

CITY WATCH

An Insider Look At City Hall

June 28, 2004 Volume 2 Issue 13

**Have
A
Safe
&
Meaningful
4th of July
Holiday**

CITY WATCH

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

City Watch is distributed to Los Angeles' Neighborhood Councils representing more than 3,000,000 stakeholders.

City Watch is published by CityWatchGroup, an independent, nonprofit organization, in association with the Citywide Alliance of Neighborhood Councils.

City Watch is published electronically on Monday of every other week. Share it with your Neighborhood Council and other activists.

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We welcome your comments

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DWP Fund Transfer

NC's Ask: When is a Tax Not a Tax?

By David Lowell

The Department of Water and Power Board approved yet another fund transfer to help prop up the City's General Fund. This one for \$60-million. The approval was somewhat perfunctory given that the City had budgeted for the transfusion and has traditionally leaned on its most profitable agency to help pay for police and fire services and other costs covered by the General Fund.

Complaints have accompanied these transfers over the years, but the heat generated with this action appears to be reaching a new level of intensity.

Fresh off of their victory in defeating the 18% water rate increase, a number of Neighborhood Councils have begun to press for a change in the DWP fund transfer practice. Among the arguments being made, by some NC leaders: 1) The process isn't transparent; 2) the recently approved 11% increase was really to fund this current \$60-million transfer; and, 3) this traditional process of raiding the DWP surplus is a hidden tax and, as one NC leader said, "should be called by its right name."

Ironically, this could be a citywide issue that finds the DWP and Neighborhood Councils on the same side. DWP Commissioner, Silvia Saucedo, called the process an abuse of the Department's generosity.

One NC representative, helping lead the charge for change, says that "Councilwoman Wendy Greuel has agreed to work on" breaking the historical cycle and opening up the process to public scrutiny.

As experience is beginning to teach, how much Neighborhood Council momentum can be generated will depend on how clearly the issue can be communicated and how passionate Councils feel about being taxed by a subterranean process called by another name. ■

Insight: Historical View

City Has Used DWP ATM for Years

By Mark Siegel

Whether you call it profit sharing, in lieu taxes or robbing Peter to pay Paul, the Mayor office and City Council have used the DWP as their ATM for years. This municipally run utility has been a source of revenue for the city budget for decades. The original justification was that the utility was public property and therefore did not have to pay property taxes to the city. This was long before Prop 13 removed property taxes as the primary source of local revenues. \$50 million was the usual take.

By the 1990s, the Riordan Administration was looking for new revenues to finance his proposed expansion of the police department and turned to the so-called proprietary departments. He attempted to privatize and take money from the airport and the harbor, but was stymied by state and federal law.

Continued on Page 3. See "Historical View"

Editor's Notebook**Same old 4th but City Watch Makes a Change**

The Fourth of July gets quiet around City Hall. Too many parades and picnics and constituent promises to keep. And, that's the reason for this slightly abbreviated issue of City Watch.

While you're away, we'll be busy, as the Assignment Desk notes below indicate. We'll be tracking the recent LAPD controversy, the NC e-address list vs. privacy issue, the DWP transfer tradition and the inclusionary zoning debate. We will also ask the question: Does the Board of Neighborhood Commissioners really have enough teeth to put a bite in dysfunctional and derelict Neighborhood Councils.

Make a note, City Watch is making a change. Beginning with the next issue, City Watch will be distributed on every other Tuesday. Previously, distribution day was Monday. City Watch will continue to be published every other week. Next issue of City Watch: July 13.

-Ken Draper, Editor

CITY WATCH ASSIGNMENT DESK

July 13 Issue of City Watch

- **Is it possible to keep politics out of the current LAPD investigation?**
 - *Does BONC have enough teeth to put a bite in dysfunctional and derelict NC's?*
- **How does Tom LaBonge remember all those names?**
- *What is 'social infrastructure' and how can it reduce violence in LA?*
- **Conversation with Greig Smith-Part 2: On Inclusionary Zoning, the LAX remodel and NC's**

Stories in Development

- **Big Box Retail Superstores provide discounts and jobs: What's not to like?**
 - *\$3.5-million. How are Neighborhood Councils spending all that public money?*
- **Mayoral candidates ... and, candidate wannabe's: Where do they stand on Neighborhood Councils?**
- **Neighborhood Councils: Who's making it? Who's not?**
See our list.

Coming soon to a City Watch near you!



**City
Hall:
We've
Gotcha
Covered !!**

**Make
Sure
You're
on
the
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Watch
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*Send your name and
e-address to:*

sirken323@aol.com

Eric Garcetti on Inclusionary Zoning Featured at Alliance

The Citywide Alliance of Neighborhood Councils turns the spotlight on the controversial Inclusionary Zoning debate at the next forum, scheduled for Saturday morning, July 17 at 9:30. The Keynote Speaker will be LA Councilman Eric Garcetti.

The inclusionary zoning issue is currently being considered by Neighborhood Councils and the City's Planning and Land Use and Housing committees. An ordinance, in some form, will likely get to City Council this fall.

The Alliance Forum is held at the Faculty Center at Los Angeles City College. Visit www.allncs.org for details. ■

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The Alliance

Next Forum

INCLUSIONARY ZONING

Councilman Eric Garcetti

Keynote Speaker

July 17, 2004

9:30am-1:30p

Los Angeles City College

Faculty Center

***IZ will affect every LA neighborhood.
This forum is an NC must!***

>Visit www.allncs.org for details<

Historical Viewpoint

Continued from Page 1

Early in his term, Mayor Hahn decided to turn to the Department of Water and Power. His rationale was that the DWP was a city investment and the city should get a dividend.

DWP officials refer to those who pay their bills as "the ratepayer" as if they are different than the taxpayers, even though they are primarily the same people. One could even argue that it is more progressive than the sales tax, where those who are better off pay a larger bill. There is no doubt that should the money not be available there would be a big hole in the city budget. ■