efficiency (8:35a)**  
*\*Possibility of charging booking fee to convicted criminals*

**Planning & Land Use (2p)**  
*\*Inclusionary Zoning discussion continues*

**Rules & Elections (2:30p)**  
*\*Requiring lobbyist disclosure to NC's*

**NC Election Procedures (4p)**  
**Special Meeting**  
*\*Presentation of draft to NC Congress*

**Saturday May 22**

**Congress of Neighborhoods**  
8:30a  
LA Convention Center  
*(See Page 4 for program)*

**Citywide Alliance of NC's**  
**at the Congress**  
11:30a-1:30p

**Editor's Note:**

*You are receiving City Watch 24 hours later than usual. We advanced our deadline by one day to accommodate the Special City Council meeting on the 2004-05 City budget.*

*Thank you for being patient.*

**-Ken Draper**

**Welcome!!**

## Citywide Alliance Networking Center at the Congress

The Citywide Alliance of Neighborhood Councils will host a special Networking Center at the upcoming NC Congress. It will be an opportunity to meet, greet and chat with your Neighborhood Council peers and a number of key political and celebrity guests.

And there's more: Get an update on the work of the NC/DWP Partnership Taskforce, pick up a copy of the "Good Ideas and How to Do Them" handbook and the Special Congress Edition of City Watch.

**"They Come for the Networking"**

"One of the biggest reasons people come to the Congress is for networking," says Alliance co-founder Noah Modisett. "Instead of running from place to place looking for a networking opportunity, the Alliance Networking Center will provide a focal point for meeting and exchanging ideas ... along with a few celebrity surprises."

The Alliance Networking Center will be open from 11:30 in the morning to 1:30 in the afternoon. Bring along your good ideas. See you there.

*(For more information: [www.allncs.org](http://www.allncs.org))*

# ViewPoints

## Re: Inclusionary Zoning

*(Opinions are varied and numerous on Inclusionary Zoning. Here are some of the points of view, excerpted from letters, reports and statements submitted on the subject.)*

### In Response

1. Of the 5 FOR-PROFIT developers who spoke on Inclusionary Zoning on October 22, 2003 at a City Hall hearing, FOUR supported this. All 5 noted that the primary result of Inclusionary Zoning is that it will reduce land values – not profits. Even the fifth of these developers noted that in Pasadena, land values have declined since their ordinance took effect. IZ does not, as asserted, “raise the cost of development.”

2. In the more than 100 cities and counties nationwide where Inclusionary Zoning is in effect currently, not one has shown a decline in development. Not one. (If those who make economic arguments wish to point out where this “ISN’T” working – that would be concrete evidence, rather than scare tactics or ad homonym debate. I think we all agree here.)

3. Inclusionary Zoning is NOT low-income housing. This will do very little to help the poor. It’s expected that the income range of persons who will benefit from IZ will be 50-80% of the Area Median Income: in effect, single persons earning between \$19-30,000/year; families of 4 earning between \$27 to \$44,000/year. (WHERE WILL YOUR CHILDREN LIVE?)

4. The notion that “adding low income housing will cause more population” shows the overall flawed reasoning of the person arguing. The population of the county is growing by 830+ people every day. More than 70% of that increase is births from people already here. Where do you homeowners of Encino who oppose this suggest that these people – some of them their very own children – live?

THIS WORKS ELSEWHERE – MANY PLACES – AND HAS NOT BEEN SHOWN TO REDUCE DEVELOPMENT.

THIS IS NOT A PROGRAM FOR THE POOR. IT’S FOR MIDDLE CLASS KIDS WHO GO TO UCLA AND THEN WANT TO FIND A PLACE TO LIVE AFTER (or even during) COLLEGE. WHERE DO OPPONENTS OF INCLUSIONARY ZONING SUGGEST THAT THOSE WHO GRADUATE WITH \$28,000/YEAR JOBS GO TO LIVE?

-Tina Mata  
Greater Wilshire Neighborhood Council  
Saint Andrews Square Neighborhood Association

### A Realtor’s Perspective

On April 14, 2004 the City of Los Angeles Planning and Land Use Management Committee (PLUM) and the Housing Community and Economic Development Committee (HCED) considered and approved, in concept, a proposed Inclusionary Zoning Ordinance for the city.

The proposal, as submitted by council members Garcetti and Reyes would require developers of five units or more, both rental or ownership, to set aside 20-40 percent of the units for low income citizens as an attempt to address the affordable housing shortage in the city. It also mandates a number of requirements and restrictions that will be detrimental to our neighborhoods without adequately addressing the affordability issue.

**Continued next column**

## Heroes-Continued from Page 2

The Mayor proposed eliminating the Environmental Affairs Department and merging its functions into the Bureau of Sanitation. To the rescue came hero Eric Garcetti. He said was inappropriate to close the Department and scrounged up \$700,000 for a minimal program.

Garcetti was also a key voice in the restoration of some of the funds taken from the ‘Little Five’ Commission (Status of Women, Disabilities, Children Youth Families, Aging and Human Relations). Perhaps the tensest moment in the debate came when the Executive Director of the Commission on the Status of Women alleged that she was threatened by CAO Bill Fujioka and told to accept the cutbacks or be cut out entirely. Fujioka called the allegation “bulls--t” (his word not mine).

It was Wendy Greuel and Tony Cardenas who stepped forward to become heroes to the tax reform advocates by pushing for a transfer of money to the fund set aside to implement tax reform later in the year.

The budget was in Council Monday, and at least one other group was looking for a hero. The Personnel Department is trying to eliminate 10 doctors and eight nurses who oversee the health of arrestees. Are there any Knights left at the Roundtable?

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### Realtor’s Perspective-Cont from previous column

- **The ordinance is bad for single-family neighborhoods.** It allows for the building of multi-family ownership or rental units in single-family neighborhoods in spite of current zoning.

- **The ordinance is bad for those who qualify.** The maximum family income level to purchase one of these units currently would fall at \$44,000. The income level and sale price are perpetually controlled by the city. Owners would build no equity and therefore have no incentive to move or even maintain the property. Similar disincentives apply to the rental units.

- **The ordinance does not help the very people it purports to favor.** The very people the proponent’s claim the ordinance is for, teachers, firefighters, police officers and other median wage earners will be above the maximum income levels allowed.

- \* **The ordinance is bad for future development and supply.** More restrictions will force developers to look outside the city. Those units that are built will have higher rental or purchase costs, as developers contend with the extra expense of providing the subsidized units.

-Lynn Rinker, President  
Southland Regional Association of Realtors

•••

**Memo-Continued from Page 1**

The State has promised various efforts to make up the funding it has taken from California's cities, but Fujioka is skeptical. For example, the State could make up some of the lost funding by redistributing property taxes. But, the City's CAO says, "such a scheme can only work if the State revenues grow substantially." And, he says, the structures for revenue replacement schemes have no real meaning without enforceable constitutional protection.

Then there is the proposed state constitutional amendment, intended to ensure that beginning in 2006-2007, all of the lost VLF funds would be restored through the property tax. But again, Fujioka reminds the Committee, "it remains to be seen how genuine protection ... can be provided" and there is no enforcement mechanism. Importantly, there is still no guarantee for the years between 2004-2006.

So, as the City Council begins today to piece together next year's budget for Los Angeles, it faces a very real dilemma: How many of the State's promised replacement schemes to trust vs. Bill Fujioka's ominous warnings. ■

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**Analyst-Continued from Page 2**

The stated cost of trash collection, per property, is substantially less in Los Angeles than in any other local city. Council needs to amend the schedule quickly to stop the hemorrhage of City funds. Important social issues will not be served if the loss continues.

**Neighborhood Council Funding**-The same \$50,000 was budgeted for each Neighborhood Council this year as last.

The City Attorney says Neighborhood Councils are to be treated as if they are City Departments and subject to City regulations. Thus, there is no defensible reason not to reduce their appropriations, as all City Department appropriations were reduced, in these dire budgetary times.

Without at least a symbolic reduction, Councils cannot rationally believe that the City is in financial straits. Why would they if their funding is supplied as usual?

**Infrastructure, Maintenance and Supply**-This budget again proposes subsidies which will intensify the effect of insufficient infrastructure, lowering the quality of life in the City. *There must be funding for new and updated infrastructure.* Delay will cause a larger proportional cost for City services. ■

*(Jim McQuiston is a Management Consultant and longtime local and national political activist.)*

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