HERITAGE CONSERVATION IN POST-REDEVELOPMENT LOS ANGELES: EVALUATING THE IMPACT OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES (CRA/LA) ON THE HISTORIC BUILT ENVIRONMENT

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ABSTRACT

Redevelopment agencies (RDAs) were a key local economic development tool in California for more than six decades, but were eliminated in 2012 in response to the state's ballooning budget deficit. The dissolution of redevelopment is projected to yield wide-reaching policy implications; however, since the relationship between redevelopment and the historic built environment has not yet been addressed at length, the ramifications of redevelopment's demise on heritage conservation is difficult to predict. This thesis uses this dearth of information as a window of opportunity to learn more about this relationship as it pertains to one particular RDA: the Community Redevelopment Agency of the City of Los Angeles (CRA/LA). Seven case study redevelopment projects in downtown Los Angeles that were associated with CRA/LA and included a conservation component are addressed at length to provide information toward this end. Analysis of these case studies reveals that CRA/LA demonstrated a commitment to heritage conservation, exhibited good stewardship of historic properties, and played an influential – and often critical – role in bringing conservation projects to fruition. Thus, the dissolution of CRA/LA is likely to produce negative impacts on future efforts to conserve the historic built environment in downtown Los Angeles.

INTRODUCTION

Premise:

Redevelopment agencies (RDAs) represented an important component of local economic development policy in California for more than six decades. Since their inception in 1945, RDAs have served an integral role in the preparation and execution of locally-based community and economic development programs. RDAs were tasked with the identification, eradication, and redevelopment of urban areas that exhibited signs of physical neglect and economic distress. To accomplish these goals, RDAs generally approached redevelopment as a multi-step process: the RDA would first survey an area, create a redevelopment plan, and establish a project area; would next acquire blighted property within the project area; would make necessary improvements and prepare the site(s); and would finally sell the improved property to private parties, who would then redevelop the site(s).[1] RDAs financed their operations using a financing model referred to as tax increment financing (TIF). Under the TIF model, RDAs could issue bonds to finance the upfront costs of a redevelopment project, and the increase in property taxes that the project was expected to generate could then be used to repay the agencies' outstanding debt. Each RDA carried out redevelopment in a different manner, although all of the agencies worked toward the shared goal of fostering investment and economic prosperity within neglected neighborhoods.

However, in 2012 all of California's 425 RDAs were officially eliminated as a result of legislation that was initiated by state lawmakers, signed by the Governor, and upheld by the California Supreme Court. Among the RDAs that were eliminated was the Community Redevelopment Agency of the City of Los Angeles (CRA/LA), the largest and oldest RDAs in the state. As of February 1, 2012, CRA/LA, through a successor agency created pursuant to the legislation, continues to carry out contracts legally in effect as of mid-2011, but can no longer take on new projects.

The dissolution of RDAs was a controversial decision with potentially profound and wide-reaching implications. However, the potential impacts of RDAs' elimination on the field of heritage conservation have not yet been explored. The dissolution of CRA/LA raises many questions toward this end: what role did CRA/LA play in the conservation of historic and

[1] California Redevelopment Association et al. v. Matosantos, S194861 (CA Sup. Court Dec. 29, 2011), 9.

cultural resources, and did this role change over time? In general, what kind of stewardship did the agency exhibit toward these resources within its project areas? In what ways and to what extent did the agency contribute to the conservation of these resources? How might the dissolution of CRA/LA impact future efforts to conserve the City's historic built environment? These questions are addressed through the analysis of several case studies that shine light on CRA/LA's commitment to heritage conservation.

Dissolution of Redevelopment Agencies:

Like almost every state in the nation, California had encountered severe fiscal problems by the late 2000s, when the "Great Recession" was at its peak.[2] But whereas many states began to exhibit some signs of improvement when the recession came to an official close in 2009, California's fiscal woes persisted, due in large part to the state's longstanding reliance on volatile sources of revenue to balance its annual budget.[3] The state's economic problems came to a head in 2010. By that November, the state suffered from an unemployment rate of 12.4 percent – the third highest in the nation – and analysts projected a budget deficit of 25.4 billion dollars over the following eighteen months.[4] In December, then-Governor Arnold Schwarzenegger declared a state fiscal emergency.[5] To many observers, California appeared to be on the brink of financial collapse.

Shortly after taking office in January 2011, incoming Governor Edmund G. "Jerry" Brown released an austere state budget proposal for Fiscal Year 2011-2012 that aimed to restore California's economic vitality. In addition to deep spending cuts and a series of temporary tax increases, the Governor's proposal called for a "vast and historic restructuring of government operations."[6] Specifically, Governor Brown called for the elimination of the state's two largest

[2] Elizabeth McNichol and Iris J. Law, *State Budget Troubles Worsen* (Washington, D.C.: Center on Budget and Policy Priorities, 2009).
[3] U.S. Bureau of Labor Statistics, "The Recession of 2007-2009," modified February 2012, accessed May 30, 2013, http://www.bls.gov/spotlight/2012/recession/pdf/recession_bls_spotlight.pdf; *Report of the State Budget Crisis Task Force* (Sacramento: State Budget Crisis Task Force, September, 2012).
[4] "California Unemployment Rate Again the Third-Highest in Nation," *Los Angeles Times,* November 23, 2010; California Legislative Analyst's Office, "The 2011-12 Budget: California's Fiscal Outlook," modified November 10, 2010, accessed May 21, 2013, http://www.lao.ca.gov/reports/2010/bud/fiscal_outlook/fiscal_outlook_2010.aspx.
[5] California Redevelopment Association et al. v. Matosantos, S194861 (CA Sup. Court Dec. 29, 2011).
[6] Office of Governor Edmund G. Brown, Jr., "Governor Brown's Budget Slashes State Spending by $12.5 Billion," press release, January 10, 2011.

local economic development programs – redevelopment agencies (RDAs) and enterprise zones – so that government resources could be more efficiently directed toward core services and operations including public safety and K-12 education.[7] Both programs slated for elimination had been designed to encourage and reward investment in low-income and economically-distressed communities throughout the state. As budget negotiations continued into the spring, enterprise zones were ultimately spared by the California Legislature, but RDAs remained slated for dissolution.[8] The elimination of enterprise zones was once again put on the table as part of Governor Brown's 2013-14 budget proposal; in June 2013, state legislators passed AB 93, which phased out the program altogether.[9]

Governor Brown's restructuring plan cast a bright spotlight on redevelopment, a statewide economic development program that had existed since World War II but had largely fallen out of the public eye in subsequent years.[10] The California Community Redevelopment Act (CCRA), adopted in 1945 and modified several times thereafter, established a process whereby cities and counties could stimulate investment in neighborhoods that exhibited signs of blight or economic malaise.[11] Under the CCRA, participating cities and counties were given the power to form RDAs, identify blight and establish project areas, acquire private property within designated project areas, and stimulate investment in project areas through the use of tax increment financing (TIF). By 2011, 425 of the state's 540 municipalities had formed RDAs under the CCRA, and 394 of these agencies were active.[12]

In June 2011, the California Legislature passed a set of bills in special session that determined the fate of RDAs: ABX1 26 and ABX1 27. The two bills were passed in conjunction and represented a compromise between Governor Brown, who had pushed for the elimination of RDAs, and local governments, which had fought the Governor's proposal. The first of these bills, ABX1 26 or the "Dissolution Bill," shut down California's 425 active RDAs by prohibiting

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[7] Ibid.
[8] Max Shenker, "New PPIC Report Focusing on Enterprise Zones and Redevelopment," *EZ Policy Blog,* Accessed May 19, 2011, http://www.ezpolicyblog.com/new-ppic-report-focusing-on-enterprise-zones-and-redevelopment/.
[9] Julie Small, "CA Legislature Approves Governor's Plan to Dismantle Enterprise Zones," *KPCC,* June 27, 2013.
[10] Julie Small, "How Redevelopment Agencies Work and Why Governor Brown Wants to Scrap Them," *KPCC,* February 2, 2011.
[11] Michael Dardia, *Subsidizing Redevelopment in California* (San Francisco: Public Policy Institute of California, January, 1998).
[12] California Department of Housing and Community Development, "All Active and Inactive Redevelopment Agencies," accessed May 21, 2013, http://www.hcd.ca.gov/hpd/rda/09-10/app_a1_09-10.pdf.

the agencies from carrying out their day-to-day operations. Under ABX1 26, RDAs could no longer adopt or implement redevelopment plans, enter into or modify contracts, or incur new indebtedness.[13] Furthermore, ABX1 26 mandated that RDAs turn over any funds not used to repay outstanding obligations to local governments, which would subsequently use the funds to finance "core governmental services including police and fire protection services and schools."[14]

The second bill, ABX1 27 or the "Continuation Bill," permitted local jurisdictions to exempt RDAs from the provisions of ABX1 26 and allowed the agencies to continue to exist under a modified structure if certain specific conditions were met. Specifically, an RDA could remain active if its sponsor community chose to participate in the Voluntary Alternative Redevelopment Program (VARP), a revenue-sharing agreement in which a city or county "must agree to pay its proportionate shares of $1.7 billion in [Fiscal Year] 2011-2012 and $400 million annually for subsequent years to the County Auditor."[15] Upon receipt of VARP funds, the County Auditor would subsequently redistribute this money to local agencies and special districts to help finance such services as schools, police and fire protection, and mass transit – services that had been traditionally financed by the state's General Fund.[16] In essence, VARP funds were intended to help fill projected gaps in the state budget that would have otherwise been closed by the elimination of redevelopment and the redirection of redevelopment funds.

The passage of ABX1 26 and ABX1 27 was nothing short of controversial. Proponents of redevelopment, including the not-for-profit Community Redevelopment Association (CRA) and League of California Cities (LOCC), likened the Legislature's action to a money-grab, and contended that both bills were in violation of the California Constitution.[17] The CRA and LOCC further warned that the dissolution of RDAs would be detrimental to the state's poorest communities, many of which had benefited greatly from RDA funding over the years.[18] But critics of redevelopment sided with Governor Brown, and argued that RDAs siphoned

[13] California State Assembly, ABX1 26, filed June 29, 2011.
[14] Ibid.
[15] California State Association of County Auditors, *Uniform Guidelines for the Implementation of Assembly Bill No, 26 of the First Extraordinary Session (ABX1 26) in Connection with the State of California Budget for Fiscal Year 2011-2012* (Draft Report, January 24, 2012).
[16] Ibid.
[17] California Redevelopment Association et al. v. Matosantos, S194861 (CA Sup. Court Dec. 29, 2011).
[18] Mac Taylor, *The 2011-12 Budget: Should California End Redevelopment Agencies?* (Policy Brief, Sacramento: California Legislative Analyst's Office, February 9, 2011).

government resources away from fundamental operations.[19] These critics also pointed to instances in which RDAs were considered to be inefficient and wasteful, and used these cases to draw a connection between these agencies' dissolution and the state's economic vitality.[20]

Both ABX1 26 and ABX1 27 were subsequently challenged in court. In July 2011, the CRA and LOCC requested that the California Supreme Court throw out ABX1 26 and ABX1 27 for violating California Proposition 22, a constitutional amendment that "prohibits the state from taking funds used for transportation or local government projects and services."[21] Proposition 22 had been placed on the ballot a few years earlier through the initiative process after the state redirected a variety of local funds to the state as a budget-balancing move. The CRA and LOCC contended that redevelopment funds were among the funding sources protected under Proposition 22. In December 2011, after several months of testimony and deliberation, the Court issued a decision on the issue: in *California Redevelopment Association v. Matosantos*, the Court found that Proposition 22 does not preclude the Legislature from dissolving RDAs, but does prevent the Legislature from mandating special payments from RDAs for other uses.[22] As a result of this finding, the Court upheld ABX1 26 (dissolution) and overturned ABX1 27 (continuation). The Court's decision in *California Redevelopment Association v. Matosantos* spelled the worst possible outcome for proponents of redevelopment; not only was the dissolution of RDAs upheld, but the Court overturned the alternative arrangement that would have allowed RDAs to continue operations, albeit under a modified structure.

Pursuant to the Court's direction, all of California's 425 RDAs were officially dissolved as of February 1, 2012.[23] However, since most RDAs remained active up until their dissolution, each RDA was appointed a successor agency that would wrap up business, oversee remaining

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[19] Ibid.

[20] Steven Greenhut, "California's Secret Government: Redevelopment Agencies Blight the Golden State," *City Journal* 21.2 (Spring 2011), accessed May 31, 2013, http://www.city-journal.org/2011/21_2_california-redevelopment-agencies.html.

[21] California Legislative Analyst's Office, "Proposition 22: Prohibits the State from Taking Funds Used for Transportation or Local Government Projects and Services. Initiative Constitutional Amendment," modified July 15, 2010, accessed May 25, 2013, http://www.lao.ca.gov/analysis/2012/general_govt/unwinding-redevelopment-021712.aspx.

[22] California Redevelopment Association et al. v. Matosantos, S194861 (CA Sup. Court Dec. 29, 2011).

[23] California Legislative Analyst's Office, "The 2012-13 Budget: Unwinding Redevelopment," modified February 17, 2012, accessed May 25, 2013, http://www.lao.ca.gov/analysis/2012/general_govt/unwinding-redevelopment-021712.aspx.

financial obligations, and dispose of assets and properties in the RDA's possession.[24] A summary of significant events leading up to the dissolution of RDAs is provided below, in (Figure i.1).

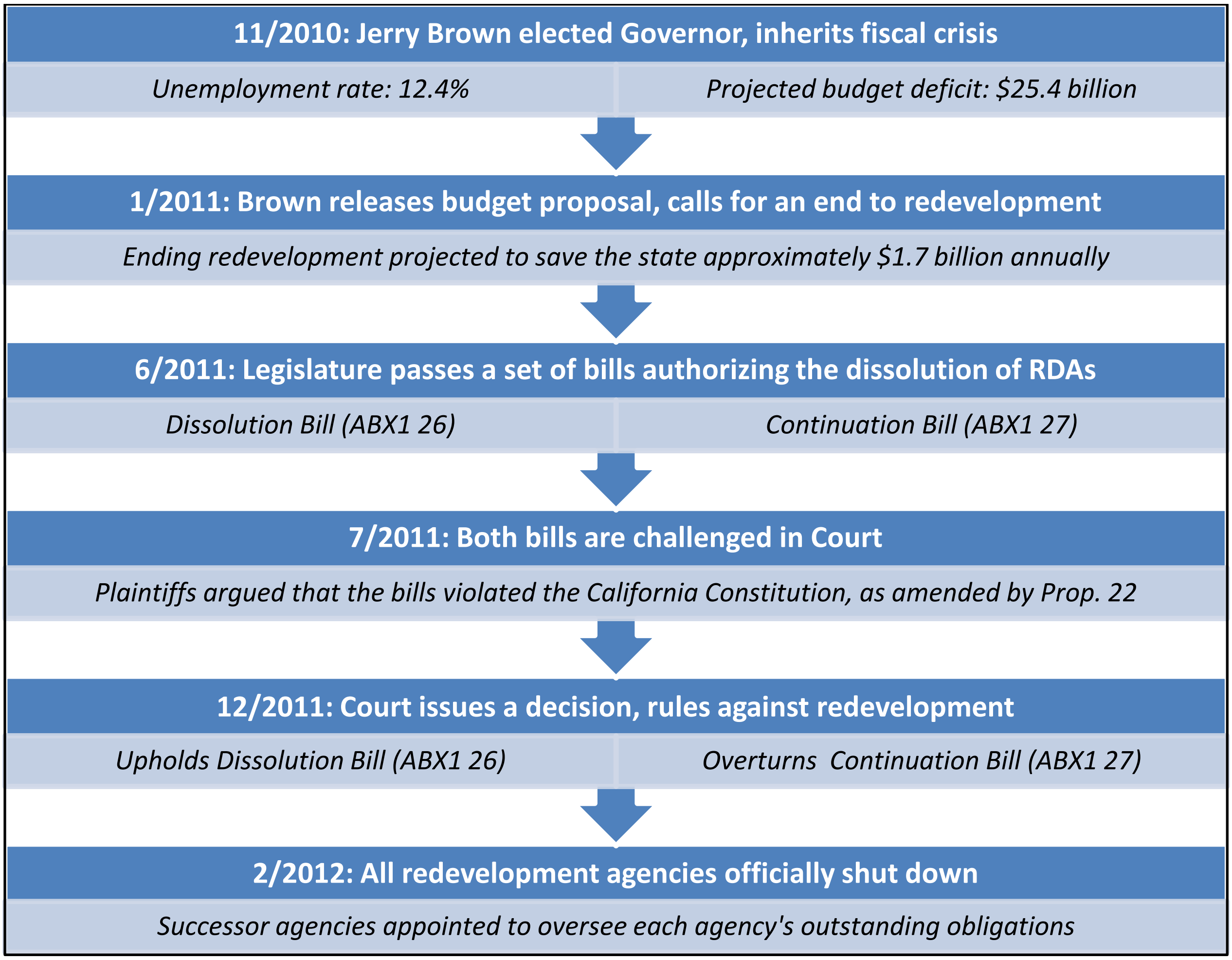

Figure i.1. Summary of key events leading up to RDAs dissolution. Illustration by author.

<u>Future Implications for Heritage Conservation:</u>

Not surprisingly, the Court's ruling in *California Redevelopment Association v. Matosantos* engendered feelings of panic among the 425 local jurisdictions with RDAs. For the first time in more than six decades, these jurisdictions were forced to envision a future without

[24] Noa L. Clark, Robert C. Herr, and Paul C. Levin, "California's Post Redevelopment Agency Landscape," *Perspectives on Real Estate* (Spring 2012), accessed May 25, 2013, http://www.pillsburylaw.com/stageFiles/Publications/RealEstateNewsletterSpring2012.pdf.

the steady stream of tax increment revenue that was generated by these agencies. A considerable amount of press coverage was dedicated to the impact that ABX1 26 would yield on the financing and construction of affordable housing, since RDAs had represented the second-largest funding source for affordable housing in California after the federal government since the mid-1970s.[25]

However, only minimal attention has been devoted to the potential implications of ABX1 26 on heritage conservation, defined as the "process of identifying, protecting, and enhancing buildings, places, and objects of historical and cultural significance."[26] Heritage conservation is often referred to as historic preservation; the two terms are used interchangeably throughout this thesis. Aside from a single article published in the not-for-profit California Preservation Foundation's quarterly newsletter, which pondered the future of public-sector heritage conservation undertakings in the absence of RDA funding, the topic does not appear to have generated much discussion among the heritage conservation and public policy communities.[27] Likely, the dearth of information toward this end stems from the fact that to date, the relationship between redevelopment and heritage conservation has not been evaluated in depth. In contrast to affordable housing, which bore a discernible connection to redevelopment policy, heritage conservation was never formally identified as an objective of redevelopment.

Furthermore, the information that *is* readily available on this topic lacks context and therefore tells a story that is largely ambiguous. An evaluation of various redevelopment projects throughout the state does not convey a clear picture of how redevelopment affected heritage conservation. Some RDA-backed projects, including the redevelopment of San Francisco's Western Addition (1969-2009), culminated in the demolition of entire historic neighborhoods and uprooted generations of organic growth within these areas. Yet others, including the redevelopment of San Diego's Gaslamp Quarter into a tourist destination (1982-2012), intentionally aimed to incorporate the community's architectural and cultural heritage into the

[25] Josh Stevens, "Redevelopment Demise Could Hinder Affordable Housing," *California Planning and Development Report* 26.2 (January 2011), 7.
[26] National Trust for Historic Preservation, "What is Historic Preservation?" accessed June 29, 2013, http://www.preservationnation.org/resources/faq/careers-and-/what-is-historic.html.
[27] Alicia Fisher, "Life Without Redevelopment," *California Preservation Foundation News* (Spring 2013): 8-9.

project.[28] Given the variety of outcomes to RDA-sponsored projects that involve historic buildings and sites, it is difficult to conclude if the relationship between RDAs and heritage conservation can be generally characterized as cooperative or acrimonious, or if this relationship evolved over time.

The Community Redevelopment Agency of the City of Los Angeles (CRA/LA), which was the largest and oldest RDA in the state upon the implementation of ABX1 26, is representative of this ambiguity. Over its sixty-four year lifespan, the agency amassed an expansive portfolio that demonstrated an equivocal commitment to heritage conservation. Several of the agency's foremost projects, including the implementation of the Bunker Hill, Hoover, and Beacon Street redevelopment plans, led to the demolition of high concentrations of historic properties, and were thus often criticized for their lack of sensitivity to the existing neighborhood fabric. Yet CRA/LA also oversaw a considerable number of projects in which historic properties were rehabilitated and repurposed, particularly in its later years of operation.[29] Given this information, it is challenging to draw conclusions regarding the agency's commitment to rehabilitating and conserving the historic built environment.

<u>Research Questions, Methodology, and Structure:</u>

CRA/LA's ambiguous role in heritage conservation leaves several critical questions unanswered. These questions establish the foundation for this master's thesis. Specifically, I address the following research questions: what role did CRA/LA play in the conservation of cultural resources in the City of Los Angeles? Did this role change over time, and if so in what way(s)? In general, what kind of stewardship did the agency exhibit toward historic and cultural resources within its project areas? To what extent did the agency contribute to the conservation of these cultural resources, and in what way(s)? Will the implementation of ABX1 26 impact future efforts to conserve historic and cultural resources in the City of Los Angeles? If so, what might this impact be?

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[28] Leslie Fulbright, "Sad Chapter in Western Addition History Ending," *San Francisco Chronicle*, July 21, 2008; Jordan Ervin, "Reinventing Downtown San Diego: A Spatial and Cultural Analysis of the Gaslamp Quarter," *Journal of San Diego History* 53.4 (Fall 2007), 188-217.

[29] Los Angeles Conservancy, "2011 Preservation Awards: President's Award: Community Redevelopment Agency, City of Los Angeles," accessed June 1, 2013, https://www.laconservancy.org/awards/11_cra.php.

Pursuit of this topic serves a variety of purposes related to heritage conservation policy: to supplement the existing body of literature on redevelopment's demise; to refine and expand upon RDAs' legacy; to ascertain the potential impacts of ABX1 26 on future heritage conservation projects; and to help heritage conservationists and policymakers accurately plan for a future without RDA funding.

Given the subjectivity of the aforementioned research questions and the nuanced quality of potential data sources, a qualitative research design was deemed most appropriate for this analysis. Several development projects that involved cultural resources and were either undertaken by or received substantial support from CRA/LA are called out as "case studies." Each case study is evaluated at length to assess how the operations of CRA/LA impacted the conservation of the cultural resource, for better or worse. The selected case studies are divided into three broad land use categories: residential and mixed-use, non-residential and office, and institutional/public use.

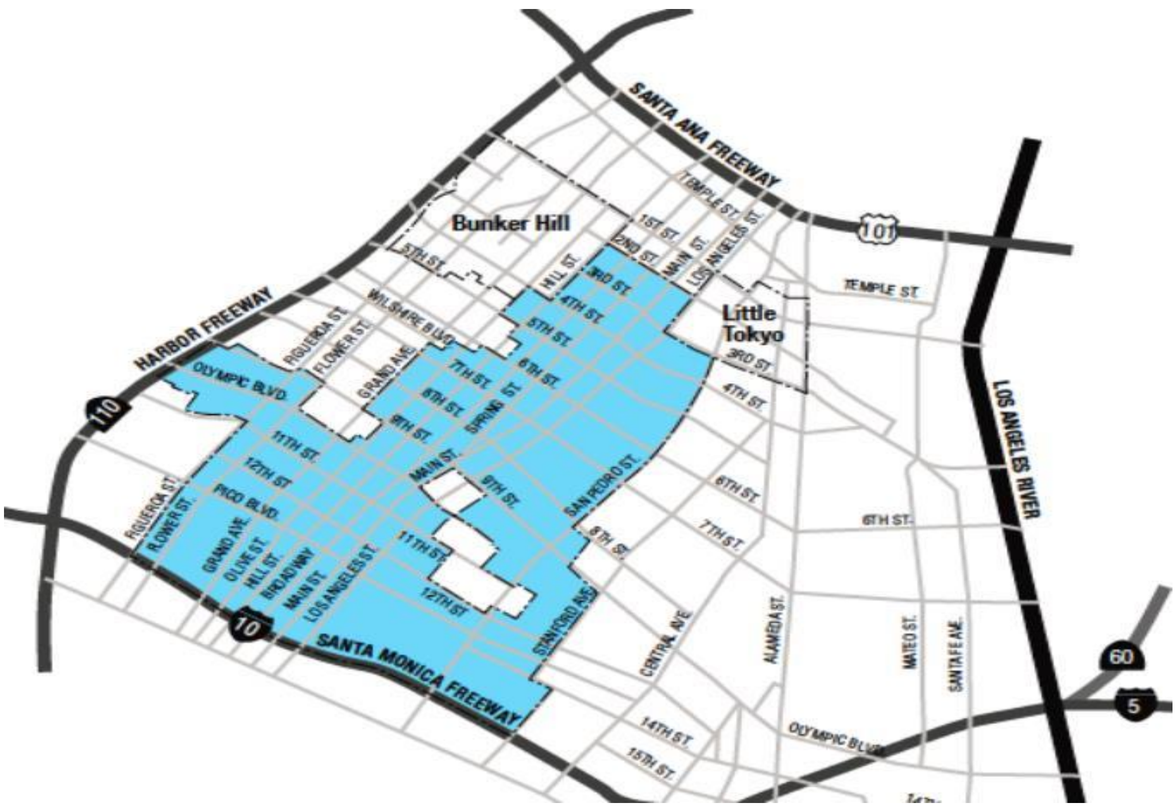

Figure i.2. Map of CRA/LA's City Center Project Area, adopted in 2002. Source: Community Redevelopment Agency of the City of Los Angeles. Accessed at http://www.crala.org/internet-site/Projects/City_Center/city_center_map.cfm.

Figure i.3. Map of CRA/LA's designated boundaries for the Historic Core. Illustration by author and Google Maps.

Seven case studies are selected from within one of CRA/LA's thirty-four Redevelopment Project Areas: the City Center Project Area in Downtown Los Angeles, which was adopted in 2002 and includes Downtown's historic commercial core (Figure i.2).[30] Most of the historic commercial core area was originally located in the boundaries of the Central Business District Project Area, which was adopted in 1975, but was subsequently transferred to the City Center Project Area upon its adoption in 2002.[31] While the selected case studies are drawn from within the entire Project Area, particular emphasis is placed on a smaller sub-area that CRA/LA defined as the "Historic Core." This sub-area is bounded by Second Street on the north, Hill Street on the west, Sixth Street on the south, and Main Street on the east (Figure i.3). One case study, Angels Flight, is technically located in the Bunker Hill Project Area, but was nonetheless included in

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[30] Community Redevelopment Agency of the City of Los Angeles, "City Center: About the Project Area," accessed June 29, 2013, http://www.crala.org/internet-site/Projects/City_Center/about.cfm.
[31] Ibid.

this analysis since it is in close geographic proximity to the City Center Project Area and bears historical association with the Historic Core. The designated study area was selected for several reasons: it has clear administrative boundaries; it features a relatively high concentration of cultural resources; and CRA/LA invested heavily in this area during the three decades that the Project Area was active.[32]

My findings are presented in subsequent chapters, as follows. The first chapter establishes a context for the thesis by discussing the origins and evolution of California redevelopment policy, as well as the origins and evolution of CRA/LA. The following three chapters identify, describe, and analyze the aforementioned case studies, which are broken down according to land use type: the second chapter discusses two residential and mixed-use case studies, the third chapter delves into two commercial and office case studies, and the fourth chapter addresses three case studies involving public and institutional uses. In conjunction, the second, third, and fourth chapters elucidate the relationship between CRA/LA and heritage conservation. I conclude by summarizing my findings, analyzing the implications of the dissolution of CRA/LA with regard to heritage conservation, and identifying potential areas for additional study.

[32] Ibid.

CHAPTER 1: ORIGINS AND EVOLUTION OF REDEVELOPMENT AND CRA/LA

Introduction and Purpose:

Before assessing individual case studies related to the work of the Community Redevelopment Agency of the City of Los Angeles (CRA/LA), it is important to first place redevelopment policy into a broader historical context, and to understand how the objectives and policies of redevelopment agencies (RDAs) changed and evolved over time. The aim of this chapter is to construct an analytical framework upon which the case studies can be evaluated. I work toward this end in four steps. I begin by discussing the federal Urban Renewal movement, which was conceived in the interwar period and went into full effect in 1949. Urban Renewal paved the way for California's redevelopment program by sanctioning and financing slum clearance and the redevelopment of inner-city neighborhoods. I then trace the history of California's pioneering Community Redevelopment Law from its beginning in 1945 to its termination in 2012, noting key milestones and changes that occurred along the way. The California Community Redevelopment Law provided local governments with the statutory authority and financial resources needed to create RDAs and carry out redevelopment projects, and enabled the creation of CRA/LA. Next, I include a discussion of the origins and evolution of CRA/LA, with an emphasis on how the agency's mission and core objectives were expanded and reshaped over its sixty-four year lifespan. I conclude with a brief analysis of how CRA/LA's general attitude toward historic preservation and neighborhood conservation has evolved.

Origins of Redevelopment: Urban Renewal:

Urban Renewal was an ambitious federal program that developed in response to the economic and physical decline of inner-city neighborhoods that began during the Great Depression and worsened after World War II. The program officially began in 1949 and came to a close in 1974.[33] One of the most controversial and wide-reaching public policy initiatives of the twentieth century, Urban Renewal sought to rehabilitate the nation's distressed urban neighborhoods through large-scale slum clearance and redevelopment programs. Perhaps most

[33] William J. Collins and Katherine L. Shester, "The Economic Effects of Slum Clearance and Urban Renewal in the United States" (working paper, Department of Economica, Vanderbilt University, October 2010), 1.

importantly, the program laid the groundwork for similar state and local redevelopment efforts, among which included California's Community Redevelopment Law.

The impetus for Urban Renewal can be traced to the economic devastation that was brought on by the Great Depression. By the early 1930s, many American cities, which had long stood as testaments to the nation's economic prosperity, began to exhibit noticeable signs of physical and economic decline. Problems associated with the nation's fragile housing market were largely to blame. High rates of unemployment and poverty associated with the Depression, coupled with the lack of a strong, centralized federal housing program under the Hoover administration, resulted in unprecedented foreclosure rates and drove millions of American households into homelessness.[34] By the time that the Roosevelt administration signed the Home Owners Loan Corporation (HOLC) into law in 1933, scores of homeowners and their families had already been evicted from their residences.[35] Numerous renters also faced eviction because of their inability to keep up with rent payments.[36] As many evictees squeezed in with relatives, overcrowding and slum-like living conditions abounded.[37] Others squatted or took up residence in makeshift shantytowns – satirically referred to as Hoovervilles – which often lacked such basic amenities as electricity and running water.

These issues took a heavy physical and economic toll on the urban landscape, and deterioration and blight became increasingly evident in inner-city neighborhoods across the nation (Figure 1.1).[38] Mounting pressure was placed on government officials at all levels to take measures in order to alleviate the nation's blight problem. In 1943, real estate economist Homer Hoyt likened the distressed state of American cities to a disease and called upon government

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[34] Jon C. Teaford, *The Twentieth-Century American City: Problem, Promise, and Reality* (Baltimore: The Johns Hopkins University Press, 1993), 75-81.
[35] Ibid.
[36] University of Washington Pacific Northwest Labor and Civil Rights Projects, "Hoovervilles and Homelessness," modified 2009, accessed July 16, 2013, http://depts.washington.edu/depress/hooverville.shtml.
[37] David C. Wheelock, "Changing the Rules: State Mortgage Foreclosure Moratoria during the Great Depression," *Federal Reserve Bank of St. Louis Review* 90.6 (November/December 2008): 569-584.
[38] "Blight," as defined by the State of California, refers to a combination of physical (such as vacant, decrepit, or unsafe buildings) and economic (such as declining property values, high crime rates, high poverty rates) conditions that prevent private enterprise from investing in a given area. The specific physical and economic conditions that comprise blight are listed in the definition of blight in the California Health and Safety Code, §33031 Each redevelopment agency was able to adapt this broad definition to their own community.

officials to take action: "like a cancer, blight spreads through all the tissues of the urban body and the urban organism [is] unable to cure itself except by a major surgical operation."[39]

Figure 1.1. City inspector evaluates slum-like conditions in Los Angeles. Source: USC Libraries, Los Angeles Examiner Collection, File Name: EXM-N-9626-001~11.tiff.

Cities experienced further decline shortly after World War II, when suburbanization took root and many middle-class households moved out of central cities and into new communities in the suburbs. Post-war suburbanization can be attributed to a variety of factors including pent-up consumer demand, a severe housing shortage after the war, mass production and marketing of

[39] Eric Gordon, *The Urban Spectator: American Concept Cities from Kodak to Google* (Lebanon: Dartmouth College Press, 2010).

the automobile, and the federal government's tendency to underwrite mortgages in racially homogenous, suburban communities.[40] The proliferation of post-war suburbs was detrimental to cities: as the middle class migrated to new suburbs en masse, so too did business, industry, employers, and investment capital – all of which had traditionally concentrated in and around central business districts. Consequently, many cities lost a substantial portion of their economic base and struggled to remain solvent.[41] Without a strong middle class, inner cities became the realm of the poor and disenfranchised, many of whom relied on costly government aid and social services that were generally provided by municipal governments.[42] Crime rates in urban areas increased, and once-prosperous inner-city communities became inundated with blight.

Congress responded to the ongoing deterioration of inner cities by passing two landmark pieces of legislation, both of which aimed to improve the general condition of urban environments: the Housing Acts of 1937 and 1949. In addition to establishing a national public housing program and securing the role of the federal government in providing "a decent home and a suitable living environment for every American family," both pieces of legislation included provisions that sanctioned and encouraged slum clearance and the redevelopment of properties that were considered to be blighted.[43] At the core of Urban Renewal was the clearance and redevelopment of urban slums, which were defined by the United States Census Bureau as areas that consisted of buildings or structures that "had serious deficiencies, [were] rundown or neglected, or [were] of inadequate original construction, so that [they] did not provide adequate shelter or protection against the elements or endangered the safety of the occupants."[44] In the eyes of Urban Renewal's proponents, improving the physical condition of cities was key to the renaissance of urban neighborhoods.

The first of these acts, the Housing Act of 1937 or the Wagner-Steagall Act, officially sanctioned the practice of slum clearance for the first time, albeit in a roundabout manner. The principal objective of the 1937 Housing Act was to establish the United States Housing

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[40] Robert A. Beauregard, "Federal Policy and Postwar Urban Decline: A Case of Government Complicity?" *Housing Policy Debate* 12.1 (2001): 129-151.
[41] Ibid.
[42] Jan Blakeslee, "White Flight to the Suburbs: A Demographic Approach," *Institute for Research on Poverty Newsletter* 3.2 (Winter 1978-79): 1-4.
[43] University of California, Santa Barbara American Presidency Project, "Statement by the President upon Signing the Housing Act of 1949," accessed July 15, 2013, http://www.presidency.ucsb.edu/ws/?pid=13246.
[44] William J. Collins and Katherine L. Shester, "The Economic Effects of Slum Clearance and Urban Renewal in the United States" (working paper, Department of Economics, Vanderbilt University, October 2010), 2.

Authority (USHA), a federally-funded agency that oversaw the issuance of grants, loans, and cash contributions to local housing agencies for the purpose of constructing public housing units.[45] The 1937 Act also built upon the earlier National Housing Act of 1934 or Capehart Act, which had created the Federal Housing Authority (FHA) and sought to make housing and home mortgages more affordable. But the 1937 Act also included a caveat that encouraged slum clearance: in order to receive USHA funds, local housing authorities had to guarantee "that one slum unit be demolished for [each] housing unit built."[46] Although the 1937 Act only provided federal officials with a limited role in slum clearance – local housing agencies were neither required to accept USHA funds nor construct public housing units – it was nonetheless perceived by redevelopment advocates as a step in the right direction: by 1941, USHA funds had financed the demolition of 100,000 slum units and the construction of 100,000 new public units in their place.[47] However, due to mounting political opposition and the onset of World War II, USHA funding was halted in 1942.[48]

The second of these acts, the Housing Act of 1949 or the Taft-Ellender-Wagner Act, facilitated slum clearance and urban redevelopment on a much larger scale. One of the most controversial and politically-charged pieces of legislation of its day, the 1949 Housing Act restored many of the housing-oriented programs and policies that had previously been established by the 1937 Housing Act.[49] Title I of the 1949 Housing Act also funneled billions of dollars of federal funding into "the clearance of slums and the preparation of sites for redevelopment."[50] Once local jurisdictions had identified, acquired, and razed blighted parcels in these slum neighborhoods, the sites were graded and equipped with basic public infrastructure and services, and were then sold to private developers, who were charged with the task of redeveloping the vacant parcels and constructing new buildings in accordance with the redevelopment plan adopted by the RDA. By subsidizing site acquisition and assembly costs and

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[45] Alexander von Hoffman, "A Study in Contradictions: The Origins and Legacy of the Housing Act of 1949," *Housing Policy Debate* 11.2 (2000): 299-326.
[46] Ibid.
[47] Jon C. Teaford, *The Twentieth-Century American City: Problem, Promise, and Reality* (Baltimore: The Johns Hopkins University Press, 1993).
[48] Jan Blakeslee, "White Flight to the Suburbs: A Demographic Approach," *Institute for Research on Poverty Newsletter* 3.2 (Winter 1978-79): 1-4.
[49] Alexander von Hoffman, "A Study in Contradictions: The Origins and Legacy of the Housing Act of 1949," *Housing Policy Debate* 11.2 (2000): 299-326.
[50] "Slum Clearance and Urban Redevelopment," *American Builder*, September 1, 1951.

offering prime pieces of urban real estate at reduced rates, Title I of the 1949 Housing Act encouraged the redevelopment of inner-city districts by removing the key economic barriers that had precluded such development in the past. Private developers also benefited from the fact that the rules stipulating what could be developed on vacated sites were notoriously vague, which thereby allowed developers to pursue large and profitable projects on these publically-subsidized sites.[51] Given the scale and implications of Urban Renewal undertakings, slum clearance and redevelopment projects financed under the 1949 Housing Act often engendered a considerable amount of controversy and debate, particularly in Los Angeles (Figure 1.2).

Figure 1.2. Public hearing on redevelopment and public housing in Los Angeles, 1951. Source: USC Libraries, Los Angeles Examiner Collection, Filename: EXM-N-9141-019~1.tiff.

[51] Jon C. Teaford, "Urban Renewal and its Aftermath," *Housing Policy Debate* 11.2 (2000): 443-465.

Urban Renewal played in a critical role in the manner by which city-building was carried out in the 1950s and 1960s. Highly influential figures, such as New York "master builder" Robert Moses, used the program to their full advantage and initiated large-scale slum clearance and urban redevelopment projects that brought about significant physical, economic, and social changes to many of the nation's largest cities. Entire urban neighborhoods, including the West End in Boston, Bunker Hill in Los Angeles, and the Fillmore District in San Francisco, were entirely demolished. Master-planned districts comprised of sleek, modern skyscrapers, cultural amenities, and large-scale public housing developments were constructed in their place. However, by the 1970s Urban Renewal had grown increasingly unpopular among some politicians and members of the general public, due to its tendency to displace the poor and disenfranchised and its reputation for demolishing large swaths of older urban neighborhoods. Congress halted Urban Renewal funding in 1973, and folded several of the program's key objectives over into the Community Development Act of 1974.[52]

By establishing a precedent for slum clearance and providing the financing for doing so, the federal Urban Renewal program spurred the creation of several state and locally-driven urban redevelopment programs. Among the earliest and most progressive of these programs was developed and implemented by the state of California.

<u>California Redevelopment: Emergence of a Locally-Based Redevelopment Strategy:</u>

Redevelopment officially began in California in 1945, when then-Governor Earl Warren signed the California Community Redevelopment Act (CCRA) into law.[53] The CCRA provided cities and counties with the legal authority to create a redevelopment agency (RDA), a separate governing body whose primary task was to "prepare and carry out plans for the improvement, rehabilitation, and redevelopment of blighted areas."[54] RDAs were granted a variety of powers and tools toward this end, including the acquisition of private property that was considered to be blighted using eminent domain, if needed; the preparation of acquired properties for redevelopment through demolition and the construction of infrastructure; the sale and/or leasing

[52] Ibid, 459.
[53] Craig Lawrence Johnson and Joyce Y. Mann, eds., *Tax Increment Financing and Economic Development: Uses, Structures, and Impacts* (Albany: State University of New York Press, 2001), 114.
[54] California Health and Safety Code § 33131(a) (2010).

of acquired properties to individuals or organizations without engaging in the public bidding process that accompanied most public sales; and the undertaking of "certain improvements to other public facilities in the project area," as needed.[55] RDAs were also granted the right and the obligation to provide relocation assistance for owners and tenants that had been displaced in the acquisition process.[56] Given these powers and tools, RDAs generally approached redevelopment in four steps: the RDA would first survey an area, formulate a redevelopment plan, and create a project area; would next acquire blighted property; would make improvements and prepare the site for redevelopment; and would finally sell the improved property to private parties for redevelopment.[57] Proponents of the CCRA, like those of the federal Urban Renewal program, believed that the clearance and redevelopment of urban slums was necessary to spearhead the physical and economic rehabilitation of inner-city communities.

The CCRA provided municipal governments with the legal authority to create RDAs, but did not provide the financial resources needed to carry out redevelopment projects. Financing was incorporated into the law as part of a 1951 revision, when the CCRA was renamed the Community Redevelopment Law (CRL) and was subsequently codified into the California Health and Safety Code. Section 33670 of the newly-codified law granted RDAs the authority to finance their operations by means of tax increment financing (TIF), an innovative funding strategy in which agencies could borrow against future increases in tax revenue (above the pre-existing tax revenue baseline) to finance current projects within a redevelopment project area.[58] California was the first state in the nation to use tax increment financing as an economic development tool.[59] Under the TIF model, most RDAs issued bonds to finance the upfront costs of a redevelopment project, and the subsequent increase in property taxes that were expected to be generated by redevelopment projects would then be used to repay the agencies' outstanding debt. TIF was predicated on the "but-for" theory, which assumed that future increases in property tax revenues would not occur "but for" the use of public funds to finance projects in the

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[55] California Redevelopment Association et al. v. Matosantos, S194861 (CA Sup. Court Dec. 29, 2011), 9.
[56] Lisa M. Feldstein, Rick Jacobus, and Hannah Burton Laurison, *Economic Development and Redevelopment: A Toolkit for Building Healthy, Vibrant Communities* (Sacramento: California Department of Health Services, 2007), 56.
[57] California Redevelopment Association et al. v. Matosantos, S194861 (CA Sup. Court Dec. 29, 2011), 9.
[58] Ibid.
[59] Jeffrey I. Chapman, "Proposition 13: Some Unintended Consequences," Paper, Public Policy Institute of California, 1998, 12.

redevelopment project area.[60] The use of TIF won the approval of the California electorate in 1952 and was subsequently incorporated into Article XVI, Section 16 of the California Constitution.[61] A tremendously flexible and powerful financing tool, TIF allowed RDAs to operate with a degree of financial self-sufficiency, and provided RDAs with the necessary financial resources to undertake large and costly redevelopment projects within their respective jurisdictions.

Over time, other revisions were made to the state's redevelopment law. The provision of a safe and decent stock of affordable housing had always been inextricably tied to slum clearance and urban redevelopment, but the relationship between affordable housing and RDAs was not explicitly defined until 1976. That year, the California Legislature passed AB 3674, the next major milestone in the evolution of California redevelopment law. Per AB 3674, each RDA was mandated to set aside twenty percent of tax increment revenue that was generated in its redevelopment projects areas to preserve, improve, and increase its supply of low and moderate-income housing.[62] Tax increment revenues that were earmarked for affordable housing purposes – known as the Twenty Percent Housing Set-Aside – were redirected into separate Low and Moderate Income Housing trust funds, and with few exceptions were predominantly used within the project area from which the funds were initially derived.[63] As a result of AB 3674, tax increment revenues associated with RDAs came to represent the second-largest financing source for affordable housing development in California, after federal funds, and RDAs thereafter were involved in almost every affordable housing project initiated in the state.[64] The bill also reshaped the state's redevelopment program, which had focused primarily on the acquisition and development of real property, into a broader community and economic development vehicle.

The scale of California's redevelopment program increased substantially after the California electorate approved Proposition 13 in 1978, which instituted a cap of one percent on

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[60] Richard F. Dye and David F. Merriman, "Tax Increment Financing: A Tool for Local Economic Development," *Land Lines* 18.1 (January 2006): 2-7.
[61] California Redevelopment Association et al. v. Matosantos, S194861 (CA Sup. Court Dec. 29, 2011), 9.
[62] "Redevelopment Dissolution: History of Redevelopment in California," accessed July 15, 2013, http://redevelopmentdissolution.lacounty.gov/wps/portal/rdd?1dmy&page=dept.rdd.home.detail.hidden&urile=wcm%3Apath%3A/lacounty+content/lacounty+site/home/redevelopment+dissolution/rdd+home/home+links+of+interests/rd_history+of+redevelopment+in+california.
[63] Ibid.
[64] Josh Stevens, "Redevelopment Demise Could Hinder Affordable Housing," *California Planning and Development Report* 26.2 (January 2011): 7.

the general purpose property tax and resulted in a substantial rollback on local property tax receipts.[65] Prior to 1978, redevelopment in California was a relatively small program; the majority of cities and counties did not have RDAs, and those municipalities that did participate in the redevelopment program generally limited redevelopment to project areas that were relatively small in area.[66] Since local governments had relied on property tax revenue as the primary source for municipal budgets, Proposition 13 left many cities and counties scrambling to identify alternative sources of revenue to account for the funding gaps that arose from the one-percent property tax cap. Attracted to the flexibility associated with TIF financing and the relatively lax oversight of RDAs at the time, many cash-strapped municipalities created RDAs in order to retain a greater share of the property taxes generated within their boundaries.[67] Property taxes were normally shared among many government bodies, including cities, counties, school districts, and other special taxing districts, but under the TIF model the incremental revenues all accrued to the RDA and remained entirely within the municipal boundary from which they were derived. In addition to increasing the number of RDAs, the fiscal constraints that were brought on by Proposition 13 also led to an increase in the number and relative size of redevelopment project areas. Instead of confining project areas to zones measuring less than 100 acres, as was typical in the earlier years of redevelopment, post-1978 project areas often encompassed thousands of acres, and at least one city is known to have "placed all privately-owned land in the city under redevelopment."[68] State law continued to mandate that twenty percent of tax increment revenue be redirected to affordable housing projects, but many RDAs exhibited a tendency to favor commercial projects over residential development after 1978, since commercial projects generated more sales taxes for the municipality and substantially more tax

[65] Ibid.
[66] California Legislative Analyst's Office, "The 2012-13 Budget: Unwinding Redevelopment," modified February 17, 2012, accessed May 25, 2013, http://www.lao.ca.gov/analysis/2012/general_govt/unwinding-redevelopment-021712.aspx.
[67] Michael Dardia, *Subsidizing Redevelopment in California* (San Francisco: Public Policy Institute of California, January, 1998), 27.
[68] Ibid; Coronado, an affluent city within San Diego County, created a redevelopment project area that encompassed the entire city, thus indicating that the entire city suffered from blight. Rancho Palos Verdes and Indian Wells, affluent cities within Los Angeles and Riverside counties, respectively, also created redevelopment project areas that encompassed the majority of the city limits.

increment than residential development.[69] By the time the program came to an official close in 2012, RDAs' total share of statewide property tax had increased six fold.[70]

Thus, largely due to the one-percent property tax cap imposed by Proposition 13, redevelopment evolved into an economic and political behemoth that "bore little resemblance to the small, locally-financed program the Legislature authorized in 1945."[71] The rapid growth of redevelopment in the era of Proposition 13 thrust the once-small-scale program into the public eye, and generated much controversy and debate regarding the redevelopment program and its core mission. Critics of RDAs were quick to point out that RDAs lacked many of the key transparency provisions that were typical of local government agencies, such as state oversight and fiscal checks, and argued that the agencies were able to make significant financial decisions without adequate public input or support. Critics also challenged the law's definition of "blight" by pointing to instances in which redevelopment project areas had been established in the absence of physical or economic deterioration.[72] Indeed, several municipalities had established redevelopment project areas and were collecting tax increment revenue in zones that were comprised primarily of vacant land. While some argued that the redevelopment program had simply strayed from its core mission of eliminating blight and revitalizing urban neighborhoods, others argued that RDAs deliberately engaged in graft and corruption. Meanwhile, advocates of redevelopment defended the program by pointing to instances in which RDA operations and tax increment financing produced positive, tangible results in the revitalization of depressed urban neighborhoods and the creation of affordable housing units.

The controversy and debate that accompanied the growth of redevelopment led state lawmakers to enact a series of modifications and reforms to the Community Redevelopment Law. One of the most comprehensive sets of reforms to the redevelopment program was made in 1993, when the California Legislature adopted AB 1290, or the Community Redevelopment Law Reform Act. The legislation included multiple provisions that directly addressed many of the aforementioned concerns and criticisms that had been directed toward the state's redevelopment

[69] Jeffrey I. Chapman, "Proposition 13: Some Unintended Consequences," Paper, Public Policy Institute of California, 1998, 12.
[70] Daniel S. Maroon, "Redevelopment in the Golden State: A Study in Plenary Power under the California Constitution," *Hastings Constitutional Law Quarterly* 40.2 (Winter 2013): 453-474.
[71] Ibid.
[72] Michael Dardia, *Subsidizing Redevelopment in California* (San Francisco: Public Policy Institute of California, January, 1998). 70-77.

program. Specifically, AB 1290 provided a clear and narrowly-defined definition of blight for the first time; required RDAs to develop implementation plans and justify how the objectives of the plans would eliminate blight; imposed statutory time limits on redevelopment plans; and prohibited RDAs from extending financial assistance to automobile dealers, a practice that,

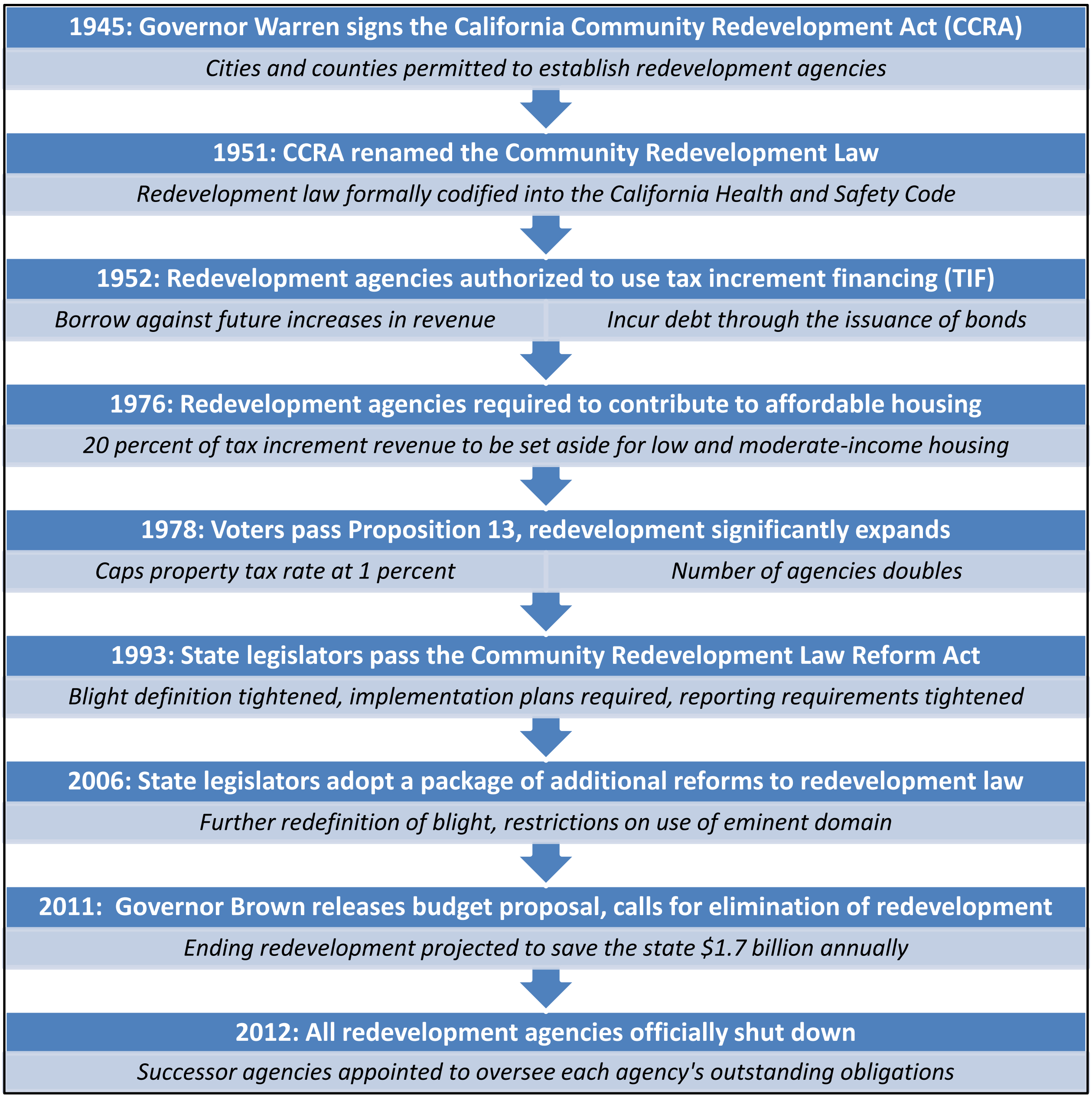

Figure 1.3. Summary of key events in state redevelopment history. Illustration by author.

especially in smaller communities, had led to communities offering large financial incentives to lure such dealerships into their jurisdictions to benefit from the sales tax revenues generated from automobile sales.[73] AB 1290 also created a uniform pass-through formula that redirected a proportion of tax increment revenues generated by RDAs to other local agencies.[74] A series of additional reforms that were enacted in 2006 – SB 1206, AB 773, and SB 53 – tightened the statutory definition of blight, facilitated public participation in the redevelopment process, and imposed restrictions on RDAs' ability to exercise eminent domain, respectively.[75] The 1993 and 2006 amendments to the Community Redevelopment Law sought to impose a series of fiscal checks on a program that had experienced rapid growth and, as noted earlier, was regarded by many as lacking key transparency and accountability measures.

As discussed at length in the introduction chapter, the redevelopment program was slated for elimination in 2010, when the state of California was in the midst of a fiscal meltdown. After a series of legal challenges, all RDAs were officially shut down for new business in February 2012. The outstanding obligations of each RDA are overseen by a successor agency, which is also charged with winding down the agencies' operations. Key events in California redevelopment policy are summarized on the previous page, in (Figure 1.3).

Community Redevelopment Agency of the City of Los Angeles (CRA/LA):

The first municipality in California to take advantage of the state's pioneering redevelopment enabling statute was the City of Los Angeles, which established the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) in 1948.[76] Over time, CRA/LA evolved into what became the largest and one of the most prolific redevelopment agencies in the state. The legacy of CRA/LA looms large in the history of Los Angeles; in its sixty-four years of operation, the agency "master-planned and oversaw the rise of the city's downtown financial district, built the infrastructure and laid the foundation for Hollywood's renaissance…helped the

[73] "Community Redevelopment Law Reform Act," accessed July 14, 2013, http://www-scf.usc.edu/~ngale/CurrentCourses/Finance/com-redev-law-act/.
[74] Michael Dardia, *Subsidizing Redevelopment in California* (San Francisco: Public Policy Institute of California, January 1998), 72-73.
[75] California State Senate Governance and Finance Committee, "2006 Significant Legislation," modified October 2, 2006, accessed July 14, 2013, http://sgf.senate.ca.gov/2006significantlegislation.
[76] Eric Gordon, *The Urban Spectator: American Concept Cities from Kodak to Google* (Lebanon: Dartmouth College Press, 2010), 129.

San Fernando Valley rebound from the devastation of the 1994 Northridge Earthquake, financed the construction of 30,000 units of affordable housing, and left a legacy of significant public investment in public art throughout its thirty-two project areas."[77] The variety of undertakings by the agency left profound impacts on the physical, economic, and social fabric of the city.

Paralleling the origins of the Urban Renewal program, CRA/LA was conceived out of city officials' desire to eliminate blight and slums throughout the city. Of particular concern to city officials was Bunker Hill, a residential district to the northwest of downtown Los Angeles that had historically been developed as an enclave for the city's most affluent residents but had incrementally suffered from disinvestment between the 1920s and 1940s (Figure 1.4). Consequently, Bunker Hill was considered to be the most blighted district in the entire City of Los Angeles by the onset of World War II.[78] As the upper classes moved to new residential districts further away from downtown, Bunker Hills's once-stately Queen Anne style mansions were subdivided and converted into rooming houses and residential hotels, most of which came to be inhabited by a mix of single males, transients, and low-income families. Many of the subdivided units in these rooming houses and residential hotels lacked basic amenities including running water, electricity, kitchens, and private baths, and often entire families were crowded into a single-room unit.[79] Bunker Hill featured the highest population density in the city and therefore suffered from comparatively high rates of communicable disease. The district also suffered from high rates of violent crime and property crime, "and the Fire Department deemed the preponderance of wooden structures a fire hazard to this densely populated area."[80] In the eyes of city planners, the crime and squalor that characterized Bunker Hill clearly exemplified the problems of blight and inner-city deterioration that afflicted cities in the interwar period.

Prior to the adoption of the California Community Redevelopment Act in 1945, city officials had little power to respond to the deterioration of neighborhoods such as Bunker Hill. Instead, efforts to clean up the neighborhood were left to the private sector and largely failed.[81]

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[77] Cecilia Estolano, "Sustainable Growth with Equity in Practice: The Example of Community Redevelopment Agency of the City of Los Angeles," accessed July 14, 2013, http://21c4all.org/content/sustainable-growth-equity-practice-example-community-redevelopment-agency-city-los-angeles.
[78] Mara A. Marks, "Shifting Ground: The Rise and Fall of the Los Angeles Community Redevelopment Agency," *Southern California Quarterly* 86.3 (Fall 2004): 241-290.
[79] Ibid.
[80] Ibid.
[81] Ibid.

The state Legislature's decision to enact a redevelopment enabling statute was thus a watershed moment for city officials who had long expressed frustration about their inability to eradicate slum-like conditions, both in Bunker Hill and elsewhere. Creating a redevelopment agency in accordance with the state's Community Redevelopment Act provided city officials with the legal and financial tools needed to adequately invest in the rehabilitation of Bunker Hill. At its meeting on April 15, 1948, the Los Angeles City Council voted to establish CRA/LA with the primary objective of alleviating blighted conditions atop Bunker Hill.[82]

Figure 1.4. Existing conditions on Bunker Hill, 1957. In the foreground is Mary Connor Rasche, whose father designed the Melrose Hotel, pictured at rear. Source: USC Libraries, Los Angeles Examiner Collection, File Name: EXM-N-12099-002~2.tiff.

[82] Ibid.

In spite of its ambitious agenda, CRA/LA got off to a slow start. Having been established in 1948, the agency predated many of the legal and financial mechanisms that were essential to its operations, and therefore lacked the financial resources needed to undertake redevelopment projects. Title I of the Housing Act of 1949 first provided local agencies with legal and financial tools needed to acquire and redevelop property, and the agency lacked the ability to use tax increment financing until 1952. Both federal funding and tax increment financing were necessary to finance a redevelopment project the size and scope of Bunker Hill. In 1954, after establishing a redevelopment project area and submitting a redevelopment plan, CRA/LA applied for and was awarded $33 million in federal aid for the redevelopment of Bunker Hill, and also received $7 million in matching local funds.[83] But the inextricable connection that the Housing Act of 1949 had created between local redevelopment agencies and public housing was a source of great controversy among private developers and several elected officials, who likened the construction of public housing units to a socialist political agenda.[84] Public outcry and political wrangling temporarily prohibited CRA/LA from using its federal housing dollars and stalled the Bunker Hill project for much of the 1950s.

In the meantime, CRA/LA embarked on a smaller-scale redevelopment project that was entirely financed by the city and did not require federal financial assistance. Initiated by CRA/LA in 1952, the Ann Street Redevelopment Project targeted thirty-nine acres of blighted development near present-day Chinatown, and was intended to serve as a pilot project that would help prepare the agency for the eventual redevelopment of Bunker Hill. The Ann Street Redevelopment Project also stood out as the first redevelopment project that was approved in the state of California.[85] After conducting an initial survey, which found that approximately two-thirds of dwelling units in the area met the statutory definition of blight, CRA/LA acquired the blighted properties, cleared and improved the sites, and then sold the properties to private parties for redevelopment (Figure 1.5). Properties within the redevelopment site were sold to industrial enterprises including the Carnation Company, which constructed a processing plant on nineteen

[83] Community Redevelopment Agency of the City of Los Angeles, *Bunker Hill Redevelopment Project Area Implementation Plan: FY 2010 – January 1, 2012,* December 17, 2009.
[84] William Deverell and Greg Hise, *A Companion to Los Angeles* (West Sussex: John Wiley and Sons, 2010), 137.
[85] Allen John Scott and Edward W. Soja, eds., *The City: Los Angeles and Urban Theory at the End of the Twentieth Century* (Berkeley: University of California Press, 1996), 95.

of the thirty-three acres of land that had been cleared for redevelopment.[86] Although CRA/LA helped evicted households locate alternate housing, the agency did not construct any new dwelling units within the redevelopment site. CRA/LA officials projected that the Ann Street project would yield a return of approximately 650 percent – a figure that justified the public expenditures involved and painted an optimistic picture for the future of the city's redevelopment program.[87]

Figure 1.5. Ann Street neighborhood, before redevelopment. Source: Los Angeles Public Library, Housing Authority Collection, Order Number 00033553. Permission requested – response pending.

In 1959, more than a decade after CRA/LA was founded, the Los Angeles City Council voted to approve the redevelopment plan and Project Area for Bunker Hill that had been developed and amended several times by CRA/LA. The Project Area comprised 132 acres of blighted property atop the hill. The Council's decision paved the way for CRA/LA to begin work

[86] Ray Hebert, "Ann Redevelopment Project Will Provide Industrial Area," *Los Angeles Times*, August 29, 1960.
[87] Ibid; although the Ann Street Redevelopment Project did bring short-term economic gain to the area, these effects have not necessarily been enduring. The present-day Cornfield Arroyo Seco Specific Plan proposes to bring mixed-use development and housing back to the neighborhood as an economic development strategy.

on the redevelopment project. As it had done previously for the Ann Street Redevelopment Project, the agency approached redevelopment in Bunker Hill through a standardized process, in which the agency commissioned a study of the area and made a determination of blight; established a project area and adopted a redevelopment plan; acquired properties within the area; cleared the site by demolishing or relocating existing buildings; improved the site and prepared it for redevelopment; and ultimately sold improved parcels within the area to private developers (Figure 1.6). The agency began purchasing and improving the 288 parcels that comprised the Project Area in 1960, and the project carried on for five decades before coming to an end in 2012.[88] Major changes occurred in the area during this time. In addition to leveling the area's hilly topography and completely realigning its circulation network, CRA/LA facilitated the construction of millions of square feet of office and retail space, 2,500 hotel rooms, 3,250 residences, and 385,000 square feet of cultural facilities.[89] The efforts of CRA/LA dramatically transformed Bunker Hill from a predominantly residential district into the "financial and corporate heart of downtown Los Angeles" (Figure 1.7). [90] Subsequent projects that were initiated by CRA/LA – including the Temple Redevelopment Project west of downtown Los Angeles (1962), the Hoover Redevelopment Project adjacent to the University of Southern California (1965), and the Beacon Street Redevelopment Project in San Pedro (1969) were predicated on the same Urban Renewal model as Bunker Hill, in which the agency sought to revitalize neighborhoods through area-wide property acquisition and site clearance as the primary means of eliminating physical blight, followed by near-total reconstruction of the area. Both the Hoover and Beacon Street projects came to fruition, but CRA/LA ultimately did not act on the Temple redevelopment project.

CRA/LA's slum clearance and redevelopment efforts in Bunker Hill achieved their stated goal of eliminating blight and substandard conditions. The project also resulted in the creation of a world-class financial and commercial district for Los Angeles. But the project – and especially CRA/LA's raze-and-rebuild approach to redevelopment – also engendered a considerable amount of controversy and criticism even before it was carried out. Various stakeholders and policymakers expressed concern about the demolition of entire neighborhoods, and argued that

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[88] Ray Hebert, "4.6 Million Bunker Hill Land Bought in 2 Weeks, *Los Angeles Times,* May 17, 1961.
[89] Community Redevelopment Agency of the City of Los Angeles, *Bunker Hill Redevelopment Project Area Implementation Plan: FY 2010 – January 1, 2012,* December 17, 2009.
[90] Ibid.

the slum clearance model ultimately did more harm than good in the communities in which the model was implemented. Given its magnitude, the Bunker Hill redevelopment project drew much criticism in this regard. Opponents of the project – and of the City's redevelopment program in general – lodged a wide variety of complaints regarding the project and cited its physical and sociological implications. Of principal concern was the displacement and relocation of existing residents: a total of 7,310 residential units in the Project Area were eliminated in order to make way for new development, but only a smaller number of affordable replacement and political activists argued that CRA/LA's top-down approach to redevelopment – and particularly its involvement in the financing and construction of public housing units – was akin to socialism. Some academics have argued that the project created an environment that was

Figure 1.6. CRA/LA's redevelopment plan for Bunker Hill, 1960. Source: USC Libraries, Los Angeles Examiner Collection, File Name: EXM-N-12798-002~1.

inhospitable to poor and working-class stakeholders in downtown Los Angeles, who had long called the Bunker Hill neighborhood home.[91] These criticisms of CRA/LA reflected a larger national backlash to slum clearance and Urban Renewal that had emerged by the late 1960s.[92] The Urban Renewal program had been halted altogether by 1974.

Figure 1.7. Bunker Hill after redevelopment activity had begun, 1968. The Union Bank Building, the first skyscraper to be constructed on Bunker Hill, is in the foreground. Source: USC Libraries, "Dick" Whittington Photography Collection, File Name: DW-87-54-B10-ISLA.

By the 1970s, CRA/LA, like many local redevelopment agencies across the nation, had moved away from its emphasis on slum clearance and the demolition of blighted neighborhoods, ideas that had once dominated public policy but had fallen out of favor. After shedding its slum

[91] Anastasia Loukaitou-Sideris and Tridib Banerjee, *Urban Design Downtown: Poetics and Politics of Form* (Berkeley: University of California Press, 1998), 32.
[92] Jon C. Teaford, *The Twentieth-Century American City: Problem, Promise, and Reality* (Baltimore: The Johns Hopkins University Press, 1993), 126.

clearance roots, the agency began taking on a wide variety of community development projects and evolved into a far-reaching economic development agency that approached community development and neighborhood investment in a more integrated, holistic manner.[93] Instead of aggressively pursuing the identification and elimination solely of physical blight, as had been done in the 1950s and 1960s, CRA/LA instead focused on broader policies and programs that were intended to stimulate private-sector investment in the city's most disadvantaged and neglected neighborhoods. Projects financed and undertaken by the agency were much more varied; the agency helped create and rehabilitate housing units, financed new locally-oriented commercial development, embarked upon façade improvements and streetscapes enhancements, and administered the city's foremost public art program, among other projects.[94]

CRA/LA came to play an integral role in the provision of low and moderate-income housing within the City of Los Angeles. Housing became a key priority of the agency following the passage of AB 3674 in 1976, which required each RDA in the state to direct not less than twenty percent of its tax increment revenue into an affordable housing trust fund. The agency demonstrated its commitment to housing by surpassing the state's twenty percent housing set-aside and redirecting twenty-five percent of its tax increment revenue to the construction and rehabilitation of affordable dwelling units within the city.[95] Private and non-profit housing developers came to rely heavily on CRA/LA funding and support: CRA/LA accounted for many of the upfront and predevelopment costs associated with inherently-risky low and moderate-income housing projects, which in turn provided developers with the financial leverage needed to obtain additional financing from third-party lenders. Upon its dissolution in 2012, CRA/LA had spurred the creation of approximately 30,000 new affordable housing units within its designated Project Areas.[96] The agency played a role in almost every affordable housing development that was undertaken in the city.

Over time, CRA/LA expanded its scope even further by championing issues related to social justice and equity. The socioeconomic revitalization of communities complemented the

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[93] Cecilia Estolano, "Sustainable Growth with Equity in Practice: The Example of Community Redevelopment Agency of the City of Los Angeles," accessed July 14, 2013, http://21c4all.org/content/sustainable-growth-equity-practice-example-community-redevelopment-agency-city-los-angeles.
[94] Community Redevelopment Agency of the City of Los Angeles, "The CRA/LA at a Glance," n.d.
[95] Ibid.
[96] Ryan Vaillancourt, "Some Cheer End of CRA," *Los Angeles Downtown News,* February 10, 2012.

agency's efforts to revitalize the physical and economic condition of neglected areas. The first major development toward this end took place in 1986, when the agency adopted a progressive wage policy that required developers and property owners who were under contract with CRA/LA to pay construction workers a prevailing wage.[97] CRA/LA's commitment to equity and social welfare was further enhanced in the 1990s, when the agency began to coordinate and enter into comprehensive Community Benefits Agreements (CBAs) with local community organizations and project developers to ensure that community members would benefit directly from major redevelopment projects that received public subsidies.[98] Each CBA was tailored to meet a community's specific needs, but most included provisions for developer-funded job training programs, local hiring quotas, living and/or prevailing wage goals, and equal opportunity and fair labor policies. The agency also adopted a series of goals and policies that sought to advance ecological and environmental sustainability, clean energy, transit-oriented development, and healthy communities.[99]

CRA/LA was among the 425 RDAs in California that were officially shut down for new business in February 2012, when ABX1 26 went into effect. In addition to standing out as the oldest and largest RDA in the state, CRA/LA was also among the most prolific: upon its dissolution, the agency was engaged in "active development projects valued collectively at an estimated $3 billion" within thirty-four Project Areas located throughout the City.[100] ABX1 26 mandated that the outstanding contractual obligations associated with each RDA be carried out in full by a successor agency, which most often consisted of the elected body of a sponsor community. However, in January 2012 the Los Angeles City Council voted against assuming the role of successor agency to CRA/LA. Los Angeles was one of four sponsor communities that instead opted to relinquish its RDA to a designated local authority, a separate governing board comprised of three citizen members appointed by Governor Brown.[101] The designated local

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[97] Community Redevelopment Agency of the City of Los Angeles, *Policy on Payment of Prevailing Wages by Private Redevelopers or Owner-Participants*, February 24, 1986.
[98] Cecilia Estolano, "Sustainable Growth with Equity in Practice: The Example of Community Redevelopment Agency of the City of Los Angeles," accessed July 14, 2013, http://21c4all.org/content/sustainable-growth-equity-practice-example-community-redevelopment-agency-city-los-angeles.
[99] Community Redevelopment Agency of the City of Los Angeles, *Layman's Guide to CRA/LA Policies*, n.d.
[100] Ryan Vaillancourt, "Some Cheer End of CRA," *Los Angeles Downtown News*, February 10, 2012.
[101] Office of Governor Edmund G. Brown, Jr., "Governor Brown Forms Boards to Wind Down Redevelopment Agencies in Los Angeles, Merced, Stanislaus, and Ventura," press release, February 1, 2012.

authority is responsible for winding down CRA/LA's operations and managing the agency's outstanding obligations.

CRA/LA experienced tremendous growth and transformation over the course of its sixty-four year lifespan. What initially functioned as a slum clearance operation evolved into a well-rounded and comprehensive economic development organization that sought "to make strategic investments to create economic opportunity and improve the quality of life for the people who live and work in our neighborhoods."[102]

CRA/LA and Historic Properties: A Brief History:

As the mission and principal objectives of CRA/LA evolved over time, so too did the agency's general attitude toward historic preservation and neighborhood conservation. Following is a summary of how CRA/LA's policies and programs have taken historic and cultural resources into account between the agency's inception in 1948 and its termination in 2012.

CRA/LA was established in the midst of the Urban Renewal movement, which placed great weight on the clearance of slums and the wholesale rebuilding of distressed inner-city neighborhoods. Redevelopment projects undertaken in the era of Urban Renewal were thus largely focused on the demolition – not the preservation – of older properties, which culminated in the widespread demolition of entire older neighborhoods in cities across the nation.[103] City planners and elected officials of this era tended to look at older properties not as awash in historic or cultural value, but rather as obsolete, deficient, and harbingers of blight and deterioration. The goals and policies of Urban Renewal were thus widely perceived as antithetical to those of the nascent heritage conservation community, and it was largely because of the loss of older properties associated with Urban Renewal that "a growing public sensitivity to the needs of preservation" ultimately arose and became incorporated into public policy in the 1960s.[104] The federal program went into effect several years before the national historic preservation movement came into fruition: urban critic Jane Jacobs did not publish her seminal

[102] Community Redevelopment Agency of the City of Los Angeles, "The CRA/LA at a Glance," n.d.
[103] Lina Cofresi and Rosetta Radtke, "Local Government Programs: Preservation Where It Counts," in *A Richer Heritage: Historic Preservation in the Twenty-First Century*, ed. Robert E. Stipe (Chapel Hill: The University of North Carolina Press, 2003), 119.
[104] Ibid, 120.

text on the vibrancy of urban neighborhoods until 1961, and the National Historic Preservation Act was not enacted until 1966. It was largely because of the demolition associated with the Urban Renewal policies of the 1950s and 1960s that historic preservation emerged as a worthwhile pursuit.

During its early years of operation CRA/LA did not make historic preservation and neighborhood conservation priorities, and accordingly historic properties generally did not fare well under the agency's direction in this early period. Upon the founding of CRA/LA, its first chairman, William T. Sesnon, asserted that the agency's primary objective was to "wipe out substandard housing…and redevelop it in conformity with its highest use potential."[105] The pursuit of this goal, by both CRA/LA and others, culminated in the widespread demolition of older neighborhoods throughout the city and culminated in the elimination of many of Los Angeles's oldest communities. The Bunker Hill Redevelopment Project, which began in 1959, is a strong case in point. In order to reconfigure and improve the land for redevelopment, CRA/LA acquired and demolished almost all of the Victorian-era mansions and residential hotels atop the hill. Demolition commenced in 1960, shortly after the redevelopment plan for the area was approved by the City Council, and the last residence in the neighborhood was demolished in 1969.[106] As a result of the Bunker Hill redevelopment project, Los Angeles lost a significant portion of its nineteenth century building stock and some ofits most remarkable examples of Victorian-era residential architecture. The project also resulted in the eradication of nearly a century of organic growth that had developed and evolved on Bunker Hill in a single decade.[107] Largely in response to criticism and public outcry regarding the loss of buildings, CRA/LA did attempt to save and relocate several of the structures to other locations, including Heritage Square, although arson ultimately destroyed two of these structures after relocation (Figure 1.8).

The controversy and debate that surrounded the mass demolition of Bunker Hill is well-documented. Many lamented CRA/LA's perceived disregard for historic buildings within the Project Area, even though several buildings had been saved, and the city had determined previously that a substantial portion of the housing stock in Bunker Hill was so substandard as to

[105] Ray Hebert, "Bunker Fishbowl: House on Hill is Alone but Not Forgotten," *Los Angeles Times,* June 15, 1969.
[106] Anastasia Loukaitou-Sideris and Tridib Banerjee, *Urban Design Downtown: Poetics and Politics of Form* (Berkeley: University of California Press, 1998), 32.
[107] Ibid.

Figure 1.8. The Salt Box (right) and the Castle (left) being prepared for relocation, 1969. Source: Los Angeles Public Library, Herald Examiner Collection, Order Number 00059374. Permission requested – response pending.

not be adequately safe or healthful for inhabitation. The author of a *Los Angeles Times* article from 1953 lamented the impending loss of the buildings associated with the Bunker Hill Redevelopment Project, stating that "old buildings are living things to me, and it grieves me to see them die…their fatality has been high of late."[108] A subsequent *Los Angeles Times* article from 1979, which looked back on the conception of the Bunker Hill project, stated that "the tragedy of Bunker Hill was the city's failure to recognize the historic and architectural value of its old mansions and the way of life they once stood for."[109]

[108] Timothy G. Turner, "Lament for the Death of our Venerable Buildings," *Los Angeles Times,* November 27, 1953.
[109] Ray Hebert, "Bunker Hill: Slow Rise to High Rise," *Los Angeles Times,* April 15, 1979.

Subsequent projects undertaken by CRA/LA in the 1960s also resulted in the widespread demolition of older properties. Under the Hoover Redevelopment Project, which was approved in 1966 in conjunction with the University of Southern California's expansion plan, 166 acres of stores and older residences adjacent to the university were demolished to make way for new residential units and commercial and institutional amenities, many of which were intended to serve the university.[110] Dozens of turn-of-the-century residences, rooming houses, and commercial buildings that comprised the character of the University Park area were eliminated in the process.[111] A similar case involved the Beacon Street Redevelopment Project in San Pedro, which was approved in 1969. One of the oldest commercial corridors in Los Angeles, Beacon Street contained a concentration of forty-seven turn-of-the-century buildings "of architectural value that form part of an unusually consistent and well-scaled streetscape."[112] Despite a plan put forward by local architects in 1968 to rehabilitate the old buildings, CRA/LA moved forward with a comprehensive redevelopment plan for the Project Area, which called for the demolition of the commercial buildings on Beacon Street and the subsequent construction of affordable housing, offices, stores, banks, and a mall.[113] Four intact blocks of historic commercial buildings along Beacon Street had been demolished by 1976, leaving "only a weed-choked field where generations of seamen once bellied up to the bar."[114] Early projects such as Bunker Hill, Hoover, and Beacon Street drove a wedge between CRA/LA and the heritage conservation community.

However, as CRA/LA moved away from its Urban Renewal roots and adopted a more holistic and comprehensive approach to urban redevelopment in the 1970s and 1980s, the agency also took a much more proactive role in neighborhood conservation and the rehabilitation of existing buildings within its Project Areas. Older buildings came to be embraced for their historic character. Throughout the 1980s, the agency provided critical financing for the rehabilitation of a large number of historic properties within its project areas. Numerous residential hotels and residences were converted into low- and moderate-income housing, and numerous single- and multi-family structures were rehabilitated in communities from Boyle and Lincoln Heights to Pico-Union and West Adams. CRA/LA financed and oversaw several high-

[110] Ray Hebert, "Bulldozers – and a Big Boost: Hoover Redevelopment Project: Slum's No Longer the Word," *Los Angeles Times,* August 7, 1972.
[111] Ibid.
[112] Tony Shultz, "Architects Want to Save Beacon Street," *Los Angeles Times,* October 27, 1968.
[113] Ibid.
[114] Jerry Ruhlow, "Beacon St. Looks Back and Ahead," *Los Angeles Times,* November 28, 1976.

profile conservation projects in downtown Los Angeles, among which included the rehabilitation, modernization and expansion of the Central Library building in the 1980s.[115] The agency also played a role in identifying potential historic properties within its Project Areas by financing historic resource surveys within its project areas beginning in the 1990s.[116] Public sentiment toward CRA/LA and its role in heritage conservation also began to change. In 1982, CRA/LA, the same agency that came under scrutiny for its demolition of entire urban neighborhoods including Bunker Hill and Beacon Street, received a historic preservation award from the nonprofit Los Angeles Conservancy in recognition of its "achievements in historic preservation and urban conservation."[117]

CRA/LA's heritage conservation and rehabilitation efforts across the city eventually coalesced into a comprehensive Neighborhood Conservation Strategy. First adopted in 1991 with a clear focus then on preservation of historic or culturally significant structures, the strategy formally articulated the agency's ongoing commitment to the conservation and rehabilitation of historic properties in its jurisdiction.[118] Historic properties were no longer seen as a hindrance, as had been the case in the 1950s and 1960s, but were rather seen as integral components of a neighborhood's character and fabric. The agency updated its Neighborhood Conservation Strategy in 2003, which placed even greater weight on the agency's commitment to the conservation and rehabilitation of historic properties.[119] Per the updated strategy, the agency did not merely rehabilitate older buildings for the sake of heritage conservation, but sought to integrate these buildings into a larger community-building program. Specifically, the rehabilitation of a historic landmark within a neighborhood was to be used to catalyze further neighborhood development. Historic and cultural institutions, including theaters, churches, hotels, and fire stations, functioned as "anchors" for further investment in the Project Area. A number of heritage conservation projects were undertaken by CRA/LA under the philosophy set forth in the 2003 update to the Neighborhood Conservation Strategy.[120]

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[115] Donald Spivack, personal correspondence with author, March 11, 2013.
[116] Getty Conservation Institute, *The Los Angeles Historic Resource Survey Report,* 2008.
[117] "Conservancy to Present Six Preservation Awards," *Los Angeles Times*, May 30, 1982.
[118] Donald Spivack, personal correspondence with author, March 11, 2013.
[119] Ibid.
[120] Ibid.

Between its inception in 1948 and its dissolution in 2012, CRA/LA significantly changed its general approach to historic preservation and neighborhood conservation. The agency that had initially pursued projects that culminated in the widespread demolition of older buildings eventually became a partner in their conservation and rehabilitation.

CHAPTER 2: RESIDENTIAL AND MIXED-USE CASE STUDIES

Introduction and Purpose:

Following the passage of AB 3674 in 1976, which required each RDA in the state to allocate twenty percent of its tax increment revenue to the provision of low and moderate-income housing, CRA/LA assumed an increasingly-important role in the financing and development of housing units, both market-rate and subsidized, within its designated Project Areas.[121] Given the large number of residential hotels and underutilized buildings in and around the Historic Core of downtown Los Angeles, CRA/LA's housing projects within the study area primarily involved the rehabilitation and repurposing of properties that were extant but had either been abandoned or were underutilized and, in most cases, were in poor physical condition. Many of the buildings that CRA/LA rehabilitated and/or repurposed for residential use were historic landmarks that bore some degree of architectural or cultural merit. CRA/LA's involvement in the rehabilitation of deteriorated buildings marked a far cry from its previous redevelopment undertakings in nearby Bunker Hill, in which scores of older and neglected properties were regarded as too blighted and deteriorated to salvage.[122]

Using this information as a general frame of reference, this chapter aims to explore the overall impact that CRA/LA's commitment to the provision of housing yielded on architecturally and culturally significant property within the study area. Accordingly, this chapter focuses on selected redevelopment projects that embodied a substantial residential component. The third and fourth chapters address similar issues as they relate to commercial and institutional properties, respectively. Toward this end, I identify and evaluate two redevelopment projects within the study area that were associated with the agency's housing agenda. I begin with an analysis of the Premiere Towers project (completed 1984), the first attempt to convert vacant commercial and office space into condominiums targeted at both upper and moderate-income buyers.[123] Although this project ultimately fell far short of its initial goals and expectations, it clearly demonstrates

[121] For more information on AB 3674 and CRA/LA's involvement in low and moderate-income housing, refer to Chapter 1: Origins and Evolution of Redevelopment and CRA/LA.

[122] In part, CRA/LA's different approach to deteriorated buildings in the Historic Core and Bunker Hill can be attributed to the different material composition of buildings within these areas. Commercial buildings in the Historic Core tended to feature brick, masonry, and/or steel frame construction, whereas residential buildings in Bunker Hill tended to be constructed of wood. Buildings in the Historic Core, while generally in poor condition, tended to be perceived as more structurally sound and stronger candidates for rehabilitation.

[123] Thirty-two of the 120 residential condominiums in Premiere Towers were intended for moderate-income buyers.

CRA/LA's approach to heritage conservation and helped pave the way for future commercial-to-residential conversion projects in the area. Next, I analyze the Grand Central Square project (completed 1995), a mixed-use project that resulted in the development of both market-rate and subsidized apartments. Grand Central Square was conceived and initiated by a private developer, but relied heavily upon the ongoing assistance and support of CRA/LA to remain solvent. I conclude with a brief discussion of what these case studies mean with regard to CRA/LA, as well as their broader policy implications.

Case Study: Premiere Towers, 1984:

In the early 1980s, nearly two decades before the City of Los Angeles adopted its pioneering Adaptive Reuse Ordinance, CRA/LA played an instrumental role in the conversion of two adjacent historic bank buildings into a market-rate condominium development. Residential conversions were part of CRA/LA's effort to increase the number of housing units in what was then-known as the Central Business District Project Area, and reintroduce middle and upper-income earners to an area that had become overridden with blight and decay.[124] The project, which was referred to and marketed as Premiere Towers, was unprecedented and stood out as "the first office building in Los Angeles to be converted to residential condominiums."[125] For a variety of reasons, the project ultimately fell far short of its initial goal – catalyzing the redevelopment of Spring Street – but nonetheless resulted in the conservation and comprehensive rehabilitation of two historically significant buildings that had been neglected and had fallen into a state of disrepair.[126] The Premiere Towers project also established a precedent wherein CRA/LA adaptively reused landmark buildings to create new housing units and to encourage further investment and redevelopment activity nearby.

The Premiere Towers project was conceived in 1981 as part of a larger adaptive reuse strategy devised by CRA/LA that was intended to reinvigorate the Historic Core district of its Central Business District Project Area. This particular project, which was intended to be the first of many publically and privately-initiated rehabilitation projects in the area, focused on the

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[124] Ray Hebert, "Spring Street Gem Starts a Renewal," *Los Angeles Times,* July 6, 1981.
[125] "Condo Project to Open in Financial District," *Los Angeles Times,* February 19, 1984.
[126] Ryan Fennell, "Better Downtown Living Through Adaptive Reuse?" *Planning Forum* 9 (2003): 4-27.

rehabilitation and repurposing of several landmark buildings clustered between the 500 and 700 blocks of South Spring Street. In addition to converting the two former bank buildings into condominiums, the project called for the former Security National Bank building (constructed 1917) to be converted into the Los Angeles Theatre Center, a live performance and entertainment venue; and for the former Los Angeles Stock Exchange Building (constructed 1931) to be repurposed as a nightclub. Together, these rehabilitation projects were intended to establish the economic base needed to catalyze further redevelopment activity outward, which would in turn result in the creation of vibrant mixed-use district in the Historic Core of downtown Los Angeles and work toward eradicating blight within the project area. In pursuing these projects, CRA/LA "assumed that their central positioning of housing and entertainment venues in the Historic Core would draw retail, restaurants, and other services aimed at middle and upper-income earners."[127] CRA/LA's redevelopment strategy for the Historic Core, which was predicated upon the reuse and rehabilitation of neglected buildings, marked a significant transformation from the agency's previous undertakings, which had stressed the wholesale demolition of blighted districts.

Premiere Towers, the first residential component of CRA/LA's redevelopment strategy for the Spring Street project, encompassed two adjoining landmark buildings that had formerly housed financial institutions but had since been vacated (Figure 2.1). Both buildings were of particular historical and architectural significance to downtown Los Angles and occupied adjacent parcels on Spring Street. The northern of the two subject buildings, located at 621 South Spring Street, was designed in 1931 by the architectural firm of Parkinson and Parkinson, a prolific father-son team that was also involved in the design of other landmark structures in the city including Los Angeles City Hall, Union Station, the Continental Building, and several of the original buildings and planning features on the University of Southern California campus.[128] The twelve-story building served as the west-coast headquarters of E. F. Hutton and Company, a leading brokerage house, and stood out as a well-executed example of Art Deco architecture.[129] The second building, located at 635 South Spring Street, was adjacent to the E. F. Hutton and Company building and was constructed in 1923 by notable Los Angeles architects Alexander Curlett and Claud Beelman. Originally constructed as the California Canadian Bank, the building

[127] Ibid, 8.
[128] David Gebhard and Robert Winter, *An Architectural Guidebook to Los Angeles* (Layton: Gibbs Smith, 2003).
[129] "National Register of Historic Places Inventory-Nomination Form: Spring Street Financial District," prepared by Tom Sitton, August 10, 1979.

embodies the ornate architectural detailing and base-shaft-capital configuration that are associated with Beaux Arts architecture, a style that was popular in the early twentieth century.[130] In addition to standing out as strong and remarkably intact examples of their respective architectural styles, both the E. F. Hutton and Company and California Canadian Bank buildings are historically significant for their association with the development of Spring Street as the financial core of Southern California in the early twentieth century.[131]

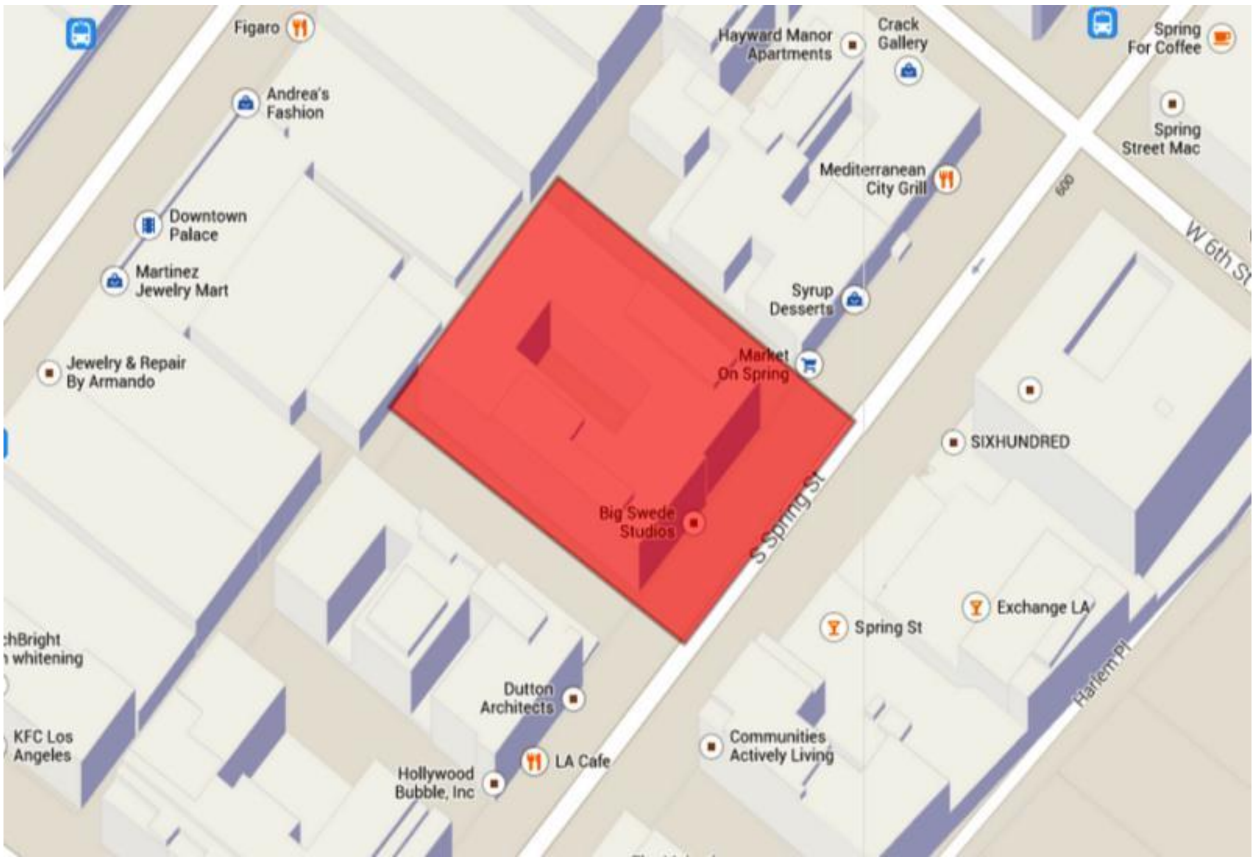

Figure 2.1. Location map of Premiere Towers, which is identified in red. Illustration by author and Google Maps.

However, by the 1970s the architectural and historical integrity of both buildings – and the Spring Street corridor as a whole – had become threatened by a variety of forces that resulted in widespread disinvestment and decay throughout the Historic Core of downtown Los Angeles. Ironically, the issues that CRA/LA sought to remedy in the Historic Core partially stemmed from

[130] Ibid.
[131] Ibid.

the relative success of its first major redevelopment initiative in nearby Bunker Hill; by the 1970s, almost all of the major financial institutions in Los Angeles had vacated their Spring Street offices and had shifted several blocks west to the new, corporate office towers that had been constructed as part of CRA/LA's Bunker Hill project.[132] The California Canadian Bank, later known as the First Interstate Bank of California, relocated from its original Spring Street location in the early 1960s; E. F. Hutton and Company followed suit in 1973, which in turn left the side-by-side buildings devoid of tenants.[133] Both buildings were subsequently neglected and fell into a state of disrepair. By the time that CRA/LA had established the Central Business District Project Area in 1975, much of Spring Street had been abandoned, and the once-thriving financial hub of the city was largely characterized by vacant or largely-vacant edifices and a growing transient population.[134] The already-struggling area was further afflicted by the sharp rise in violent crime and the emergence of the crack cocaine and heroin trades in the early 1980s, giving the district a "skid row" quality characterized by boarded-up office buildings, drug dealers, and panhandlers. In 1981, when Premiere Towers was initiated, there existed an estimated two million square feet of vacant office space on Spring Street.[135] Although the E. F. Hutton and Company and California Canadian Bank buildings retained their key architectural features, both properties had become visibly neglected during this time.

The incremental deterioration that transformed the once-thriving Spring Street financial corridor into "a neighborhood of hoodlums, derelicts, and winos – a neighborhood of echoing buildings full of absolutely nothing above the ground floor" – spurred efforts to revitalize the corridor and rehabilitate its constituent buildings.[136] Among the first concerted efforts toward this end involved the nomination of a roughly-three-block section of Spring Street for designation as a National Register Historic District in 1978. The Spring Street Financial District, which comprised twenty-six buildings between Fourth and Seventh streets, was officially listed on the National Register of Historic Places in 1979.[137] In addition to calling attention to the architectural and historical significance of Spring Street, nomination of the corridor also served

[132] Elaine Woo, "Condo Pioneers Bitter as Spring Street Rebirth Fails," *Los Angeles Times,* April 1, 1991.
[133] Ray Hebert, "Spring Street Gem Starts a Renewal," *Los Angeles Times,* July 6, 1981.
[134] Ibid.
[135] Elaine Woo, "Condo Pioneers Bitter as Spring Street Rebirth Fails," *Los Angeles Times,* April 1, 1991.
[136] John Dreyfuss, "Spring Street: On the Road to Respectability," *Los Angeles Times,* May 14, 1982.
[137] "National Register of Historic Places Inventory-Nomination Form: Spring Street Financial District," prepared by Tom Sitton, August 10, 1979.

as an early revitalization and economic development strategy. Listing on the National Register provided the owners of contributing buildings with "favorable financing from government agencies and [gave] building owners certain tax advantages – two strong incentives to improve properties."[138] By the early 1980s, docents from the non-profit Los Angeles Conservancy frequently led walking tours of the Spring Street corridor, in part to spark public interest in the revitalization of the district.[139]

CRA/LA also became heavily involved in the effort to revitalize Spring Street, as the physical and economic conditions of the area satisfied the statutory definition of blight as articulated by the California Community Redevelopment Law. In 1981, private developer Western Towers Inc., in partnership with CRA/LA, moved forward with an ambitious plan to convert the two deteriorating former bank buildings into market-rate condominiums that would be marketed to young professionals and provide what CRA/LA called "a unique alternative for middle-income households desiring downtown living."[140] The intended structure of the partnership between Western Towers Inc. and CRA/LA was typical of partnerships that the agency often entered into for new construction projects: Western Tower would construct and manage the new units, and CRA/LA would provide support and critical financial backing to help reduce risk and make the project economically feasible. Between 1981 and 1984, eleven stories of former office space were converted into 121 condominium units that comprised a variety of floor plans. Rehabilitation work also included the preparation of ground-level and basement space for retail tenants, as well as the construction of parking facilities for 121 cars within the bottom three levels of the rehabilitated buildings.[141] Amenities to attract middle and upper-income tenants included a doorman, valet parking service, and a shuttle to the Bunker Hill financial district. The project was initially popular among prospective occupants; within a week of CRA/LA's listing of the condominiums in 1981, security deposits for $2,000 had been placed on all 121 units within the development.[142]

Rehabilitation and conversion of the two former bank buildings was supported and championed by CRA/LA, "which view[ed] the project as a big step in its drive to provide more

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[138] John Dreyfuss, "Spring Street: On the Road to Respectability," *Los Angeles Times,* May 14, 1982.
[139] Ibid.
[140] Elaine Woo, "Condo Pioneers Bitter as Spring Street Rebirth Fails," *Los Angeles Times,* April 1, 1991.
[141] Ray Hebert, "Spring Street Gem Starts a Renewal," *Los Angeles Times,* July 6, 1981.
[142] Elaine Woo, "Condo Pioneers Bitter as Spring Street Rebirth Fails," *Los Angeles Times,* April 1, 1991.

housing, both subsidized and at regular market rates, in the Central Business District," and to reverse the crime, blight, and decay that had come to characterize the Historic Core by the early 1980s.[143] Accordingly, CRA/LA played an instrumental role in the rehabilitation process and provided Western Towers Inc. with ongoing support to help ensure that the unprecedented development project remained feasible and could come to fruition. In the predevelopment phase of the project, CRA/LA's involvement was primarily financial; in addition to providing Western Towers Inc. with a $1.9 million acquisition loan to purchase the side-by-side properties, the agency also issued revenue bonds to finance the $12 million construction loan that was needed in order for the developer to begin work.[144] But as the project proceeded, CRA/LA took on additional financial and administrative duties to ensure the project's success. Among the boldest actions undertaken by the agency toward this end involved the issuance of "soft second mortgages" on several units, in which the agency would provide favorable-term loans to potential buyers who were interested in purchasing a unit but were unable to obtain private loans for the full purchase amount.[145] Soft second mortgages ensured that at least some units in the completed project would remain available to moderate-income homebuyers and individuals with less-than-perfect credit, which in turn increased the pool of potential buyers and provided the inherently-risky development project with an added layer of financial protection. Jan Neiman, a real estate broker for Western Towers, Inc., attested to the importance of the soft second mortgage program: "without the CRA's 'soft' seconds, the average person who would be able to buy here would have to be earning $38,000 and be squeaky clean – no bills, no outstanding credit. But the 'soft' seconds make our units available to someone earning about $33,000" – roughly $76,000 when adjusted to the conditions of today's market.[146]

In addition to extending supplementary mortgages to prospective buyers, CRA/LA enticed young professionals and middle-income households to the development by offering innovative and generous financing options. To purchase a condominium unit in the Premiere Towers development, buyers were only required to put forward a down payment of five percent

[143] Ray Hebert, "Spring Street Gem Starts a Renewal," *Los Angeles Times,* July 6, 1981.
[144] Ryan Fennell, "Better Downtown Living Through Adaptive Reuse?" *Planning Forum* 9 (2003): 4-27.
[145] Mike Teverbaugh, "Urban Pioneers Sink their Roots in L.A.'s Downtown: New Housing in Heart of City Appeals to Many," *Los Angeles Times,* January 5, 1986.
[146] Ibid.

– an amount that was substantially lower than most comparable new developments.[147] In addition, CRA/LA implemented a system of graduated interest rates that began at 7.95 percent during the first year and incrementally rose to 10.95 percent during the fourth year, where it remained thereafter; at the time, interest rates in the private market averaged twelve percent.[148] The financing terms offered by CRA/LA were much "better than most any deal a buyer could strike on the open market."[149] Like the soft second mortgage program, CRA/LA's superior financing terms aimed to make the converted condominium units available to a larger sector of the population, which in turn was intended to increase the pool of prospective buyers in this largely-untested market.

In 1984, after nearly three years of construction and rehabilitation work, the Premiere Towers condominiums were ready for occupancy and opened with great fanfare: at a reception to celebrate and call attention to the completion of the multi-million dollar conversion project, then-Mayor Tom Bradley, speaking on behalf of the City of Los Angeles, asserted that the project "reinforces our determination to revitalize Spring Street as a multi-use area, one of residential, commercial, and cultural living."[150]

CRA/LA envisioned the condominium project as an anchor for future redevelopment activity in the neglected and crime-ridden Historic Core district of downtown Los Angeles, as did many of the prospective homebuyers who had provided security deposits when the conversion project was first announced. But in spite of the fanfare and optimism that accompanied the completion of Premiere Towers, the project was plagued by financial problems from the start. In large part, these problems were external and fell outside of CRA/LA's control, including a sharp downturn in the condominium market that had taken root between the project's inception in 1981 and its completion in 1984.[151] The relatively-high mortgage rates of the time also deterred potential buyers from investing in real estate; even CRA/LA's graduated interest rate plan, which imposed discounted interest rates that ranged between approximately eight and eleven percent, was high relative to present-day mortgage interest rates, which average less than

[147] Ibid.
[148] "Tom Bradley Attends Reception at Premiere Towers Condominiums," *Los Angeles Times,* June 23, 1985.
[149] Mike Teverbaugh, "Urban Pioneers Sink their Roots in L.A.'s Downtown: New Housing in Heart of City Appeals to Many," *Los Angeles Times,* January 5, 1986.
[150] "Tom Bradley Attends Reception at Premiere Towers Condominiums," *Los Angeles Times,* June 23, 1985.
[151] Ryan Fennell, "Better Downtown Living Through Adaptive Reuse?" *Planning Forum* 9 (2003): 4-27.

five percent.[152] The bottoming-out of the condominium market, driven in part by rising mortgage interest rates, sharply reduced the demand for units and significantly compromised sales. Although security deposits had been placed on all of the units within a week of their listing in 1981, the majority of interested buyers ultimately backed out, and Western Towers Inc. and CRA/LA were only able to sell thirty-three of the 121 converted units.[153] CRA/LA's soft second mortgages and extremely-favorable financing options did little to entice prospective buyers, many of whom still found it hard to qualify for first mortgages; thus eighty-eight of the units remained unsold and unoccupied for months after the project opened. To many observers, the project appeared to be on the brink of collapse, given that the development had incurred millions of dollars of debt and was plagued by a stubbornly-high vacancy rate.

CRA/LA responded to the financial problems associated with Premiere Towers by taking on a more proactive role in the financing and administration of the project. The agency's involvement helped carry the project through a period marked by financial problems. In 1984, after most units in the newly-converted residential development had sat vacant for several months, CRA/LA sold thirty-six of the eighty-eight unoccupied units to a private investment syndicate headed by Beverly Hills accountant Murray H. Neidorf.[154] Selling off these units provided the agency with the capital that was need to repay the multi-million dollar construction loan for the development project that it had previously guaranteed. The remaining fifty-six vacant condominium units were sold to Neidorf in 1985 for the same purpose, and Neidorf subsequently placed all of the eighty-eight recently-acquired units on the market as rental apartments.[155] But like the condominium market, the rental market in downtown Los Angeles was also too weak at the time to support Neidorf's investment, and the project once again exhibited signs of financial distress. CRA/LA responded by providing Neidorf with an additional \$1.8 million in subsidies to help alleviate the operational deficit associated with the property's operation as a rental residential complex. The thirty-three condominium owners who had purchased units at the property in 1984 were incensed by this action – many of these owners had expressed concern that "their equity had been evaporated with the conversion of seventy-five

[152] Donald Spivack, personal correspondence with author, August 22, 2013; Freddie Mac, "Weekly Primary Mortgage Market Survey," modified September 5, 2013, accessed September 5, 2013, http://www.freddiemac.com/pmms/.
[153] Ibid.
[154] Elaine Woo, "Condo Pioneers Bitter as Spring Street Rebirth Fails," *Los Angeles Times,* April 1, 1991.
[155] Ibid.

percent of the building's units to rental housing" and believed that they deserved the subsidies "since they had bought into the CRA's redevelopment scheme."[156] Nonetheless, the agency's decision to provide Neidorf with subsidies was beneficial, as it prevented the project from falling into immediate default.

CRA/LA continued to take a proactive role in the Premiere Towers project into the 1990s, saving the project several more times from financial ruin. Faced with mounting pressure from the owners of the thirty-three condominiums at the property, CRA/LA negotiated a buyout plan with the owners in 1991, in which the agency agreed to buy back each unit for either the purchase price or its fair market value, whichever was greater. The agency then negotiated an agreement with Neidorf, in which the agency agreed to sell him the thirty-three units it had bought back if Neidorf thereafter agreed to sell all units in the building to a non-profit developer for low and moderate-income housing.[157] CRA/LA's buyout arrangement with the condominium owners went as planned, but the agreement between the agency and Neidorf did not come to fruition, When unfavorable conditions in the housing market ultimately forced Neidorf's syndicate to file for bankruptcy, the eighty-eight rental units at Premiere Towers were repossessed by CRA/LA, which thereafter assumed all managerial and operational duties associated with the property, in addition to serving as its primary financial backer.[158]

Since the 121 residential units were repossessed by the agency and not by a private-sector financial institution, tenants were permitted to remain in their units and were not faced with the eviction that generally accompanied the foreclosure of rental properties to a private lender. CRA/LA's involvement in the repossession process also ensured that both historic buildings remained adequately maintained and did not once again fall into disrepair, as often occurred when residential properties were repossessed and ownership shifted. CRA/LA eventually sold the property in 1999 to developer Izek Shomof, who completed further rehabilitation work to the historic buildings including façade improvements and retrofitting.[159] Shomof at the time had purchased the building south of Premiere Towers for conversion into loft-style units, and later bought and rehabilitated additional properties on Spring Street, including the Hayward Hotel at

[156] Ryan Fennell, "Better Downtown Living Through Adaptive Reuse?" *Planning Forum* 9 (2003): 4-27.
[157] Elaine Woo, "Condo Pioneers Bitter as Spring Street Rebirth Fails," *Los Angeles Times,* April 1, 1991.
[158] Ibid.
[159] Jason Mandell, "King of Spring Developer Izek Shomof Is Quietly Transforming a Neighborhood," *Los Angeles Downtown News,* November 24, 2003.

the corner of Sixth and Spring streets. Both buildings comprising Premiere Towers continue to function as market-rate housing and stand out as pristine and well-preserved examples of the 1920s and 30s-era financial institutions that characterized Spring Street as the early financial hub of Los Angeles.

Given the array of fiscal challenges that were associated with Premiere Towers, the project is regarded by some as a failure from an economic development perspective; the conversion of this commercial square footage into condominium residential space neither attracted a strong middle and upper-class presence to the Historic Core nor on their own catalyzed the transformation of Spring Street into a thriving twenty-four-hour mixed-use district, as CRA/LA officials had envisioned.[160] But from a heritage conservation perspective, the Premiere Towers project was largely successful, and clearly demonstrated CRA/LA's commitment to the conservation and rehabilitation of historic and cultural properties within downtown Los Angeles. As part of the conversion process, both the E. F. Hutton and Company and California Canadian Bank buildings were comprehensively rehabilitated, and their architecturally distinctive facades were fully restored. Largely out of necessity, some alterations to the interiors and systems of both buildings were made: interior office spaces that comprised upper floors were demolished and reconfigured to accommodate residential units, and both properties' antiquated building systems were removed and subsequently replaced with modern, state-of-the art systems that supported residential use and complied with the city's building codes.[161] Parking facilities were incorporated into the lower three stories. Neither the interior spaces nor the building systems of either property bore particular architectural or cultural merit.

With CRA/LA financing, the original developer, Western Towers Inc., cleaned and repaired the buildings' Art Deco and Beaux Arts facades, and restored the ornate lobbies and architecturally significant interior spaces to their original appearance during the rehabilitation process.[162] The buildings' intact architectural features, character, and quality workmanship were marketed to distinguish the Premiere Towers from other residential projects and to entice potential middle and upper-income buyers to purchase condominium units. Western Towers Inc.

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160 Ray Hebert, "Spring Street Gem Starts a Renewal," *Los Angeles Times,* July 6, 1981.
161 Ibid.
162 Ibid.

and CRA/LA's emphasis on architectural conservation helped ameliorate decades of deterioration and damage.

By undertaking the conversion of the E. F. Hutton and Company and California Canadian Bank buildings into residential units, CRA/LA promoted heritage conservation by demonstrating how two functionally-obsolete bank buildings could be creatively placed back into productive use. The agency did not limit the concept of adaptive reuse to residential space: in the late 1980s, two nearby properties, the former Security National Bank and Los Angeles Stock Exchange buildings, were converted into an entertainment venue and a nightclub, respectively, using the financial and administrative resources of CRA/LA.[163] Although all of the aforementioned projects encountered financial problems of various magnitudes, the agency challenged the prevailing notion that old and functionally-obsolete buildings were candidates for demolition, and encouraged private-sector investors and developers to consider investing in historic properties. It would be years before loft conversions and adaptive reuse became commonplace along the Spring Street corridor and within the study area – that occurred after the Adaptive Reuse Ordinance was passed in 1999 – but through the Premiere Towers project, CRA/LA arguably helped sow the seeds for the adaptive reuse "movement" of the early 2000s.

CRA/LA played a critical role in making the conservation and rehabilitation of the E. F. Hutton and Company and California Canadian Bank buildings a reality. The financial problems that were associated with the project from the beginning suggest that in the absence of the agency's financial assistance and ongoing support, the project would have encountered a series of insurmountable hurdles that would have precluded the conversion and rehabilitation of the two former bank buildings. Specifically, the agency's unique ability to both issue tax increment bonds and to provide funds for site acquisition and the $12 million construction loan provided the project with a degree of financial security and helped developer Western Towers Inc. obtain the private financing needed to undertake the project. In 1981, when the project was conceived, the project was regarded as tremendously risky: the market for middle and upper-income residences in the Historic Core was untested, and the area was generally perceived as blighted, crime-ridden, economically depressed, and overrun by the poor and destitute – factors that

[163] Ryan Fennell, "Better Downtown Living Through Adaptive Reuse?" *Planning Forum* 9 (2003): 4-27.

Figure 2.2. Present-day view of Premiere Towers, which includes both the historic California Canadian Bank building (left) and the historic E.F. Hutton Building (right). Photo by author.

discouraged risk-averse developers and lenders in the private sector from investing in the project.[164] CRA/LA's provision of acquisition and financing assistance subsidized much of this risk. In the absence of CRA/LA, these two buildings likely would have never been rehabilitated,

[164] Ibid.

and would have suffered further deterioration and neglect. In addition, the agency's role in the financial rescue of the project in subsequent years prevented a messy foreclosure that would have likely resulted in successive ownership and could have culminated in the buildings becoming vacant once again. CRA/LA's ongoing support and involvement in the project ensured that these two historic properties remained in the hands of a financially stable, preservation-minded steward – a factor that was critical to the long-term conservation of these buildings. A present-day photo of the side-by-side bank buildings can be seen on the previous page, in Figure (2.2).

Case Study: Grand Central Square, 1995:

Among the most significant redevelopment projects within the study area that involved the rehabilitation of historic buildings into residential use and relied upon the support and assistance of CRA/LA was conceived in the late 1980s and was undertaken in the early 1990s. The project, which came to be known as Grand Central Square, culminated in the conservation and rehabilitation of three deteriorated landmark buildings near the intersection of Broadway and Third Street, at the northern edge of the historic Broadway theater and commercial district (Figure 2.3). The three buildings were converted from underutilized commercial and office space into a combination of offices and affordable and market-rate rental residential units.[165] CRA/LA did not undertake Grand Central Square directly – the project was the brainchild of a private developer who was interested in transforming Broadway into a vibrant and thriving hub for downtown Los Angeles – but the agency provided critical behind-the-scenes assistance and support that helped bring the project to fruition and also saved it from financial ruin. CRA/LA's ongoing involvement in the project therefore played a critical role in the rehabilitation of several historic buildings and catalyzed similar undertakings in the vicinity.

Like the aforementioned Spring Street revitalization project that preceded it by nearly a decade, Grand Central Square was intended to breathe new life into downtown Los Angeles's historic commercial core, which had suffered from blight and deterioration for decades. However, instead of honing in on Spring Street, Grand Central Square focused on the revitalization of the Broadway corridor, which had traditionally served as the commercial hub of

[165] Lewis MacAdams, "Prophet of Boom," *Los Angeles Magazine,* March 1998, 58.

Los Angeles but had lost much of its luster in the post-World War II era, when retailers and entertainment venues decentralized and relocated to regional commercial centers and suburban malls.[166] The project was conceived in the mid-1980s by lawyer-turned-real estate developer Ira Yellin, who saw great potential in the revitalization of Broadway and envisioned the corridor as a vibrant and eclectic mixed-use "district akin to such places as New York's Greenwich Village or Denver's Lower Downtown."[167] To carry out his vision, Yellin purchased three landmark properties near the northern edge of the historic Broadway commercial corridor in the late 1980s: the Million Dollar Theatre (1918), the adjacent Homer Laughlin Building (1897), and its annex, the Lyon Building (1905). The Homer Laughlin Building and Lyon Building housed a vibrant and eclectic public market on their ground stories. Yellin purchased all three properties with the intent of rehabilitating and repurposing the aging buildings, and placed great emphasis on retaining and repairing each building's distinctive architectural features. As part of the redevelopment project, Yellin also purchased the Bradbury Building (1893), which is located across the street from the buildings he had acquired for the Grand Central Square project. The Bradbury Building was associated with the other three buildings in Grand Central Square and Yellin's vision of a revitalized block, but was rehabilitated separately.

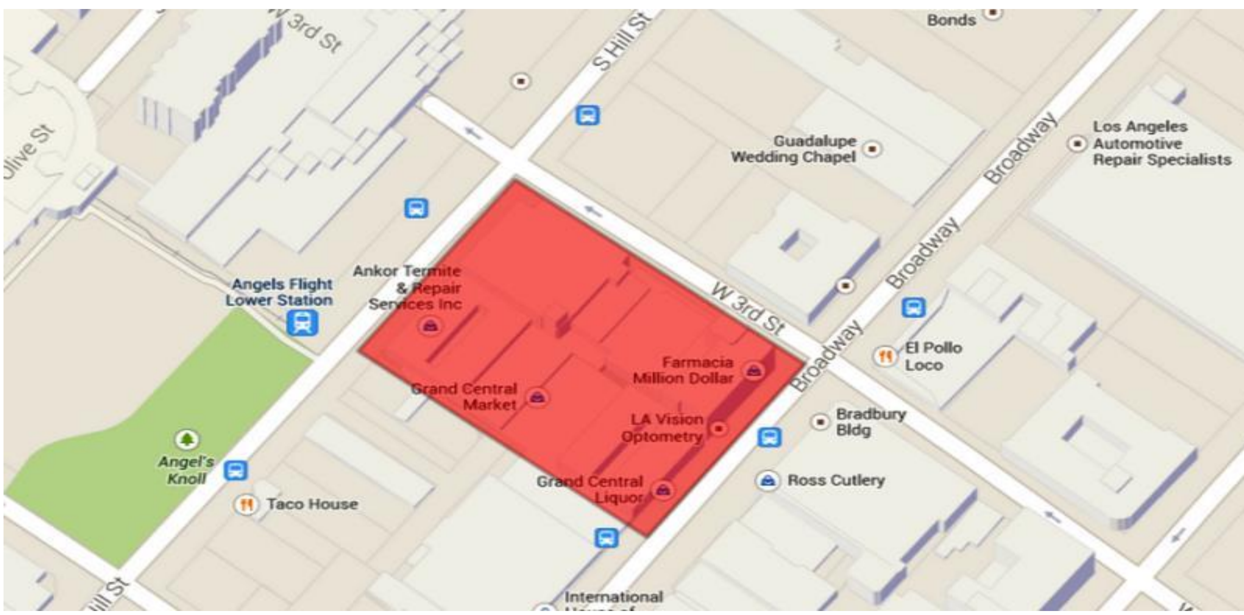

Figure 2.3. Location map of Grand Central Square, shaded in red. Illustration by author and Google Maps.

[166] Karl Schoenberger, "Bringing Life Back to City's Heart," *Los Angeles Times,* December 14, 1993.
[167] Aaron Curtiss, "Grand Hopes for City Core Downtown," *Los Angeles Times,* September 12, 1994.

The Million Dollar Theatre, the Homer Laughlin Building, and the Lyon Building were well-known landmarks on the Broadway corridor that bore architectural and cultural significance in their own right. Located at 307 South Broadway, the Million Dollar Theatre building was designed in 1918 by prolific architect Albert C. Martin, and stood out as one of the City's best-executed examples of Churrigueresque style architecture.[168]As its name indicates, the building originally housed the Million Dollar Theatre, a 2,345-seat live theater that was the first entertainment venue in Los Angeles owned and operated by theater magnate Sid Grauman. Additionally, the building included ground-floor commercial space and upper-story offices, which served as the headquarters of the Metropolitan Water District for more than three decades.[169] The Million Dollar Theatre took on additional cultural significance in subsequent years as the "first theater on Broadway to feature Spanish-language variety shows."[170]

The Homer Laughlin Building, located immediately south of the Million Dollar Theatre at 317 South Broadway, was constructed in 1897 by prolific architect John Parkinson. The building was commissioned by Homer Laughlin, proprietor of one of the nation's foremost pottery and dinnerware manufacturing companies.[171] In addition to being one of the oldest extant commercial structures on Broadway, the six-story Beaux Arts-style building stood out as an excellent example of late-nineteenth century commercial architecture.[172] Its ground floor had been occupied since 1917 by the Grand Central Market, an eclectic public marketplace that had originally served the affluent homeowners on Bunker Hill and was among the most recognizable cultural institutions in downtown Los Angeles.[173] The upper stories of the Homer Laughlin Building originally housed thousands of square feet of office space. Attached to the rear elevation of the Homer Laughlin Building was an annex known as the Lyon Building, which was constructed in 1905 by notable architect Harrison Albright.[174] The Lyon Building was the "first fireproofed and steel-reinforced structure" to be constructed in the City of Los Angeles, and

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[168] David Gebhard and Robert Winter, *An Architectural Guidebook to Los Angeles* (Layton: Gibbs Smith, 2003).
[169] Martha Groves, "Developer Buys Downtown Landmark," *Los Angeles Times,* February 10, 1989.
[170] Los Angeles Conservancy, "Million Dollar Theatre," accessed August 14, 2013, https://www.laconservancy.org/locations/million-dollar-theatre.
[171]. Jerry Cohen, "Act of Love: Partnership Purchases 68-Year Old Grand Central Market," *Los Angeles Times,* July 24, 1985.
[172] Los Angeles Conservancy, "Grand Central Market," accessed August 14, 2013, https://www.laconservancy.org/locations/grand-central-market
[173] Ibid.
[174] Ibid.

originally was home to Ville de Paris, an upscale department store.[175] Since 1917, the Grand Central Market occupied the ground floor of the Lyon Building in addition to the ground floor of the adjacent Homer Laughlin Building (Figure 2.4)

Figure 2.4. Interior of Grand Central Market, circa 1930. Source: Los Angeles Public Library, Security Pacific National Bank Collection, Order Number 00007459. Permission requested – response pending.

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Like many of the buildings in the Historic Core district of downtown Los Angeles, the Million Dollar Theatre, the Homer Laughlin Building, and the Lyon Building had suffered from visible signs of deterioration by the time that Yellin purchased the properties in the late 1980s. Although the Million Dollar Theatre continued to operate as a motion picture venue, it primarily showed second-run movies and bargain-priced multi-features and rarely showed first-run

[175] Ibid.

screenings, as the theater had done in its heyday. Years of deferred maintenance had taken a toll on the building's ornate façade – a 1984 account of downtown Los Angeles described the building as "resembling an aging Miz Kitty in her dated dance-hall finery" – and most of the upper-story offices had sat vacant since 1963, when the Metropolitan Water District moved to a new location.[176] The Homer Laughlin Building had suffered a similar fate. Although the Grand Central Market on the building's ground story continued to operate, the market "was in desperate need of repairs," and the building's five upper stories had been legally abandoned.[177] Upper stories of the Lyon Building, which had previously housed offices, were used primarily for storage.[178] Exterior remodeling that had taken place between 1961 and 1962 had resulted in the construction of a monolithic tiled veneer that obscured the Beaux Arts facades of both the Homer Laughlin and Lyon buildings (Figure 2.5).[179]

Figure 2.5. Tiled veneer obscures the historic façade of the Lyon Building, 1962. Source: Los Angeles Public Library, Order Number 00033764. Permission requested – request pending.

[176] Charles Willard Moore, Peter Becker, and Regula Campbell, *The City Observed, Los Angeles: A Guide to its Architecture and Landscapes* (New York: Random House, 1984).
[177] Lewis MacAdams, "Prophet of Boom," *Los Angeles Magazine*, March 1998, 58.
[178] Ibid.
[179] Los Angeles Conservancy, "Grand Central Market," accessed August 14, 2013, https://www.laconservancy.org/locations/grand-central-market.

Yellin believed that placing these monumental yet deteriorated buildings back into productive use would function as a catalyst for additional redevelopment and investment activity on the Broadway corridor, and would play a crucial role in "stimulating reinvestment in the core of the city's historic downtown area."[180] In 1987, after he had purchased the three subject buildings, Yellin articulated his vision for Grand Central Square: in addition to renovating the public market and the theater, he sought to fully rehabilitate the three landmark properties, convert the long-vacant upper stories of the buildings into luxury Class A office space, and construct an eleven-level, 500-space parking garage to support these new uses.[181] Market forces and a decreased demand for new luxury office space in the area forced Yellin to revisit his plans and revise the scope of Grand Central Square. Per Yellin's revised plan, the Lyon Buildng would continue to be rehabilitated into offices, but the upper stories of the other two buildings that had been purchased by Yellin – the Million Dollar Theatre and the Homer Laughlin Building – would instead be converted into a combination of subsidized and market-rate rental apartments.[182] A total of 121 apartment units were planned as part of Yellin's amended project; about half of these would be reserved for low and moderate-income households.[183]

Yellin's vision for Grand Central Square engendered a considerable amount of enthusiasm and support among area business owners and downtown stakeholders, but this sense of optimism was not shared by private lenders and financial institutions, who – as had been the case with the Premiere Towers project a decade earlier – perceived the untested market for downtown mixed-use development as too risky to underwrite. Most lenders contended that extending financing to an unprecedented project in a blighted area of the city was far too risky a venture, and refused Yellin's requests to underwrite the project.[184] Others, who had initially expressed some interest in the project, "backed away after they visited the neighborhood, a largely Latino shopping district lined with sagging buildings and garish signs."[185]A 1993 quote from commercial real estate executive Robert Caudill expresses the general sentiment of private lenders toward the project: "economically, the numbers really don't pan out. I just don't

[180] Justin Harmon, "Visionary Links Worlds in Downtown Los Angeles," *Princeton Alumni Weekly* 95.1 (September 14, 1994), 39.
[181] Martha Groves, "Developer Buys Downtown Landmark," *Los Angeles Times,* February 10, 1989.
[182] Iris Yokai, "City Council Oks Grand Central Loan," *Los Angeles Times,* December 6, 1992.
[183] Ibid.
[184] Ted Rohrlich, "City Made Bad Real Estate Investments, Report Shows," *Los Angeles Times,* March 30, 1999.
[185] Aaron Curtiss, "Grand Hopes for City Core Downtown," *Los Angeles Times,* September 12, 1994.

understand what forces are behind the renovation of buildings on Broadway and Spring [Street]."[186] After years of reaching out to lenders with roots in the downtown Los Angeles area, Yellin was ultimately able to secure $20 million of privately-financed loans, mostly from his friends and personal acquaintances; this accounted for less than a third of the projected $64 million price tag that was associated with rehabilitating and repurposing the three subject buildings.[187] To help bridge this funding gap, Yellin reached out to public agencies for assistance and support, including CRA/LA.

CRA/LA played an instrumental role in bridging this funding gap and making Yellin's vision a reality. Yellin's plan for the revitalization of Grand Central Square was consistent with the agency's mission to stimulate reinvestment in the Historic Core of downtown Los Angeles. In 1987, CRA/LA's governing board authorized the future issuance and sale of tax increment bonds to finance Grand Central Square.[188] Several years later, in 1993, the agency issued $44 million of bonds that it had previously approved, which supplemented the $20 million of financing that Yellin had secured from private sources and bridged the funding gap that had previously prevented the project from moving forward.[189] In a somewhat unconventional arrangement, CRA/LA's support was augmented by that of the Los Angeles County Metropolitan Transportation Authority (MTA), which agreed to service a portion of the bond debt in exchange for collecting a portion of the revenue that would be generated by the project.[190] The MTA's involvement in the project was justified by its proximity to a station for the recently-constructed Red Line subway line; MTA officials postulated that the renovation of Grand Central Market and the introduction of residential units to the area would bolster ridership numbers on the subway.[191] In cooperation with the MTA, CRA/LA issued two bonds in support of Grand Central Square: (1) a Qualified Redevelopment Bond (QRB), and (2) a Multifamily

[186] Karl Schoenberger, "Bringing Life Back to City's Heart," *Los Angeles Times,* December 14, 1993.
[187] Ryan Fennell, "Better Downtown Living Through Adaptive Reuse?" *Planning Forum* 9 (2003): 4-27.
[188] Bill Boyarsky, "Bond Plan OKd for Renovating Million Dollar Theater, Market," *Los Angeles Times,* December 24, 1987.
[189] Ryan Fennell, "Better Downtown Living Through Adaptive Reuse?" *Planning Forum* 9 (2003): 4-27.
[190] Los Angeles County Metropolitan Transportation Authority, *Finance and Budget Committee Recommendation*, June 9, 1993.
[191] Aaron Curtiss, "Grand Hopes for City Core Downtown," *Los Angeles Times,* September 12, 1994.

Housing Bond (MHB) "to renovate and improve the Grand Central Market and three ancillary buildings:" the Million Dollar Theatre, the Homer Laughlin Building, and the Lyon Building.[192]

By subsidizing the risk associated with Grand Central Square that private lenders had previously balked at, CRA/LA and the MTA provided Yellin with the financial means that were needed to begin work on Grand Central Square. The project, which had been revised and amended several times following its inception in 1987, ultimately included four components: (1) a full-scale rehabilitation of Grand Central Market, (2) conversion of the upper stories of the Million Dollar Theatre Building and the Homer Laughlin Building into 121 market-rate and affordable apartment units, (3) conversion of the upper stories of the Lyon Building into commercial offices, and (4) the construction of an adjoining multi-story parking structure to service the new residential and commercial uses.[193] Construction on Grand Central Square commenced in 1993 and was completed in 1995. Upon its completion, the project was widely perceived as a success, and "garnered national attention as an example of mixed-use planning and architectural preservation where low-income residents could rub shoulders with movie star[s]."[194]

When Grand Central Square opened in 1995, it appeared to represent a successful experiment in downtown redevelopment; Grand Central Market thrived, the 121 apartment units rarely featured vacancies, and much of the office space there and in the Bradbury Building was rented to the City Attorney's office and other elected officials.[195] But shortly thereafter, the project encountered financial problems when Yellin fell "far behind in semiannual payments on the publically issued bonds."[196] Foreclosure of the market, apartments, and offices appeared to be imminent.[197] Yellin's inability to make essential payments was largely attributed to a general decline in the downtown real estate market; however, some "blamed the development's financial woes on artificially low cost projections" that had been put forward by Yellin.[198] The idea of foreclosure proceedings was concerning to both CRA/LA and members of the heritage

[192] Los Angeles County Metropolitan Transportation Authority, *Pedestrian Improvements and Conceptual Master Plan for the Pershing Square Metro Red Line Station Area*, January 26, 1995.
[193] Ibid.
[194] Larry Gordon, "Grand Central Rescue Planned," *Los Angeles Times,* November 7, 1997.
[195] Larry Gordon, "Grand Central Rescue Planned," *Los Angeles Times,* November 7, 1997.
[196] Ibid.
[197] Ryan Fennell, "Better Downtown Living Through Adaptive Reuse?" *Planning Forum* 9 (2003): 4-27.
[198] Ibid.

conservation community, as such proceedings would highlight the risks associated with adaptive reuse projects in downtown Los Angeles and could undermine future efforts to conserve and rehabilitate other landmark properties in the vicinity. Pursuing foreclosure was also seen by both CRA/LA and the MTA to be a complicated and messy process that could yield potentially devastating impacts on the buildings' tenants.

In November 1997, CRA/LA officials facilitated a complex bailout arrangement among the agency, the MTA, and Yellin and his private investors so that Yellin could avoid foreclosure on the three historic Grand Central Square properties. Under the terms of the arrangement, the two public agencies involved in the project, CRA/LA and the MTA, agreed to cover the portion of future semiannual debt payments that the project did not support and that Yellin could therefore not afford to pay.[199] As the lead public agency associated with the project, CRA/LA would account for a majority of future bailout payments, which were projected to cost the agency approximately $14 million over a seventeen-year period; the MTA would account for a smaller portion of the bailout payments, since such payments fell outside the typical purview of the MTA and had engendered a considerable amount of scrutiny.[200] Both CRA/LA and the MTA presumed that after the seventeen years had passed, Grand Central Square would be profitable, and Yellin would be able to repay both public agencies with interest.[201] CRA/LA also took less-favorable terms under the bailout arrangement, under which the "MTA received priority for repayment."[202] In exchange for the financial support of CRA/LA and the MTA, Yellin could continue to retain ownership of the properties and collect management fees, but neither he nor his consortium of private investors that fronted the original $22 million for the project would be able to collect any return on investment until both public agencies had been fully reimbursed.[203] The financial rescue plan was unanimously approved by the CRA/LA board; according to then-CRA/LA chairwoman Christine Essel in a 1997 interview, providing emergency assistance to Grand Central Square "is a very, very important component of our downtown redevelopment."[204]

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[199] Larry Gordon, "Grand Central Rescue Planned," *Los Angeles Times,* November 7, 1997.
[200] "MTA Role in Project's Bailout Plan Questioned," *Los Angeles Times,* November 11, 1997.
[201] Ryan Fennell, "Better Downtown Living Through Adaptive Reuse?" *Planning Forum* 9 (2003): 4-27.
[202] Ibid.
[203] Larry Gordon, "Grand Central Rescue Planned," *Los Angeles Times,* November 7, 1997.
[204] Ibid.

Emergency financial assistance provided by both CRA/LA and the MTA ultimately spared the project from complicated foreclosure proceedings. Grand Central Square continues to operate to this day, and the public market has recently been slated for another round of renovations in response to the recent revival of the Historic Core as a vibrant mixed-use district comprised of an increasing number of middle and upper-income young professionals.[205] From an economic development perspective, the legacy of Grand Central Square is mixed; many have commended Yellin's entrepreneurial spirit for helping catalyze future investment and redevelopment in downtown Los Angeles, whereas others have pointed to the multi-million dollar deficit that the project generated as evidence that the city "made some unwise investments in private commercial real estate projects in the 1990s."[206] Likewise, CRA/LA's role in the financing and subsequent rescue of Grand Central Square has generated mixed opinions: proponents have credited the agency with saving the project – and the broader neighborhood – from economic devastation, whereas some critics called the judgment of CRA/LA's governing board into question.[207]

But from the perspective of heritage conservation, Grand Central Square is generally regarded as a successful venture that called attention to the rehabilitation and adaptive reuse of architectural and cultural landmarks in the Historic Core – an approach to development that had gained a foothold in other cities across the nation but was largely unprecedented in Los Angeles at the time.[208] Its financial problems notwithstanding, Grand Central Square functioned as a model of how older properties that have been dismissed as being functionally obsolete can be rehabilitated and adapted to incorporate new uses that respond to present-day demand and market forces. From the time the project was completed in 1995, the 121 upper-story apartment units have been essentially continuously occupied – demonstrating to developers that a market did exist for residential and mixed-use development in the Historic Core.[209] Due to Yellin's entrepreneurship and CRA/LA and the MTA's assistance and support, a total of three historic buildings that were underutilized and had suffered from neglect and deterioration were placed back into productive use. The project, which was ahead of its time and preceded the passage of

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[205] Betty Hallock, "Major Update Planned for Grand Central Market," *Los Angeles Times,* December 26, 2012.
[206] Ted Rohrlich, "City Made Bad Real Estate Investments, Report Shows," *Los Angeles Times,* March 30, 1999.
[207] Ryan Fennell, "Better Downtown Living Through Adaptive Reuse?" *Planning Forum* 9 (2003): 4-27.
[208] Vincent Roger, "How I Made It: Brenda Levin: Restoring L.A. Landmarks," *Los Angeles Times,* August 2, 2009.
[209] Larry Gordon, "Grand Central Rescue Planned," *Los Angeles Times,* November 7, 1997.

the City's Adaptive Reuse Ordinance by almost a decade, "was intended as the staging ground for the revived downtown residential and shopping district" and served as a catalyst for the rehabilitation of other deteriorated yet significant historic properties nearby.[210]

As a partial response to those who questioned CRA/LA's judgment in participating in the project, one of the first and most publicized adaptive reuse projects to be undertaken in downtown Los Angeles, Grand Central Square marked a pivotal moment in the eventual transformation of the Historic Core into a vibrant mixed-use community in the early 2000s. Ira Yellin asserted in 1998 that Grand Central Square "created an economic catalyst for this part of downtown; 140,000 square feet of real estate have been brought back on the market; hundreds of low-income people are being employed; from a tax base that was dormant, we created a tax revenue stream that is going to go on forever."[211]

In addition to helping place three underutilized historic buildings back into productive use, the completion of Grand Central Square resulted in the rehabilitation of the upper stories of the Million Dollar Theatre, as well as the rehabilitation of the Homer Laughlin Building and the Lyon Building.[212] Recognizing the economic benefits of preserving the historic character of the buildings, Yellin ensured that national historic preservation standards were applied during construction and commissioned Brenda Levin and Associates, an architectural firm well-known for its expertise in historic preservation, to carry out the work. Toward this end, the facades of the Million Dollar Theatre, the Homer Laughlin Building, and the Lyon Building were cleaned and repaired; a non-historic marquee was removed from the primary façade of the Million Dollar Theatre; non-historic tiled veneers that had been constructed over the original facades of the Homer Laughlin and Lyon Buildings were removed; and the original Beaux Arts architectural elements that adorned the façade of the Homer Laughlin Building but had been obscured by the tiled façade were restored.[213] Although the interiors of the buildings were largely reconfigured in order to accommodate new residential uses in spaces that had traditionally been used as offices, Levin restored the character of several interior spaces that bore architectural and historical

[210] Levin and Associates Architects, "Urban Revitalization: Creating and Preserving Place," accessed August 15, 2013, http://www.levinarch.com/urban/grand.html.
[211] Lewis MacAdams, "Prophet of Boom," *Los Angeles Magazine,* March 1998, 58.
[212] Although the upper stories of the Million Dollar Theatre Building were rehabilitated and the building was seismically reinforced, the theater itself has not yet been truly restored.
[213] Martha Groves, "A Vision for L.A.'s Broadway," *Los Angeles Times,* February 27, 1989.

significance. Within Grand Central Market, "vintage neon signs marking each stall [were] restored and new ones were created," and skylights that had been painted over since the 1940s were uncovered and restored.[214] Within the Million Dollar Theatre building, the mahogany-paneled boardroom associated with water baron William Mulholland during the Metropolitan Water District's tenancy was incorporated into one of the new apartment units.[215] When the project was completed in 1995, decades of deferred maintenance had been reversed, historically-incompatible alterations had been removed, and original architectural features on each building had been restored. A present-day photo of Grand Central Square is presented in (Figure 2.6).

Figure 2.6. Present day view of Grand Central Square. Photo by author.

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[214] Levin and Associates Architects, "Urban Revitalization: Creating and Preserving Place," accessed August 15, 2013, http://www.levinarch.com/urban/grand.html.
[215] Aaron Curtiss, "Grand Hopes for City Core Downtown," *Los Angeles Times*, September 12, 1994.

Much of the published literature on Grand Central Square, including newspaper and magazine articles and interviews, attributes the project's success primarily to Yellin's entrepreneurship and unwavering confidence in the economic potential of downtown Los Angeles's Historic Core. Indeed, the project would not have been possible without Yellin, who was one of a handful of real estate developers at the time who championed investment in the city's downtrodden commercial core. But while this body of literature makes mention of CRA/LA and the MTA's involvement in the financial bailout of the project, minimal attention is given to the fundamental role that these two public agencies played in the financing and execution of the redevelopment of Grand Central Square. The project's contributions to heritage conservation relied heavily on the partnership and cooperation among the private sector (Yellin) *and* the public sector (CRA/LA and the MTA). Had the CRA/LA board not authorized the sale of tax increment bonds for the project in 1987 and issued said bonds in 1993 in conjunction with the MTA, Yellin would not have been able to carry out his pioneering vision for revitalizing this section of the Broadway commercial corridor. Although Yellin was able to secure $20 million of private investment from his colleagues and acquaintances, private lending sources would not have extended the financing needed in order to begin construction: "no bank in L.A. would lend Yellin a penny to upgrade the heart of downtown" because of the risks associated with such an undertaking, which left Yellin with a funding gap in excess of $40 million.[216] Had CRA/LA not elected to underwrite a majority of the project's construction loan, Yellin would have lacked the funds needed to rehabilitate and repurpose the three historic subject buildings, and the buildings would have likely continued to sit vacant and deteriorate. In a 1999 interview, Yellin asserted that the Grand Central Square project ultimately "saved a cultural landmark that would have died."[217]

The three landmark properties would have also suffered had CRA/LA foreclosed on Yellin and not conceived and administered a financial rescue plan when the project encountered financial problems in 1997. Had foreclosure proceedings been initiated against Yellin, residential and commercial tenants within the three subject buildings would have likely been threatened with eviction. Given the project's complicated administrative structure and the large number of public and private parties involved in its financing, initiating foreclosure proceedings would have

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[216] Lewis MacAdams, "Prophet of Boom," *Los Angeles Magazine,* March 1998, 58.
[217] Ibid.

resulted in "a financially tangled [process] and other problems if government entities tr[ied] to operate or sell the complex."[218] In addition to thrusting the three historic buildings into an uncertain future, foreclosure would have also sent a strong message on the agency's behalf that investing in the rehabilitation of the city's older building stock was not a pursuit worth taking. By continuing to invest in Grand Central Square by providing Yellin with emergency financial assistance, CRA/LA sent exactly the opposite message to the real estate development community: that investing in the city's historic and cultural resources *was* a worthwhile venture that should be actively pursued. The agency's steadfast and ongoing support of Grand Central Square therefore helped secure a future for future historic rehabilitation projects in and around the study area.

Concluding Notes:

Both Premiere Towers and Grand Central Square are often criticized in economic development literature for falling "short of expectations, both in occupancy and impact," but these two redevelopment case study projects had a positive impact on efforts to conserve and rehabilitate historic properties in the study area for residential use.[219] Upon completion of these two projects, a total of five historic and cultural landmarks that had fallen into various states of disrepair underwent full-scale architectural rehabilitations and were adapted to meet what were perceived as current market needs. Consequently, these five underutilized and neglected properties were placed back into productive use – a major step forward with regard to heritage conservation in downtown Los Angeles, an area that is awash in architectural and cultural resources but has long suffered from neglect and disinvestment. CRA/LA played an instrumental, albeit behind-the-scenes role in the execution of both projects; simply stated, the two projects would not have come to fruition without the ongoing financial and administrative support that the agency provided, and the heritage conservation benefits that each project yielded would not have been realized. Had the agency not continued to provide financing to the two projects through its ability to sell and issue tax increment bonds, neither project would have been able to secure necessary financial support from lenders and investors in the private sector, and

[218] Larry Gordon, "Grand Central Rescue Planned," *Los Angeles Times,* November 7, 1997.
[219] Ryan Fennell, "Better Downtown Living Through Adaptive Reuse?" *Planning Forum* 9 (2003): 4-27.

therefore could not have been executed. CRA/LA's commitment to both projects also signified that the agency saw the economic potential of investing in the repurposing of historic properties.

In addition, CRA/LA's involvement in both the Premiere Towers and Grand Central Square projects helped sow the seeds for the wave of residential rehabilitation projects in the Historic Core that began to take root in the early 2000s. By subsidizing risk and absorbing initial losses associated with the largely-untested market for downtown residential redevelopment, CRA/LA helped cultivate a market for residential development in the Historic Core. CRA/LA's participation in these two case study projects also served as the impetus for broader public policy implications – specifically, the development of the City of Los Angeles's pioneering Adaptive Reuse Ordinance (ARO). Initially adopted exclusively for downtown Los Angeles in 1999 and extended into other communities in the city in 2003, the ARO "encourages developers to convert older buildings into new developments by providing [various] incentives" related to parking, floor area, setbacks, building height, unit size, and density.[220] Under the ARO, many adaptive reuse projects "permitted by right" were also exempted from environmental clearance as mandated under the California Environmental Quality Act (CEQA).[221] In many instances, these incentives permitted the developers of adaptive reuse projects "to bypass the lengthy planning and zoning approval process altogether and proceed directly to the [City's] Department of Building and Safety for permits."[222] By offering incentives and resolving many of the challenges associated with the adaptation of historic downtown commercial buildings into contemporary uses, city officials hoped to stimulate additional development in the Historic Core area.

In large part, these redevelopment incentives derived from the challenges associated with the redevelopment of Premiere Towers and Grand Central Square. Challenges arose as these projects were upheld to prescriptive-based building and zoning codes that mandated setbacks, on-site parking facilities, and other requirements that were not conducive to the rehabilitation of historic downtown commercial buildings.[223] As a result, obtaining necessary permits for the

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[220] Matthew A. Young, "Adapting to Adaptive Reuse: Comments and Concerns About the Impacts of a Growing Population," *Southern California Interdisciplinary Law Journal* 18.3 (Spring 2009): 703-728; Ken Bernstein, "A Planning Ordinance Breathes New Life into Historic Downtown," in *Planning Los Angeles,* ed. David C. Sloane (Chicago: American Planning Association, 2012), 258.
[221] Ken Bernstein, "A Planning Ordinance Breathes New Life into Historic Downtown," in *Planning Los Angeles,* ed. David C. Sloane (Chicago: American Planning Association, 2012), 258.
[222] Ibid.
[223] J. Gabriel Linnares, "Adaptive Reuse of Existing Structures," *Structure Magazine,* February 2007, 26-27.

projects was impossible without first obtaining numerous code exemptions and variances – thus adding considerable time and cost to both projects. The city's prescriptive building and zoning requirements also resulted in parking facilities that proved to be both costly and logistically challenging: three floors of the former bank buildings that were rehabilitated into Premiere Towers were hollowed out to make way for parking space, and the garage that was constructed adjacent to Grand Central Square lacked efficiency and was constructed on an undersized corner of the redevelopment project site.[224] Seeking to alleviate the administrative burdens that complicated the adaptive reuse of historic properties and create a more streamlined entitlement process for such projects, CRA/LA had worked in conjunction with the nonprofit Central City Association, an alliance of businesses in downtown Los Angeles, and convened a workshop in 1996 to explore possible solutions to the aforementioned challenges.[225] The workshop evolved into an adaptive reuse task force, whose "work culminated in the 1999 passage of the ARO."[226] In addition to spearheading the ordinance, CRA/LA also played a a critical role in financing the earliest projects initiated under the ARO in the Old Bank District, a concentration of historic properties near the intersection of Fourth and Main streets that were targeted for rehabilitation by developer Tom Gilmore (Figure 2.7).[227] The success of the Old Bank District demonstrated the success of the ARO and indicated to lenders that adaptive reuse bore economic potential.

The ARO has proven to be a remarkably successful urban revitalization strategy that has spurred an unprecedented wave of residential development in downtown Los Angeles over the past decade. Between 1999 and 2011, the ARO was applied to seventy-six adaptive reuse projects in downtown Los Angeles and culminated in the production of 9,137 new residential units, among which 2,479 – or roughly twenty-seven percent – are condominium units.[228] With new residential development came "new retail development and nightlife," and as a result downtown Los Angeles had experienced the initial phases of a radical transformation from an area associated with blight and decay into a vibrant twenty-four hour urban district.[229] The success of this pioneering economic development policy was largely made possible because of

[224] Donald Spivack, personal correspondence with author, August 22, 2013.
[225] Ken Bernstein, "A Planning Ordinance Breathes New Life into Historic Downtown," in *Planning Los Angeles,* ed. David C. Sloane (Chicago: American Planning Association, 2012), 257.
[226] Ibid.
[227] Melinda Fulmer, "Rental Units are Proposed for Downtown," *Los Angeles Times,* December 1, 1998.
[228] Ibid, 261.
[229] Ibid, 263.

CRA/LA’s ongoing involvement in the move to adaptively reuse historic commercial buildings in downtown, which was sparked by its support and participation of early adaptive reuse projects including Premiere Towers and Grand Central Square.

Figure 2.7. The San Fernando Building, located at Fourth and Main streets in the Old Bank District, was the first residential conversion project completed under the Adaptive Reuse Ordinance. Photo by author.

CHAPTER 3: NON-RESIDENTIAL AND OFFICE CASE STUDIES

Introduction and Purpose:

In addition to helping convert properties within the Historic Core into residential and mixed-use development, which ultimately resulted in the conservation of several architectural and cultural landmarks, CRA/LA was also involved in the conservation and adaptive reuse of several landmark properties into functional office space for both private and public sector occupants. When these redevelopment projects were undertaken in the 1980s and 1990s, they were generally perceived by the development community as risk-prone; skeptics pointed to the glut of vacant office space in the upper stories of almost every commercial building on Broadway and Spring Street as evidence that a market for Class A or "premiere" office space – or even Class B or "secondary" office space – simply did not exist within the Historic Core. However, with regard to their economic performance, many of these non-residential projects were exceptionally successful upon their completion, and the reintroduction of functional commercial and other office space into the long-neglected Historic Core helped work toward revitalizing the neighborhood and eliminating blight. As a result of these projects, a number of architectural and cultural landmarks that had suffered from disrepair or abandonment were placed back into use through careful rehabilitation.

The purpose of this chapter is to ascertain the role that CRA/LA played in the planning and execution of these non-residential and predominantly office redevelopment projects, and to determine the eventual impact that the agency's involvement yielded on the conservation of these properties. Since CRA/LA was so heavily vested in the development of housing units, including affordable units as mandated by state law, it seems most appropriate to evaluate the agency's role in other properties independent of its role in residential and mixed-use projects. Toward this end, I identify and evaluate two redevelopment projects that (1) involve a historically significant property, (2) were predominantly office rather than residential in use, and (3) bore some degree of involvement from CRA/LA. I begin with a discussion of the iconic Bradbury Building, which underwent a full architectural restoration in the early 1990s but had also been seismically overhauled in 1983. Since the later architectural rehabilitation was undertaken and financed by private developers, discussion is limited to the 1980s-era seismic rehabilitation project, which had received direct CRA/LA support. Next, I analyze the Junipero

Serra State Office Building project (completed 1999), which involved the conversion of an abandoned former department store into office space for State of California employees. I conclude with a brief discussion of what these projects convey in the broader context of the functional relationship between CRA/LA and heritage conservation.

Case Study: Bradbury Building, 1983:

Across the street from the aforementioned Grand Central Square project is the Bradbury Building, an iconic architectural landmark that was constructed in 1893 and is among the finest extant examples of nineteenth-century commercial architecture in Los Angeles (Figure 3.1). The building was meticulously restored and reconditioned by Ira Yellin and his business partner, Allen Alexander, between 1989 and 1991 and emerged as “the cornerstone of revitalization efforts” in the Historic Core.[230] While associated with the adjacent Grand Central Square redevelopment project, rehabilitation of the Bradbury Building was financed and undertaken as a separate venture, and construction was completed before Grand Central Square had secured financing. However, restoration of the iconic building may not have been possible without the assistance and support of CRA/LA several years prior to Yellin’s purchase of the building. During the early 1980s, the agency engineered a complex development agreement between the Bradbury Building’s owners and a prominent downtown developer, which helped finance necessary seismic upgrades to the architectural landmark and ultimately spared it from possible demolition. CRA/LA assumed a much more behind-the-scenes role in the Bradbury Building project than it had in previous undertakings, although its support and assistance played an important role in the outcome of the project.

The architectural landmark came under the scrutiny of city building officials in the early 1980s, shortly after the Los Angeles City Council implemented a wide-reaching earthquake safety ordinance that aimed to reduce the seismic hazards associated with unreinforced masonry (URM) buildings constructed prior to 1933. The Earthquake Hazard Reduction Ordinance (EHRO), passed by the Council in 1981, was developed largely in response to the damage and economic losses that had resulted from the 1971 Sylmar Earthquake, and sought to minimize the

[230] Elaine Woo, “”Restored Bradbury Building Called Key to L.A.’s Downtown Core Renovation,” *Los Angeles Times*, September 30, 1991.

damaging effects of future seismic activity.[231] Toward this end, building officials commissioned a survey of the City and identified nearly 8,000 URM buildings that were considered to be "high-risk earthquake hazards."[232] Buildings identified in the City's survey were flagged, and their respective owners "were required to either make structural improvements over a time period of several years, vacate the building, or face demolition."[233] While the ordinance was intended to prompt property owners to strengthen their URM buildings, in actuality it put scores of historic buildings at immediate risk for demolition by creating an avenue wherein the owners of said properties could "precipitously choose to demolish the structures" instead of choosing to invest in their rehabilitation.[234]

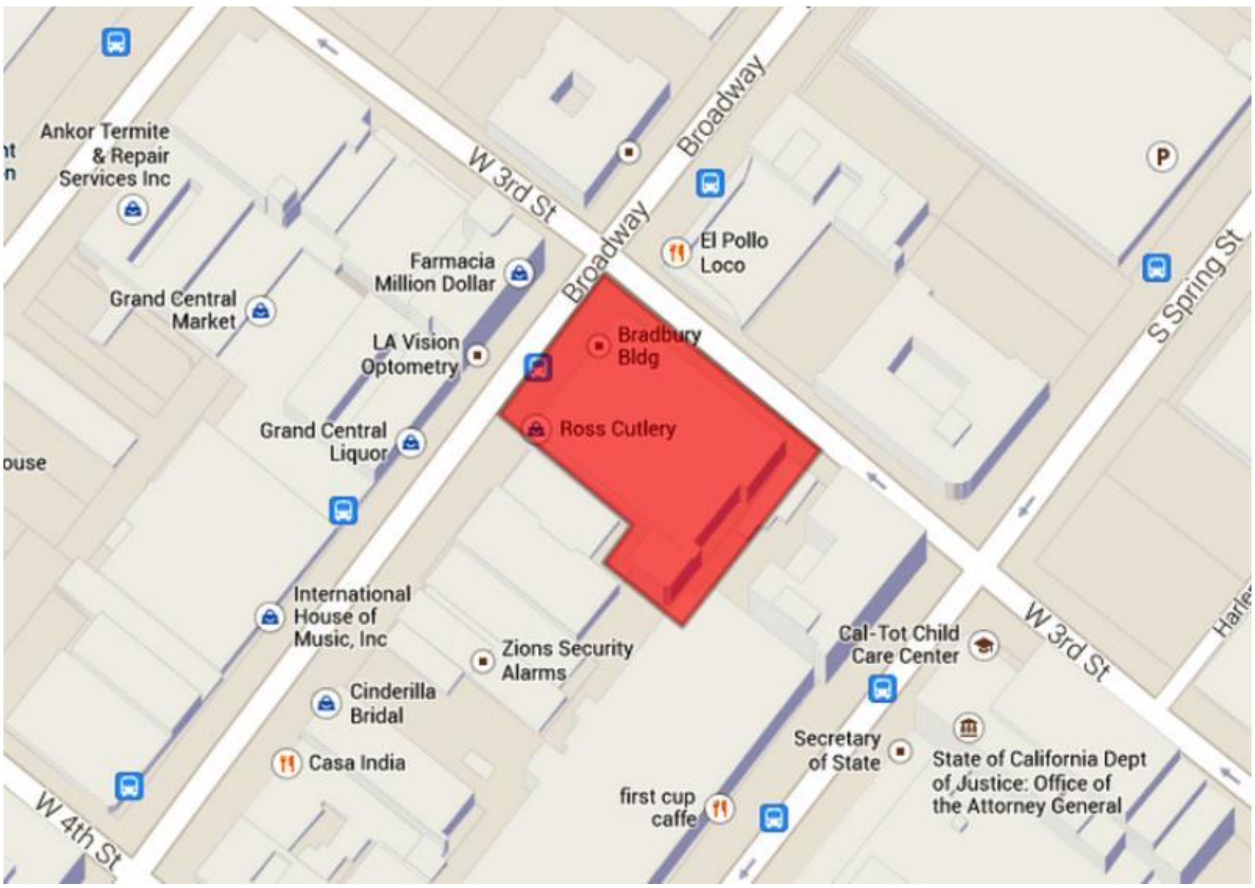

Figure 3.1. Location map of the Bradbury Building, shaded in red. Illustration by author and Google Maps.

[231] Ray Hebert, "Downtown Focus of Quake Safety Effort," *Los Angeles Times*, July 17, 1982.
[232] Ibid.
[233] Federal Emergency Management Agency, *Report on Costs and Benefits of Natural Hazard Mitigation*, April 1997, 30.
[234] Sam Hall Kaplan, "Quake Jolts Preservationists: They Fear Owners May Destroy Landmarks," *Los Angeles Times*, November 3, 1985.

Among the 8,000 URM structures identified in the survey was the Bradbury Building, which was constructed in 1893 of unreinforced glazed brick and sandstone.[235] The building did feature some steel structural components, although these components failed to comply with the strict seismic building standards that had been implemented by the City. Located near the north end of the Historic Core at 304 South Broadway, the Bradbury Building is consistently lauded as one of the most remarkable examples of commercial architecture in Los Angeles. The five-story, mildly-Romanesque Revival style building was commissioned by Lewis Bradbury, an affluent businessman and mining magnate who lived in a mansion atop nearby Bunker Hill and "fancied having a unique office building" in close proximity to his residence.[236] Although the exterior of the building is unassuming and architecturally modest, within its envelope is "one of the most beautiful interior spaces to be found in Los Angeles," complete with a sky-lit atrium, open balconies and staircases, earthen-tone glazed brick walls, wrought iron ornamentation, and open cage elevators (Figure 3.2).[237] The building's architect is a subject of intensive debate and has become a part of Los Angeles lore over time: some architectural historians attribute the building to Sumner Hunt, a prolific architect in Los Angeles at the turn of the twentieth century, while others credit its distinctive interior spaces to Hunt's subordinate, George Wyman, an entry-level draftsman in Hunt's office who allegedly drew inspiration for the building's design from a planchette board and an 1887 science fiction novel that "described a utopian civilization of the year 2000."[238] In addition to its cultural and architectural appeal, the Bradbury Building is significant as an excellent and rare example of an intact nineteenth century commercial building – one of few remaining such buildings in the vicinity.

Due to a clerical error and "the owners' [erroneous] belief that the building was sound," Western Management Corporation, a family-owned management company that owned the Bradbury Building at the time, was not aware that the property was included in the City's inventory of seismic hazards upon its release in 1981, and thus did not carry out the seismic retrofitting work that was required under the EHRO.[239] Per the conditions of the EHRO, Western

[235] Cecilia Rasmussen, "Sifting Myth from History at the Bradbury," *Los Angeles Times,* May 21, 2000.
[236] Ibid.
[237] David Gebhard and Robert Winter, *An Architectural Guidebook to Los Angeles* (Layton: Gibbs Smith, 2003), 249.
[238] Cecilia Rasmussen, "Sifting Myth from History at the Bradbury," *Los Angeles Times,* May 21, 2000.
[239] Ray Hebert, "Sale of Air Rights May Save Bradbury Building in Los Angeles," *Los Angeles Times,* November 17, 1983.

Management's failure to complete the required seismic rehabilitation work signified to building officials that the architectural landmark, which was listed on both the local and national historic registers and had been granted the rare designation of a National Historic Landmark, was included on "the City's list of buildings that do not comply with the ordinance" and therefore had been identified as a potential candidate for demolition.[240] Without sufficient reinforcement of its structural components, the brick-and-sandstone building also ran the risk of sustaining severe and perhaps irreparable damage in the event of a major earthquake. The issue was eventually brought to the attention of Western Management in 1983, which agreed to perform all necessary stabilization work but was required to do so in an abbreviated time frame. Completing the seismic retrofit of the building – which was projected to cost $1.1 million – in a truncated time frame proved challenging to the management company, which struggled to secure the financing needed to carry out the work.[241]

CRA/LA worked in conjunction with Western Management to engineer a creative financing strategy that would permit the owners to complete necessary upgrades to the building within the specified time frame. Toward this end, CRA/LA utilized its power to administer and approve the transfer of unused development rights between property owners, a sparsely-used yet powerful development tool called Transfer of Floor Area Ratio (TFAR). Used in Los Angeles since the early 1980s, TFAR refers to a process whereby property owners could sell transferrable development rights, or the "unused portion of square footage allowed to be developed on a parcel according to zoning regulation," to the owner of an alternate site, which permitted that owner to subsequently develop the alternate site in excess of the maximum density otherwise permitted under the City's Zoning Ordinance.[242] Unused development rights were common among older buildings within the Historic Core, many of which had been constructed when a 150-foot height limit had restricted the vertical limits of downtown development, and most of which had interior courts or light wells to facilitate natural light in office spaces and cross-ventilation in a pre-air-conditioning era.[243] In most instances, property owners had to first demonstrate that the transfer

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[240] Ibid.

[241] Ray Hebert, "Bradbury Building Finds Airy Solution to Problem," *Los Angeles Times,* November 17, 1983.

[242] Community Redevelopment Agency of the City of Los Angeles, "Frequently Asked Questions," accessed August 26, 2013, http://www.crala.org/internet-site/faqs.cfm.

[243] Nathan Masters, "L.A.'s Changing Skyline: A Brief History of Skyscrapers in the City of Angels," modified May 23, 2012, accessed August 26, 2013, http://www.kcet.org/updaily/socal_focus/history/la-as-subject/las-changing-skyline-a-brief-history-of-skyscrapers-in-the-city-of-angels.html.

of unused development rights would serve one or more public benefits, among which was included historic preservation.[244] The price for TFAR was negotiated between the owners and/or developers of participating sites; CRA/LA and the city's Planning Commission jointly administered the program and either approved or denied transfer requests.[245]

Figure 3.2. Bradbury Building atrium, photographed by Julius Shulman. Source: USC Libraries, Library Exhibits Collection, File Name: shulman-1997-JS-11-ISLA.

[244] Nancy Rivera Brooks, "Bargaining for the Sky: Buying Air Rights is Down to Earth Way to Get More Use out of Land," *Los Angeles Times*, August 29, 1988.
[245] Ibid.

Under the TFAR agreement coordinated and approved by CRA/LA, Western Management sold all of the property's unused development rights in 1983 to Mitsui Fudosan Inc., a development company that used the Bradbury Building's development rights and those that it had purchased from other properties to construct a fifty-two story office tower at the intersection of Figueroa Street and Wilshire Boulevard in the downtown financial district.[246] Mitsui Fudosan paid Western Management a total of $1 million for the development rights, which approximated the projected cost of the seismic strengthening that was needed in order to bring the historic building into compliance with the EHRO.[247] Proceeds from the sale were subsequently placed "into a CRA-controlled interest-bearing account payable only to the Bradbury Building's reinforcing and rehabilitation work," and necessary improvements were completed shortly thereafter.[248]

The sale of unused development rights helped promote both the short-term and long-term preservation of the Bradbury Building. In the short-term, sale of the building's transferrable development rights provided its owners with the immediate financing that was needed in order to carry out the costly seismic retrofitting work mandated under the City's stringent earthquake safety and management program. Completing the retrofitting work in a timely manner removed the building from the list of properties not in compliance with the EHRO and spared "the historic landmark from possible demolition."[249] The seismic overhaul of the building enhanced the likelihood that the landmark could withstand and survive a major earthquake. Perhaps most importantly, the sale of unused development rights helped ensure the long-term conservation of the building by eliminating the ability for developers to increase density on the site, which in turn "virtually ensured that the architectural treasure will not be torn down in the future to make way for a new, taller structure."[250]

In addition to its contributions related to the rehabilitation of the Bradbury Building, CRA/LA participated in and helped finance a study related to the overhaul of other historic URM

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246 Ibid.
247 Ibid.
248 Ray Hebert, "Sale of Air Rights May Save Bradbury Building in Los Angeles," *Los Angeles Times,* November 17, 1983.
249 Community Redevelopment Agency of the City of Los Angeles, "Frequently Asked Questions," accessed August 26, 2013, http://www.crala.org/internet-site/faqs.cfm.
250 Ray Hebert, "Sale of Air Rights May Save Bradbury Building in Los Angeles," *Los Angeles Times,* November 17, 1983.

buildings in the Historic Core that were subject to the provisions of the EHRO. Responding to concerns related to the potential for the widespread demolition of pre-1933 buildings that was posed by the EHRO, CRA/LA in 1985 partnered with the Los Angeles Conservancy and spearheaded a study to determine how the owners of historic properties "might comply with the ordinance in a cost efficient and architecturally sensitive manner."[251] The study, which focused exclusively on URM buildings located on the Broadway and Spring Street corridors, was financed by a combination of CRA/LA funding and a corresponding grant that was provided by the National Trust for Historic Preservation. Using the Bradbury Building's rehabilitation as a model, the study devised several creative ways for the owners of URM buildings "to meet seismic safety standards without destroying the building or its architectural integrity."[252] The study likely would not have come to fruition without the support and financial backing of CRA/LA.

CRA/LA's involvement in the administration and approval of the TFAR agreement between the owners of the Bradbury Building and Mitsui Fudosan was critical to the rehabilitation of the landmark property. As one of only two agencies that were able to approve transfer agreements at the time – the other being the city's Planning Commission – CRA/LA possessed the unique ability to tap into a lucrative funding source that would have not been available had the agency not exercised its authority to coordinate and approve TFAR transactions. In the absence of the TFAR proceeds, it is unclear if the owners of the Bradbury Building would have been able to secure the funds needed to rehabilitate the building and spare it from demolition; Terry McKelvey, then-president of Western Management, remarked upon completion of the seismic strengthening that "without this [the air rights money], there is little doubt…the Bradbury Building definitely would [have been] in jeopardy."[253]

Also speaking to the powerful role that TFAR played in the conservation of the Bradbury Building is the fate of other URM buildings located in the Historic Core that were not able to benefit from such agreements, the most telling example being the nine-story Lankershim Hotel at the intersection of Broadway and Seventh Street. The Lankershim Hotel, like the Bradbury

[251] Sam Hall Kaplan, "Quake Jolts Preservationists: They Fear Owners May Destroy Landmarks," *Los Angeles Times*, November 3, 1985.
[252] Ibid.
[253] Ibid.

Figure 3.3. Lankershim Hotel at Broadway and Seventh Street, circa 1907. Source: USC Libraries, California Historical Society Collection, File Name: CHS-2427.

Building, bore historical and architectural merit. Constructed in 1905 by architect R.B. Young, the 300-room hotel was "[Seventh] Street's first major commercial building" and featured an elaborate stone-and-press brick façade (Figure 3.3).[254] Also like the Bradbury Building, the Lankershim Hotel was listed on the National Register of Historic Places as a contributing feature of the Broadway Theater and Commercial District, which had been formally designated

[254] "National Register of Historic Places Inventory-Nomination Form: Broadway Theater and Commercial District," prepared by Tom Sitton, May 9, 1979; Los Angeles Conservancy, *Strolling on Seventh Street: Downtown's Historic Thoroughfare*, 2010, 1.

Figure 3.4. Present-day view of Bradbury Building, view looking southeast. Photo by author.

in 1979.[255] However, a confluence of factors rendered an alternative financing strategy, such as a TFAR transaction, infeasible for the hotel building, whose upper stories had sat entirely vacant since the 1971 Sylmar Earthquake.[256] In part, these factors were economic. Prior to the closure of the hotel's upper stories, the property had operated as a Single Room Occupancy (SRO) hotel, and thus would have had to reopen as such; the relatively low financial returns associated with SRO housing simply could not justify the relatively high costs associated with retrofitting the building in accordance with modern building codes, which made "the seismic repairs necessary for the hotel…economically infeasible."[257] Other logistical factors were also at play. As part of

[255] "National Register of Historic Places Inventory-Nomination Form: Broadway Theater and Commercial District," prepared by Tom Sitton, May 9, 1979.
[256] "Rehab Near on Lankershim," *Los Angeles Times*, February 19, 1984.
[257] Ibid; Donald Spivack, personal correspondence with author, September 3, 2013.

the strategy to revitalize downtown, CRA/LA had made an effort to concentrate SRO housing in the area east of Main Street – several blocks east of the Lankershim Hotel – and in effect CRA/LA officials expressed concerns related to the cost and management of a large SRO property in the heart of the Broadway commercial district.[258] The site of the Lankershim Hotel was also seen as a strong candidate for a new parking structure to serve the businesses and entertainment venues along Broadway, which in turn limited support for the building's rehabilitation. Combined, these factors, coupled with the lack of TFAR or another form of financial assistance, ultimately led to the demolition of the hotel in the early 1990s.[259]

Comparing the Bradbury Building with the Lankershim Hotel demonstrates the importance of CRA/LA's assistance and support. Given the different outcomes associated with the rehabilitation of these two properties, it seems likely that the Bradbury Building could have suffered a similar fate as the Lankershim Hotel without the behind-the-scenes support that was extended to the property owners by CRA/LA. A present-day photo of the Bradbury Building is presented in (Figure 3.4).

Case Study: Broadway Department Store/Junipero Serra State Office Building, 1999:

In the mid-1990s, the State of California elected to relocate the offices of approximately 1,750 state employees from a seismically-unsound building near the Los Angeles Civic Center to a new location in the heart of the Historic Core (Figure 3.5).[260] Completed in 1999, the Junipero Serra State Office Building was not new construction, but rather involved the repurposing and comprehensive rehabilitation of the former flagship location of the Broadway Department Store, an architectural landmark that had been abandoned since the 1960s and had deteriorated into one of the most blighted properties in the vicinity.[261] Between 1995 and 1999, state officials oversaw the conversion of the building's multiple stories of vacant square footage into cost-effective and functional office space. The completion of the Junipero Serra project marked a celebratory moment for heritage conservation advocates and downtown entrepreneurs and stakeholders

[258] Donald Spivack, personal correspondence with author, September 3, 2013.
[259] Los Angeles Conservancy, *Strolling on Seventh Street: Downtown's Historic Thoroughfare*, 2010, 1.
[260] Kenneth Reich, "State to Vacate and Demolish Quake-Threatened Office Building," *Los Angeles Times*, March 17, 1997.
[261] Larry Gordon, "State to Buy Broadway Site Renewal: Officials Plan to Renovate Old Department Store Complex Downtown for Government Offices," *Los Angeles Times*, June 8, 1995.

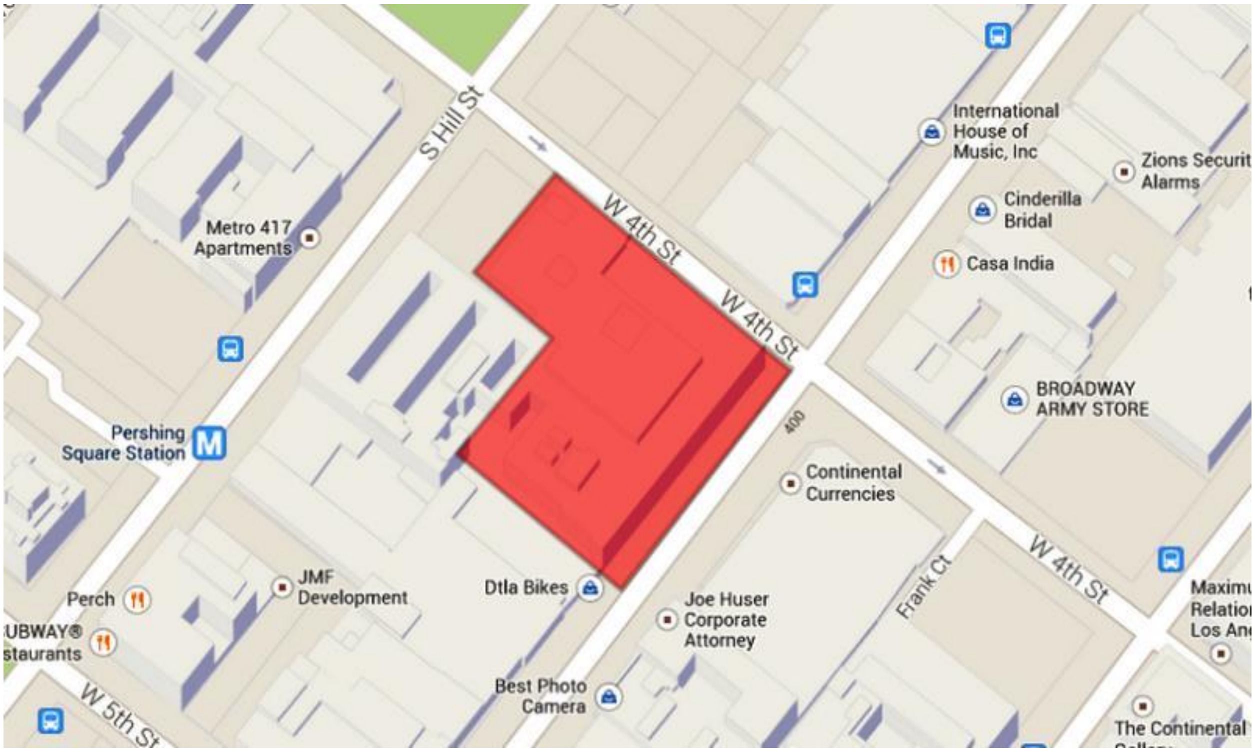

Figure 3.5. Location map of the Junipero Serra State Office Building (formerly the Broadway Department Store), shaded in red. Illustration by author and Google Maps.

including Ira Yellin, whose Grand Central Square project was located just a half-block north of the rehabilitated office facility. In addition to placing a moribund architectural landmark back into productive use, the project signified a commitment to long-term investment within the Historic Core and stimulated additional investment and redevelopment activity in the vicinity. The project also reintroduced members of the white-collar workforce into an area that had been regarded as the domain of the working class since the mid-twentieth century.[262] The project was undertaken and managed by the Los Angeles State Building Authority (LASBA), an independent joint powers entity comprised of the State of California acting through its Department of General Services and CRA/LA. The authority had been created to "oversee the development of state office facilities in Downtown Los Angeles."[263] The authority was created in 1982 and was overseen by a board consisting of two state officials appointed by the Governor and one

[262] Anastasia Loukaitou-Sideris and Tridib Banerjee, *Urban Design Downtown: Poetics and Politics of Form* (Berkeley: University of California Press, 1998), 32.
[263] Christine Essel, *Los Angeles State Building Authority Members*, March 29, 2012, 1.

appointee from CRA/LA.[264] CRA/LA played a critical, behind-the-scenes role early in the development process by assisting state officials with issues related to site acquisition and planning. CRA/LA's contributions to the Junipero Serra project reinforced the agency's steadfast commitment to the revitalization of the Historic Core.

The Junipero Serra project can be traced back to a downtown revitalization plan that had been conceived several years prior by then-Governor Pete Wilson. Seeking to save the state money and reinvigorate downtown areas that had largely suffered from incremental disinvestment and deterioration after World War II, Governor Wilson issued an executive order in 1993 that called for the consolidation of thirty-seven state offices scattered around Southern California into a six-square-block area within the Historic Core of downtown Los Angeles.[265] Governor Wilson's executive order, which "made a strong and positive statement about the true qualities of Los Angeles," placed faith in the economic potential of the city's historical commercial core and was largely inspired by the recent completion of the Ronald Reagan State Office Building in 1990, a high-rise office building on Spring Street that was developed by LASBA and which had received assistance and support from CRA/LA.[266] In conjunction with the Governor's executive order, the state's architect inventoried and evaluated the seismic strength of existing office buildings owned and/or occupied by the state to determine which facilities represented the strongest candidates to house the consolidation of state employees into the downtown area; using data collected from said analysis, the architect thereafter "identified the twenty most seismically unsafe state buildings in California, including three in downtown Los Angeles that [were] singled out for demolition."[267] At the top of the list prepared by the architect was the first Junipero Serra State Office Building, a 1960s-era building that stood at the intersection of Broadway and First Street and was occupied by approximately 1,750 state employees from various state agencies. According to the architect's report, the first Junipero Serra building posed such a high risk of structural failure during a major earthquake that a seismic retrofit of the building was deemed infeasible.[268] Pressure to relocate the Junipero Serra

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[264] Morris Newman, "In Downtown Los Angeles, A Former Department Store Will Have New Life as State Offices," *New York Times,* August 2, 1995.
[265] James Rainey and Jeffrey L. Rabin, "2000 Jobs May Move Downtown," *Los Angeles Times,* September 18, 1993.
[266] Morris Newman, "In Downtown Los Angeles, A Former Department Store Will Have New Life as State Offices," *New York Times*, August 2, 1995.
[267] Mark Gladstone, "20 Most Unsafe State Buildings are Identified," *Los Angeles Times,* April 16, 1994.
[268] Ibid.

building's occupants mounted after the Northridge earthquake of 1994, which caused severe structural damage to the building and rendered its adjacent parking garage unfit for use.[269]

In 1995, LASBA selected an alternate site for the Junipero Serra building. Located at 320 West Fourth Street, the subject site was occupied by a ten-story commercial building that was constructed in 1914 by prolific architects John Parkinson and Edwin Bergstrom; an addition was appended to its west elevation approximately ten years later.[270] The building had long stood out as one of downtown's best-executed examples of Beaux Arts style commercial architecture, and was characterized by its ornate architectural elements including terra cotta and pressed-brick cladding, floor-to-ceiling plate glass windows, "a pressed metal cornice with dentils, and egg-and-dart molding" (Figure 3.6).[271] In addition to its architectural significance, the building was also representative of Broadway's development as the commercial core of Los Angeles in the early twentieth century. Originally, its ground story was occupied by the flagship location of the Broadway Department Store, an iconic Los Angeles-based company that was founded in 1895 by entrepreneur Arthur Letts and thereafter emerged as "California's largest retail establishment of the era."[272] Like most early-twentieth century buildings on the Broadway corridor, upper stories consisted of office space as well as additional sales space for the department store.

However, the once-stately building had become badly deteriorated over time. Suburbanization and the associated decentralization of the middle class that occurred in the post-World War II era drove many retailers and department stores to move away from traditional downtown business districts and relocate in regional malls and suburban shopping centers.[273] The Broadway was representative of this national trend and closed its flagship store at Fourth Street and Broadway in 1973, which left the building without a principal tenant.[274] The building sat almost entirely vacant for the following two decades, during which time it devolved into a visual blight, inhabited by squatters and the target of perpetual vandalism. By the

[269] Kenneth Reich, "State to Vacate and Demolish Quake-Threatened Office Building," *Los Angeles Times,* March 17, 1997.
[270] Ibid.
[271] Los Angeles Conservancy, "Junipero Serra State Office Building," accessed August 24, 2013, https://www.laconservancy.org/locations/junipero-serra-state-office-building.
[272] Ibid.
[273] Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York: Oxford University Press, 1985), 257-261.
[274] Los Angeles Conservancy, "Junipero Serra State Office Building," accessed August 24, 2013, https://www.laconservancy.org/locations/junipero-serra-state-office-building

Figure 3.6. The Broadway Department Store, 1937. Source: USC Libraries, "Dick" Whittington Photography Collection, File Name: DW-010-144-1-ISLA.

time that LASBA purchased the property in the mid-1990s, the building was generally regarded as one of the worst eyesores in the Historic Core. Developer Ira Yellin, whose nearby Grand Central Square redevelopment project preceded the rehabilitation of the former Broadway building by several years, described the former Broadway store as a "block-long slum that divides the Broadway shopping corridor in half."[275] A *Los Angeles Times* article from 1993 paints a similarly-bleak picture, noting that the building's "eight-story façade is scarred by graffiti and its street level is battered in wooden boards."[276] Many of the building's interior spaces had been demolished and only partially reconstructed as a result of a previous renovation project that was undertaken but had ultimately fallen through well before construction was complete.[277] The property changed hands several times as owners fell into bankruptcy and was eventually acquired by the Resolution Trust Corporation, a federal agency that oversaw the sale of assets of insolvent financial institutions.[278]

Given the severity of the building's deterioration, most private-sector developers perceived the former Broadway Department Store as "a mess tangled in bankruptcies" and were thus unwilling to invest in the rehabilitation of the property.[279] Developers were further dissuaded from investment because of an effort to overhaul the building in the mid-1980s and "convert it into offices, shops, restaurants, and a health club," which was aborted and culminated in financial disaster.[280] But to the state officials and CRA/LA member that comprised LASBA, the former department store was well-suited to accommodate the offices of the 1,750 state employees who worked at the seismically-unsound Junipero Serra State Office Building several blocks to the north. In addition to complying with Governor Wilson's executive order – the former department store was located in the heart of the Historic Core and was less than one block away from the Ronald Reagan State Office Building – the site was well-served by public transit and was in close proximity to a station for the recently-constructed Red Line subway, the same station that had figured in MTA's decision to participate with CRA/LA in the Grand Central Square project discussed previously.[281] In addition, the building's "large size, open floor plan, and thirteen-foot-high ceilings" were conducive to the installation of infrastructure and amenities

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[275] Larry Gordon, "State to Buy Broadway Site Renewal: Officials Plan to Renovate Old Department Store Complex Downtown for Government Offices," *Los Angeles Times,* June 8, 1995.
[276] Larry Gordon, "New Life Planned for Old Downtown Buildings," *Los Angeles Times,* September 27, 1993.
[277] Ibid.
[278] Morris Newman, "In Downtown Los Angeles, A Former Department Store Will Have New Life as State Offices," *New York Times,* August 2, 1995.
[279] Larry Gordon, "New Life Planned for Old Downtown Buildings," *Los Angeles Times,* September 27, 1993.
[280] Bob Howard, "$52 Million Rejuvenation of Broadway Building Nearly Complete," *Los Angeles Times,* March 17, 1997.
[281] Morris Newman, "In Downtown Los Angeles, A Former Department Store Will Have New Life as State Offices," *New York Times,* August 2, 1995.

such as telecommunications cables and HVAC ducts.[282] LASBA purchased the property from the Resolution Trust Company for $1.8 million in 1995.[283]

CRA/LA played a significant, albeit behind-the-scenes role in the acquisition and assemblage of the former Broadway Department Store property. By occupying one of the three seats on LASBA, the agency was able to advocate for the selection of a site that not only complied with Governor Wilson's executive order, but that was also conducive to the agency's ongoing effort to revitalize and stimulate reinvestment in the Historic Core. Selection of the former Broadway property dovetailed with several projects that the agency had undertaken toward this end, including the aforementioned Grand Central Square project, located a half-block to the north, and the reconstruction of the Angels' Flight funicular railway, located one block to the west.[284] Selection of the former Broadway store was also largely made possible because of other redevelopment projects that had previously been undertaken by CRA/LA in the immediate vicinity. As part of the nearby Broadway Spring Center project, a mixed-use development that opened in 1989 and was largely financed by CRA/LA, a 1,274-space parking structure had been constructed in order to provide necessary off-street parking facilities for employees of the adjacent Ronald Reagan State Office Building (Figure 3.7).[285] Per an agreement drafted between CRA/LA and the state, portions of the Broadway Spring Center garage would also be reserved for the employees who would be relocated to the site of the former Broadway store.[286] Since the Broadway Department Store property was constructed prior to the rise of car culture in Southern California, it lacked the on-site parking facilities needed to make feasible the conversion of the former department store into functional office space; CRA/LA's provision of off-street parking facilities played an integral role in the selection of the former Broadway site.

CRA/LA also extended ongoing financial assistance and support to the project that augmented the state's investment in the rehabilitation of the property. As part of the acquisition deal for the Broadway site that was reached between the Resolution Trust Company and

[282] Larry Gordon, "New Life Planned for Old Downtown Buildings," *Los Angeles Times,* September 27, 1993.
[283] Morris Newman, "In Downtown Los Angeles, A Former Department Store Will Have New Life as State Offices," *New York Times,* August 2, 1995.
[284] Larry Gordon, "State to Buy Broadway Site Renewal: Officials Plan to Renovate Old Department Store Complex Downtown for Government Offices," *Los Angeles Times,* June 8, 1995.
[285] Community Redevelopment Agency of the City of Los Angeles, *Central Business District Redevelopment Project*, 1.
[286] Ibid.

LASBA, CRA/LA agreed to forgive $1.7 million in outstanding property taxes owed to the agency that had accrued while the property was mired in foreclosure proceedings. The agency's decision to forgive outstanding taxes associated with the property helped expedite the redevelopment process and ensured that "the money [that would have otherwise been used for taxes] could be reinvested in the structure."[287] CRA/LA, through its participation in LASBA, was also involved in "execut[ing] lease agreements with the state and issu[ing] lease revenue bonds to finance the construction" work associated with the rehabilitation and repurposing of the former Broadway store.[288] Since the property was owned, financed, and operated by LASBA, collaboration between CRA/LA and state officials early in the development process ultimately played a key role in the project's success.

Figure 3.7. The Broadway-Spring Center Garage at Spring and Third streets, completed in 1989, largely made redevelopment of the former Broadway Department Store possible. Photo by author.

[287] Gerry F. Miller, *CRA – Fifth Modification to the Joint Exercise of Powers Agreement for the Los Angeles State Building Authority*, June 15, 2010, 1-2; Morris Newman, "In Downtown Los Angeles, A Former Department Store Will Have New Life as State Offices," *New York Times,* August 2, 1995.

[288] Christine Essel, *Los Angeles State Building Authority Members,* March 29, 2012, 2.

Under the direction of LASBA, which managed the project and served as its principal developer, the former department store was converted into eight floors of office space between 1995 and 1999. An experienced team of architects and engineers demolished most existing interior spaces and subsequently constructed modern, state-of-the-art offices in their place. Interior spaces that bore historical significance were restored and incorporated into the rehabilitated office space.[289] In addition, both the Broadway and Fourth Street facades were extensively cleaned and restored, and the building was cleared of hazardous materials and underwent a seismic retrofit to ensure that it was safe for long-term occupancy.[290] In 1999, after several years of construction, the former Broadway Department Store building officially reopened as the Junipero Serra State Office Building, "a modern 350,000-square foot office building occupied by 1,700 employees."[291] Despite being placed on the market in 2010 as part of a short-term strategy to address the state's fiscal emergency, the Junipero Serra State Office Building continues to be owned by LASBA and leased to the state. From an economic development perspective, the project has been successful and "is 100 percent leased, of which 99.7 percent is leased to the state of California for a term of twenty years firm."[292] The economic success of the Junipero Serra building distinguished the project from previous rehabilitation efforts in the Historic Core in the 1980s and 1990s, including the aforementioned Premiere Towers and Grand Central Square projects, which encountered financial challenges upon completion. In large part, this economic success could be attributed to the twenty-year lease agreement that had been reached between LASBA and the state of California for state office use, which ensured that the property would retain a high occupancy rate.

Redevelopment of the former Broadway Department Store into state offices was undeniably successful in the context of heritage conservation. Rehabilitation of the large and highly visible property helped save the architectural landmark from further deterioration, and stood out as an excellent example of how blighted and functionally-obsolete buildings could satisfy present-day market demands and could be creatively adapted into productive, functional space. According to Dan Rosenfeld, who had served as the state's real estate director when the

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[289] S.calate Technology, Inc., "Junipero Serra State Office Building," accessed August 25, 2013, http://www.scalate.com/our-clients/junipero.html.
[290] "Building Kept in Wraps During Hazardous Cleanup," *Los Angeles Times*, July 8, 1997.
[291] Los Angeles Conservancy, "Junipero Serra State Office Building," accessed August 24, 2013, https://www.laconservancy.org/locations/junipero-serra-state-office-building.
[292] CB Richard Ellis, Inc., *Golden State Portfolio Offering Memorandum*, 2010, 6.

Junipero Serra project was conceived, completion of the project "took what was probably the biggest eyesore in the city and turned it into the least expensive and most attractive office building the state has procured in the last thirty years."[293] Completion of the Junipero Serra project also complemented several historic rehabilitation projects that had been undertaken or were proposed in the immediate vicinity, including the Grand Central Square project and the Angels' Flight funicular railway, and represented "a major set piece in the revitalization of the Broadway-Spring Street corridor."[294] The project has also been credited with stimulating additional investment in the Historic Core. Since it opened in 1999, the building has consistently been almost fully occupied, almost exclusively by state office employees. In large part, the building's high occupancy rate is associated with the financing plan for the building – a twenty-year lease for the building was drafted between the state and LASBA to back the revenue bonds that were issued to finance the project's construction, thus providing the property with a built-in market. But the project nonetheless sent a strong message to investors and developers regarding the economic potential of downtown Los Angeles's historic building stock.

The project also culminated in the conservation and meticulous restoration of its distinctive architectural character. During all phases of the redevelopment process, measures were taken to ensure that the building's architecturally significant, or "character-defining" features were treated in a manner consistent with the Secretary of the Interior's Standards for Rehabilitation. Several architectural firms with demonstrated expertise in historic preservation were commissioned to participate in the project's execution. Before construction commenced, an existing conditions assessment of the building was performed and its character-defining features documented.[295] During construction, original wood sash windows were either repaired or replaced in-kind, depending on the severity of the damage, and graffiti was removed from the building's glazed terra cotta façade through the application of "a low-pressure spray of powder-like glass beads" that was intended to protect the glazing from irreparable damage.[296] The building's decorative sheet-metal cornices, which had rusted and deteriorated beyond the point

[293] Bob Howard, "$52 Million Rejuvenation of Broadway Building Nearly Complete," *Los Angeles Times,* March 17, 1997.
[294] Morris Newman, "In Downtown Los Angeles, A Former Department Store Will Have New Life as State Offices," *New York Times,* August 2, 1995.
[295] JAG | ROTO Architects. "JAG | ROTO Architects," accessed August 25, 2013, http://jagrotoarchitects.com/sites/jagrotoarchitects.com/files/JAGROTO%20Architects.pdf.
[296] Bob Howard, "$52 Million Rejuvenation of Broadway Building Nearly Complete," *Los Angeles Times,* March 17, 1997.

of repair, were refabricated by Preservation Arts, a well-respected specialist in historic preservation, and "the old fire escapes outside the building were repaired, repainted, and left in place."[297] Interior spaces, most of which had been partially demolished in the 1980s and had sustained severe damage over time, were reconstructed with modern motifs that were distinctive from yet compatible with the building's original Beaux Arts exterior; architect Scott Johnson of the architectural firm Johnson Fain Partners described the rehabilitated building as "like a brand-new body in a beautiful old dress."[298] When construction was complete and the former department store officially reopened as the Junipero Serra State Office Building in 1999, its exterior closely resembled its original, 1914 appearance, but its interior had been entirely repurposed as a modern, state-of-the-art office facility. The project was celebrated and won numerous awards from historic preservation advocacy organizations, including the Los Angeles Conservancy and the San Francisco-based California Preservation Foundation.[299]

Upon completion, the Junipero Serra project demonstrated the often-complementary relationship of local economic development and heritage conservation, and exemplified how the rehabilitation and repurposing of historic buildings that suffer from functional obsolescence can work toward achieving the key goals and policies of both disciplines. When the building reopened in 1999, a decaying architectural landmark had been carefully and fully restored; a derelict yet historically significant building had been placed back into productive use; the building boasted comparatively-low operating costs and a consistently-high occupancy rate; and it demonstrated the economic potential of office space within the Historic Core. The overwhelming success of the project, both from economic development and heritage conservation perspectives, corroborated the findings of nearly a decade's worth of research related to the intersection of economic development and historic preservation. Upon evaluating hypothetical pro formas and comparing the relative costs associated with rehabilitation and new construction projects, economist Donovan Rypkema (1991) concluded that "historic preservation is a rational and effective economic response" to many, but certainly not all development

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[297] Ibid.
[298] Ibid.
[299] Scott Johnson and William H. Fain, Jr., *Figure/Ground: A Design Conversation* (Glendale: Balcony Press, 2003), 230.

scenarios.[300] A subsequent analysis undertaken by Listokin, Listokin, and Lahr (1998), a team of urban planning academics, appraised the economic benefits of historic preservation and found that preservation projects often generate "advantageous multiplier effects" that benefit a local economy.[301] The success of the Junipero Serra project contributed to further rehabilitation activity by demonstrating that the historic building stock in downtown Los Angeles could be adapted to meet present-day market demands in an economically advantageous manner.

CRA/LA played an instrumental, yet largely behind-the-scenes role in the redevelopment of the former Broadway Department Store into productive and functional state office space. Thus, CRA/LA's involvement in the project is generally not given tremendous weight or is not mentioned at all in press and literature regarding the project and its contributions to the revitalization of the Historic Core. Yet the agency, in conjunction with the State of California, played a key role in all phases of the development process and ultimately helped carry the project to fruition. By holding one of the three seats on the joint-powers governing body that was tasked with acquiring and assembling the site, issuing "lease revenue bonds to finance the construction of [the] building," and managing operations of the building after construction, CRA/LA exerted influence in key decisions that were made over the project's duration.[302] Selection of the former Broadway store site, which bore strong economic potential but was accompanied by financial problems and logistical challenges upon its purchase, was made possible largely because of the financial and logistical support provided by CRA/LA. The agency's decision to forgive $1.7 million of outstanding property taxes that were associated with the site and owed to CRA/LA expedited redevelopment by avoiding time-consuming and costly legal proceedings, and ensured that money that would have otherwise been spent to repay outstanding debt could instead be reinvested into the property's rehabilitation. Additionally, CRA/LA's provision of necessary off-street parking facilities in its nearby Broadway Spring Center garage alleviated logistical challenges related to the lack of parking facilities at the Broadway store site, which had been constructed in the era of electric streetcars. The site likely would have not been able to accommodate 1,750 state employees in the absence of adequate off-street parking facilities. In

[300] Mason, Randall, "Economics and Historic Preservation: A Guide and Review of the Literature," Discussion paper, The Brookings Institution, September 2005, 6.
[301] David Listokin, Barbara Listokin, and Michael Lahr, "The Contributions of Historic Preservation to Housing and Economic Development," *Housing Policy Debate* 9.3 (1998): 479-485.
[302] Christine Essel, *Los Angeles State Building Authority Members,* March 29, 2012, 2.

partnership with state officials, who were also heavily involved in the redevelopment project, CRA/LA played a significant role in the conservation and repurposing of one of the most iconic architectural landmarks along the northern end of the historic Broadway commercial and entertainment corridor. (Figure 3.8) shows a present-day view of the property.

Figure 3.8. Present-day view of the Junipero Serra State Office Building, view looking southwest. Photo by author.

<u>Concluding Notes:</u>

CRA/LA's role in the rehabilitation of the Bradbury Building and the Broadway Department Store/Junipero Serra State Office Building assumed a somewhat different character than its role in the aforementioned residential case study projects. Instead of championing and managing the rehabilitation project, as the agency had done in the case of Premiere Towers, or functioning as the project's principal financier, as it had done in the case of Grand Central

Square, the agency took on a much more nuanced, behind-the-scenes role in the rehabilitation of the Bradbury Building and the redevelopment of the Junipero Serra Building. However, in spite of operating largely behind-the-scenes, CRA/LA played an integral role in the successful completion of both projects, which ultimately spared the Bradbury and Junipero Serra buildings from possible demolition and continued deterioration, respectively. Had the agency not utilized its authority to administer TFAR transactions for the Bradbury Building, it is unclear if the owners would have been able to front the hefty costs associated with bringing the building up to code. Coordinating the TFAR transaction would have been difficult, if not impossible, had CRA/LA not intervened, identified and secured a user for the density, and provided support to the owners of the architectural landmark. In a similar vein, completed rehabilitation of the Junipero Serra building rested heavily on the logistical and financial assistance provided by CRA/LA. Although Governor Wilson's executive order essentially guaranteed selection of a site within the Historic Core to replace the quake-damaged state office building at Broadway and First Street, the former Broadway Department Store site was fraught with a series of financial and logistical challenges – including nearly two million dollars in outstanding property tax debt and a complete lack of parking – that would have presented difficult hurdles for state officials to overcome on their own. CRA/LA helped alleviate these challenges by forgiving the outstanding taxes and providing off-street parking, in effect "softening" the potential risks and challenges associated with the property and making the site a more attractive and feasible candidate for redevelopment. CRA/LA's willingness and ability to actively participate in the rehabilitation of both buildings demonstrates the agency's steadfast commitment to the conservation and repurposing of architectural and cultural landmarks within the Historic Core.

CHAPTER 4: INSTITUTIONAL AND PUBLIC USE CASE STUDIES

Introduction and Purpose:

In addition to actively participating in the rehabilitation of historic buildings into residential and commercial office and retail uses, CRA/LA also contributed to redevelopment projects that involved institutions or public facilities within the Historic Core, many of which bore historic or cultural value. Among the best-known historic rehabilitation projects that involved an institutional use and benefited from the support and participation of CRA/LA was the rehabilitation, expansion, and modernization of the city's Central Library between 1982 and 1993. By devising and implementing a complex financing plan that took advantage of multiple, and somewhat obscure, funding sources, CRA/LA successfully restored the landmark building and adapted the property to meet present-day needs "with minimal fiscal impact on the City's general fund."[303] Despite being complex, and at times controversial, the library restoration project is often regarded as one of the agency's greatest successes in downtown Los Angeles.

Given its relative scope and success, the Central Library project is certainly worthy of mention, but CRA/LA also participated in the planning and development of many smaller-scale institutional and public facilities projects within the study area that involved historic or cultural resources. This chapter delves into the role that CRA/LA played in the conservation and rehabilitation of this category of historic resources, and aims to assess the agency's treatment and stewardship of said resources. Toward this end, I evaluate three case study redevelopment projects that (1) feature a heritage conservation component, (2) involve institutional uses or public facilities, and (3) involved a degree of participation from CRA/LA. I begin with a discussion of Biddy Mason Park, a small pocket park that conserves and promotes cultural memory and more intangible aspects of heritage. I continue with an analysis of Angels Flight, a funicular railway that was ironically both dismantled and restored by CRA/LA over the span of twenty-seven years. Next, I evaluate the agency's participation in the Broadway Streetscape Enhancement Plan, which failed to come to full fruition but nonetheless culminated in the identification and documentation of historically-significant streetscape features on an eight-block

[303] Community Redevelopment Agency of the City of Los Angeles, "Building a World Class City: Central Business District Redevelopment Project 1975-2010," accessed August 30, 2013, http://www.ladifferentiated.com/wp-content/uploads/2011/02/Building_a_World_Class_City1.pdf.

stretch of the Broadway commercial corridor. I conclude by briefly discussing what the case studies reveal regarding CRA/LA and its general approach to the treatment of historic properties.

Case Study: Biddy Mason Park, 1991:

CRA/LA not only participated in the rehabilitation of buildings and the conservation of material features of the historic built environment, but was also involved in projects that sought to conserve and promote cultural memory and more intangible elements of heritage within the study area. One of these projects was the planning and development of Biddy Mason Park, a small pocket park that forges a linear connection and facilitates pedestrian access between the Broadway and Spring Street corridors. The pocket park was developed in conjunction with the adjacent Broadway Spring Center, a CRA/LA-backed development that includes ground-story retail space as well as a 1,274-space parking garage – which is used in large part by employees of the aforementioned Ronald Reagan and Junipero Serra State Office Buildings.[304] Prominently featured in the pocket park are two public art installations that commemorate the life and contributions of the park's namesake, Biddy Mason, a local philanthropist and homesteader who was an influential figure in Los Angeles during the mid and late-nineteenth century but whose legacy had been largely forgotten over time.[305] Although the project was spearheaded, partially financed, and executed by a non-profit organization, the project was also carried out on land that was owned and operated by CRA/LA. CRA/LA ultimately played an important role in the planning and development of the space.

Completed in 1991, the pocket park was developed on the site of Mason's former homestead and residence, which comprised several adjacent parcels on the block bounded by Broadway, Spring, Third, and Fourth streets in an area that was historically on the outskirts of town (Figure 4.1).[306] The park sought to pay homage to Mason and her contributions to the city's early history. Born in 1818, Biddy Mason spent her early years enslaved in Mississippi and eventually "became the property of a Mormon family that migrated" west to California, a state

[304] Ibid.
[305] Gregory Crouch, "Early Black Heroine of L.A. Finally Receives Her Due," *Los Angeles Times,* March 28, 1988.
[306] Community Redevelopment Agency of the City of Los Angeles, "Place Making," 2-3.

where slavery was not practiced, in 1851.[307] While state officials generally turned a blind eye to slave owners who had immigrated to California from other states, Mason was able to petition the court for a writ of habeas corpus and, along with her three daughters, was granted freedom by a California magistrate in 1856.[308] After working for several years as a midwife and nurse, Mason made history in 1866, when she purchased the land on which the park now sits for $250 and became "one of the first African American women in Los Angeles to own property."[309] A dedicated humanitarian and philanthropist, Mason went on to establish an orphanage, organize the first-ever African American church in Los Angeles, found an elementary school for African American children, and finance "a disaster center for residents left homeless by flooding."[310] In 1884, she constructed a two-story brick building on the land she had purchased nearly two decades prior, where she resided until her death in 1891.[311]

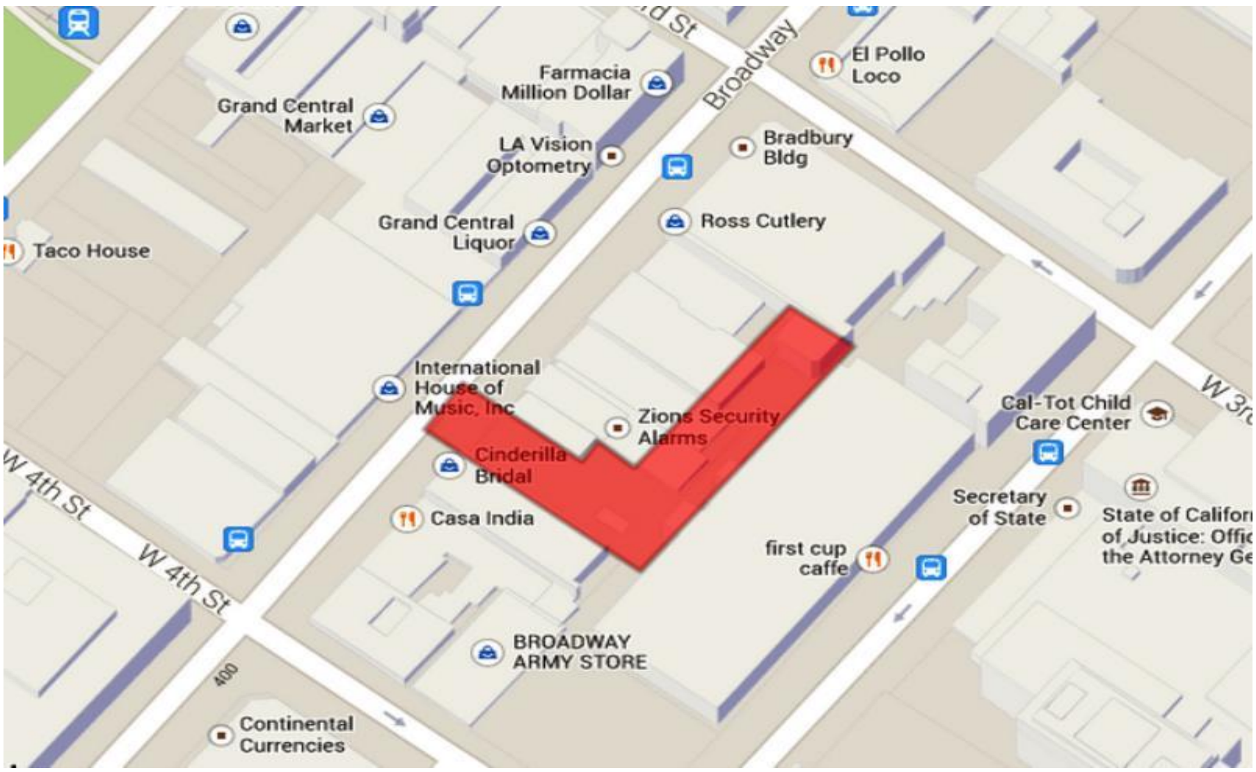

Figure 4.1. Location map of Biddy Mason Park, shaded in red. Illustration by author and Google Maps.

[307] Ibid.
[308] Michael Several, "Biddy Mason's Place: A Passage of Time," modified December 1999, accessed August 27, 2013, http://www.publicartinla.com/Downtown/Broadway/Biddy_Mason/mason.html.
[309] Ibid.
[310] Bob Pool, "Proud Legacy: Park Opens on Site Owned by L.A. Pioneer," *Los Angeles Times*, July 31, 1991.
[311] Michael Several, "Biddy Mason's Place: A Passage of Time," modified December 1999, accessed August 27, 2013, http://www.publicartinla.com/Downtown/Broadway/Biddy_Mason/mason.html.

However, as downtown Los Angeles came into being and was punctuated by successive waves of rapid development in the early twentieth century, Mason's life slipped into obscurity. In 1905, one of Mason's grandchildren had attempted to convert her former residence into a cultural center geared toward African American youth, but lacking sufficient political support the plan was never realized.[312] In the 1920s, as the Broadway and Spring Street corridors rapidly emerged as the commercial and financial hubs of Los Angeles, respectively, mid-rise and high-rise buildings enveloped Mason's former homestead, and her brick residence was demolished and "all structural references to Mason and her family were [subsequently] obliterated."[313] Over time, a series of surface parking lots were developed on the site to service nearby commercial and financial buildings on Broadway and Spring Street.[314] In the absence of any material evidence of the former homestead or residence, the general public's memory of Mason and her significance waned, and with time her contributions to the social and cultural development of nineteenth-century Los Angeles were "all but forgotten."[315] Thus, the Mason homestead remained a site that was awash in cultural and social value but lacked any identifiable and tangible connection to its past.

An effort to memorialize Mason and showcase her contributions was made in the mid-1980s as part of a larger public history initiative that was spearheaded by The Power of Place, a non-profit organization that was founded in 1983 by architect and historian Dolores Hayden. The initiative, also entitled The Power of Place, challenged conventional methods of historical inquiry that were generally male-dominated and Anglo-centric, and instead "sought to create a sense of place in Los Angeles by restoring and perpetuating the memory of the economic contributions of women and minorities through experimental, collaborative projects."[316] As an indication of its support of the organization and its core mission, CRA/LA awarded a grant to The Power of Place in 1985 that helped the organization produce a pamphlet and corresponding map of sites in downtown Los Angeles "where public history projects involving women and

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[312] Dolores Hayden, *The Power of Place: Urban Landscapes as Public History* (Cambridge: MIT Press, 1997), 170.
[313] Michael Several, "Biddy Mason's Place: A Passage of Time," modified December 1999, accessed August 27, 2013, http://www.publicartinla.com/Downtown/Broadway/Biddy_Mason/mason.html.
[314] Dolores Hayden, *The Power of Place: Urban Landscapes as Public History* (Cambridge: MIT Press, 1997), 170.
[315] Gregory Crouch, "Early Black Heroine of L.A. Finally Receives Her Due," *Los Angeles Times*, March 28, 1988.
[316] Michael Several, "Biddy Mason's Place: A Passage of Time," modified December 1999, accessed August 27, 2013, http://www.publicartinla.com/Downtown/Broadway/Biddy_Mason/mason.html.

minorities could be created."[317] Given her achievements and her prominent role in the early cultural development of Los Angeles, Biddy Mason exemplified the nonconventional type of historical figure that The Power of Place sought to commemorate, and upheld the organization's mission to position "working men and women at the center of L.A.'s history."[318] Accordingly, the site of Mason's former homestead and residence was among the points of interest identified in the CRA/LA-funded pamphlet and related map that The Power of Place produced.

Initially, The Power of Place had proposed the creation of "a small project for the [Biddy Mason homestead] site" that would memorialize her life.[319] However, CRA/LA's concurrent involvement in the planning and development of the Broadway Spring Center mixed-use project on the site of the Mason homestead in the late 1980s created a window of opportunity to undertake a memorialization project that was both larger in scale and more comprehensive in scope. As part of its plan for the Broadway Spring Center project, CRA/LA had initially called for the creation of a mid-block pedestrian network between Broadway, Spring, Third, and Fourth streets in order to facilitate pedestrian circulation, activate ground-level retail space in the vicinity, and create a discernible connection between the Broadway Spring Center and other nearby destinations.[320] Given the recent publication of The Power of Place's pamphlet, which called attention to the site of the Mason homestead, and political support by then-Mayor Tom Bradley to memorialize the site, The Power of Place was commissioned to incorporate a public art installation commemorating Mason into CRA/LA's proposed pedestrian network.[321] Using grant money awarded to the organization from the National Endowment of the Arts, The Power of Place planned and designed "a series of works communicating [Mason's] role in the city's history" and assembled a team of local artists and designers to execute the plan. To carry the project forward, the organization raised funds from a wide variety of benefactors and organizations, among which included CRA/LA.[322]

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[317] Ibid.
[318] Donna Graves, "Mapping Urban History Through Public Art," *Monographs* 4.2 (1995): 16-22.
[319] Michael Several, "Biddy Mason's Place: A Passage of Time," modified December 1999, accessed August 27, 2013, http://www.publicartinla.com/Downtown/Broadway/Biddy_Mason/mason.html.
[320] Donald Spivack, email message to author, August 29, 2013.
[321] Ibid; Michael Several, "Biddy Mason's Place: A Passage of Time," modified December 1999, accessed August 27, 2013, http://www.publicartinla.com/Downtown/Broadway/Biddy_Mason/mason.html.
[322] Ibid.

Using funds that had been provided by CRA/LA and other sponsor organizations, The Power of Place in 1990 oversaw the installation of two prominent works of public art that memorialized Biddy Mason and called attention to her association with the site of the Broadway Spring Center, an important aspect of the city's cultural history that had been largely forgotten over time. The first of the two installations, entitled *Biddy Mason: Time and Place*, consists of an eighty-one-foot-long black concrete wall that flanks CRA/LA's pedestrian pathway and uses a combination of "text and images to tell Mason's story against the backdrop of the city as it grew during her lifetime" (Figure 4.2).[323] The installation was designed by graphic designer Sheila Levrant de Bretteville. The second installation, entitled *Biddy Mason: House of the Open Hand*, was designed by assemblage artist and sculptor Bette Saar and was intended to evoke the vernacular character of the Mason homestead with the assemblage of a photo mural, clapboard siding, a picket fence, and other material elements that bore association with the Mason homestead (Figure 4.3).[324] Upon its opening in 1991, the park was widely regarded as a successful, albeit unorthodox heritage conservation venture that was credited with promoting "a growing awareness [and appreciation] of the diverse cultures that have built Los Angeles."[325]

Figure 4.2. "Biddy Mason: Time and Place," by Sheila Levrant de Brettville. Photo by author.

[323] Donna Graves, "Mapping Urban History Through Public Art," *Monographs* 4.2 (1995): 16-22.
[324] Dolores Hayden, *The Power of Place: Urban Landscapes as Public History* (Cambridge: MIT Press, 1997), 181.
[325] Bob Pool, "Proud Legacy: Park Opens on Site Owned by L.A. Pioneer," *Los Angeles Times*, July 31, 1991.

Figure 4.3. "Biddy Mason: House of the Open Hand," by Bette Saar. Photo by author

Due to the collaboration of The Power of Place and several agencies and organizations, "what might have been an undistinguished causeway between buildings" was transformed into a dynamic interpretive space that celebrated the life and legacy of an important, yet largely-forgotten figure in the city's cultural and ethnic history.[326] Although the project was administered by The Power of Place, a number of organizations and agencies were involved in the project's planning and development, and ultimately helped bring the project to fruition. CRA/LA was among these agencies. While CRA/LA's role in the Biddy Mason Park project was largely supplemental, the agency did take several actions that facilitated the planning and development of the park as constructed. Through the provision of financial assistance, both for the production of the pamphlet and map that first identified the Mason homestead and for the installation of the two interpretative public art pieces, CRA/LA helped set the process of developing the park into motion. Additionally, ongoing collaboration between CRA/LA personnel and The Power of

[326] Community Redevelopment Agency of the City of Los Angeles, *Place Making,* 2.

Place was necessary in order to coordinate incorporation of the artwork into the pedestrian network that was planned and developed under the guidance of CRA/LA. Importantly, the agency's involvement in the project spoke to its commitment to the conservation of culturally significant sites within the Historic Core.

Case Study: Angels Flight, 1996:

In the early and mid-1990s, CRA/LA financed and oversaw the reconstruction of Angels Flight, an early-twentieth century funicular railway that had been disassembled and stored for nearly thirty years. Located at 351 South Hill Street, across the street from the aforementioned Lyon Building and Grand Central Market, the newly-reconstructed railway was first constructed in 1901 and had originally occupied a site approximately a half-block to the north (Figure 4.4). It was dismantled in 1969 – incidentally by CRA/LA – to clear the way for site improvements and new construction associated with the Bunker Hill Redevelopment Project.[327] The re-opening of the shuttered railway nearly three decades later marked a celebratory moment for members of the heritage conservation community, who had long awaited CRA/LA to make good on its "firm promise to relocate the railway as near as possible to its original location at Hill and Third Streets," a promise that had been made when the railway was disassembled in the late 1960s.[328] Although Angels Flight is technically located within the jurisdictional boundaries of the Bunker Hill Redevelopment Project Area, its proximity to and historical association with the Historic Core justify its analysis as a case study. In addition, CRA/LA's involvement in the rehabilitation and re-opening of the railway is a particularly telling example of how the agency's general approach to the treatment of historic properties markedly evolved over the course of its sixty-four year lifespan.

Prior to its disassembly, Angels Flight stood out as an iconic and much-beloved piece of the Bunker Hill landscape. Built by Colonel James Ward (J. W.) Eddy, a former politician who was also experienced in railroad construction, the 315-foot funicular railway opened to the public in 1901 and stood out as being one of the earliest – and shortest – public transportation systems

[327] Ibid.
[328] "Angels Flight – End of an Era," *Los Angeles Times*, May 13, 1969.

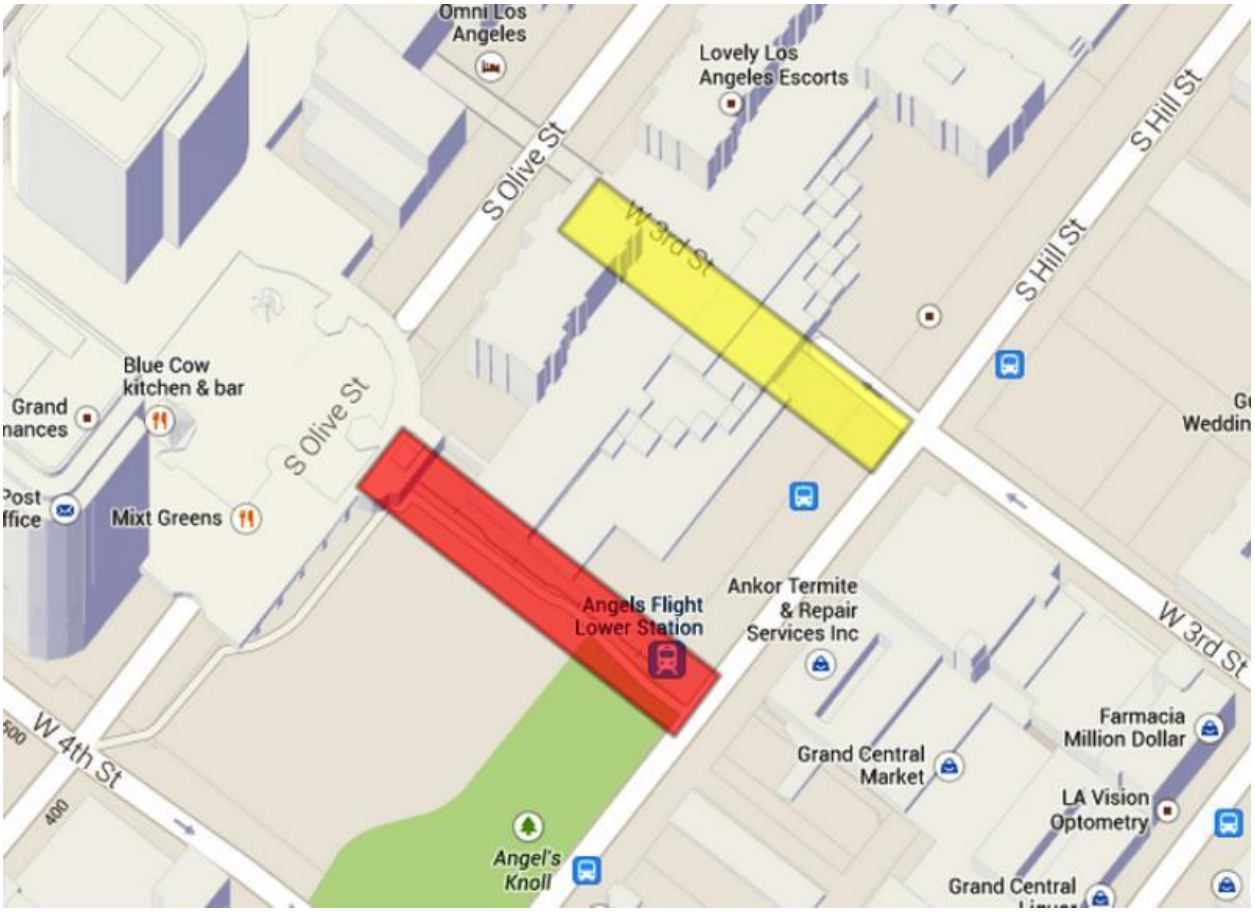

Figure 4.4. Location map of Angels Flight. The current location is shaded in red, and the original location is shaded in yellow. Illustration by author and Google Maps

developed in the city.[329] Eddy's railway was the first of two funicular railways on Bunker Hill that were constructed to transport passengers between the then-affluent residential enclave atop the hill and the central business district below.[330] With regard to engineering, Angels Flight was relatively simple: two counterbalanced cars – named Sinai and Olivet in reference to biblical mountains – were connected to a singular cable, which was in turn powered by an electrical substation located at the railway's upper terminus.[331] The cars, substation, an ornate Beaux Arts

[329] Los Angeles Conservancy, "Angels Flight," accessed August 28, 2013, https://www.laconservancy.org/locations/angels-flight.
[330] Nathan Masters, "Incline L.A.: Angels Flight and its Lost Sibling, Court Flight," modified May 30, 2013, accessed August 29, 2013, http://www.kcet.org/updaily/socal_focus/history/la-as-subject/incline-la-episode-one-angels-flight-and-its-forgotten-sibling-court-flight.html.
[331] Los Angeles Conservancy, "Angels Flight," accessed August 28, 2013, https://www.laconservancy.org/locations/angels-flight.

style archway at the eastern entrance to the railway, and all associated features were painted with a distinctive black-and-orange palette.[332] Given its distinctive aesthetic character and its role as an early public transportation system, Angels Flight was a well-known and widely-popular landmark that offered a tangible link to the city's Victorian-era past (Figure 4.5).

Figure 4.5. Angels Flight at its original location at Hill and Third streets, 1939. Source: USC Libraries, "Dick" Whittington Photography Collection, File Name: DW-B5-47-18-ISLA.

The development and subsequent implementation of the Bunker Hill Redevelopment Plan in the 1950s jeopardized the future of the funicular railway, which occupied a site that was slated for extensive redevelopment. By the early 1960s, when CRA/LA initiated the process of acquiring blighted properties and evicting tenants, the demand for transportation up and down

[332] Esmerelda Bermudez, "Could Price of Ride on Angels Flight Get Too Steep?" *Los Angeles Times*, November 27, 2010.

the hill had diminished and ridership on the railway steadily decreased. Citing sharp losses in revenue associated with declining ridership figures, L. B. Moreland, president of the association that owned and operated the railway, declared in 1962 that the association would have no other choice than "to suspend operations immediately if Angels Flight [was] not purchased" by another person or agency.[333] CRA/LA expressed interest in purchasing the railway and continuing its operation – temporarily – to serve the residents of Bunker Hill who had not yet been evicted as well as "downtown visitors who park on the hill."[334] Upon receiving a revolving loan from the City Council for this purpose, CRA/LA purchased the beleaguered railway in 1962 for a sum of $35,000.[335]

CRA/LA's decision to purchase Angels Flight did nothing to secure the future of the historic railway. On the contrary, the agency initially expressed interest in "discarding [the railway] because, it was argued, its turn-of-the-century character had no place in a complex of skyscraper office buildings and apartments."[336] This sentiment was voiced by William T. Sesnon, then-chairman of CRA/LA's Board of Commissioners, who estimated that "Angels Flight [would] become obsolete in about two years," once the agency had acquired and subsequently cleared all of the blighted properties on Bunker Hill.[337] But fervent public opposition and a 1966 decision by the City's Cultural Heritage Commission to designate Angels Flight and two other Bunker Hill properties as Historic-Cultural Monuments led the agency to reconsider its plans for the railway. Rather than permanently removing Angels Flight, CRA/LA instead elected to temporarily disassemble the railway, so that necessary excavation and grading work on Bunker Hill could occur, and then reassemble the railway within two years.[338] Its constituent pieces would be stored in a warehouse in the interim. Several potential new sites for Angels Flight were contemplated, including the Hollywood Bowl and Griffith Park, but ultimately CRA/LA decided to reassemble the railway as close as possible to its original site on the eastern banks of Bunker Hill.[339] Angels Flight was one of only a handful of Victorian-era

[333] Ray Hebert, "Railway Faces Shutdown," *Los Angeles Times,* February 6, 1962.
[334] Ibid.
[335] "Council Votes Loan to Purchase Angels Flight," *Los Angeles Times,* March 29, 1962.
[336] Ray Hebert, "Angels Flight Will Be Razed – Temporarily," *Los Angeles Times,* September 25, 1968.
[337] "Board Approves Plan to Buy Angels Flight," *Los Angeles Times,* February 21, 1962.
[338] "Angels Flight to Make Final Run May 18," *Los Angeles Times,* May 8, 1969.
[339] Ibid.

resources that were conserved and/or relocated by CRA/LA during the early phases of the Bunker Hill Redevelopment Project. The railway made its final run in May 1969.[340]

In spite of CRA/LA's promise to reassemble Angels Flight and incorporate the resource into the redevelopment plan for Bunker Hill within two years, reconstruction of the funicular railway encountered a series of lengthy delays. CRA/LA attributed these delays to unexpected challenges that arose during implementation of the Bunker Hill Redevelopment Plan, but some local stakeholders and members of the city's nascent heritage conservation community argued that the delay exemplified the agency's lack of commitment to conserving the resource.[341] Although CRA/LA commissioned an initial study to explore various "ideas to relocate and rebuild the historic railway on downtown's Bunker Hill" in 1976, no further action was taken until almost two decades later because of delays associated with the development of California Plaza, the development site that had been ultimately selected for the relocated Angels Flight.[342] The delays associated with the project culminated in the material degradation of the railway's constituent parts, which had been largely neglected. After years of "lying among stacks of scrap materials in [the] warehouse," the "old wooden cars were suffering from dry rot," and several of the railway's other components had been formally deemed unsafe.[343] CRA/LA's plans to reconstruct the railway were further complicated by the fact that its original configuration – which conformed to the hill's steep thirty-three-percent grade – would be difficult to incorporate into the new physical landscape of the hill, which had been extensively excavated and graded in order to accommodate new commercial high-rise development.[344]

Per the conditions of a development agreement that had been arranged by CRA/LA, the agency placed "the railway reconstruction in the hands of the builder of the California Plaza Office complex" on Parcel Y-1, the site that had been selected for Angels Flight.[345] But a subsequent downturn in the market for luxury office space in Bunker Hill led the project's developer, Metropolitan Structures, to place the development of Parcel Y-1 – and also the

[340] Ibid.
[341] "Plans to Restore Angels Flight Face Delay Until 1975," *Los Angeles Times,* October 22, 1970.
[342] Community Redevelopment Agency of the City of Los Angeles, "Bunker Hill Redevelopment Project Area Implementation Plan, FY 2010 – January 1, 2012," report, December 17, 2009, 8.
[343] Bart Everett, "Angels Flight Awaiting Uncertain Resurrection," *Los Angeles Times,* February 3, 1975.
[344] Ibid.
[345] James Rainey, "Cable Cars Get a Push from City," *Los Angeles Times,* June 18, 1993.

reassembly of Angels Flight – on hold indefinitely.[346] CRA/LA thereafter intervened and devised a plan to reconstruct the funicular railway itself, rather than wait for market conditions to improve and for the development of Parcel Y-1 to resume. In 1991, CRA/LA's Board of Commissioners approved a plan in which the agency would finance and oversee the reconstruction of the railway adjacent to the first two phases of California Plaza, both of which had been completed prior to the economic downturn.[347] After the plan had been unanimously approved by the City Council, CRA/LA's Board approved the expenditure of $4 million for implementation of the plan in 1993 and selected a local general contractor to carry out the reconstruction, which commenced in 1995.[348] After almost a year of construction and rehabilitation work, Angels Flight officially resumed operation in 1996, nearly three decades after it had been dismantled and placed into storage. Once the reconstruction was complete, CRA/LA, which owned the narrow parcel that Angels Flight occupied, leased the property to the non-profit Angels Flight Railway Foundation, which would manage the railway's day-to-day operations. Per the conditions of the lease, CRA/LA would act as landlord and, in conjunction with the non-profit organization, would ensure that "a safe and efficient rail system is provided to the public at all times."[349]

In addition to coordinating and financing the reconstruction effort, CRA/LA played a key role in ensuring that the reconstruction project adhered to historic preservation protocol. Specifically, CRA/LA officials, in conjunction with personnel from the city's Cultural Affairs Department, the Los Angeles Conservancy, and the Angels Flight Railway Foundation, served on a board that oversaw all restoration efforts that were being undertaken.[350] Funds appropriated by CRA/LA were also used to assemble a broad-based team of architects, engineers, and historic preservation professionals that carried out the work.[351] As a result of these efforts, "almost ninety percent of the historic material was retained," in spite of nearly thirty years of deferred

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[346] Ibid.
[347] "CRA Approves Plans to Resurrect Angels Flight," *Los Angeles Times*, September 20, 1991.
[348] Nancy Rivera Brooks, "Angels Flight Gives Lift to Reputation of Small Contractor," *Los Angeles Times*, March 26, 1996.
[349] Community Redevelopment Agency of the City of Los Angeles, *Report to Transportation Committee*, August 11, 2010.
[350] "Guide to the Restoration and Reconstruction of Angels Flight: The Historic Inclined Railway in Downtown Los Angeles," accessed August 27, 2013, http://www.publicartinla.com/Downtown/figueroa/angels_flight_guide.html.
[351] Ibid.

maintenance and incremental decay.[352] Although the reconstructed railway was shortened by seventeen feet in order to conform to the altered topography of Bunker Hill, and several of the mechanical elements of the original railway necessitated replacement, the original "cars, station house, and Hill Street arch [were] completely restored."[353] Thus, the reconstructed railway closely resembled its original appearance, although its context and setting had been dramatically altered due to redevelopment activity. The project won the approval of historic preservationists and received preservation awards from the Los Angeles Conservancy and California Preservation Foundation.[354]

However, Angels Flight encountered problems just five years after re-opening. In February 2001, the railway's main drive system abruptly failed, which sent one of the two cars careening down the hill and resulted in one death, seven injuries, and "significant damage to the cars and mechanical equipment."[355] A subsequent investigation conducted by the National Transportation Safety Board concluded that the crash occurred because of "faulty mechanical and brake systems," and faulted a number of state and local agencies, including CRA/LA, for "failing to tightly oversee the reconstruction and operation of the railway."[356] The railway remained closed for investigation and repairs until 2010, when it once again re-opened, this time with upgraded safety features and an "all new drive and control system."[357] While CRA/LA retained ownership of the narrow strip of land that was occupied by the railway and continued to serve as landlord, repairs and safety upgrades after the 2001 crash were financed using $3.5 million that had been fundraised by the Angels Flight Railway Foundation.[358]

Given the mechanical problems associated with the reconstructed railway and the tragedy that ensued, the overall reputation of Angels Flight remains on shaky ground. However, from a

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[352] Nancy Rivera Brooks, "Angels Flight Gives Lift to Reputation of Small Contractor," *Los Angeles Times,* March 26, 1996.
[353] "Guide to the Restoration and Reconstruction of Angels Flight: The Historic Inclined Railway in Downtown Los Angeles," accessed August 27, 2013, http://www.publicartinla.com/Downtown/figueroa/angels_flight_guide.html.
[354] Tetra Design Architects and Planners, "Angels Flight Funicular Railway," accessed August 29, 2013, http://www.tetra-ibigroup.com/project/angleflt.html.
[355] Community Redevelopment Agency of the City of Los Angeles, *Bunker Hill Redevelopment Project Area Implementation Plan, FY 2010 – January 1, 2012*, December 17, 2009, 8; Kurt Streeter, "Design, Oversight Faulted in Fatal Angels Flight Accident," *Los Angeles Times,* August 6, 2003.
[356] Kurt Streeter, "Design, Oversight Faulted in Fatal Angels Flight Accident," *Los Angeles Times,* August 6, 2003.
[357] Community Redevelopment Agency of the City of Los Angeles, *Bunker Hill Redevelopment Project Area Implementation Plan, FY 2010 – January 1, 2012,* December 17, 2009, 9.
[358] Ibid.

Figure 4.6. Present-day view of Angels Flight, view looking west. Photo by author.

heritage conservation perspective, the re-opening of the funicular railway in 1996 was a success, as the project resulted in the restoration of an iconic architectural and cultural landmark and the rehabilitation of its constituent pieces, which had previously fallen into a state of disrepair after years of neglect and deferred maintenance. CRA/LA's role in the conservation and rehabilitation of Angels Flight is complex; the same agency that had removed the funicular, had initially called for its demolition, and had allowed its components to fall into disrepair during its lengthy storage also led the charge to finance and oversee its restoration. Had the agency not voluntarily intervened in the project and allocated "property tax revenue generated by the new high-rises on Bunker Hill to pay for the work" in the early 1990s, the restoration project would have likely never occurred, given that the restoration of the railway was tied to a private development project that, as of now, still has not come to fruition.[359] Thus, the involvement and financial support of CRA/LA was essential in reconstruction of the landmark. The case of Angels Flight also signifies CRA/LA's evolving approach to the management of historic and cultural resources in its Project Areas over time. What was initially seen as "obsolete" and a hindrance to progress was eventually embraced by agency officials and emerged as a cultural attraction and focal point of the agency's Bunker Hill Redevelopment Project. (Figure 4.6) shows a present-day view of the funicular railway.

Case Study: Broadway Streetscape Enhancement Plan, 1998:

As part of a longer-term strategy to improve the general appearance of the Broadway corridor and restore the thoroughfare's reputation as a vibrant commercial and entertainment district, CRA/LA coordinated the production of a comprehensive streetscape enhancement plan for a portion of the Broadway corridor in the mid-1990s. Improvements were planned for the section of the corridor between Second Street and Olympic Boulevard (Figure 4.7). The enhancement plan aimed to attract potential investors and tenants to the Broadway corridor by undertaking much-needed improvements to physical elements that comprised the streetscape, which had suffered from incremental deterioration as a result of age and poor maintenance. Toward this end, the enhancement plan called for the improvement and enhancement of the street, sidewalks, and associated elements of the streetscape. Since some, but not all, of these streetscape elements bore historic value and dated from the early twentieth century – among them the street light fixtures, glass blocks in sidewalks that provided natural light to building basements, tinted concrete, and terrazzo – CRA/LA commissioned a historic architectural survey of the Broadway streetscape in 1998 to ensure that all proposed work associated with the streetscape enhancement plan would complement, and not detract from, the historical character of the street. While funding challenges prevented the enhancement plan from being fully implemented, the historic architectural survey was completed as planned, thereby providing CRA/LA and other public agencies with a comprehensive historic preservation planning document.

[359] Christine Essel, "Angels Flight Returns to LA," *Los Angeles Times,* March 1, 1996.

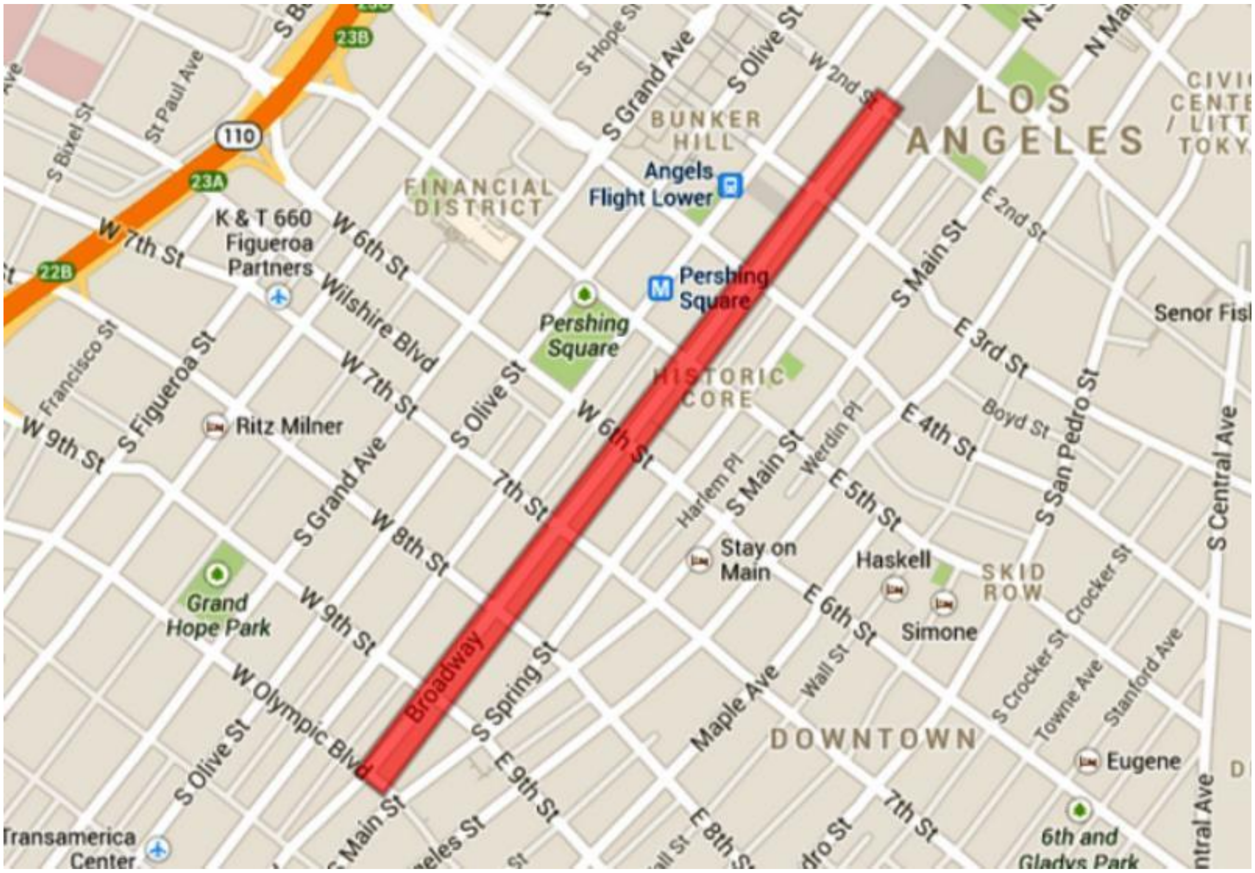

Figure 4.7. Location map of the proposed site for the Broadway Streetscape Enhancement project, with the proposed project area shaded in red. Illustration by author and Google Maps.

CRA/LA had been involved in piecemeal efforts to enhance the Broadway streetscape since the late-1980s. In 1986, the agency issued a grant of $400,000 that provided local business owners with the funding necessary to establish a business improvement association called Miracle on Broadway.[360] The merchants and stakeholders who comprised the association had a common interest in bolstering business and "bring[ing] back Broadway's glory" by making the street "decent and clean again, a place where people can shop all night without being afraid."[361] Working toward this end, the association spearheaded an ambitious improvement project for Broadway in 1987 that called for enhanced trash service, the provision of additional maintenance and security personnel, the construction of a trolley line, and improvements to some streetscape

[360] Martha Groves, "A Vision for L.A.'s Broadway," *Los Angeles Times,* February 27, 1989; Santiago O'Donnell, "Broadway Glory: The Hope is Alive," *Los Angeles Times,* November 20, 1987.
[361] Santiago O'Donnell, "Broadway Glory: The Hope is Alive," *Los Angeles Times,* November 20, 1987.

features including sidewalks, light standards, and signage.[362] This plan won the support of CRA/LA, which voted to finance the initial phase of the three-year enhancement project.[363] Only a small portion of the planned project was completed. CRA/LA provided additional assistance in subsequent years by providing financing for what came to be known as "safe and clean teams," in which work crews would clean up trash and debris that littered the Broadway streetscape and would also report suspicious activity to law enforcement personnel by walkie-talkies "that [were] connected to Los Angeles and Metropolitan Transportation Authority police."[364] Together, these efforts helped improve the physical appearance of Broadway and provided additional sets of eyes upon the street, but their piecemeal approach failed to address larger, infrastructural repairs that needed to be made.

Responding to merchants' concerns and the "perception of a declining and unsafe environment which has an adverse impact on the retail environment of the street," CRA/LA initiated a large-scale, multi-phased streetscape enhancement project in 1996. The project, which encompassed an eight-block-long stretch of Broadway between Second Street and Olympic Boulevard, was slated to be carried out in three phases, each of which addressed infrastructural issues on a roughly-three-block section of the street.[365] Among the infrastructural issues were deteriorated sidewalks, curbs and gutters, lack of handicapped access curb cuts, and subsidence of portions of sidewalks that were decks on top of subterranean basements that extended into and under the sidewalk space. The initial design study that was commissioned by the agency stated that "the purpose of this renovation project [was] to provide the setting for a welcoming and vibrant Broadway street scene…and enhance the street's ability to serve its historic function as a significant transportation and commercial corridor."[366] Toward this end, CRA/LA advocated for the installation of new and enhanced streetscape features and commissioned the landscape architecture firm of Campbell and Campbell to create a comprehensive streetscape master plan, which the agency would thereafter implement in phases.[367] Pursuing these much-needed improvements and improving the "public face" of Broadway were seen as "key to developing a

[362] Eric Malnic, "Three Year Project to Spiff Up Broadway Begins," *Los Angeles Times*, February 24, 1987.
[363] Ibid.
[364] Tommy Li, "Cleanup Diminishes Blight on Broadway," *Los Angeles Times*, July 10, 1994.
[365] Teresa Grimes, *Historic Architectural Survey and Evaluation Report and Finding of No Adverse Impact: Broadway Streetscape Improvement Project*, October 1, 1998.
[366] *Broadway Streetscape Design Study: Executive Summary for Community Presentation*, April 6, 1996.
[367] Ibid.

revitalized district and the impression of a clean and safe environment," which would help CRA/LA achieve its long-term goal of eliminating blight and stimulating additional investment and development along Broadway and throughout the Historic Core.[368] Specifically, CRA/LA's streetscape enhancement plan called for the improvement of six fundamental elements of the Broadway streetscape: "sidewalk paving, street lighting, street graphics, building façade treatments, street furnishings, and street trees."[369] Many of the streetscape features that were targeted for enhancement had been installed in the early twentieth century, when Broadway came into being as Los Angeles's preeminent commercial and entertainment district, and thus functioned as character-defining features of the historic streetscape. A historic image of the Broadway streetscape is shown in (Figure 4.8).

Figure 4.8. Historic view of Broadway, looking north from Fourth Street, circa 1924. Source: USC Libraries, California Historical Society Collection, File Name: CHS-9011.

[368] Los Angeles Conservancy, "Broadway Initiative Action Plan," July 1999, 10.
[369] Teresa Grimes, *Historic Architectural Survey and Evaluation Report and Finding of No Adverse Impact: Broadway Streetscape Improvement Project*, October 1, 1998.

Environmental review was required before CRA/LA could begin construction. In 1979, six blocks of the Broadway corridor, bounded by Third Street on the north and Ninth Street on the south, had been listed on the National Register of Historic Places as the Broadway Theater and Commercial District.[370] The district encompassed ninety-nine buildings along the corridor that were constructed between the 1890s and 1930s, bore architectural distinction, and were associated with the rise of Broadway as the heart of commerce and entertainment in Los Angeles in the early twentieth century.[371] Since most of the project area overlapped with the boundaries of the Broadway Theater and Commercial District, which was listed on both the national and state historic resource registers, CRA/LA's established project area satisfied the statutory definition for "historic resource" as defined under the statutes and guidelines of the California Environmental Quality Act (CEQA). Thus, environmental review was necessary to ensure that CRA/LA's undertakings would not adversely impact the essential form and character of the designated historic district.[372] Since the proposal had been partially financed by federal dollars, the project also constituted an "undertaking" per Section 106 of the National Historic Preservation Act, which mandated similar environmental review to avoid and/or mitigate project impacts that would adversely affect the historic district.[373]

The National Register nomination that had been submitted for the Broadway Theater and Commercial District only identified the buildings as character-defining elements of the district and did not account for the historic infrastructural elements that helped define the character of the street.[374] Thus, in addition to completing the baseline environmental compliance requirements required under CEQA and Section 106 and evaluating the effects of the project on the defined elements of the district, CRA/LA also sought to remedy the ambiguity regarding related features by commissioning a study to evaluate and document character-defining elements of the historic streetscape. Toward this end, CRA/LA hired Historic Resources Group, a locally-

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[370] "National Register of Historic Places Inventory-Nomination Form: Broadway Theater and Commercial District," prepared by Tom Sitton, May 9, 1979.
[371] Ibid.
[372] In California, properties and districts that are listed in the National Register of Historic Places are automatically listed on the California Register of Historical Resources.
[373] Section 106 of the National Historic Preservation Act of 1966 requires projects undertaken by federal agencies, or projects that receive funding from federal agencies, to take into account the effects of their undertakings on historic and cultural resources. "Section 106 Review" refers to the environmental review process that is required of all formally designated "undertakings."
[374] Teresa Grimes, *Historic Architectural Survey and Evaluation Report and Finding of No Adverse Impact: Broadway Streetscape Improvement Project*, October 1, 1998.

based historic preservation consulting firm, to conduct a survey of the streetscape, identify and inventory streetscape features that bore historical significance, and prepare an architectural report that described the surveyors' findings and identified mitigation measures that would protect the integrity of the identified streetscape features.[375] Historic Resources Group's survey and historic architectural report were submitted to and subsequently certified by CRA/LA in 1998. The survey findings and mitigation measures that were identified in the report allowed the agency to pursue the streetscape work in a manner that complied with national historic preservation standards and took into account the value of the street's historic character.

The historic architectural report identified and catalogued streetscape features that were associated with Broadway's historical period of commercial development and were thus considered to be character-defining. Specifically, the report called attention to the electric streetlights, which featured ornate bases that were "elaborately ornamented with stylized motifs from nature;" stamped and stained concrete sidewalks; brass markers and plaques that were embedded in the sidewalk and helped delineate property lines; and cast iron vents and clear and purple glass blocks that were inserted into the sidewalk in order to provide air and light to storage areas that were located beneath the public right-of-way.[376] The report also called special attention to the "quality and variety of terrazzo sidewalks, present in front of some stores and many theaters on Broadway," that featured elaborate detailing and helped signify the preeminence of particular commercial and entertainment venues located along the corridor (Figure 4.9).[377] Using these findings as a basis, the report evaluated the potential impact of CRA/LA's streetscape enhancement plan on the aforementioned historic streetscape features, and drafted a series of mitigation measures to ensure that the project conformed with the Secretary of the Interior's Standards for Rehabilitation and would not result in the inappropriate treatment of or damage to significant streetscape features.[378] The report provided CRA/LA with valuable historic preservation planning guidance and support.

Upon certifying the findings that had been presented in the architectural report prepared by Historic Resources Group, CRA/LA began the first phase of the streetscape enhancement

[375] Ibid, 1.
[376] Ibid, 6-9.
[377] Ibid, 3.
[378] Ibid, 12-15.

Figure 4.9. Detail of terrazzo tile in front of 648 South Broadway, with high artistic quality. Photo by author.

project in 1998 using funds that had been secured from a federal Intermodal Surface Transportation Efficiency Act (ISTEA) grant, the state of California, the Metropolitan Transportation Authority (MTA), and tax allocation bonds that had been issued by the agency.[379] The first phase of the project spanned the northern section of the Broadway commercial corridor, between Second and Fifth streets.[380] While the agency had been able to secure financing to plan and initiate the streetscape enhancement project, challenges in obtaining additional project

[379] Ibid; Community Redevelopment Agency of the City of Los Angeles, *Central Business District Redevelopment Project: Five-Year Implementation Plan*, October 19, 2000, 18.
[380] Teresa Grimes, *Historic Architectural Survey and Evaluation Report and Finding of No Adverse Impact: Broadway Streetscape Improvement Project*, October 1, 1998.

financing – especially as the full cost of reconstructing basements beneath sidewalks became known – precluded CRA/LA from fully implementing Campbell and Campbell's master plan for the Broadway streetscape that had been developed in 1996. Consequently, only small portions of the streetscape enhancement measures that had been proposed in the master plan were realized, and the subsequent phases of the streetscape plan, which together encompassed the stretch of Broadway between Fifth Street and Olympic Boulevard, were put on hold.[381]

Although CRA/LA's Broadway streetscape enhancement plan failed to come to fruition as it had initially been planned, the project is nonetheless significant for its contributions to heritage conservation efforts within the Historic Core. Due to the planning and financial support provided by CRA/LA, a run-of the-mill environmental compliance effort associated with CEQA and Section 106 was transformed into a wider-reaching study of the historic streetscape elements that comprised Broadway. Said features had never been previously assessed for the purposes of historic preservation and were identified, evaluated, and documented for the first time as part of the CRA/LA-funded study.[382] As a result of the assessment and report that it coordinated and financed, CRA/LA and other public agencies were left with an advisory document that could be used to guide future historic preservation and planning undertakings involving the Broadway corridor. Indeed, the 1998 architectural report was consulted and helped guide design decisions that were associated with the most recent streetscape master plan for Broadway that was released in 2013 as part of City Councilman Jose Huizar's Bringing Back Broadway initiative, a ten-year revitalization plan that aims to reinvigorate the historic corridor through a combination of public investment and the nurturing of public-private partnerships.[383] While CRA/LA was required by law to perform historic preservation review before breaking ground on the project – and thus did not initiate this project on an entirely voluntary basis – this efforts went far beyond the baseline requirements and demonstrated the agency's willingness to pursue the conservation of historic and cultural resources located within its jurisdiction.

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[381] Trudi Sandmeier, personal correspondence with author, August 28, 2013.
[382] Teresa Grimes, *Historic Architectural Survey and Evaluation Report and Finding of No Adverse Impact: Broadway Streetscape Improvement Project*, October 1, 1998.
[383] Los Angeles Department of City Planning, "Broadway Streetscape Master Plan," modified February 2013, accessed September 6, 2013, http://cityplanning.lacity.org/complan/othrplan/pdf/Broadway_StreetscapePlan.pdf.

Concluding Notes:

The three projects evaluated in this chapter – Biddy Mason Park, Angels Flight, and the Broadway Streetscape Enhancement Plan – all involved institutional or public-use properties that bore historical and/or cultural significance to the study area. All three of the projects benefited to some degree from the involvement and support of CRA/LA. Although each of the three projects involved a wide variety of players and stakeholders, CRA/LA played an important, often behind-the-scenes role in bringing these projects forward. In addition to resulting in tangible, on-the-ground results, CRA/LA's involvement in these three projects is also symbolically significant for demonstrating how the agency – which had been conceived in the Urban Renewal movement and had initially engaged in the raze-and-rebuild approach to urban redevelopment – came to embrace historic and cultural resources, and centrally incorporate said resources into its broader redevelopment plans. The case of Angels Flight is particularly telling in this regard; although CRA/LA was responsible for removing the historic resource during the agency's early years of operation, its involvement and financial assistance were ultimately critical to reconstructing and restoring the funicular railway. Finally, these case studies demonstrate the breadth of CRA/LA's involvement in issues related to heritage conservation. In addition to participating in the conservation and rehabilitation of landmark buildings and more "traditional" types of resources, the agency also actively participated in the conservation of cultural memory and intangible heritage, historic infrastructure, and smaller-scale and more supplemental elements of the historic built environment.

CONCLUSION

Purpose and Structure:

Prior to its dissolution in 2012, the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) engaged in an array of economic development projects that ultimately shaped, and at times re-shaped, communities across the entire City of Los Angeles. "Historic rehabilitation" had been formally identified as one of the ten pillars that defined CRA/LA's core mission, yet to date almost no literature has been published regarding the agency's broad impact on the historic built environment.[384] This thesis set out to evaluate, in general terms, the relationship among the goals, policies, and undertakings of CRA/LA and efforts to conserve architecturally and culturally significant resources in the Historic Core of downtown Los Angeles. Exploration of CRA/LA's own history and development (Chapter 1) and the subsequent evaluation of seven heritage conservation case studies in which CRA/LA participated (Chapters 2, 3, and 4) have revealed a wealth of information toward this end. This final section of the thesis aims to make sense of the information that was conveyed in the previous four chapters. Included are a series of conclusions that can be drawn from this information, a discussion of potential implications associated with CRA/LA's dissolution, and a brief discussion of limitations and opportunities for further research.

Conclusions and Key Findings:

Several conclusions can be drawn from the body of this thesis. Among these conclusions is the observation that *CRA/LA's general approach to heritage conservation experienced a dramatic transformation over time*. Established in 1948, CRA/LA was born into a public policy environment in which slum clearance and the complete re-building of inner city districts was both widely promoted and heavily subsidized by federal officials. Accordingly, the relationship between CRA/LA and heritage conservation was acrimonious during the agency's early years of operation. Projects initiated and administered by CRA/LA in the 1950s and 1960s were based on the slum clearance model and resulted in the demolition of entire districts of older buildings, many of which were architecturally distinctive and were of historical or cultural merit. In part,

[384] Community Redevelopment Agency of the City of Los Angeles, "January 19 Board Presentation," January 19, 2012.

CRA/LA pursued far-reaching slum clearance projects in order to receive funding under the federal Urban Renewal program. However, publications and statements that were released by CRA/LA officials and affiliates indicate that, at the time, the agency generally perceived older buildings as both obsolete and a hindrance to progress and modernity. Older buildings, especially those in Bunker Hill, were frequently described by agency officials using qualifiers such as "outmoded," "outdated," "obsolete," "infested," and "plagued." Upon the release of an existing conditions report of Bunker Hill by CRA/LA in 1956, William T. Sesnon, then-chairman of CRA/LA's Board of Commissioners, asserted that "obsolete and outmoded buildings [atop Bunker Hill] will be cleared…[this] will erase the ugly blight that is Bunker Hill today and convert the area into a model of civic achievement."[385] These statements are substantiated by the agency's early actions in the Ann Street, Bunker Hill, Hoover, and Beacon Street redevelopment projects, in which scores of older buildings were demolished to make way for new development, that reflected the rationalism and modernism that dominated city planning at the time.

In large part, it was the early undertakings of CRA/LA that helped spur the coalescence of an activist historic preservation community in Los Angeles. While there had been some interest in historic properties in Los Angeles prior to the era of Urban Renewal, no formal historic preservation efforts had taken root, largely due to the fact that historic preservation itself was a nascent discipline.[386] The mass demolition of older properties that was proposed as part of CRA/LA's Urban Renewal scheme for Bunker Hill generated concern among some citizens and sparked a grassroots effort to save sites that bore architectural and cultural significance to the city. This concern translated into action. A small group of architects affiliated with the local chapter of the American Institute of Architects (AIA) partnered with the City of Los Angeles's Municipal Art Commission (MAC) in 1958 to address the issue. Toward this end, the AIA and MAC "began working on an ordinance that would create a citizens board to survey, identify, and protect historic sites throughout the city."[387] The final product of this collaboration, the Cultural Heritage Ordinance, was passed in 1962 and provided a legal basis for the conservation of

[385] "Bunker Hill Clean-Up Backed," *Los Angeles Times*, July 9, 1956.
[386] The National Historic Preservation Act, which set into place a national historic preservation program and is often regarded as marking the "birth" of the historic preservation discipline, was not passed until 1966. Thus, the lack of an organized historic preservation community was not unique to Los Angeles per se, but was reflective of a much broader national trend.
[387] City of Los Angeles Office of Historic Resources, "History of the Cultural Heritage Commission," accessed September 8, 2013, http://preservation.lacity.org/commission/history-cultural-heritage-commission.

significant buildings and sites.[388] In addition to designating two Victorian-era residences as well as Angels Flight as local Historic Cultural Monuments in 1965, paving the way for their preservation and relocation by CRA/LA, the five-member Cultural Heritage Board (now Cultural Heritage Commission) was a driving force behind the creation of Heritage Square, a site to house relocated historic properties from Bunker Hill and elsewhere in the city "that would have otherwise been demolished."[389] Adoption of the ordinance and the concurrent creation of the Cultural Heritage Board generated an interest in historic preservation and provided an avenue for pursuing the conservation of architectural and cultural landmarks. Ultimately, these early historic preservation efforts gave way to the creation of a much larger and more organized conservation community. While multiple factors influenced the City's decision to pursue the adoption of the Cultural Heritage Ordinance, the origins of the local historic preservation community can largely be attributed to early urban redevelopment efforts, including those undertaken by CRA/LA.

As the federal government shifted away from the Urban Renewal model in the 1970s and instead adopted community development strategies that were more holistic in scope, so too did CRA/LA. In the absence of federal Urban Renewal funding, CRA/LA, like most local agencies, had stopped pursuing far-reaching slum clearance projects that resulted in the mass demolition of historic buildings by the early 1970s. Beginning in the 1980s, historic and cultural resources within distressed neighborhoods – which had been perceived in previous decades as exemplary of blight and decay – were seen in terms of their economic potential. Rather than actively pursuing the demolition of older buildings and sites, as it had done in its earlier years, CRA/LA financed and oversaw their rehabilitation in the hope that said resources would stimulate additional investment and development within its Project Areas. Over its lifespan, then, the agency transformed from an affiliate of the Urban Renewal program, which was predicated on wholesale clearance of neighborhoods and districts deemed to be "slums," to a participant in the rehabilitation of the historic built environment. The case of Angels Flight, which was dismantled by CRA/LA in the 1960s and subsequently reconstructed by the agency in the 1990s, is representative of this transformation. The landmark railway that was once removed to make way

[388] Ray Hebert, "City Asks to Save Historic Monuments," *Los Angeles Times*, January 16, 1962.
[389] City of Los Angeles Office of Historic Resources, "History of the Cultural Heritage Commission," accessed September 8, 2013, http://preservation.lacity.org/commission/history-cultural-heritage-commission.

for modern development was, in the end, carefully restored to function as a cultural centerpiece of the neighborhood.

Additional conclusions can be drawn from the seven case study projects that were identified and evaluated in previous chapters. First, and perhaps most generally, the case studies indicate that between the early 1980s and its dissolution in 2012, *CRA/LA demonstrated a clear and steadfast commitment to the conservation and rehabilitation of architecturally and culturally significant resources in the Historic Core of downtown Los Angeles.* In part, this commitment is demonstrated by the sheer number of conservation-related projects that were undertaken by or received assistance and support from the agency; in addition to the seven case study projects that were evaluated in this thesis – which on their own, represent a relatively-high volume of projects – CRA/LA played a role in many other rehabilitation projects throughout the Historic Core. CRA/LA's commitment to heritage conservation is also demonstrated by the agency's willingness to absorb and subsidize the economic risk that was associated with many of the case study projects, particularly projects such as Premiere Towers and Grand Central Square that introduced residential uses into the Historic Core before a solid and tested market for such units had been established in the area. In conjunction, CRA/LA's sizable portfolio of historic rehabilitation projects, which spans nearly three decades, and its propensity for pursuing economically-risky projects indicate that heritage conservation was not a haphazard pursuit, but rather reflected a central element of the agency's larger community-building strategy for the study area.

Moreover, *CRA/LA expressed its support of heritage conservation in a wide variety of ways, most of which involved the provision of behind-the-scenes assistance.* The most common form of assistance provided by the agency was financial, largely made possible by its ability to fund redevelopment projects by means of tax increment financing. This in turn provided CRA/LA with a considerable amount of financial leverage that only CRA/LA could make available to private developers and other public agencies. Often times, CRA/LA's financial support was overt and direct, and involved financing some of the "hard" costs of historic rehabilitation projects – such as site acquisition and construction loans – through the issuance of tax increment bonds. But the agency also helped finance a number of soft-cost expenditures associated with historic rehabilitation projects, which included, for example, hiring architectural conservators and historic professional consultants to oversee the rehabilitation of the former Broadway Department Store; issuing a grant to The Power of Place to produce an inventory of culturally-significant sites, which culminated in the development of Biddy Mason Park; and commissioning a historic architectural report that identified and documented all of the historic character-defining streetscape elements of the Broadway theater and commercial corridor. The agency also helped orchestrate alternative financing strategies – such as the coordination of a TFAR transaction for the Bradbury Building and the implementation of a soft second mortgage program for Premiere Towers – that played a significant role in financing these projects.[390] It is important to note that CRA/LA's involvement in heritage conservation was not limited to financial assistance; the agency also provided administrative support and/or assumed the role and duties of project manager in several instances.

In conjunction, the case studies attest to the breadth of the agency's heritage conservation portfolio, from which it can thus be concluded that *CRA/LA participated in an array of heritage conservation projects that encompassed a variety of property types, resource attributes, and development scenarios within the Historic Core.* Even within the confines of the study area, which is relatively small in size, the agency applied heritage conservation in a wide variety of contexts, which culminated in the development of for-sale and for-rent residential units, market-rate and income-restricted affordable housing, mixed-use developments, retail establishments, commercial office space, parks and public facilities, transportation infrastructure, and streetscape elements. In addition to partaking in the material rehabilitation of landmark buildings – which represents the more conventional approach to conservation – CRA/LA was also involved in the conservation of intangible heritage and cultural memory, as demonstrated in the case of Biddy Mason Park. In effect, the agency's impact in the study area was therefore not limited to a single property type or resource attribute, but rather culminated in the conservation and rehabilitation of a wide variety of architectural and cultural elements within the Historic Core.

From all of the case studies, it can be concluded that, having evolved from its Urban Renewal roots, *CRA/LA subsequently exhibited good stewardship of the historic and cultural resources within its purview.* Although in many instances the interior spaces and systems of

[390] TFAR refers to "Transfer of Floor Area Ratio," a development tool in which unused development capacity on a site permitted by its zoning can be sold to the owner of another property in certain instances. Refer to Chapter 3 for additional information on the program.

historic buildings were reconfigured in order to facilitate new uses, the agency ensured that the rehabilitation of exterior character-defining features of historic buildings was carried out in accordance with the Secretary of the Interior's Standards for Rehabilitation. As a result of CRA/LA's good stewardship, many character-defining features that had been damaged or compromised due to neglect or previous alterations (such as with the Homer Laughlin and Lyon Buildings) were fully restored and more closely resembled their original appearance. In addition to architectural restoration, CRA/LA also helped finance costly seismic strengthening projects (such as with the Bradbury Building and former Broadway Department Store), which helped ensure the buildings' strength and longevity. CRA/LA's stewardship also relates to the agency's involvement in attracting and securing a stable tenant base for its rehabilitated properties, which helped protect these resources from further deterioration and deferred maintenance.

CRA/LA's heritage conservation undertakings resulted in far more than the mere conservation and rehabilitation of individual landmarks. *Over time, the agency's steadfast commitment to heritage conservation had a catalytic effect that helped spearhead widespread growth in downtown Los Angeles and the revitalization of its historic fabric.* Early residential rehabilitation projects that had involved the agency – namely, Premiere Towers and Grand Central Square – demonstrated the successes and shortcomings of such projects, and served as the basis for the City's pioneering Adaptive Reuse Ordinance (ARO) that has since catalyzed an unprecedented wave of historic rehabilitation projects in downtown Los Angeles. CRA/LA's efforts to rehabilitate and revitalize the Broadway corridor have since given way to an initiative sponsored by Los Angeles City Councilman Jose Huizar – Bringing Back Broadway – which works toward many of the same objectives as the previous CRA/LA initiative. The historic architectural report that CRA/LA commissioned as part of the Broadway streetscape improvement project in the 1990s was expanded and incorporated into a streetscape enhancement plan that was produced by the Los Angeles Department of City Planning and is currently in the planning phases.[391] The efforts of CRA/LA arguably helped propel both of these larger preservation programs into motion.

[391] Los Angeles Department of City Planning, "Broadway Streetscape Master Plan," modified February 2013, accessed September 6, 2013, http://cityplanning.lacity.org/complan/othrplan/pdf/Broadway_StreetscapePlan.pdf.

Finally, the case studies demonstrate that despite acting largely behind-the-scenes, *CRA/LA often played a critical role in heritage conservation projects, and the agency's involvement was often the key determinant to a project's success*. Simply stated, many of the historic buildings that were restored and placed back into productive use in the study area between the 1980s and 2000s would not have been successfully completed without the participation, and sometimes intervention, of CRA/LA. The agency's vested interest in the revitalization of the City Center (previously Central Business District) Project Area and its ability to issue tax increment bonds, approve TFAR transactions, and leverage other alternative financing strategies put CRA/LA in a unique position to provide assistance to costly and often risky preservation projects in ways that other public agencies and private developers and lenders simply would not – or could not – do. Unlike non-profit historic preservation advocacy organizations, which generally possessed the will but lacked the resources to pursue conservation projects, and private-sector developers and lenders, who generally possessed the resources but lacked the will, CRA/LA had both the resources *and* was committed to investing a substantial portion of these resources into the conservation and rehabilitation of historic properties. The agency thus acted as an influential and powerful partner to the heritage conservation community whose shoes will likely be difficult, if not impossible, to fill.

Six of the seven case study projects encountered critical hurdles that would have likely impeded their completion had CRA/LA not assumed a role in the project's financing and/or administration. Prior to CRA/LA's involvement, neither the Premiere Towers nor Grand Central Square projects were able to attract the investment capital that was needed in order to initiate construction; the agency subsequently provided additional financing and administrative support that ultimately prevented both projects from financial collapse. Given the hefty price tag and truncated time frame that was associated with the mandated seismic retrofitting of the Bradbury Building, it is not clear if the building's owners would have possessed either the desire or the financial means needed to save the building from demolition had CRA/LA not coordinated and approved a TFAR transaction with the owner of another property. The outstanding property taxes and lack of on-site parking that were associated with the former Broadway Department Store – both of which were dealt with by CRA/LA – would have likely rendered the site infeasible for office use, thus resulting in further deterioration and neglect of the building. Since the reconstruction of Angels Flight was linked to the development of an office tower that has not yet been constructed as of 2013, the resource would have remained in storage, disassembled, had CRA/LA not financed and overseen its reconstruction. Had the agency not financed the historic architectural report that identified the character-defining streetscape elements on Broadway, the features would have remained undocumented and thus vulnerable to historically-inaccurate repairs or replacement. Although The Power of Place obtained sufficient financing on its own accord to install commemorative public art pieces at Biddy Mason Park, the agency's collaboration with The Power of Place and its provision of supplemental funding paved the way for an installation that was larger and more monumental than initially planned.

In summary, although the initial relationship between CRA/LA and heritage conservation was acrimonious, by the 1980s the agency had emerged as a key player in the conservation and rehabilitation of historically and culturally significant sites in the Historic Core.

Projected Implications of ABX1 26 and the Dissolution of CRA/LA:

Sufficient time has not yet passed to adequately assess the impacts that ABX1 26 and the subsequent dissolution of CRA/LA will yield on heritage conservation. Since each of California's 425 redevelopment agencies (RDAs) operated independent of one another, the effects will almost certainly be different in each municipality. However, based on the information that was conveyed in the seven case studies, it seems inevitable that the dissolution of CRA/LA will produce noticeable and negative impacts on efforts to conserve and rehabilitate historic and cultural resources in the Historic Core and, likely, in other parts of Los Angeles as well. Given CRA/LA's role as a critical funding source for many conservation-related projects, the greatest impacts will likely relate to project financing. In the absence of CRA/LA and its ability to help finance heritage conservation projects through the issuance of tax increment bonds, project financing falls in the hands of either other local agencies – most of which are cash-strapped and must tend to other priorities – or lenders and developers in the private sector. Although private-sector lenders and developers have expressed increased interest in historic rehabilitation projects upon the adoption of the Adaptive Reuse Ordinance in 1999, thus helping bridge the funding gap as it relates to residential properties, private lenders generally only invest in projects that demonstrate a strong potential for return on investment. Projects that are not associated with a tested market and are thereby risker, such as the Junipero Serra State Office

Building, or projects that bear cultural and historical significance but are not especially lucrative, such as Angels Flight and Biddy Mason Park, are far less likely to receive private financing. It will likely be these types of non-lucrative conservation projects that are impacted the most as a result of CRA/LA's dissolution.

Unfortunately, there is no obvious substitute for the tax increment financing that was provided by CRA/LA, which played a critical role in bringing several of the case study projects to fruition. Taking full advantage of local and federal historic preservation incentive programs, such as rehabilitation tax credits and Mills Act Property Tax Abatement contracts, may help account for some, but certainly not all, of the financial void left by CRA/LA. While the success of CRA/LA through its efforts prior to dissolution on creating a level of private momentum in the Historic Core will result in the conversion of numerous remaining buildings into lofts and other forms of housing, it is likely that many deteriorated and underutilized properties in the Historic Core that bear architectural and/or cultural merit and would have otherwise been targeted for redevelopment by CRA/LA will now sit untouched. Any future historic rehabilitation projects that are initiated by private-sector developers but encounter financial problems, such as Premiere Towers and Grand Central Square, would lack CRA/LA-provided assistance and would be likely candidates for default and foreclosure. In addition to the financial implications associated with CRA/LA's demise, the heritage conservation community has lost one of its strongest advocates and most prolific and financially-stable partners.

Luckily, CRA/LA's long-term impact on the revitalization of downtown may present a silver lining for future heritage conservation efforts. By heavily investing in rehabilitation and adaptive reuse projects in the 1980s and 1990s and absorbing a considerable amount of the risk and economic losses associated with these early revitalization efforts, CRA/LA demonstrated that a market did in fact exist for residential development downtown, which in turn catalyzed additional development in the area. The agency's involvement in the implementation of the 1999 Adaptive Reuse Ordinance (ARO) touched off a wave of growth and development that has transformed large portions of downtown into a vibrant live-work community.[392] Since the passage of the ARO, demand for residential units in downtown has substantially increased, and large, underutilized historic commercial buildings are now perceived by developers as wise

[392] Refer to Chapter 2 for additional information on the Adaptive Reuse Ordinance and its implications.

investment opportunities with a great deal of economic potential. Hopefully the relatively new-found demand for historic buildings in downtown will continue to encourage private investment and will help soften the financial impact of CRA/LA's absence.

Nonetheless, CRA/LA's absence is likely to make the financing of heritage conservation projects in the Historic Core more challenging and, in some cases, infeasible. The dissolution of the agency is a loss for the heritage conservation community that will likely yield noticeable and negative impacts, particularly with regard to project financing. However, additional time needs to pass to determine the magnitude of these fiscal impacts.

Limitations and Opportunities for Further Research:

Several limitations associated with this thesis create opportunities for additional research. Arguably the greatest limitation of this study is its relatively narrow scope, which in turn affects the generalizability of its findings. Limitations related to the representativeness of findings across multiple units of analysis are a common disadvantage of the case study research model.[393] A concerted effort was made to ensure that the seven case study projects that were selected and assessed encompassed multiple property types and development scenarios so that in conjunction, these case studies possessed sufficient internal variety. Nonetheless, all of the case studies aside from Angels Flight are concentrated within the jurisdictional boundaries of a single subsection (the Historic Core) of one CRA/LA Redevelopment Project Area (City Center, formerly Central Business District), and consequently the conclusions and findings of this thesis apply only to a small portion of the 20,000 acres across the City of Los Angeles that fell within the jurisdiction of CRA/LA.[394] These conclusions are valuable within the context of the Historic Core, but do not necessarily apply to CRA/LA's thirty-three other Redevelopment Project Areas. Since many of these Project Areas encompassed districts within the city that were equally rich in historic and cultural fabric, an analysis of CRA/LA's commitment to heritage conservation within other Project Areas is a topic that merits additional research and would complement the conclusions that were reached by this thesis.

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[393] Jacques Hamel, *Case Study Methods: Qualitative Research Methods* (Thousand Oaks: Sage, 1993).
[394] Community Redevelopment Agency of the City of Los Angeles, "January 19 Board Presentation." January 19, 2012.

Similarly, it is important to consider that this thesis accounts only for the actions of a single RDA. Although all of California's 425 RDAs operated under the umbrella of California's Community Redevelopment Law and adhered to a common set of broad, statutory guidelines, all of the agencies operated independently of one another and responded to the specific needs and conditions of their respective sponsor communities. Thus, the conclusions drawn from this thesis are not necessarily applicable to other communities that were served by an RDA. Given the wide variety of communities and constituencies across the state, it seems likely that some other RDAs approached the issue of heritage conservation either in a markedly different manner or not at all. However, additional research would be needed to draw decisive conclusions toward this end. Accounting for the goals, policies, and actions of other RDAs with regard to heritage conservation thus represents another area of opportunity that would expand upon and supplement the findings of this thesis.

The fact that the implementation of ABX1 26 and the subsequent dissolution of CRA/LA took place only seventeen months in the past presents an additional limitation of this thesis, specifically with regard to the discussion of potential impacts that may be linked to CRA/LA's demise. Although the body of this thesis provides an in-depth evaluation of CRA/LA's origins, evolution, and contributions to several heritage conservation projects and thus provides a strong basis for analysis, it is simply too soon to decisively pinpoint what the impacts of CRA/LA's absence will be. A series of projections have been made toward this end, based on an understanding of how CRA/LA operated and how the agency generally approached heritage conservation projects, but additional time is needed before these impacts can be identified and analyzed with certainty. Once that time has passed, the contents of this thesis can be expanded upon to also include a discussion and analysis of how heritage conservation has been impacted over time in CRA/LA's absence.

Finally, while this thesis identifies a number of potential implications associated with the implementation of ABX1 26 and the subsequent dissolution of CRA/LA, it does not identify any alternative strategies to account for these implications. Likely, the development of one or more innovative and creative policy-oriented solutions – not unlike the Adaptive Reuse Ordinance – will need to be developed to ensure that the conservation of historic and cultural resources continues to remain economically feasible in the post-redevelopment environment. The conclusions that are reached in this thesis help lay the groundwork for additional research and analysis toward this end. Developing a series of policy-based strategies to account for CRA/LA's void in heritage conservation undertakings represents another potential way in which the findings of this study can be expanded upon in the future.

Concluding Notes:

CRA/LA played a central role in local community and economic development policy in Los Angeles between 1948 and 2012. Thus, the state's decision to eliminate redevelopment agencies and the subsequent dissolution of CRA/LA is likely to produce profound and wide-reaching impacts across the city. Among the numerous programs that CRA/LA helped finance and support was heritage conservation; although the agency initially relied upon federal Urban Renewal funding and engaged in slum clearance and the widespread demolition of older neighborhoods, CRA/LA came to actively participate in the conservation and rehabilitation of historic and cultural resources by the early 1980s, especially within the resource-rich Historic Core of downtown Los Angeles. Between the 1980s and 2012, CRA/LA represented a significant funding source and administrative partner for heritage conservation projects in the Historic Core, although the agency often operated behind-the-scenes and is therefore not always duly credited for its contributions to the conservation of the built environment. Given the instrumental role that CRA/LA played in many conservation and rehabilitation projects within the Historic Core, it seems likely that the agency's absence will yield a noticeable and negative impact with regard to future heritage conservation undertakings. Only time will tell what precisely these impacts will entail.

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