



United Neighborhoods for Los Angeles

2019 Lobbying Report

City of Los Angeles



Millions are spent on lobbying activities in the City of LA each year. While lobbying firms deal with a wide range of issues, the biggest spenders by far are the developers who are seeking approvals for their projects. The Mayor and the members of the City Council would certainly tell us that no amount of money spent on lobbying could influence their judgment, but United Neighborhoods for Los Angeles ([UN4LA](#)) thought it would be useful to do some research on the subject.

Using the [Quarterly Lobbying Summaries](#) published by the LA City Ethics Commission, we compiled a report on lobbying activity in 2019. (At the time we started this project, that was the most recent year for which complete data was available.) We created a list of the ten projects that were the focus of the most spending in 2019. The list includes a brief description of each project, and in some cases additional background. We also compiled lists of lobbying firms and clients to find out how much money was changing hands. Ranking clients by money spent in 2019, we found that the top ten laid out over \$7 million in that year alone. When we looked at the top ten lobbying firms ranked by payments received, we found that they raked in a total of more than \$33 million.

While there's no way to know for certain whether spending on lobbyists influences the City's decision-making process, we can say that six out of the ten projects listed below have been approved. Three are still going through the approval process, and one (outdoor advertising) is not a single, clearly defined project. It's important to add that, of the six approved projects, in two cases the approvals had been granted well before 2019, but in both cases, the applicants had also spent large sums prior to receiving approval.

This report was produced by UN4LA to further the public's awareness of all aspects of the land use decision-making process. Research was provided by Jen Getz.

TOP 10 PROJECTS BY SPENDING ON LOBBYISTS IN 2019

The information contained in the heading for each project is presented in the following format:

Project Address and/or Name(s)

Amount Spent on Lobbying in 2019

Name of Applicant (Name(s) of Entity(ies) Associated with Applicant)

Crossroads Hollywood

\$1,678,253

Crossroads Associates LLC (Morton La Kretz, Harridge Development Group)

This massive project, which would rise near the intersection of Sunset and Highland in Hollywood, involves the construction of eight new buildings with residential, hotel, commercial/retail, office, entertainment, and restaurant uses. The project gets its name from the historic Crossroads of the World mall, which would be retained and restored. When completed, the project would include 950 residential units, 308 hotel rooms, 95,000 sq. ft. of office space, and 185,000 sq. ft. of commercial/retail. The residential component would include 105 units for Very Low Income Households, but housing activists decried the proposed demolition of 84 existing rent-stabilized units. The applicants also requested approvals for 22 locations serving a full line of alcohol and 8 venues offering live entertainment.

The project was approved in January 2019. The approval was challenged in two separate lawsuits by AIDS Healthcare Foundation, neither of which were successful. However, another lawsuit was filed by the Los Angeles Tenants Union, alleging that the developer pressured tenants in the existing apartments to accept agreements that violated the law. That case has yet to be resolved.

It should be noted that the amount shown above only represents spending on lobbyists for the year 2019. The developer spent more than \$800,000 in 2018 and over \$400,000 in 2020, bringing the total tab to nearly \$3,000,000.

26900 & 27812 S. Western Ave. / Highpark Project

\$1,199,036

SOCAL San Pedro SPV1, LLC (Harridge Development Group)

The Highpark Project is proposed for the site formerly occupied by the US Navy Housing Complex in San Pedro. All structures on the site, including 122 duplexes, will be demolished to make way for 669 residential units, including single-family homes, townhomes and flats, plus recreation areas, parks, and roads. The project was actually approved a few years back, receiving a general plan amendment and a zone change. A tract map had also been approved, but the developer wanted further modifications to the map, and the funds spent on lobbying in 2019 were apparently focussed on this effort.

It's interesting that the November 2019 decision letter, signed by Alan Como for Planning Director Vince Bertoni, says in a parenthetical note: "The subdivider is hereby advised that the LAMC may not permit this maximum approved density. Therefore, verification should be obtained from the Department of Building and Safety, which will legally interpret the Zoning code as it applies to this particular property."

Outdoor Advertising / Various Locations

\$562,227

Clear Channel (Clear Channel Outdoor and iHeartMedia, Inc.)

This entry should come as no surprise to anyone following the ongoing controversies over billboards, digital billboards, advertising and outdoor signage in LA. Advertising interests have spent a fortune lobbying the Mayor and the City Council, not just on specific issues, but attempting to shape policy. Community groups are pushing from the other side to restrict the number and placement of billboards. The battle continues.

6300 W. Third St. / Third & Fairfax / Town & Country

\$481,000

Holland Partner Group (Holland Partners)

The developers have proposed a mixed-use project to be constructed at the east end of the Town & Country Shopping Center at Third and Fairfax. The completed structure would be an 8-story building with up to 331 residential units and 83,994 sq. ft. of new commercial space. Because the project complies with existing zoning, Holland Partner Group was not required to do an environmental assessment, but former Councilmember David Ryu persuaded the developer to prepare an Environmental Impact Report. The Draft EIR has been circulated and the comment period is closed. The City could consider approval of the project later this year. It should be noted that in addition to the \$481,000 paid for lobbying in 2019, Holland spent at least an additional \$181,000 in 2020.

Yucca Argyle

\$430,666

Champion Real Estate Company (Champion Enterprises Inc.)

This project, approved in December 2020, involves the construction of a 30-story residential tower at Yucca and Argyle in Hollywood, along with 7,760 square feet of commercial/restaurant uses. While the project would require the demolition of a group of rent-stabilized apartment buildings, the developer agreed to unusually strong protections for the tenants who would be displaced. According to the determination letter, the developer (or their successor) would guarantee that tenants would have the option to return to a unit in the completed building at the same rent they had previously been paying. Furthermore, during construction, the developer would cover the difference between the rent tenants had formerly paid and the new rent they paid after relocating.

1330 W. Pico / The Albany Project

\$349,756

Sandstone Properties

Sandstone Properties proposes the construction of a 37-story project at Pico and Albany, which would include a 730-room hotel, 63,000 sq. ft. of conference space, 19,000 sq. ft. of restaurant uses and 9,000 sq. ft. of spa/fitness space. The most controversial aspect of this project is the request to change the boundaries of the Pico-Union Historic Preservation Overlay Zone (HPOZ) to remove a portion of the site from the Historic District. [The LA Conservancy opposes this request](#), fearing that it would set a bad precedent. The project is still in its early stages. A notice of preparation was issued in February 2020. The Draft Environmental Impact Report hasn't been released yet.

351 S. Hill St. / Angels Landing

\$339,885

The Peebles Corporation (Angels Landing Partners, joint venture of Peebles Corporation, MacFarlane Partners, Claridge Properties)

This project gets its name from the historic Angels Flight Railway, which will be adjacent to the completed mixed-use complex. The City has entered into an agreement to sell the land, formerly owned by the Community Redevelopment Agency, to Angels Landing Partners for \$50 million, well over the estimated fair market value of \$45.7 million. The project involves the construction of two towers, one rising 63 stories and the other rising 42 stories, which would contain 180 condominium units, 252 apartments (5%, or 13 units, would be affordable) and two hotels with a total of 515 rooms. The hotels would include restaurants, ballrooms, meeting rooms, a fitness area/spa and 72,000 sq. ft. of commercial uses. The developer has also requested a Master Conditional Use Permit to sell a full-line of alcohol in up to 15 establishments, and also a permit to allow live entertainment and dancing. The Final EIR was released in May of this year, and the Department of City Planning held a hearing on the project on June 23.

In an unusual side note, the case file for this project includes an e-mail claiming that Don Peebles, of the Peebles Corporation, is guilty of misrepresentation in his dealings with the City of LA. The e-mail includes a number of attachments which purport to prove this charge. Peebles asserts that the e-mail is part of a smear campaign orchestrated by former associate Daniel Hoeg. It's hard to say whether Hoeg's accusations have merit, but it seems worth mentioning that Peebles has been involved in a lot of litigation over the years. The developer has been sued by business associates who claim he reneged on compensation agreements, and by residents of the properties his company owns. Peebles has also filed a number of lawsuits himself. It will be interesting to see whether any litigation is sparked by his involvement with Angels Landing.

777 Alameda St. / ROW Project

\$301,751

Atlas Capital Group, LLC

Los Angeles Terminal Mart, designed by LA architect John Parkinson, was completed in

1923, and served for decades as a national hub for produce. Around 2017, Atlas Capital Group began the process of rebranding the site as ROW DTLA, a trendy open air market with scores of shops, restaurants and bars. In 2018 the City approved a Master Conditional Use Permit to allow the sale of a full-line of alcohol at 24 establishments, and live entertainment at 6 venues. Since no further approvals have been granted in recent years, it's hard to say why Atlas Capital spent \$301,751 on lobbying for the project in 2019, but it should be noted that this is in addition to over \$600,000 that the developer spent in 2017 when the proposal was still being considered by the City.

5929 W. Sunset Blvd / Sunset & Gordon

\$277,784

CIM Group (5929 Sunset LLC, CIM Group LP)

Not enough space here to unravel the long and twisted history of this project, but here's a short synopsis. Over a decade ago the original developer, Gerding Edlen, ran into financial trouble and the entitled project was sold to CIM in 2011. The presence of a historic building had been a major obstacle to developing the site, but a deal was struck whereby the developer would retain the building's façade in exchange for a reduction in required parking. In spite of this, the developer chose to demolish the entire building, sparking a lawsuit. The upshot was that, even though Sunset Gordon was completed in 2014, the courts held that all the permits that had been issued were void, including the occupancy permits. This was a problem not just for CIM, but also for the tenants who had moved into the building.

Things got even more complicated when it was discovered in 2015 that CIM had signed an agreement with Ginosi, a short-term rental company, effectively turning 65 of the building's units into hotel rooms. At a hearing held by the City, tenants complained that offering the units for overnight stays had attracted a crowd that was mainly into partying and doing drugs. Since Sunset Gordon had been approved as a residential structure, the City said that the hotel use was illegal and insisted that CIM put an end to the short-term rentals.

And the legal battles continued. But there is a happy ending to the story. The seemingly endless litigation over Sunset Gordon may have come to an end earlier this year when CIM signed a settlement agreement with AIDS Healthcare Foundation. Under the agreement, 45 of the building's apartments will be affordable, with 15 units each being designated for Very Low Income, Moderate Income and Workforce Income tenants. Hopefully the tenants will all live happily ever after.

120-129 W. College St. / College Station Project

\$249,534

Atlas Capital Group, LLC

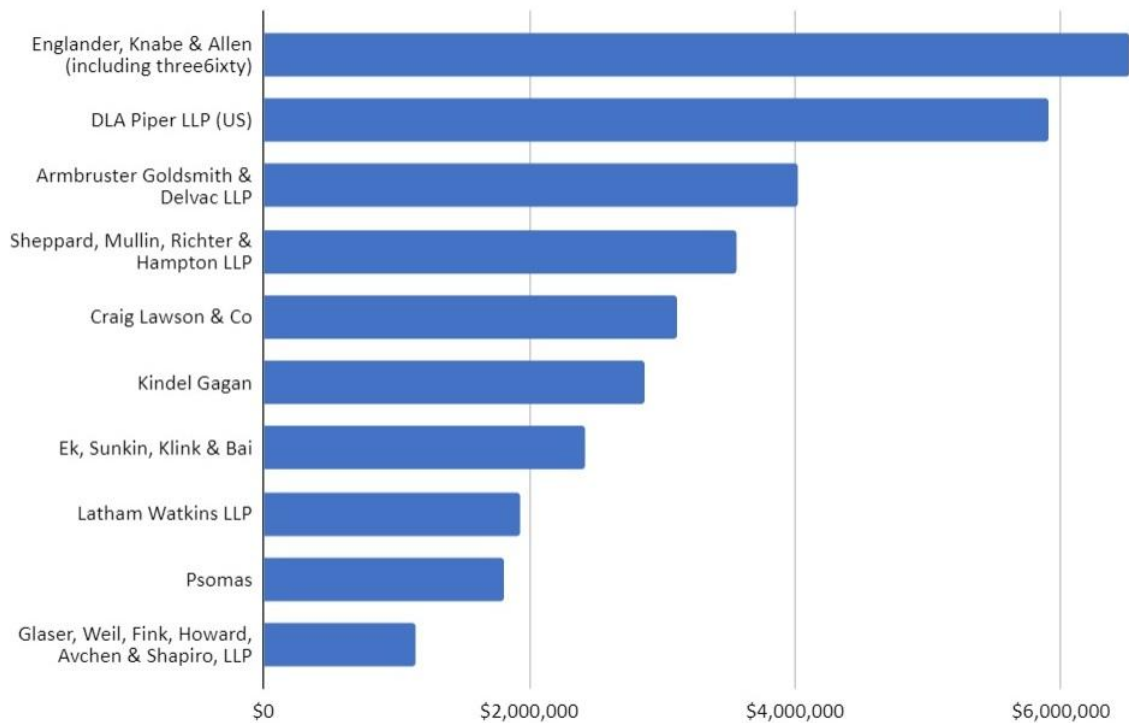
This massive project created a good deal of controversy, and though it was approved by the City Council in April 2019, it's still facing a court challenge. The College Station Project is a 7-story mixed-use development with up to 725 residential units, plus a 37,000 sq. ft. grocery market, 8,000 sq. ft. of restaurants, and 6,000 sq. ft. of retail. It required a number of entitlements, including a General Plan Amendment, Zone Change and Height

District Change. When the project was approved by the City Planning Commission in 2018, the Commissioners were willing to grant those very valuable entitlements, but stipulated that 37 residential units (5% of the total) would be reserved for Very Low Income Households. However, the City Council removed the affordable housing requirement when the project came before them in 2019, making all the units market rate.

The complete lack of affordable housing was unacceptable to Chinatown Community for Equitable Development (CCED), a local group that views the project as a gentrification bomb being lobbed into an area that’s already seen too much displacement. Shortly after the Council approved the project, CCED sued. Their petition was denied in April 2020, but the group has filed an appeal, which is still in process.

It would be understandable if the folks at Atlas Capital were anxious to see this resolved. They’ve spent a fortune on the project. In addition to the \$249,534 listed above, in 2017 the developer spent \$366,176 on lobbying and in 2018 they spent \$713,611, for a total of about \$1.3 million. It’s also worth noting that, according to data from the LA City Ethics Commission, from 2015 through 2020 employees of Atlas Capital contributed a total of \$20,000 to accounts associated with Councilmember Gil Cedillo, in whose district the project is located.

TOP TEN HIGHEST PAID LOBBYING FIRMS IN 2019



TOP TEN HIGHEST PAYING CLIENTS IN 2019

