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April 19, 2019

Ms. Kate Gordon, Director
Office of Planning and Research
1400 10th Street
Sacramento, California 95814

RE: Supplemental Comments on the Inglewood Basketball and Entertainment Center Project AB 987 Application (Clearing House Tracking No. 2018021056)

Dear Ms. Gordon:

On behalf of MSG Forum, LLC, we previously submitted comments on Murphy's Bowl LLC's application requesting the Governor's certification under Assembly Bill 987 for the Inglewood Basketball and Entertainment Center Project (the "project"). Among many deficiencies, we noted that the Application included errors in the methodology used to calculate the project's greenhouse gas emissions and errors in the underlying assumptions regarding the project's transportation demand management program.

The scope of the project's failings have recently been made clearer by two recent Air Resources Board determinations under AB 900 as well as the recent application submitted by the Oakland Athletics under Assembly Bill 734

AB 987, like AB 900, would fast track litigation ***if the project could meet AB 987's requirements.*** Under AB 900 and AB 987, the benefit of clearing litigation in 270 days is reserved for exceptional projects that have a positive impact on the environment and that benefit their communities. In other words, it is only in exchange for developing a project that goes beyond what CEQA requires that the Clippers may qualify for extraordinary judicial relief. The Clippers' application to expedite litigation falls far short of AB 987's standards. In fact, it is hard to imagine that the project could ever be held out by the state as an environmental leadership project. Certifying this project under AB 987 would establish a precedent that undermines the state's efforts to: (1) improve air quality in impacted communities; (2) reduce GHG emissions; and (3) promote equity and fairness by benefiting those communities asked to bear the burdens and costs of development.

Improperly High GHG Baseline. The Air Resources Board issued determinations on January 30, 2019, for the 3333 California Street Project and on March 13, 2019, for the Hollywood and Vine Mixed Use Project. Both of these determinations state that baseline emissions are only those emissions on the existing project site that a project will remove.

The Clippers are improperly trying to take credit for eliminating greenhouse gas emissions from existing entertainment venues that would continue to create GHG emissions. The faulty baseline means the Clippers understate the project's net GHG emissions by over 75%. This shortchanges the local community by slashing the amount of local GHG mitigation (with important health co-benefits) that AB 987 requires.

In the two most recent evaluations by the Air Resources Board, the Board has made clear that the calculation of baseline emissions should only include those emissions on the project site that the project will remove and demolish. This comports with standard industry practice and Air District guidance for analyzing GHG impacts.

The Air Resources Board March 13, 2019, determination for the Hollywood & Wilcox project confirms that baseline emissions only include those elements of the project site that are demolished and removed.

> Operational emissions from land uses at the existing project site that would be demolished and removed as part of the project represent baseline conditions. (Staff Evaluation, p. 7.)

The Air Resources Board's January 30, 2019 determination for the 3333 California project is in accord. There, the Air Resources Board confirmed that only elements of the project site that are demolished and removed are included in the baseline emissions inventory. By comparison, uses that are shifted from one location to another are excluded as they are continuing. The Board explained "Baseline Operational Emissions" as follows.

> Operational emissions from land uses at the existing project site that would be demolished and removed as part of the project, minus mobile-source-related GHG emissions associated with existing UCSF Laurel Heights campus operations that would be relocated to other existing UCSF campuses as a result of the project, represent baseline operations. (Att. 1 to CARB Ex. Order G-18-101, p. 7.)

Unlike the Air Resources Board's approved evaluations for 3333 California and Hollywood & Wilcox, virtually the all of the Clippers' claimed baseline emissions will neither be demolished nor removed. Staples Center, the Honda Center, and the Forum are not going to be demolished nor stop operating if a new arena is built. Each will continue to operate and book events and, in fact, Staples will operate more efficiently as an event venue. The Clippers' methodology for calculating the project's net greenhouse gas emissions is flawed and contrary to Air Resources Board precedent.

As the Natural Resources Defense Council made clear the Clippers project's approach to calculating the existing emissions to be avoided is "absurd" and is merely trying to "make climate change go away with a pen and paper exercise." (NRDC Letter dated Feb. 28, 2019.) Climate Resolve wrote the project's methodology "if approved through certification of the IBEC Project's application ***will materially impair California's ability to address greenhouse gas emissions through CEQA."*** (Climate Resolve Letter dated Feb. 21, 2019.)

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Clippers Unrealistic Trip Reduction Assumptions. AB 987 requires the Clippers to reduce vehicle trips by 15% as compared to operations absent a transportation demand management program to receive litigation streamlining. The Clippers application claims trip reductions from the ill-defined transportation demand management program without any meaningful foundation.

Critical to the Clippers' trip reduction plan is the unsupported assumption that 10% of all basketball attendees will use Metro's light rail system and then transfer to shuttles to bridge the last mile gap between the rail stations and project. In a technical report attached to our February 1, 2019, letter, Gibson Transportation concluded that "the 10% rail usage assumption is unsupported and will not be achieved."

The Oakland Athletics' application effectively concurs with Gibson Transportation's assessment: shuttles will not work. Consistent with Gibson Transportation's conclusion, the Oakland Athletics' application concedes what is widely known and accepted with respect to using shuttle buses to transport attendees from rail stations to venues:

> BART shuttles have relatively limited synergies with other measures because shuttles do not cause much of a mode shift for attendees who currently drive from outside of Oakland. (Oakland Athletics' Application, Ex. D, p. 17.)

While both the Clippers and Oakland Athletics existing facilities are immediately adjacent to rail stations, only the Clippers assume that a rail to shuttle program will increase the use of the rail system. The Oakland Athletics' application confirms that this assumption is unsupported.

In fact, the BART shuttle program is projected to be so ineffective at reducing trips, it is not even included in the Oakland Athletics' proposed trip demand management program. (See Oakland Athletics' Application, Ex. D, p. 21 [listing reduced on-site parking, on-street parking management, Uber/Lyft surcharge and geofence, bicycle parking, and Howard Terminal development as transportation demand program components to meet required trip reductions].) The Oakland Athletics state that a shuttle program that could move up to 2,200 attendees per hour would only reduce trips at most by one to four percent.

The Oakland Athletics' application also confirms that ***shared mobility increases trips***. The Clippers assume that 10% of all basketball game, concert, and other events will arrive by "shared mobility." The Clippers propose encouraging the use of Uber and Lyft. As was noted in our letter of February 19, 2019, and as is made clear by the Oakland Athletics' application, encouraging attendees to use Uber and Lyft services will increase trips (and associated emissions), not decrease them.

> [T]otal trips were calculated by assigning two trips total to each personal vehicle...as well as ***two trips for each arriving [Uber/Lyft] and two trips for each departing [Uber/Lyft] to account for the fact***

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> ***that each...trip must both enter and exit the area.*** (Oakland Athletics' Application, Ex. D, p. 11.)

Thus, whereas an attendee arriving in a private vehicle creates two trips, a person arriving by Uber or Lyft generates four trips and up to four times as many vehicle miles traveled. Per the Oakland Athletics' application, Uber and Lyft trips "have the largest vehicle trip impact." (Oakland Athletics' Application, Ex. D, p. 17.)

This is why the Oakland Athletics' TDM program actively discourages Uber and Lyft vehicles through a surcharge for such vehicles arriving to the stadium and a one-half mile radius "geofence" to enforce the surcharge. (Oakland Athletics' Application, Ex. D, p. 23.)

Moreover, because Uber and Lyft will often idle for long times at an event waiting area for a pick up or in traveling around the area, automobile emissions in the area actually increase.

Thus, the Clippers' transportation demand program is triply wrong by encouraging Uber and Lyft. First, it did not account for the doubling of trips that Uber and Lyft users create. As a result, the Clippers have undercounted the number of trips the project will create. Second, by encouraging attendees to use Uber and Lyft, the Clippers are undermining the state's goal of reducing trips and reducing emissions. This becomes even more pronounced with the Clippers shift from a high density urban area with extensive rail and bus access to a low density area not served by transit. Third, because the Clippers have undercounted the trips associated with Uber and Lyft vehicles, the Clippers have also undercounted the project's emissions and vehicle miles traveled.

* * *

The project is not neutral for GHGs, does not implement the local emission reduction benefits AB 987 envisions, and will increase VMT. It is also inconsistent with SCAG's 2016 RTP/SCS. Simply put, the project does not meet AB 987's standards for litigation streamlining.

There is nothing exceptional about the Clippers' project other than the exceptional adverse impact it will have on a predominantly low-income, minority community that is at the center of the state's housing affordability crisis. (See attached LA Times article.) AB 987 requires not only exemplary net zero GHG reductions but also requires the Clippers to improve air quality in the low-income community for which it is proposed. Instead of complying with AB 987's requirements, the Clippers are improperly calculating their emissions and not mitigating their true impacts, thereby increasing air toxics and criteria pollutant emissions in this community.

MSG stands with the Natural Resources Defense Council, Uplift Inglewood, Climate Resolve, and the many Inglewood residents who have called on the Governor to deny the application from litigation streamlining under AB 987.

If you have questions, you may reach me at (213) 891-7540.

Very truly yours,

Maria Pilar Hoye
of LATHAM & WATKINS LLP

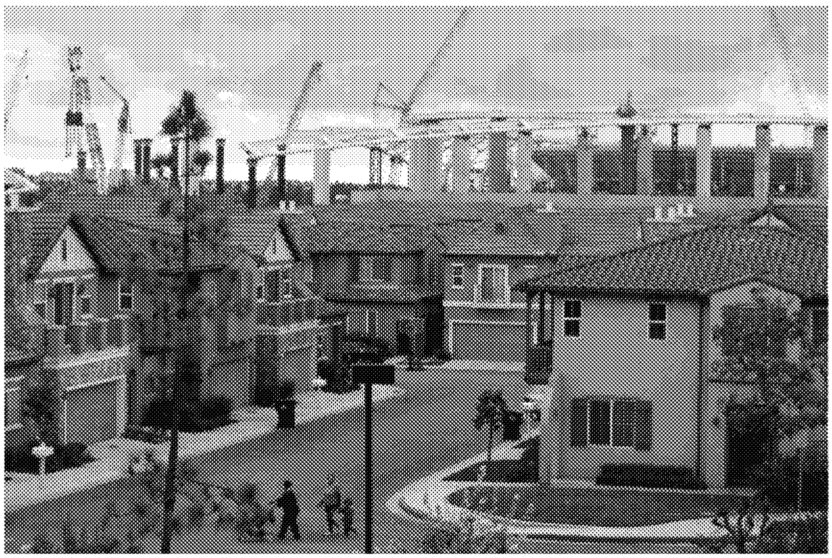
cc: Mary Nichols, Chair, Air Resources Board
Richard Corey, Executive Director, Air Resources Board
Steven Cliff, Deputy Executive Officer, Air Resources Board

Los Angeles Times

April 10, 2019

One of California's last black enclaves threatened by Inglewood's stadium deal

Many who endured hard times now face eviction, rent hikes



NOT LONG AGO, Inglewood was struggling after decades of decline. Today there's a new challenge: trying to preserve one of California's last remaining African American enclaves as rents surge.

By ANGEL JENNINGS
APR 10, 2019 | 4:00 AM

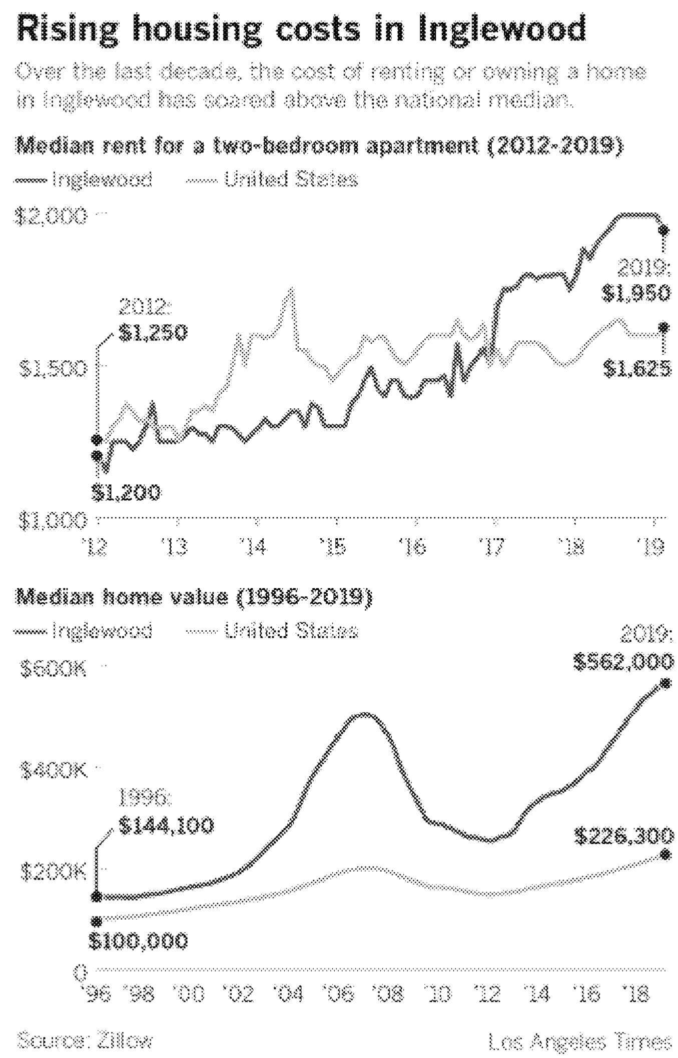
Inglewood has come a long way since Dr. Dre proclaimed in the '90s that it was "always up to no good."

A surge of economic development is wiping away its reputation as a battle zone for rival gangs and promises to remake the city not only into a sports and entertainment mecca but also a cultural destination.

But now that Inglewood is on the come up, longtime residents and city officials face a different challenge: Many who have weathered decades of hardship no longer can afford to live there and are being left out of the economic renaissance.

Donald Martin, 67, lost the roof over his head after a new landlord evicted him with just 60 days' notice from the building he had lived in for almost a decade.

Tomisha Pinson, who lives next door to the new L.A. Rams and Chargers stadium and entertainment complex, received a notice that the monthly rent on her two-bedroom Inglewood apartment would spike from $1,145 to $2,725.



"It makes you feel pushed out, like, 'We don't need you guys no more, the upper class is going to be moving in,' " said Pinson, 43, a mother of two who takes in foster children.

As home prices soar and rents rise, Inglewood is struggling to meet its goal of encouraging more investment while trying to preserve one of California's last remaining African American enclaves.

"Inglewood is the 'City of Champions' and like all good champions, Inglewood is rising again," said Daniel Tabor, a former mayor and councilman. "But it has been a missed opportunity for economic participation by the residents and local businesses."

Not long ago, the city was struggling with decades of decline exacerbated by the loss of two economic engines, the Lakers and Hollywood Park racetrack. Now, the white skeleton of the $2.6-billion NFL stadium and entertainment district is rising along Century Boulevard. Plans for a new L.A. Clippers arena are crystallizing. A $14.5-million Frank Gehry-designed home for the L.A. Philharmonic's youth orchestra is underway, and the Girl Scouts of Greater Los Angeles moved its regional headquarters to Inglewood last February.

"We all know when the Girl Scouts come, it's all over," Mayor James T. Butts Jr. joked to a group of homeowners last year. In his view, the Scouts' arrival pins a badge of safety on his city, in turn luring still more investment.

All these attractions will become easier to visit with next year's scheduled opening of the $2-billion, 8.5-mile Crenshaw light rail line.

But activists are pressing City Hall, demanding officials do more to protect residents against ballooning rents. In March, the city adopted a temporary cap on increases and evictions. But some say the measure is, too late too little.

Plans for a new Clippers arena in Inglewood have sparked protests, such as this one in June 2018. The project would allow use of eminent domain to confiscate property. (Allen J. Schaben / Los Angeles Times)

Uplift Inglewood, a tenants' rights group, is suing the city and a developer to halt construction of the Clippers arena, a project that would allow the city to use eminent domain to confiscate property at the southwest corner of Century Boulevard and Prairie Avenue. The lawsuit alleges that the city's proposed sale of public land to build the Clippers project violates state law that requires prioritizing the use of such land for affordable housing.

D'Artagnan Scorza, 38, who sits on the city's school board, said he helped create Uplift Inglewood to give a voice to vulnerable renters. He knows their plight. When he was a grade-schooler, his family was evicted from their Inglewood townhouse; they couldn't afford the rent.

Although he supports the football stadium project, he wants to use it to leverage development and investment to benefit blacks and Latinos, who account for an estimated 42% and 51%, respectively, of Inglewood residents.

"We wanted to be a model for investment without displacement," Scorza said. "We didn't want that capital to come in and flood out the folk who live here."

At the center of the fray is Mayor Butts, who was reelected to a third term in 2018 with 63% of the vote.

While in office, he has tried to juggle seemingly opposing goals: courting pharaonic projects like the NFL stadium while persuading landlords to keep rents stable and trying to ensure that longtime owners reap the benefits of a thriving market that has pushed the median home value in this city of 110,000 to $555,000.

Lack of rent control makes Inglewood an attractive investment opportunity. Owners have been able to jack up rents or kick out month-to-month tenants with just 60 days' notice. Two-thirds of the city's residents are renters. About a quarter who live here are older than 55. Many are on fixed incomes.

At the March 5 City Council meeting, Butts proposed — and the council unanimously voted to adopt — a 45-day moratorium during which rent increases would be capped at 5% annually and evictions would be halted as the city tried to find a permanent solution to the rent problem. There's an option to extend the measure to a full year.

Previously, Butts had opposed rent ordinances, saying: "We're not going to do anything to stymie the small owners from being able to make a living."

But Inglewood's housing market has changed drastically since he was elected in 2011.

Back then, the city was on the verge of bankruptcy. Services were being trimmed, and unemployment amid the Great Recession stood at 17%. The city's largest taxpayer, Hollywood Park Racetrack and Casino — which in 2011 brought $4.6 million into the city's coffers — was shuttering its racetrack.

Developers say their investments have spurred Inglewood's reversal of fortune. In 2018, the site where the 300-acre stadium project is going up brought in $15.8 million in tax revenue — without a single game being played. That money has been used to restore services, hire more police officers and replace the aging fleet of cop cars, Butts said.

Inglewood's post-recession jobless rate is now 5.4%. But there's a downside to the boom: a growing housing shortage. Despite the city's turnaround, said Chris Meany, co-founder of the developer involved in the NFL stadium and Clippers projects, "when a place is being economically redeveloped, always in the back of your mind is, 'Are we gentrifying to the point we're displacing people?' "

Years before the stadium plan came into being, the same developer had proposed building a retail and residential community with 3,000 housing units — 450 of which would be affordable — at the racetrack site. The project would have included upscale, market-rate housing to attract high-income earners and raise the city's tax base.

In 2008, city officials and developers agreed to spread the affordable units throughout the city. Now, when completed, the stadium-entertainment complex will include Inglewood's largest housing project, with 2,500 units. None are set aside for low-income residents.

Butts said the city had constructed hundreds of affordable units since he took office and that another 180 would be added over the next three years.

But Inglewood is a long way from fulfilling its 2021 housing goal of 567 below-market units. It hasn't produced any affordable housing since the end of 2013, when all L.A. County cities were required to set goals for the next seven years, according to the state's Department of Housing and Community Development.

Russ Heimerich, a spokesman for the state Business, Consumer Services and Housing Agency, said many communities had failed to meet their targets.

"The whole state of California is behind in producing housing," he said.

With a median household income of $46,000, roughly $15,000 below the county's median, Inglewood has joined a growing list of urban areas nationwide, from Baltimore to Oakland, where African Americans have historically clustered — for comfort or because of race-based redlining policies — but now feel they are being pushed out. Nationwide, black homeownership rates have declined to levels not seen since the 1960s, when race-based discrimination was legal, according to nonprofit think tank the Urban Institute, a sign that the economic recovery has skipped many workers of color.

"This is our 'hood," said Major Stewart, 69, who lived in Inglewood for 36 years before getting a notice in December that rent on his one-bedroom apartment two miles from the new stadium would more than double. So he's moving in with his sister in L.A. "If you move us out of here, we're lost."

> 'This is our 'hood. If you move us out of here, we're lost.'
>
> — Major Stewart, Inglewood resident

Major Stewart is leaving the city he's lived in for 36 years. He's packing his boxes after being told the rent on his one-bedroom apartment is set to more than double. (Dania Maxwell / Los Angeles Times)

African Americans have felt unwelcome in Inglewood before.

A century ago, signs posted by the Ku Klux Klan declared the city to be for "Caucasians-Only." The post-WWII era brought a wave of African Americans escaping the Jim Crow South for the dream of living where race was not the “principal organizing factor,” said Darnell Hunt, director of the Ralph J. Bunche Center for African American Studies at UCLA.

“California was never a slave state,” he said, “so all of those things made it attractive for blacks coming from places where racial segregation and oppression was in your face every day.”

Many of the transplants secured good-paying jobs in the defense industry. But as more blacks arrived, Jim Crow followed. Realtors refused to show them homes. Racial covenants tucked into property deeds prohibited selling to blacks, keeping large swaths of present-day South L.A. and Inglewood Caucasian.

A series of state and federal laws made housing discrimination illegal. But it took the 1965 Watts riots to truly integrate Inglewood, as middle-class blacks moved farther west in search of a place to lay down community roots.

By 1970, one in 10 Inglewood residents were black. But as the region’s manufacturing base shrank, high-paying union jobs disappeared. Industry trends and the shift in residents’ spending power caused many of the city’s businesses to close.

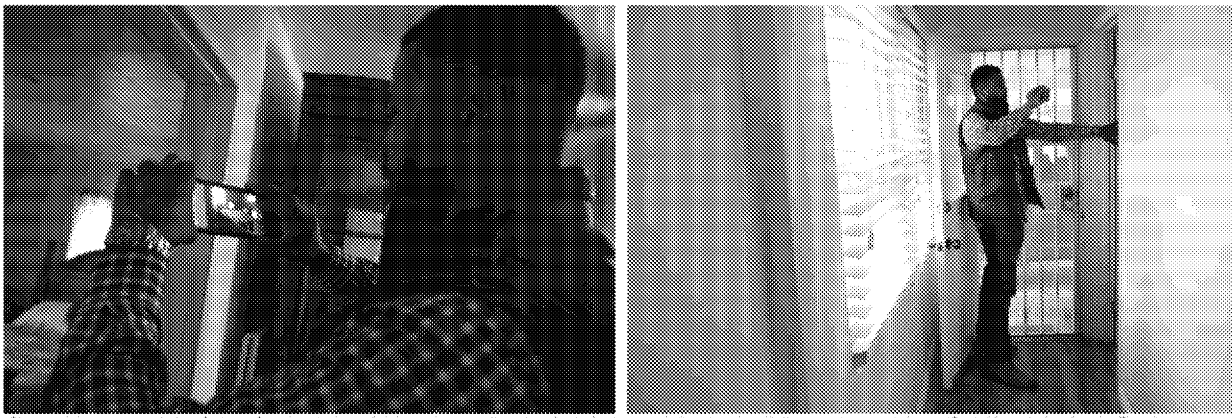
The Lakers and Kings moved to downtown L.A. in 1999. Efforts to revitalize Inglewood’s Market Street failed. The state took over the city’s troubled schools in 2012. Hollywood Park held its final race the following year.

“Inglewood was in decline” and edging toward insolvency, said Meany, the developer.

Then with the NFL stadium plans came a surprising revival. The growth of the technology sector in Playa Vista’s Silicon Beach also began to change Inglewood, much as the tech boom has spilled into black communities in Oakland, Boston and Seattle. Newcomers with higher salaries found their dollar could stretch further.

The city’s image also has been buffed by positive pop-culture imagery, such as HBO’s hit comedy-drama “Insecure,” depicting the trials and triumphs of its 20-something black female protagonist who lives in Inglewood.

“ ‘Insecure’ does a pretty good job of showing the world the other side of South L.A.,” Hunt said, “that maybe you didn’t see if all you saw were the gangster movies of the 1990s and everything that came after the 1992 uprising” with the Rodney King trial.



Clarence Johnson snaps photos of a home for sale in Inglewood. Johnson has seen the value of a duplex he owns in the city spike with the current economic boom. (Dania Maxwell / Los Angeles Times)

For Clarence Johnson, buying an Inglewood home was a gamble that paid off.

The 34-year-old father of two found a duplex that fit his budget, nestled on a tree-lined street off West 102nd Street. He lives in one unit and rents out the other.

When he moved to Inglewood in 2011, he said, parts of the city resembled a rap video — people with intimidating stares clustered on street corners. When he used to tell people where he lived, they replied, “You can always move. Inglewood is a good start.”

Now they ask if he lives near the stadium, and his home value has more than doubled.

Butts has admitted to underestimating the rent-increase problem, once thinking it could be solved on a case-by-case basis.

Over the last few years, the mayor said, he would reach out to residents when rumors of price gouging and displacement surfaced online but often did not hear back. Then in January, an outraged tenant posted on Facebook that her rent would jump from $1,200 to $2,725 per month.

Butts got word of a rental increase of more than 100% in the nine-unit, sand-colored apartment building where Major Stewart lived. Not longer after that building changed hands late last year, the new owner tucked notices of rent increases into tenants’ screen doors. Stewart was informed that his rent would jump to $1,725 from $855. There were no promises to make improvements, like replacing his aging carpet or appliances, Major Stewart said.

The rent is set to rise at Tomisha Pinson's apartment, next door to the new L.A. Rams and Chargers stadium and entertainment complex. (Dania Maxwell / Los Angeles Times)

Increase notices also went out at Tomisha Pinson's 28-unit complex, which was owned by the same property management company, and Butts stepped in.

He met days later with Adrian Malin, the head of Regents 99 LLC, and crafted an agreement that gave renters in the two apartment buildings several choices, including gradual increases or a $10,000 lump sum to move out by April.

"It was somewhat of a victory for us," said 40-year-old Angel Burrell, a longtime resident who plans to take the lump sum and move into a family-owned duplex in Inglewood.

Malin declined to comment but in an email wrote: "I have a lot of respect for Mayor Butts."

But the community's triumph was short-lived.

In February, Butts learned of two more properties that had experienced sharp rent hikes. The property manager refused to speak with him, prompting the mayor to propose the 45-day rent moratorium.

> 'Everybody can agree that these 120% rent increases are astronomical and ridiculous. I think we can start there.'
>
> — D'Artagnan Scorza, of Uplift Inglewood

The temporary cap was a win for Uplift Inglewood, which continues to apply pressure to City Hall. It also is taking the fight to Sacramento, pushing for an anti-price-gouging bill.

"Everybody can agree that these 120% rent increases are astronomical and ridiculous," said Scorza, of Uplift Inglewood. "I think we can start there."

But the cap wasn't enough to keep Donald Martin in Inglewood.

Golden Bee Properties took over his 10-unit building last year. The new landlord never issued a notice about raising the rent. Instead, Martin was evicted with 60 days' notice.

Golden Bee's top executive, David Berneman, declined to comment.

There's no way to know how many tenants have been pushed from their homes without cause; some eviction notices are available for viewing for 60 days, but many are not public record.

When he left, Martin said, Golden Bee Management gave him a month's rent plus $500. He boxed up his suits, his favorite alligator shoes that he only wears to church, and some cooking supplies. He put it all in storage.

For weeks, Martin parked his SUV in a strip mall and slept in the front seat before the police ordered him to leave. Now he is living out of motels and extended-stay hotels.

"I can't save money, because the rent of some places I live is $500 a week," said Martin, who receives a disability check for back pain. "It has been really rough on me."

On a recent afternoon, he returned to his old neighborhood to visit friends, driving past the building where he thought he would live out his golden years.

The exterior had been painted a lime green with gray-blue trim. A crew of workers streamed in and out, readying the apartments for tenants willing to pay market rent.