

**MOTION RULES, ELECTIONS, AND
INTERGOVERNMENTAL RELATIONS**

The United States Department of Justice recently filed several criminal indictments against Los Angeles City Councilmember Jose Huizar, former City Councilmember Mitchell Englander, and several other former City employees, among others. These indictments contain allegations that real estate developers, business owners and their agents gave cash, cash equivalents, lavish gifts and other benefits to these councilmembers and other City employees with the intent to induce these public officials to violate their duties of trust to the people of Los Angeles.

Several individuals entered plea agreements in federal court admitting the use of fraud and bribery to induce public officials to unlawfully streamline, assist, and vote in favor of approvals and entitlements for certain real estate development projects in the City.

The facts alleged in the indictments and admitted in the plea agreements clearly identify at least four specific major residential and commercial development projects in downtown Los Angeles that were involved in the alleged bribery scheme, including projects near the L.A. Live entertainment complex, in the Arts District, on Hill Street, and on Figueroa Street. These projects are located at 940 S. Hill Street ("Project C"), 926 W. James M. Wood Boulevard ("Project H"), 1020 S. Figueroa Street ("Project D"), and 520 S. Mateo Street ("Project M") (collectively, the "Projects"). The Projects are either at various phases in the entitlement process and thus not yet approved, or otherwise have been approved but are not yet complete.

The indictments and plea agreements call into question the integrity of the City's land-use decision-making and approval process for the Projects. The facts stated in those documents clearly suggest that the accused City officials conspired with those seeking approval of the Projects in allowing their votes and other official actions to be purchased. Not only does such conduct constitute an egregious breach of these officials' duty of loyalty to the City and its residents, it also calls into question whether the City would have granted any of the approvals of the Projects on the merits, in the absence of corruption, fraud and bribery.

The people of Los Angeles, as well as honest developers and those seeking to invest and to do business in the City, deserve to have confidence that they can rely on fairness, honesty, equity and transparency in the City's land use decision-making processes. The current status of approvals of the Projects calls that confidence into question.

In order to allow reassessment of these approvals, Councilmembers Krekorian and Harris-Dawson introduced a motion on June 30, 2020 calling for recommendations from the Chief Legislative Analyst, in consultation with the City Attorney, the Department of City Planning and the Department of Building and Safety, regarding potential suspension of any certificate of occupancy and reconsideration of any and all discretionary approvals or entitlements for the Projects. The City Attorney has prepared a draft ordinance providing a mechanism for such reconsideration and/or suspension, and that draft ordinance is awaiting the Council's consideration and action.

The Department of Building and Safety, upon advice of the City Attorney, has placed holds on the Projects referenced in the indictments and plea agreements. It is appropriate for the Department of Building and Safety to place these holds to allow the City Council an opportunity to consider the draft ordinance and any other steps to be taken by the City to preclude the Projects from moving forward where there is a reasonable likelihood that approvals have been obtained through corruption or fraud. These holds are necessary in order to restore faith in the City's land use processes, restore transparency and fairness in those processes, and prevent corrupt persons from profiting from illegal actions.

I THEREFORE MOVE that the Council INSTRUCT the Department of Building and Safety to perform the following actions:

- 1) Continue the holds that it has in place on the projects identified in the indictments and plea agreements as Project C, located at 940 S. Hill Street, and Project H, located at 926 W. James M. Wood Boulevard, for a period not to exceed 45 days from the date of adoption of this Motion, unless extended by further action of this Council at a public meeting; and
- 2) Initiate holds on two other projects identified in the indictments and plea agreements as Project D, located at 1020 S. Figueroa Street, and Project M, located at 520 S. Mateo Street, or on any other projects identified in the indictments and plea agreements, for a period not to exceed 45 days from the adoption of this Motion, unless extended by further action of this Council at a public meeting.

I FURTHER MOVE that the Council INSTRUCT the Department of Building and Safety to initiate holds, not to exceed 20 days, on projects identified in any future indictments, plea agreements or other documents made public by the Department of Justice or other prosecutorial agency, where the facts asserted in such documents present a reasonable likelihood of potential corruption or fraud, and to notify the City Council within two business days of initiating such a hold for the purpose of affording the Council at a public meeting the ability to extend the hold for a total number of days not to exceed 45 days from the initial Department hold, unless further extended by Council action at a public meeting.

I FURTHER MOVE that the Council REQUEST that the City Attorney submit to the Council File assigned to this motion the indictments and plea agreements referenced herein, and any other relevant background information, so that appropriate evidence is available to the Council and the public in consideration of such the requested holds on the Projects.

Presented by: Paul Kerkorian
PAUL KREKORIAN (verbal)
Councilmember, 2nd District

Marqueece Harris-Dawson
MARQUEECE HARRIS-DAWSON (verbal)
Councilmember, 8th District

Seconded by: _____
MITCH O'FARRELL (verbal)
Councilmember, 13th District