CP&DR

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Post-Redevelopment Real Estate Is, Oddly, Not a Land-Office Business

BY MARTHA BRIDEGAM

When the redevelopment system was dismantled in 2012, redevelopment leaders around the state feared that the state Department of Finance's desire for short-term cash would force a fire-sale of redevelopment assets that would drive prices down and undermine cities' ability to complete their pending redevelopment projects.

More than three years later, the opposite has occurred: Successor agencies are moving slowly to put real estate on the market, in part because both successor agencies and DOF are just now getting around to dealing with Long-Range Property Management Plans or LRPMPs – the plans that delineate just exactly how properties owned by former redevelopment agencies will be disposed of. LRPMPs are required under AB 1484 of 2012, the post-redevelopment cleanup bill that sought to moderate the fire-sale fears, among other things.

In part, the slow disposition is the result of a dauntingly technical process. In the words of Tara Matthews, a partner with the Rosenow Spevacek Group, Inc. (RSG): "The disposition process is confusing, cities are short-staffed, the typical brokerage companies don't understand the process and are hesitant to take it on, and developers don't know what options are available or how to initiate the conservation with cities." Property sales must be approved

– CONTINUED ON PAGE 13

insight
WILLIAM FULTON

Can Mobility 2035 Be All Things To All People?

Shortly after Los Angeles Mayor Eric Garcetti released his "Mobility 2035" document, the *Los Angeles Times* published an op-ed from a cranky business owner in Santa Monica complaining about Garcetti's plans to put L.A. on a road diet. Los Angeles, the business owner said, is "not Stockholm" – and he even proposed that L.A. move in the other direction by stripping on-street parking off of Pico and Olympic Boulevards.

Presumably, the op-ed's author did not

– CONTINUED ON PAGE 16

inside

LEGAL DIGEST:
- *Offsite CEQA Mitigations Do Not Require State Appropriations*..... Page 5
- *Carson May Deny Mobile Home Subdivision Based on General Plan Consistency*... Page 7
- *California Supreme Court Takes Two New Cases*..... Page 8

NEWS: - *Cities Do Well In State Budget*..... Page 9
- *Rural areas fight for more AHSC money*..... Page 11

FROM THE BLOG:
- *Offsite CEQA Mitigations Do Not Require State Appropriations*..... Page18
- *Carson May Deny Mobile Home Subdivision Based on General Plan Consistency*... Page 19
- *California Supreme Court Takes Two New Cases*..... Page 21

OPR Releases Draft CEQA Guidelines Update

The Governor's Office of Planning and Research has released its Preliminary Discussion Draft of its updates to the guidelines for implementation of the California Environmental Quality Act. Notably, the draft proposes efficiency improvements including streamlined environmental checklists and enhanced exemptions for things like mixed-use projects near transit, substantive improvements to include energy impacts analysis and water supply impacts, and technical improvements including clarifying using projected future conditions as an environmental baseline. Notably, the draft does not include changes to transportation analysis including the "level of service" metric as required by SB 743 and will release that proposal separately. OPR is seeking comments on the draft until October 12, 2015.

Bay Area Counties Collaborate on Proposed Transportation Funding Tax Measure

A transportation advocacy group is asking residents of five Bay Area counties to approve a half-cent sales tax to raise $500 million a year for transportation improvements, marking the first time multiple counties may take a coordinated regional approach to asking voters to improve highways and transit systems. Carl Guardino, president of the Silicon Valley Leadership Group leading the charge, said that having all five counties of Santa Clara, San Mateo, Santa Cruz, San Francisco and Contra Costa vote in the November 2016 ballot cycle would facilitate regional improvements across counties. In order to be approved as a "special tax," however, the measures would face the difficult task of being approved by two-thirds of voters in each county. "The spending will be primarily focused on state highway system and picking up the ball the state has dropped," Steve Heminger, executive director of the Metropolitan Transportation Commission, told Reuters.

Downsized Salton Sea Restoration Plan Proposed

Officials with the Imperial Irrigation District have proposed a smaller plan for restoration of the Salton Sea, reducing the cost from $9 billion to $3.15 billion. That money, gained through mitigation funds from companies that emit greenhouse gases and from a $7.5 billion water bond, would fund new, shovel-ready projects and geothermal energy development around California's largest lake, which is dying due to diversions and drought. "It's a bargain compared to $9 billion, which everyone agrees has only served to impede any real discussion about what to do," Kevin Kelley, the Imperial Irrigation District's general manager, said at a board meeting. Specifically, the plan calls for $150 million in immediate funding from the $7.5 billion water bond as a stop-gap measure while local officials develop a long-term plan. That money would pay for pilot projects designed to cover parts of the lakebed with small pools, which would suppress dust and provide habitats for fish and birds. Once a prime destination for outdoor recreation, the sea has been shrinking for 12 years because of a massive rural-to-urban water transfer deal in 2003. The decline could become a public health and environmental disaster costing as much as $70 billion if nothing is done to slow sea's degradation, according to the Pacific Institute.

Ontario to Regain Control of Airport

A deal between the cities of Los Angeles and Ontario ends a dispute over the decline of LA/Ontario International Airport. Los Angeles Mayor Eric Garcetti and Ontario Mayor pro tem Alan Wapner announced the signing of a Settlement Agreement Term Sheet which will lead to the transfer of ownership of ONT to the Ontario International

– CONTINUED ON PAGE 3

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– CONTINUED FROM PAGE 2

Airport Authority subject to approvals. The City of Ontario will pay Los Angeles World Airports $190 million over 10 years and will assume all debts of the struggling airport. ONT has been drawing only around 4.5 million annual passengers as compared to its capacity of 10 million. In a joint statement issued at a news conference at ONT, Garcetti and Wapner said the Settlement Term Sheet adheres to the premise that Los Angeles and Los Angeles World Airports (LAWA) will be reimbursed to the extent needed to make them whole regarding investments they have made in ONT, while providing job protection to the airport's current employees. Along form settlement agreement consistent with the initial term sheet will be prepared within 60-days. A formal approval process is expected to begin in October 2015, with the entire process, including FAA approval, expected to be completed within one year. Ontario has long claimed that local control will enable it to promote more flights and make the airport a greater economic force in the Inland Empire.

Alameda County Explores Sale of Stadium Complex

Public officials in Alameda County have expressed interest in selling to the City of Oakland their stake of the Coliseum complex, which houses three professional sports teams and is estimated to be worth hundreds of millions of dollars. Citing a yearly loss of money along with confusing negotiations to keep the three teams in the East Bay, County Supervisor Nate Miley said that it has been too difficult to negotiate a deal with the city, the county, three sports teams, and other entities. "So let's just get out of this and let the city negotiate whatever deals it wants," Miley told S.F. Gate. "Because, frankly, Oakland is going to benefit much more from this than the county." One major issue going forward will be how the city and county work out the $11 million of yearly debt that they have carried since the Coliseum was overhauled in the mid-1990s to lure back the Raiders from Los Angeles.

Cities Ask U.S. Supreme Court to Reconsider Plan to Save Santa Ana Sucker Fish

Two cities and ten water agencies have asked the Supreme Court to take up a case against a plan by the U.S. Fish and Wildlife Service to save the endangered Santa Ana sucker by designating critical habitats. The request comes on the heels of a Ninth Circuit Court ruling holding that federal agencies can unilaterally add land to Habitat Conservation Plans under the Endangered Species Act (see CP&DR coverage 29 June 2015). The cities and agencies argued that the designation would unfairly restrict water uses on the Santa Ana River, limiting the agencies' ability to recharge groundwater aquifers with captured runoff from rainstorms in those areas and flood control operations that affect more than 1 million Southern California residents. The designation of more than 9,000 acres of land -- particularly in the northern reaches in the 96-mile-long Santa Ana River watershed-- as critical habitat requires federal agencies such as the U.S. Army Corps of Engineers to consult with the Fish and Wildlife Service before they carry out, fund or authorize any local action that could destroy or alter the habitat's functionality. The Santa Ana sucker, a five-inch-long bottom-feeder, was listed as a threatened species in 2000, and since then it numbers have continued to decline because of diversions, dams, erosions, pollution, and species invasion. Opponents of the expanded HCP have said that the designation does little to help the sucker's complex life cycle.

Oakland Businesses Take Issue with Public Art Fee

A business group in Oakland filed a lawsuit against the city contesting a development fee used to fund public art. The City Council approved the fee in November 2014 to require developers of projects costing more than $200,000 either to install public art on site or to devote one percent of a commercial project's budget to public art and one-half percent for residential projects, with the ordinance stating that public art is "important for the vitality of the artist community as well as the quality of life for all Oakland residents." The two plaintiffs, the Business Industry Association of the Bay Area and Pacific Legal Foundation, called the fee unconstitutional, saying that the requirements violate the Fifth Amendment's prohibition against "uncompensated takings" because funding art has no connection to the effects of development. "I would interpret this lawsuit as a preemptive strike against the current administration, with the goal of preventing the upcoming development fees from being too onerous," Alex

– CONTINUED ON PAGE 4

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Ludlum, a land associate at Polaris Pacific who works with developers to identify building sites in Oakland, told the San Francisco Business Times.

Grand Jury Faults Kings Co. Supes for Rail Lawsuit

A grand jury criticized the Kings County Board of Supervisors for filing lawsuits against the state high-speed rail project, saying that supervisors should not have used public funding for litigation involving privately owned land that the state is seeking. In a 167-page report titled "The Train Has Already Left the Station," the jury questioned the expenditure of $150,000 in public funds on the battle, asserting that the rail line would not take any county-owned land except where it crosses public roads. County Supervisor Doug Verboon said the county elected to fight the project when the state in 2011 refused to provide a detailed plan for taking property, choosing to put the line through the middle of farm fields rather than along existing highways. The county is involved in two lawsuits: one saiys that the state will fail to comply with a 2008 bond act requiring the system to operate without subsidies, while the other asserts that the project failed to comply with California's Environmental Quality Act.

Los Angeles Considers New Seismic Regulations

Developers in Los Angeles will face more extensive scrutiny if they decide to build near earthquake faults under new rules in Los Angeles. The Westside, the South Bay, and northeast Los Angeles will be the three main areas covered by new scrutiny under a program advanced by Mayor Eric Garcetti. While state law generally says that constructions within about 500 feet of faults zoned by the state require extensive studies, decades of budget cuts have delayed the state's mapping of crucial fault zones in Los Angeles. A Los Angeles Times 2013 investigation found that Los Angeles officials approved more than a dozen construction projects on or near well-known faults without requiring seismic studies because the state had not mapped out the area.

Sacramento Arena Secures Financing; Soccer Stadium Proposed

Sacramento's basketball and soccer stadium proposals are making waves as they seek expansions in the city. The Kings and the Republic Football Club have joined forces for a social media campaign dubbed "Fix My Ride 916" to encourage the Sacramento Regional Transit District to implement a stronger transit system by October 2016, when a new downtown arena is scheduled to open. The campaign comes in the wake of another big gain for the Kings as the city of Sacramento officially became a partner in the construction of a new arena, closing on a short-term $300 million bond sale and eventually contributing $255 million to the arena. Additionally, as a part of Mayor Kevin Johnson's effort to show Major League Soccer that Sacramento is ready to join its ranks, Sacramento Republic Football Club is seeking fan input on design and entertainment ideas for a proposed stadium in the downtown railyard. The railyard was once considered as a site for the basketball arena. "This vital feedback from the community will not only assist us in the design of the stadium but also garner ideas on how it will serve as a catalyst towards our goal of making Sacramento a better place to work, live and play," Republic FC team president Warren Smith said in a statement ■

legal digest

Nice Try, Cal State – But CEQA Mitigations Don't Require State Appropriations

BY WILLIAM FULTON

The California Supreme Court's recent ruling in a CEQA case involving San Diego State lays down an important marker: State agencies can't claim that a mitigation measure is infeasible just because they didn't get a legislative appropriation to pay for it. It's the second time the Supreme Court has rejected an argument by Cal State that fiscal considerations under state law should trump CEQA.

The Cal State Board of Trustees had tried to argue that they didn't have to pay for offsite mitigations for expansion of San Diego State University under the California Environmental Quality Act because the legislature had not specifically authorized the money to pay for those mitigations. But a unanimous Supreme Court rejected the argument.

To do so, write Justice Pamela Werdergar for the Supreme Court, would put the legislature in the position of serving as lead agency on every CEQA-related project undertaken by any state agency – essentially determining which mitigations to pay for and when a statement of overriding considerations is justified. "[S]uch a holding would logically apply to all state agencies, thus in effect forcing the Legislature to sit as a standing environmental review board to decide on a case-by-case basis whether state agencies' projects will proceed despite unmitigated off-site environmental effects," Werdegar wrote.

She added: "Yet CEQA has never been applied in this manner, and nothing in its language or history suggest it should be so applied. CEQA requires not the Legislature but the responsible agency to determine whether and how a project's effects can feasibly be mitigated."

The ruling in *City of San Diego v. Board of Trustees of the California State University* turned on Cal State's argument that dictum in the Supreme Court's 2006 ruling in a similar case, *City of Marina v. Board of Trustees of California State University*, 39 Cal.4th 341. In that case – also written by Werdegar -- the Supreme Court rejected Cal State's argument that paying for offsite mitigation constituted an unlawful assessment or a gift of public funds.

However, the Marina case also included dictum – that is, a discussion not directly relevant to the case's outcome – that stated: "[A] state agency's power to mitigate its project's effects through voluntary mitigation payments is ultimately subject to legislative control; if the Legislature does not appropriate the money, the power does not exist." The dictum served as the crux of Cal State's argument that it should not be required to pay for offsite mitigations associated with the expansion of San Diego State.

In the City of San Diego ruling on Tuesday, Werdegar characterized her dictum in Marina as "simply an overstatement" and gave several reasons why it should not apply in the San Diego case.

First, she said, paying for mitigation with appropriated funds is not the only alternative available to Cal State in dealing with the CEQA mitigation issues associated with the expansion of San Diego State. Other alternatives

– CONTINUED ON PAGE 6

>>> Nice Try, Cal State – But CEQA Mitigations Don't Require State Appropriations

– CONTINUED FROM PAGE 5

include "adopting changes to proposed projects, imposing conditions on their approval, adopting plans or ordinances to control a broad range of projects, and choosing alternative projects."

In addition, she noted, Cal State has considerable discretion over how to use other funds besides those appropriated by the legislature – and five of the six construction projects contemplated under San Diego State's expansion plan are not paid for by legislative appropriations. "The Board's power to participate in such projects logically embraces the power to ensure that mitigation costs attributable to those projects are included in the projects' budgets," she wrote.

"Neither CEQA itself, Marina, nor any other decision suggests that mitigation costs for propjects funded by the Legislature cannot appropriatedly be included in the project's budget and for with the funds appropriated for the project." Doing so, she added, "would appear to represent the most natural interpretation of CEQA."

She also rejected Cal State's arguments that (1) mitigations can be paid for only with funds appropriated specifically for mitigation; and (2) there is a difference between off-site mitigations and on-site mitigations.

Adopting Cal State's argument, Justice Werdegar suggested, have the effect of "forcing the Legislature to sit as a standing environmental review board to decide on a case-by-case basis whether state agencies' projects will proceed despite unmitigated off-site environmental effects."

Cal State also argued, essentially, that recent changes to the Education Code incorporate the Marina ruling and therefore trump CEQA. Werdegar rejected this argument as well, noting that Education Code Section 67504, amended in 2009, simply refers to Marina and states that it is the intent of the legislature that Cal State "take steps to reach agreements with local public agencies regarding the mitigation of off-campus impacts related to campus growth and development

The Case:

City of San Diego v. Board of Trustees of the California State University, No. S199557 (Filed August 3, 2015)

The Lawyers:

For City of San Diego (plaintiff and appellant), Christine M. Leone, Deputy City Attorney, leonec@sandiego.gov

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Carson May Deny Mobile Home Subdivision Based on General Plan Inconsistency, Court Rules

BY WILLIAM FULTON

In a split decision, the Second District Court of Appeal has ruled that the City of Carson acted properly in denying the subdivision of a mobile home park because this change in ownership structure was inconsistent with the general plan by placing at risk wetlands within the park, which were reclaimed from contaminated oil friends and are called out in the open space element of the city's general plan.

The Second District's ruling in *Carson Harbor Village v. City of Carson* is the latest ruling in the lengthy litigation between the mobile home park and the city over whether to permit the mobile home park to subdivide its property and require mobile home tenants to own their individual lots. Mobile home residents typical own the mobile home but rent the property on which it sits, which is often subject to a municipal rent control ordinance. Mobile home park owners have fought back using a wide variety of tactics, including the proposed subdivision of their property.

In a previous unpublished decision, *Carson Harbor Vill., Ltd. v. City of Carson* (Apr. 30, 2010, B211777), the Second District ruled that the city could not deny the mobile home subdivision based on inconsistency with the general plan. However, in 2012 the California Supreme Court ruled in *Pacific Palisades Bowl Mobile Estates, LLC v. City of Los Angeles,* 55 Cal.4th 783, that mobile home subdivisions are subject to both the Coastal Act and the Mello Act. The Second District reversed its earlier decision based on the Supreme Court's ruling in *Pacific Palisades.*

The crux of the Second District's revised ruling was that the open space element of the Carson general plan is analogous to the Coastal Act and the Mello Act.

"The policy concerns that underlie the open space element are strikingly similar to those of the Coastal Act that the *Pacific Palisades* court found so persuasive," wrote Justice Laurence Rubin for the majority. "In the Coastal Act, the Legislature declared that the coastal zone was a 'paramount concern' whose protection was 'necessary' to protect a valuable resource that was 'essential' to the economic and social well-being of Californians. (Pub. Resources Code, § 30001, subds. (a) & (d); *Pacific Palisades, supra,* 55 Cal.4th at pp. 794, 804.) Likewise, the Legislature found that the open space elements law was 'necessary' to maintain the economy and to assure the availability of land for agriculture, recreation, and scenic beauty."

The park owners argued that the general plan consistently requirement was overridden by the state's Mobilehome Park Residents' Ownership program law, which seeks to simplify the subdivision process and provide financing options that will protect tenants from displacement. "Although the park relies on the availability of MPROP public financing to show that its proposed subdivision will not displace tenants, that act requires compliance with local plans and zoning laws as a prerequisite to funding," Rubin wrote.

At issue in the case is 17 acres of wetlands located on the 70-acre property, which is identified in the general plan as the only open space in the City of Carson. To stem leakage from former oil wells within the wetlands the mobile home park settled a lawsuit in the 1990s by agreeing to maintain the wetlands in perpetuity. The city contended that the change in ownership would place the wetlands and their maintenance at risk. The Second District's main conclusion is that the park owners did not discuss this issue and "therefore we deem it waived".

However, perhaps anticipating an appeal to the California Supreme Court, the majority provided an alternative rationale. Relying on a somewhat similar situation in *Dunex, Inc. v. City of Oceanside* (2013), 218 Cal.App.4th 1158, the Second District concluded that substantial evidence does exist suggesting that ongoing maintenance on the wetlands would be placed at risk. Although the homeowners association would be obligated to take on the maintenance and annual reporting on the condition of the wetland, park residents noted

– CONTINUED ON PAGE 8

>>> Carson May Deny Mobile Home Subdivision Based on General Plan Inconsistency, Court Rules

– CONTINUED FROM PAGE 7

in administrative hearings that 65% of them were low-income and had neither the technical expertise nor the financial wherewithal to take this obligation on.

"Combined with the facts that the wetlands is the only open space in the City and is home to federally protected wildlife, questions concerning the residents' willingness and ability to tend to this important natural resource supports the City's findings that the proposed mobilehome park conversion was inconsistent with the open space element of its general plan and would likely cause substantial environmental damage or substantially injure that habitat and the creatures living there," Justice Rubin wrote.

In a separate opinion, Presiding Justice Tricia Bigelow agreed that the city has the legal right to deny the subdivision based on inconsistency with the general plan, but she disagreed with the conclusion that substantial evidence exists in the record. Estimating that the cost of maintaining the wetlands would be $10 per lot per month, she concluded: " The change in identity of the owner of the property, which is all that is truly at issue here, has not been shown to pose a danger to the lake."

The Case:

Carson Harbor Village v. City of Carson, No. B 250111.

The Lawyers:

For City of Carson, Sunny K. Soltani, Aleshire & Wynder, ssoltani@awattorneys.com

For Richard H. Close, Gilchrist & Rutter, rclose@gilchristrutter.com ■

Cal Supremes Agree to Hear Banning, Newhall Ranch Cases

BY WILLIAM FULTON

The California Supreme Court has agreed to hear two important planning and development cases – one involving Banning Ranch in Newport Beach and one involving the seemingly endless Newhall Ranch project.

In *Banning Ranch Conservancy v. City of Newport Beach*, the Fourth District Court of Appeal overturned trial judge's ruling and ruled that Newport Beach's "approval" of the Banning Ranch project had not violated the California Environmental Quality Act, even though the city had not dealt with specific mitigations. The ruling was based in large part on the fact that Newport Beach's Coastal Land Use Plan specifically excludes Banning Ranch, meaning final authority for approval of the Banning Ranch project lies with the Coastal Commission, not the city.

Meanwhile, *Friends of the Santa Clara River v. County of Los Angeles (Newhall Land & Farming)*, is one of several cases in which environmentalists in the Santa Clarita Valley are challenging Newhall Land & Farming's plans to develop Newhall Ranch. In an unpublished ruling in April, the Second District Court of Appeal affirmed a trial court ruling upholding L.A. County's certification of the final environmental impact report for phase one of the project, known as Landmark Village. Many of the issues in the EIR revolve around water supply – a longstanding point of contention between Newhall and environmentalists ■

2016 Budget Holds Steady Course

BY JOSH STEPHENS

With the state no longer in the dire financial circumstances that it endured several years ago, this year's budget process was, by some measures, less tense than it has been in years past. Presented in January, revised in May, and approved June 15, the budget totals approximately $123 billion, including about $5 billion from reserve funds. The details are being negotiated in a series of trailer bills that are pending.

Money from the state cap-and-trade program is expected to reach $2.5 billion, with $400 million allocated to the Affordable Housing and Sustainable Communities program.

"For the most part, the budget was really good to local agencies," said Dan Carrigg, Sr. Director Legislative Affairs for the League of California Cities. "We don't have these wild budget deficits. Just having stability at the state level... even if local governments don't get a dime, that's positive. When the state is unstable, it just ripples out negatively to others."

While many planners are focused on monies coming from the state's cap-and-trade fund, the budget includes an array of funding measures that support planning, transportation, environmental protection and other categories related to land use. It also includes some controversial exemptions to the California Environmental Quality Act.

Funding includes the following:

Drought Response

Beyond what the state has already spent on drought response, the budget includes an additional $1.8 billion of one-time resources to continue the state's response to drought impacts. The funds will protect and expand local water supplies, conserve water and respond to emergency conditions. $1.5 billion of these funds will come from Proposition 1 bonds. Including last year's expenditures, total spending on the drought will amount to $3.7 billion. The budget includes CEQA streamlining for some water recycling pipeline projects for up to 18 months.

Transportation

Funding for departments and programs under the umbrella of the State Transportation Agency increases $1.9 billion, or 11.8 percent, over last year for a total of $17.6 billion in 2015-16. The Department of Transportation (Caltrans) will receive the largest share, $10.5 billion. $2.8 billion will go to the High-Speed Rail Authority, $2.4 billion to the Highway Patrol, $1.1 billion to the Dept. of Motor Vehicles, and $588 million for transit assistance.

This mix has draw criticism from several sources. The League of California Cities has contended that the budget favors the state highway system whereas local jurisdictions need assistance with local street systems.

Cap-and-Trade/Greenhouse Gas Reduction

Pursuant to Assembly Bill 862, the law governing the state's cap-and-trade system, the Budget includes 60 percent of 2015-16 auction proceeds to public transit, affordable housing, sustainable communities, and high-speed rail. Auction revenues are projected to exceed $2.5 billion this year, roughly double what they brought in the previous year. The governor and legislature are continuing to negotiate over the unallocated 40 percent.

Proposed cap-and-trade allocations related to land use include:

- $400 million for the Affordable Housing and Sustainable Communities Grant program
- $350 million for low-carbon transportation programs
- $365 million for transit
- $500 million for High-Speed Rail
- $65 million for the Department of Fish and Wildlife for wetlands and watershed restoration, of which $40 million will be dedicated to Delta wetland restoration projects
- $92 million for fire prevention and urban forestry projects

"We're really excited to see that the budget doubles the overall funding allocated to the Greenhouse Gas Reduction Fund," said Shannon Tracey, communications director with TransForm, a transportation advocacy group. "It's exciting to see that money go out and know that there's twice as much

– CONTINUED ON PAGE 10

>>> 2016 Budget Holds Steady Course

– CONTINUED FROM PAGE 9

money going to the AHSC program, as we had anticipated. That's really good news for affordable housing, public transportation, and sustainable communities."

Natural Resources Agency

The Natural Resources Agency consists of 26 departments, boards, commissions, and conservancies responsible for administering programs to conserve, protect, restore, and enhance the natural, historical, and cultural resources of California. The Budget includes total funding of $8.8 billion ($3 billion General Fund) for all programs included in this Agency.

The budget includes an array of funding measures that support planning, transportation, environmental protection and other categories related to land use. It also includes some controversial exemptions to the California Environmental Quality Act.

CEQA Exemptions

The budget includes two trailer bills that may expedite development of major, and controversial, projects in Los Angeles and San Francisco. Following a 2011 law that allows for the relaxation of California Environmental Quality review for projects costing more than $100 million and that include environmental mitigation measures, Brown fast-tracked the proposed Golden State Warriors basketball arena and a pair of 16-story mixed-use towers in Hollywood. The move means that courts may take no longer than 175 days to decided challenges; lawsuits start in the court of appeal so as to receive judgment without protracted rounds of appeals.

Local Government Finance

The budget includes several measures relating to government finance, some of which are included in AB 113.

The budget ends "negative bailout," for an estimated $6.9 million in savings to the state, by which the state had backfilled counties' health and welfare costs that had been affected by Proposition 13. It includes $24 million in debt forgiveness to four new Riverside County cities, including Jurupa Valley (see CP&DR coverage) that owe the county for public safety services; the forgiveness acknowledges that these cities, being new, were unable to participate in the Vehicle License Fee Swap mechanism. Finally, it makes adjustments to Educational Revenue Augmentation funds in San Benito County and Santa Clara County.

Proposition 1 (Water Bond)

$532 has been allocated for Proposition 1, a multi-year water bond. Of that, $177 million will go to watershed projection and restoration. The Department of Fish and Wildlife and the Wildlife Conservation Board will conduct the projects.

Resources and Contacts

California State Budget Website http://www.ebudget.ca.gov/

Budget Trailer Bills http://www.dof.ca.gov/budgeting/trailer_bill_language/

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Trailer Bill Could Cost Cities $800 Million in Redevelopment-Related Funds

BY JOSH STEPHENS

Just when cities thought it was safe to sign on to notices of completion and put their long redevelopment nightmares behind them, a newly proposed bill yet again has put cities at odds with the state.

In the four years since Gov. Jerry Brown ordered the dissolution of the state's nearly 400 redevelopment agencies, a series of laws and court cases –principally revolving around the 2012 law AB 1484 has resulted in a complex but, for the most part, manageable system by which cities dispose of properties and settle their accounts with the state Department of Finance (DOF). This has meant that DOF takes possession of properties and funds formerly held by redevelopment agencies while DOF reimburses cities for debts owed to them by their former redevelopment agencies and/or pays cities for certain expenses incurred in the dissolution process.

DOF and cities must agree to Findings of Completion before properties may be disposed of and cities receive their reimbursements. To avoid endless bickering over who is owed what, FOC's provide cities and DOF incentive to arrive at negotiated agreements so that cities can receive their rightful reimbursements in a timely manner.

Thus, the disposal process comes with both incentives (the promise of payments) and penalties (the prospective of ceding certain assets) for cities. Currently, loans can be reinstated with oversight board approval once a successor agency receives a finding of completion. They can be repaid pursuant to a slow repayment schedule under a formula in the statute. It means that cities could recover funds they had provided to support redevelopment projects.

Assembly Bill 113, a budget trailer bill introduced by the Assembly Committee on Budget, would, according to some cities, reduce those incentives considerably. AB 113 would effectively amend AB 1484, the 2012 law governing the dissolution process, so that DOF would no longer have to reimburse cities for loans made to redevelopment agencies.

Among the bill's many provisions, several have cities particularly concerned:

Currently, DOF typically repays loans that cities made to their redevelopment agencies, which was permitted under redevelopment law. AB 113 would change the definition of a loan such that cities might not get repaid, according to city representatives.

Altering the way interests rates for such loans are calculated, potentially reducing them considerably as compared to the agreed-upon rates at loans' inception.

Restricting cities' abilities to seek reimbursement for legal fees incurred during disputes with DOF.

The bill came about because of holes in AB 1484, which does not address many points of contention regarding loans.

"There really wasn't a regulatory framework provided," according to Dan Carrigg, legislative director at the League of California Cities.

Attorney Susan Bloch, with Burke, Williams, and Sorensen, said that DOF has at times tried to characterize redevelopment agency obligations to repay city advances of funds for public improvements as "reimbursement obligations" rather than as "loan repayment" obligations. Cities have argued against this sort of designation in court.

Such disputes have been settled in a specially designated Sacramento Superior Court. Some decisions have favored the state, while others have favored cities.

Bloch represented Watsonville a suit in which redevelopment funds used for a civic center and library were at issue. Watsonville prevailed in that suit, thus setting precedent for DOF to repay loans.

Bloch also successfully represented the City of Glendale in a dispute over interest rates.

Glendale's win ensured that DOF would reimburse it according to a higher interest rate than DOF wanted to pay. AB 113 would enshrine the lower interest rate.

"The Department's position would mean that this historically low interest rate would be used to recalculate interest that has accumulated since origination of the loans and also would be locked-in for the duration of the lengthy

– CONTINUED ON PAGE 12

>>> Trailer Bill Could Cost Cities $800 Million in Redevelopment-Related Funds

– CONTINUED FROM PAGE 11

loan repayment schedule required under the statute," said Bloch.

Bloch said that DOF has said it is willing to abide by a 3 percent interest rate. "Three percent of nothing is nothing," she said.

"The courts in these instances have sided with interpretations that benefit local agencies," said Carrigg. "The harmful parts of this bill are trying to undo those two court cases ."

AB 113 would effectively amend AB 1484, the 2012 law governing the dissolution process, so that DOF would no longer have to reimburse cities for loans made to redevelopment agencies.

DOF's motivation for advancing the bill reportedly revolves around "streamlining" the disposal process. Cities claim that the bill could cost them a collective $800 million — much of which would go into state coffers – Carrigg said.

"Some have represented the bill as streamlining. We would not consider this streamlining," said Carrigg. "We believe the goalposts are being moved."

Carrigg said that the state may be acting like a sore loser in trying to use legislation to overrule unfavorable court decisions.

"There have been many instances in which local governments when to the courts and the judge has sided with the DOF's perspectives and...the affected local agencies had to live with those decisions," said Carrigg. "We think it's only right when judges make decisions...in a way that a state agency doesn't like that they should also respect that process."

DOF representatives were not available for comment as of press time.

A June 1 letter from Assemblymember Shirley Weber, chair of the Assembly Budget Committee, sent to Sen. Mark Leno, chair of the Senate Budget and Fiscal Review Committee, outlines these concerns. It was signed by 20 other legislators. A July 22 memo from Carrigg, lists roughly 100 cities that have sent letters of opposition to the League.

Carrigg said that not everything in AB 113, which spans over 100 pages, is objectionable to cities, and some are downright appealing. The bill includes a provision to extend the interval for making Recognized Obligation Payment Schedule from six months to one year. (Preparing a ROPS every six month has been a major task for successor agencies.) It also includes benefits for several jurisdictions, including San Francisco, Santa Clara County, and San Benito County. Carrigg said that some counties support AB 113 in part because they tend not to have outstanding loans to redevelopment agencies and therefore aren't affected by the provisions that concern cities.

"It has certainly added to the confusion as well as the divisive climate," said Carrigg.

Contacts and Resources

Assembly Bill 113

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB113

Redevelopment Cleanup Bill Sparks Relief, Outrage Among Cities

http://www.cp-dr.com/node/3237

More Than 40 Redevelopment Lawsuits Filed Against DOF

http://www.cp-dr.com/node/3337

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>>> Post-Redevelopment Real Estate Is, Oddly, Not a Land-Office Business

– CONTINUED FROM PAGE 1

both by the successor agency's oversight board and by DOF.

Redevelopment agencies spent the better part of three years battling DOF over their ROPS, or Recognized Obligation Payment Schedules, essentially defending their rights to finish pending redevelopment projects. Now that the ROPS situation has stabilized somewhat, the post-redevelopment establishment is now focused on the LRPMPs.

Successor agencies are moving slowly to put real estate on the market, in part because both successor agencies and DOF are just now getting around to dealing with Long-Range Property Management Plan

A report in mid-June showed that 232 such plans had been approved, representing 60% of all successor agencies that still have property. A further 86 had been submitted to DOF but the state's review had not yet been completed.

Justin Howard, chief of the DOF unit that oversees the dissolution process, noted a huge diversity among the LRPMP plans. Some cover only a single property; others address "hundreds" in various agencies, and he said "sometimes these are very weird and unique parcels." Many, he said, had been left in redevelopment ownership in hopes that future planners could "cobble them together with adjacent parcels" usefully.

Generally, however, it is not clear just how much land will be disposed of – nor how valuable it is. There is no central, publicly available resource that non-specialists can use to learn what is happening to ex-redevelopment properties overall, either as aggregate statistics for policy use or in the form of listings on individual properties. The information isn't missing. Much of it is posted on the DOF Web site and successor agencies' sites. It's just not organized to enable systematic search or review.

"We do not have an aggregate number for how they're disposing of their properties," said Howard, though he said he "wouldn't be surprised if someone out there is working at it." Some consulting firms that focus on assisting successor agencies do appear to be tracking the situation closely.

And apart from public scrutiny of blockbuster projects like convention centers, there are surprisingly few signs of discussion or civic concern about the futures of former redevelopment properties. Post-redevelopment battles have been visible in the city of Oakland, with exceptionally well-informed activists fighting high-stakes gentrification battles. Elsewhere, not so much.

Four Permissible Disposition Scenarios

An LRPMP may assign a property to one of four permissible uses:

- Retention for governmental use, such as a park or a library;
- Retention to fulfill an enforceable obligation – meaning the successor agency must keep the property in order to complete a project approved by DOF on its ROPS;
- Retention for future development; and
- Designation for sale.

Howard said comparatively few parcels are in the first two categories. Many cities are seeking to retain key parcels for future development. But Susan Bloch of Burke, Williams and Sorensen said DOF has refused to approve LRPMPs unless they promise the local government will reach a compensation agreement with taxing entities. In addition, a redevelopment-style report and hearing process is required. Burke, Williams posted a detailed analysis of SB 470 and of the SB 341 requirements on housing properties in late 2013. Bloch said recently that some cities do not believe DOF has statutory authority to impose this requirement. Her firm is representing the City of Emeryville in ongoing litigation on

– CONTINUED ON PAGE 14

>>> Post-Redevelopment Real Estate Is, Oddly, Not a Land-Office Business

– CONTINUED FROM PAGE 13

this issue. AB 113, the pending budget trailer bill, meanwhile proposed to settle that argument by spelling out a compensation agreement requirement in the statute.

If a property is designated for sale, the price must be agreed upon by all the taxing entities, but "value" can be interpreted a number of ways. For example, Matthews said some jurisdictions might take a lower price up front in return for a buyer's commitment to invest in a property, raising tax revenues in the long run, while others might just list properties on a real estate site to dispose of them quickly.

Generally, however, it is not clear just how much land will be disposed of – nor how valuable it is

While successor agencies must sell properties for returns that satisfy local taxing entities, Michael Lane of the Non-Profit Housing Association of Northern California (NPH) said that would not preclude a jurisdiction from requiring community benefits as a condition of sale or some other form of developer agreement. Zoning can also be used to control the terms of a market-rate sale.

Successor agencies that are already placing properties on the market include Long Beach, Sacramento, and Los Angeles. Others will follow soon.

While some cities are still struggling with how to announce properties' availability, or how to find money to market them, Long Beach got an early start in March by holding a publicized downtown event, in the nature of an open house, to showcase an initial collection of properties up for sale. Downtown Long Beach Associates, the local business improvement district, group reported strong interest from developers and investors.

The first six Long Beach RFPs for post-redevelopment properties are now listed among other bid opportunities on the city's PlanetBids account, reachable through its procurement Web site at http://purchasing.longbeach.gov. Long Beach's Michael Conway wrote that the RFP process placed "a focus more on use of the property rather than the buyer," and "these sales might not be a market value, but somewhat underwritten in order to achieve preferred uses."

For example, a vacant lot at the corner of Walnut Avenue and East Anaheim Street is up for bids serving a stated purpose "to re-direct and concentrate commercial facilities in significant centers and along major arterial corridors, while accommodating residential needs and preserving and rehabilitating existing neighborhoods."

A recent *L.A.Times* writeup of parcels newly offered for sale by the city of Los Angeles provided a few examples of such odd bits. Highlighted difficult properties included "the corner of a sidewalk" and a property under a school that "has an ironclad deal to remain there rent-free for eight decades."

Relatively few proposed dispositions have created controversy. One, however, is the "12th Street Remainder Parcel" near Lake Merritt -- it's the subject of Oakland's most celebrated current post-redevelopment dispute. This summer, housing activism and investigative news reports forced Oakland to call off the sale to a market-rate developer and to offer it for affordable housing use. The change in plans followed an *East Bay Express* report that the City Attorney had interpreted the state Surplus Lands Act as requiring the property to be offered first for affordable housing.

The city of Santa Clara provides a different example of a neighborhood land use dispute that was nearing resolution when redevelopment dissolution threw a deep wrinkle into it -- though, again, the property did not end up under an LRPMP. The Bay Area Research and Extension Center (BAREC), a university agricultural station near the Valley Fair mall, was declared state surplus in 2001. Plans to divide the 17-acre parcel between single-family homes and subsidized seniors' housing were stalled first by

– CONTINUED ON PAGE 15

>>> Post-Redevelopment Real Estate Is, Oddly, Not a Land-Office Business

– CONTINUED FROM PAGE 14

neighborhood and environmental opposition, and then by the local redevelopment agency's demise. The market-rate houses are now built but the parcel for the senior housing project is still going through a renewed RFP process amid a continuing campaign to keep part of the land agricultural.

No Central Tracking

Matthews expressed surprise that housing organizations had not been more active in tracking and calling attention to housing possibilities -- not in order to make things difficult for cities but to raise awareness of what is available. She wrote in confirming this comment: "Yes, how do we take what has happened and turn it into a positive? There are some opportunities out there!"

SB 341 requires successor agencies to discuss the former redevelopment agency "housing assets," including real estate, that were transferred by law to successor housing entities. But the SB 341 reports are not even provided together online as the LRPMPs are. Matthews suggested more public data may be aggregated when the local oversight boards' functions are centralized by county under Health & Safety Code Sec. 34179, whose transition date was optimistically set for July 1, 2016.

A couple of publicly available reports exist in the Bay Area, one on potential transit-oriented development sites and another inventorying public lands in Oakland, but they appear to have few counterparts.

A couple of publicly available reports exist in the Bay Area, one on potential transit-oriented development sites and another inventorying public lands in Oakland, but they appear to have few counterparts.

The first is an inventory of Oakland public lands by Carline Au, currently an associate with Strategic Economics, Inc. Prepared as an academic paper in the UC-Berkeley planning M.A. program, her report analyzes 2,400 Oakland public properties in 15 different categories, including assets of the post-redevelopment successor agency. Au calls on the city of Oakland to adopt a coordinated public lands policy as a strategy against displacement by gentrification. Her report is available from the Academia.edu Web site with free registration. The other Bay Area report is "Untapped Resources: Potential Bay Area Sites for Transit-Oriented Development," by NPH. The report's lead authors are Lane and Libby Seifel of Seifel Consulting, Inc., which works on post-redevelopment issues. The Great Communities Collaborative, housed at the San Francisco Foundation, supported the project. The report provides a selective catalog of properties with potential for transit-oriented development, including affordable housing, that appear on Long-Range Property Management Plans.

Said Lane: "The idea is wherever we can find these additional parcels is an opportunity for advocacy." Most such properties were still in the administrative process and had not yet been sold but he said "we expect that to pick up this year" and that DOF would probably be issuing findings of completion for most remaining successor agencies ■

insight WILLIAM FULTON

>>> Can Mobility 2035 Be All Things To All People?

– CONTINUED FROM PAGE 1

ask his fellow retailers along Pico and Olympic whether they think this is a good idea. But his general sentiment shows how tough it's going to be for Garcetti to actually turn Mobility 2035 into reality. L.A. is such an auto-oriented city – and people are so used to driving everywhere – that any proposal to focus on anything other than cars is sure to meet opposition. Actually, that's not true – L.A. voters now have a 35-year history of supporting transit projects, mostly because they hope other people will ride transit so they can drive in free-flowing traffic.

But a focus on bicycling and walking – which requires giving up traffic lanes to bikes and slowing down traffic for cars – is definitely a battle in a place like L.A. How Garcetti goes about actually trying to implement it will be instructive for other large auto-oriented cities, in California and elsewhere.

Mobility 2035 is actually a pretty clever marketing effort. Apparently it's intended to be a part of the general plan's mobility element. In fact, however, it's more like a "strategy" – a broad-strokes document that lays out a direction. It's got a lot of flashy graphics about things like the vehicle speed at which most pedestrians die if they are struck (40 miles per hour), and the average cost of a car for the average family (over $9,000). There's a colorful timeline of L.A.'s transportation history dating back to 1850, clearly designed to remind everyone that there's more to the story than cars.

The direction is not exactly revolutionary, even for L.A., but it is pretty noteworthy in the way it approaches biking and walking. Significantly, it sets a goal of "no net increase" for per-capita vehicle miles traveled from 2013 onward. This is pretty big, because although the Southern California Association of Governments and other metropolitan planning organizations must set per-capita VMT reduction targets under SB 375, those targets are supposed to occur in the out year of 2020 – not now.

But the guts of the plan call for, if you're pardon the expression, all the usual stuff. It calls for a significant increase in Measure R funds dedicated to "active transportation". It calls for a strengthening of the first mile-last mile connections – a huge problem in L.A. in particular, where dense neighborhoods are not always adjacent to good transit. It calls upon the city to complete a big chunk of the so-called "Transit-Enhanced Network" – a set of corridors that have everything transportation bell-and-whistle you can imagine – every year.

The plan also calls for an unspecified number of "PEDs" – "Pedestrian-Enhanced Districts," or places where you put in all the bells and whistles for people who walk. This is a great idea – but it also highlights the basic dilemma of placemaking and transportation in Los Angeles.

You tend to think about cities as being *either* a linear auto-oriented city *or* a more pedestrian- and transit-focused city with centers. The thing about L.A. is that it's both. The prewar city – shaped primarily by the old red and yellow car systems – is a collection of small, old downtowns – maybe the best collection of downtowns anywhere in America. Most of them have been revitalized or gentrified in the last two decades – and some suburban-era centers such as Century City, Warner Center, and LAX have the potential to be significant pedestrian mixed-use centers as well. So, on some level, the challenge in L.A. – as everybody back to Calvin Hamilton 40 years ago has understood – has been to strengthen the centers and connect them via transit.

But L.A. is also a linear, auto-oriented city. Beneath the freeway system, and around the old downtowns, is a huge grid on the coastal plan and in the San Fernando Valley, most of which was developed before 1960. Along these corridors lies a major feature of the Los Angeles landscape: the endless commercial strip, with mile after mile of one-story retail buildings that back up to residential neighborhoods.

Obviously, any effort to connect the centers requires quick transportation in between – and with the exception of the Red Line, that transportation will be at grade-level. Which leads to the problem highlighted by the op-ed written by the cranky Santa Monica retailer: Anything that moves

– CONTINUED ON PAGE 17

insight WILLIAM FULTON

>>> Can Mobility 2035 Be All Things To All People?

– CONTINUED FROM PAGE 16

people along the corridors faster actually harms the businesses along the corridors and potentially harms the pedestrian environment as well.

Of course, corridor retail is going away in L.A. as it is elsewhere. But that doesn't especially help the problem because Los Angeles is aggressively replacing the corridor retail with high-density apartments – residential only, especially in mid-block. So a typical situation in L.A. is a long, long arterial street that simultaneously seeks to move auto traffic expeditiously, slow the traffic down, accommodate buses and bicycles, and accommodate pedestrians going to and from retail stores, offices, and residences along the corridor. No wonder there's always somebody who's against whatever the city wants to do.

Mobility 2035 sets a goal of "no net increase" for per-capita vehicle miles traveled in the City of Los Angeles from 2013 onward.

It's probable, of course, that most people will always drive most places in L.A. – as they will everywhere. The question is how to resolve the conflict between expanding capacity between the centers – and maintaining the arterial strips as places in their own right ■

Beating Boston At Its Own Games

Are there any two American cities more different from each other than Boston and Los Angeles? History vs. modernity, compactness vs. sprawl, chowder vs. kale, sun vs. snow, modesty vs. flash, intellect vs. entertainment.

Back in January, Boston beat out Los Angeles, San Francisco, and Washington, D.C., to become the United States Olympic Committee's official pick to bid for the 2024 Summer Olympics. Since then, civic leaders in Los Angles have been nearly salivating with every hint of disaffection on the part of the Beantown faithful. Concerns were legion: Boston doesn't have room; Boston's transit system can't handle the crowds; Boston doesn't have the facilities; Boston doesn't want to spend billions; Boston, to be characteristically blunt, has better things to do. Even Boston's hometown newspaper, the Globe, called the bid "improbable."

Boston bailed out July 27, with a Mayor Marty Walsh refusing to put taxpayer money at risk. Last week, all of two weeks after Boston's surrender, Los Angeles Mayor Eric Garcetti issued his first public statement about turning Boston's loss his city's gain, acknowledging "very positive discussions with the United States Olympic Committee" and claiming, "the LA Olympics would inspire the world and are right for our city." Garcetti's attitude thus adds to the list of distinctions between the two cities. Whereas Boston wants nothing to do with the world's premiere global event, Los Angeles considers it its birthright. According to one poll, an insane 81 percent of Angelenos support an Olympics bid. We are either supremely enthusiastic or supremely blasé.

(The group that backed the San Francisco bid is mildly interested in a joint bid but seems otherwise content to let L.A. do its thing.)

Los Angeles deservedly gets a lot of mileage out of its Olympic history. Both the 1932 games and 1984 games were rousing successes, the latter turning a small profit (as compared with billions, and tens of billions, spent in Beijing and Sochi). Of course, no one involved with the 1932 games is still around, but, amazingly, the most important venue is: the Los Angeles Memorial Coliseum. Los Angeles takes the Olympics in stride because, as an urban behemoth dedicated to spectacle, it needs hardly lay a single brick.

Garcetti's message to the USOC: "Want to have an Olympics here? No problem, let's check the calendar…"

By 2024, Los Angeles will have even more to offer the world, with miles of new light rail lines completed, more housing (we hope), more transportation options, and more vibrant neighborhoods. In fact, the development and planning efforts underway in Los Angeles constitute the best reasons not to seek the 2024 games.

I lived two years in Boston that were among the most miserable of my life. So, as a native Angeleno, I never thought I'd say this, but Los Angeles could stand to be more like Boston.

I don't mean that we should give up our pressed juice for Dunkin' Donuts or that we should start wearing boat shoes without socks. We could, however, stand to let some other city realize its Olympics dreams. As fun as the Olympics would be -- and there's no doubt that Los Angeles could pull it off well -- I think Los Angeles too has better things to do. In fact, we're already doing better things. Downtown and its surroundings are booming. Formerly anonymous neighborhoods, from Highland Park to Culver City, are on the rise. The City Council just adopted a revolutionary new mobility plan, and a revamp of the zoning code is underway. We have new museums and concert halls. We might have a river someday.

If you think about it, Los Angeles' build environment is becoming ever so slightly more similar to that of — wait for it — Boston.

Meanwhile, dire problems remain. We're short tens of thousands of housing units, with production only beginning to pick up. Gentrification is leading to displacement (anecdotally, at least). Traffic remains unbearable. LAUSD schools and others throughout the county remain shameful. Neighborhoods that were war zones in 1984 are more peaceful, but they're scarcely more healthy, with pollution and none of the Technicolor bounty of the farmers markets and Whole Foods that serve L.A.'s haves.

These positive developments, and these dire problems, all deserve our full attention, not just this year, but for many years to come.

I know the argument goes that an Olympics will be a catalytic event, bringing prosperity to the city. That's probably true for some Angelenos, but not for everyone. Ask residents of South Central, circa 1992, how much good

– CONTINUED ON PAGE 19

Beating Boston At Its Own Games

– CONTINUED FROM PAGE 18

the 1984 games did them. Ask the same of the aerospace workers whose plants closed and the generations of high school kids who have graduated hardly knowing how to write.

The fact is, Los Angeles needs to keep doing what its doing — and not distract itself with a global mega-event. (Interestingly, a private group is promoting an odd sort of transit-oriented world's fair for the early 2020s.)

We've proven that we can be our own catalysts: 2008's Measure R sales tax measure is having a bigger impact on the city than any sporting event could. We don't need stadiums around those new transit stops. We need housing. We need mobility hubs and wayfinding. We need thriving small businesses, not huge stadiums and not ads for corporate sponsors.

And, let's face it, the reason why Los Angeles *can* hold an Olympics is the very reason why it doesn't *need* to hold an Olympics: Los Angeles already knows how to amuse itself. We have two of pretty much everything, including big-time football teams (the kind that don't pay their players). As I've written before, Los Angeles can thrive without the NFL. We can thrive without an Olympics too. And if we want to "beat" Boston at something, we can't rely on the Lakers anymore – but we still have the Clippers.

In even my darkest days living in Boston, I could never deny the city's charms. Crooked streets, red bricks, wrought iron, leafy blocks, neighborhood pubs, and handsome public spaces are what cities are supposed to be about. It's no accident that Bostonians are willing to endure those awful winters. They're the types of places that many Southern Californians, trapped on freeways and consigned to strip malls, can't even imagine. Los Angeles could have its own versions of all of those delights. It just has to keep its eye on the ball.

– JOSH STEPHENS | AUGUST 12, 2015

Motion Picture Academy Lays An Egg on Wilshire Boulevard

The intersection of Wilshire Boulevard and Fairfax Boulevard is under an evil spell. Otherwise, I can't account for the two most questionable museum proposals to descend on the area formerly known as the Miracle Mile. Making those proposals even more surprising is that two architects responsible for two separate proposals – Renzo Piano and Peter Zumthor – are among the most gifted museum designers in the world.

Renzo Piano has a gift for conceiving museums and museum renovations that seem perfect for their sites. In San Francisco, the rolling roofline of his Academy of Science Museum in San Francisco, covered in a layer of green planting, has attracted new crowds to Golden Gate Park. His new Whitney Museum in New York, in contrast, manages to address the differing scales of surrounding buildings, while responding confidently to the tough urban texture of the surrounding industrial district. Piano was also responsible for a modest redesign of the existing LACMA campus, a new entrance sequence that began at the parking structure, rather than Wilshire Boulevard, which made long-familiar buildings and spaces seem new.

Yet the very same Piano is proposing a giant sphere for the Academy of Motion Picture Arts and Sciences. Sited to the immediate north of, and attached to, the landmark May Company building, the big ball looks like a golf ball with the bottom third sliced off. The top half of the sphere is glass, which will cover a dome-like ceiling. In fairness, it could be very impressive from the interior.

Globes, or at least domes, have captivated architects since Roman times. At the time of revolutionary France, the architect Boullee, who specialized in imaginary, impossible-to-build ideas, famously proposed an immense hollow globe as a monument to Isaac Newton. More recently, architect James Polshek designed a largely glass ball for the Apple store in Manhattan, which won wide attention for the local temple to i-Gadgetery.

If the spherical shape of the building has some art historical roots, why is this particular museum adopting it? Specifically, how does a sphere connote Hollywood movies? Does this shape allude to the bouncing ball we followed in movie sing-alongs of the 1940s? Or the spinning globe of the world that appeared at the beginning

– CONTINUED ON PAGE 20

Motion Picture Academy Lays An Egg on Wilshire Boulevard

– CONTINUED FROM PAGE 19

of movies from Universal Studios? No, it's the majestic ball of light that accompanies the arrival of the alien spacecraft in "Encounters of the Third Kind."

As if the sphere were not daring enough, the architect has proposed that the bulk of the ball is to be cantilevered outward from a skinny base, which makes the structure appear slightly absurd, like a hedgehog rearing back on its hind legs. (The massive overhang is not a pure cantilever, actually, because there is a single structural column beneath the ball, like the invincible arm of Mighty House holding the world. Actually, I suspect the sphere-plus-cantilever is a gimmick meant to suggest special effects and the suspension of disbelief. Still, the design seems forced and unintentionally funny, like an animated cartoon about an Airstream trailer that is filling full of water – the work no doubt of that rascally Roadrunner! – and seems ready to burst.

No doubt, Piano wants to open up some more sidewalk space for pedestrians, so visitors will be able to examine the architecture and make cooing noises at close range. Yet is the spectacular effect of the cantilever worth the brain damage in structural engineering? Is there an easier way to achieve the same goal?

The normally reliable architecture critic of the *Los Angeles Times*, Christopher Hawthorne, has suggested that further design is needed. That's a safe way to sidestep the issue.

City lovers seeking further frustration, meanwhile, can go next door to the Los Angeles County Museum of Art to check up on the latest iteration of the proposed redesign of that sprawling, multi-building institution.

As discussed in a previous post, LACMA would like to scrape nearly all the existing buildings that Piano was so careful to preserve in his redesign. Zumthor was chosen by LACMA chief executive Michael Govan to reconceive the entire museum as a single, sprawling structure. In the two earlier design phases, the architect created a squiggly, soft-edged footprint for LACMA inspired, perhaps by the ink-blotch outlines of the local tar pits.

The second iteration in particular worried me, because Zumthor proposed a second-story bridge crossing Wilshire Boulevard, apparently in the interest of creating an uninterrupted museum-going experience. From an architectural viewpoint, the bridge could be seen as a cool idea; from an urban design vantage, however, it's destructive. Much of the view of Wilshire Boulevard from this important intersection would be blotted out by a thick bar of black glass, resembling a black censor mark.

Version Three of the LACMA design introduces something like a row of seven self-contained pavilions, laid end to end like a row of dominoes. If I'm reading the plan correctly, the concept of self-contained galleries, while possibly more manageable from a curatorial standpoint than an endless ribbon of exhibition space, goes against the notion of a continuous path around the museum.

But abandoning the "endless" circulation scheme means, in part, that the rationale for the bridge across Wilshire Boulevard has also gone away. Yet the bridge survives in the third version of the LACMA design, even though the bridge has no programmatic reason to exist other than to trumpet the size and importance of this public museum. But is the museum so important that it should allowed to block the view of everything east of Fairfax on Wilshire Boulevard.

In Los Angeles, private developers often get cast in the role of insensitive city wreckers. In this case, a public arts institution is advocating an insensitive and irreversible of city killing, and using tax dollars toward that purpose. Exciting buildings, even great ones, don't make sense if the sense of urban coherence is damaged. But try to tell that to Govan, the self-appointed arbiter of taste who thinks that that the most important thoroughfare in Los Angeles is his own personal toy to play with and to break.

Los Angeles Mayor Eric Garcetti has already endorsed the bridge concept, with apparently little protest. Like I said, there's an evil spell on the place. When the spell wears off, however, Los Angeles residents may be dismayed by the results.

– MORRIS NEWMAN | AUGUST 21, 2015

Should Cap-And-Trade Program Rethink "Disadvantaged Communities"

On an unusually hot February afternoon in downtown Los Angeles, I conducted a field walk assessment to help a client identify potential sites for a bikeshare "mobility hub." Standing on a corner near the Convention Center, I noted that we were at the border between two Census tracts. Ordinarily, athis border wouldn't matter much—the neighborhood isn't discernibly different on one side or the other—but in this case, I was helping the client apply for a state grant program that gives special consideration to projects located in "disadvantaged communities."

If located on the south side of the street, the project would be located in a "disadvantaged" census tract, but not on the north side. "Well, let's clearly locate the hub on the south side," the client advised, with some incredulous laughter. Humorous as it may sound, this decision speaks to the serious policy weight—and dollars—the State of California has put behind the concept of "benefitting disadvantaged communities."

Given that discretionary grant programs worth hundreds of millions of dollars—from the Active Transportation Program established by SB 99 to the newly-minted Transit and Intercity Rail Program (TICRP) and Affordable Housing and Sustainable Communities (AHSC) program funded by cap-and-trade revenues—are using this policy framework to evaluate and fund projects, this concept deserves to be scrutinized more deeply than it has been to-date.

Nine years after the passage of AB 32, the Global Warming Solutions Act, the spigot of the State's cap-and-trade revenues has begun flowing in earnest, with the recent announcement of a combined $346 million in TICRP [https://www.cp-dr.com/node/3759] and AHSC [https://www.cp-dr.com/node/3751 discretionary grants. The first round of funding offers an opportunity for reflection. Which projects were funded? How well is cap-and-trade meeting its policy goals? How might the program guidelines be improved for the next round?

I assisted in writing a successful $38 million TICRP grant application to implement L.A. Metro's Willowbrook/Rosa Parks Station Area Master Plan and operational improvements on Metro's Blue Line. I also prepared two AHSC applications on behalf of local cities in Southern California that were unsuccessful.

While it is impossible to know the decisive factor(s) in the selection process, the success, and failure, of these various projects in securing grant funds is in all likelihood strongly tied to their location in a particular census tract.

SB 535 requires at least 25 percent of the state's cap-and-trade revenues to benefit "disadvantaged communities," [https://www.cp-dr.com/node/3616] the idea being to mitigate the impacts of pollution and global warming on the State's most vulnerable residents. As the environmental justice movement has long recognized, poor communities are often disproportionately impacted by health harms associated with the location of infrastructure, from freeways to power plants.

As well intentioned as SB 535's mandate is, it disregards some crucial nuances of the relationship between poor neighborhoods and poor people.

To define what a "disadvantaged community" is, the California Environmental Protection Agency's CalEnviroScreen 2.0 tool assigns a score to each of the state's 8,035 Census tracts, based on a combination of economic, demographic, and environmental factors, ranging from the straightforward (household median income) to the more obscure ("level of linguistic isolation"). Census tracts scoring in the highest quartile are assigned disadvantaged community—or "DAC"—status. DAC status results in preferential treatment during the grant application evaluation process. Given the intense competition for grant monies, an extra point attributable to DAC status can very well represent the difference between a funded and an unfunded project.

Perhaps the most troublesome application of DAC status is to the AHSC program. In the first round of funding this year, 77 percent of AHSC grants were located in DACs – 27 percentage points more than the AHSC guidelines called for, and 52 percentage points more than the 25 percent required under SB 535. All of the nine AHSC grants awarded within the City of Los Angeles are located in DACs; none west of the 405 Freeway. To its credit, the SGC did award 2 AHSC grants to affordable housing projects in the City of San Francisco that are not located in DACs.

Ironically, this preference threatens to further entrench geographic patterns of income inequality. It encourages the production of affordable housing in areas that are typically lower income – and therefore less expensive in the first place.

– CONTINUED ON PAGE 22

Should Cap-And-Trade Program Rethink "Disadvantaged Communities"

– CONTINUED FROM PAGE 21

Shouldn't the fundamental policy goal of AHSC be to encourage affordable housing in affluent, transit-adjacent communities? Wouldn't environmental justice be better served with affordable housing in places like West Los Angeles/Santa Monica where the Expo Line Phase II light rail line will be opening in Summer 2016? These communities are typically closest to employment centers where such housing is needed most.

"My objection is not SB 535's focus on disadvantaged communities in. But it has been applied with a broad brush, without common-sense regard to the differences among the 12 individual state programs funded by cap-and-trade revenues."

In future rounds, the SGC has the discretionary authority to revise downward its DAC goal for the AHSC program without running afoul of SB 535. The SGC should exercise that authority, and leave itself maximum flexibility to fund projects in locations with a diverse mix of socioeconomic profiles.

(Granted, the SGC cannot control what its pool of applicants looks like. Maybe the high concentration of AHSC-funded projects located in DACs is a product of the applicant pool rather than the evaluation policies set by SGC. But sometimes messaging is everything. The results of this first round send the unfortunate signal that if your project is not located in a DAC, it runs a lower chance of success.)

Support for such a policy reboot comes from one of the key findings in a recent Legislative Analyst's Office report on the housing affordability crisis in California. Coastal areas viewed as highly desirable places to live have chronically under-produced housing (at all income levels). The greatest need for affordable housing is therefore in areas that are not necessarily disadvantaged.

My objection is not SB 535's focus on disadvantaged communities in general -- for some cap-and-trade programs, this focus addresses legitimate environmental justice issues. But it has been applied with a broad brush, without common-sense regard to the differences among the 12 individual state programs funded by cap-and-trade revenues. Projects shouldn't be more grant-worthy just because they're on a certain side of the street.

As the first major new revenue source for infrastructure in several decades, cap-and-trade will influence the shape of new growth and development in California for years to come. It's important for policymakers to get these grant programs right. With SGC currently taking stakeholder comments, let's hope that the guidelines for future funding rounds evolve to reflect the state's dire need for affordable housing in both disadvantaged and non-disadvantaged communities.

– ADAM CHRISTIAN | AUGUST 20, 2015 ■

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