THE BUNKER HILL PROJECT: A CASE STUDY OF REDEVELOPMENT IN LOS ANGELES

by

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Submitted in Partial Fulfillment

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Submitted to the Department of Urban Studies and Planning in August, 1973, in partial fulfillment of the requirements for the Degree of Bachelor of Science.

ABSTRACT

Plans for the regrading of Bunker Hill were proffered as early as the 1930's when Los Angeles began to notice the deterioration of the old Victorian homes that sat on the Hill in consonance to the decline of the central business district. Financial and political problems, plus the legal uncertainty of a Federal urban renewal program, prevented the city from effectuating plans for redevelopment until 1951. A Final Redevelopment Plan was in 1959 enacted by the city council after substantial opposition from property owners on Bunker Hill. Suits were filed challenging the legitimacy of the plan, the city council hearings that led to its approval, and the urban renewal planning process itself, leading to a ruling by the California Supreme Court in 1964 in favor of the Redevelopment Agency. The court refused to substitute its own independent judgment on the merits of the project in favor of that of the Agency and the city council in the absence of abuse of discretion, fraud, collusion, or bad faith. However, it is evident that the planning process was ill prepared to handle fairly the multiplicity of issues presented by property owners. There was evidence of a one-sided monopoly of planning skills of the Agency that placed the plans of property owners, however meritorious, at a serious disadvantage vis a vis the plans of the Agency which were legitimized for the city council on the basis of expertise. The result was a lack of serious scrutiny of the Bunker Hill plan since the council was not adept at technical analysis of urban renewal and property owners unable to manifest their interests in a technical form. The results were a project delayed for five years by law suits followed later in the 1960's by marketing problems which made Bunker Hill the slowest urban renewal project (as well as the largest) in the U.S. Through 1970, 90% of Bunker Hill lay vacant about 20% of L.A.'s prime downtown land and the most valuable real estate in the city. The project currently faces grave traffic problems as a result of the unexpected growth of downtown (which was once declining). Without rapid transit rapid transit in L.A., construction will someday be halted by increasing congestion downtown.

Thesis Supervisor: Robert M. Fogelson, ASSt. Professor, DUSP
LAND DISPOSITION MAP
THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA

PROPOSED LAND USE

AMENDED REDEVELOPMENT PLAN

Bunker Hill Urban Renewal Project
"Make no little plans; they have no power to stir men's minds."

Daniel Burnham, c.1893
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"I think it is a city that has grown so fast and is growing so fast it has not had a chance to melt into a solid basic city. Every city has to have a hard core, a downtown city. L.A. had it once, but suburban areas grew so fast that downtown was neglected. It will come back. We will have a central city."

Norman Chandler, Publisher, Los Angeles Times
In the late 1800's and early 1900's Bunker Hill was Los Angeles' most exclusive residential location, housing an elite whose wealth and prestige was based on Eastern fortune rather than on that acquired in California. This was evident by the diversity of architectural forms reflecting the geographical origin of its owners; one would find side by side mansions more familiar to New York or Boston. Bunker Hill itself was named after its more well known counterpart in Boston.

Bunker Hill stood as a definite contrast between the old and the new and between Los Angeles' desires for retaining a proud history and its aspirations for a great, unique metropolis. The unprecedented growth of Los Angeles in the 20th century produced an even more glaring contrast, as the wealthy of Bunker Hill moved to more spacious and economical locations. In a city where the automobile reduced greatly the problems of location and accessibility, it became evident that Bunker Hill was an old and dying neighborhood as lower income groups replaced the elite by crowding into the old homes in a pattern already familiar in Eastern cities. Yet by Eastern standards Bunker Hill was young when the City began to worry about the neighborhood's age in the 1930's.

Many of the Hill's residents, primarily elderly

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people subsisting on meager pensions, could hardly comprehend the City's concern for a neighborhood whose decaying state was not worth the bother. The City, and especially the elite who wanted Bunker Hill back, saw Bunker Hill as the most valuable piece of real estate in Los Angeles; it had potential for "higher uses" because of its location in the heart of the downtown area.

Many people thought Bunker Hill was a slum, this characterization resulting more from the Hill's position precisely between the Central Business District and the Civic Center, than out of the intrinsic qualities of the neighborhood. This was complicated by the City's concern for the CBD's declining vitality as more and more people and businesses migrated outward from the central city. In 1931, Consulting economist William Babcock warned that decentralization had taken place in Los Angeles as the portion of development in the CBD was not commensurate with the rate of growth in the City's population. This problem, if not corrected, would present a grave situation for the central business district.

Babcock noted that Bunker Hill's topography was part of the problem. Once an asset to the area, Bunker Hill's altitude provided majestic views of the City; but now it had resulted in discouraging new development by

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2 William Babcock and Sons, Report on the Feasibility of Reclaiming the Bunker Hill Area, Los Angeles, 1931, p.10
construction firms who found its steep slopes forbidding without prior excavation or regrading. Moreover, the Hill constituted a "barrier to the free flow of traffic into the central business district and the civic center from the North, Northwest, and Western sections of the city and county." As a result Bunker Hill would later be termed an "island of blight" by those who looked toward changing that image.

Beside an economic image that barred development, Bunker Hill was said to have weak physical image as well, this in a city where the most obvious image was freeways. There were no tall, impressive buildings, with the possible exception of City Hall. Bunker Hill, its height notwithstanding, could not provide the City with an "image".

As Kevin Lynch described it:

Bunker Hill in Los Angeles is an example of a district with fairly strong character and historical association, on a very sharp topographical feature lying ever closer to the heart of the city than does Beacon Hill. Yet the city drives around this element, buries its topographic edges in office buildings, breaks off its path connections and effectively causes it to fade or disappear from the city image. . . . Bunker Hill is not a strong image despite its historical connotations...

This situation, Lynch concluded, offered a "striking opportunity for change in the urban landscape." 5

Thus, change on Bunker Hill offered to planners

3 ibid., p.10


5 ibid., p.71
equally with businessmen the opportunity to promote their interests and professional views of the City. While one group saw in Bunker Hill the opportunity for efficiency and economy in the relations of the central business district, the other saw a potential for planning the beauty and wholesomeness of the City. Whether desires for the City Efficient and the City Beautiful could forge a compromise remained the lynchpin of any redevelopment aspirations materializing in Los Angeles. However, one planner saw a broad planning policy as effecting a "more beautiful, more efficient, more symmetrical city" through "consciously integrated patterns of planning dominated by competent leaders supported by an active social conscience", that sought not the advancement or enrichment of any particular individual or specific interest or individual or professional classes but promotion of the general welfare of all the people." 6

These "competent leaders" as history would show could be none other than leading planners and businessmen. The social conscience that would guide them, however, was less obvious; for the conscience of the city's had no tradition of planning and regulation. This was a social conscience which could care less about the problems of the central city in its suburban-oblivion. Many residents

rarely visited the downtown area, satisfying many consumer and cultural needs at suburban shopping centers, recreation areas, and theaters. The number of people in the metropolis who worked in the central area was small relative to the number who commuted to work daily at any of several regional metropolitan cores like Long Beach or Santa Monica or the Miracle Mile, all of which competed for the honor of "heart of the city" along with the original core itself.

The patterns that comprised this lifestyle could only lead to an indifferent populace on the issue of redeveloping Bunker Hill. Such a proposal if properly planned and executed would counter the City's decentralizing trend. More importantly, it would ask Los Angeles to compromise its long-felt quest for the "good community" in favor of the "great metropolis", one that would be well planned and regulated. The new patterns would bring the middle classes back to the central city, giving the city a solid downtown image much like that in almost every other American city.

Whether the City could support such a proposal given its political and geographic fragmentation could not be given as an obvious possibility. A weak mayor system

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with a potentially indifferent constituency would likely not give emergence to an active political intercessor in favor of urban renewal.

Urban renewal remained through the first half of the twentieth century nothing more than a dream for business and planning aspirants, for even with requisite political support, urban redevelopment was an objective no city could undertake without incurring substantial public debts. For this reason Los Angeles in the 1920’s was unable to avail itself of desires to regrade Bunker Hill.

It would thus be left to external state and national political developments to open the way for the redevelopment of Bunker Hill in the second half of the century.
"Shall we in Los Angeles attempt to rehabilitate this section of the city in a way which future generations can be proud of; or shall we let it--let nature take its course and see what develops in natural ways?"

Councilman Holland, 1956
EXHIBIT #3
The Bunker Hill Area.
Any plans that may have existed in the 1930's had to be postponed as the Depression made impossible private as well as public possibilities for rejuvenating Bunker Hill. Subsequently, World War II forced the postponement of such considerations, as well. But the real problems of financing projects and legally assembling large parcels of land were ever present. Thus, a suggestion that Bunker Hill be converted into a "veritable architectural jewel" in 1943, which would present "modern, architecturally beautiful apartment structures and apartment hotels" after the war was over, lay in the archives as the city retained an inability to settle two potentially bothersome problems.

These two problems were partially resolved in 1945 by the passage of the California Community Redevelopment Act. The new law allowed for the creation of local public agencies in charge of urban renewal which would be empowered with right of eminent domain. Hurdled by this provision was the problem of legally assembling the large parcels required for urban renewal. In addition, the law provided for the institution of a community redevelopment fund from the city to pay for administration and salaries. However, write-down subsidies would have to come from the local community, leaving the main finan-
cial dilemma unresolved.

The Community Redevelopment Act, as a state law, in effect by-passed the local community. While politically Los Angeles may have resented the new law, the agency to be created would not be a legal component of the government of the City of Los Angeles; rather it would behave legally as a state corporation, thereby avoiding many traditional local controls like review by referendum. The creation of a community redevelopment agency would be subservient to city control only insofar as agency members were appointed by the mayor and agency plans required city council approval.

Thus, in 1949 a city ordinance created the Community Redevelopment Agency of the City of Los Angeles. One year later, many financial obstacles were hurdled for the new agency by the passage of the Housing Act of 1949 from a congressional omnibus bill containing provisions for financial subsidization of urban redevelopment projects. The Agency would become the official negotiating agent and local public agency (LPA) for receiving government funding at the rate of two-thirds the net cost of a project.

In addition, the City Council approved the Agency's budget of $20,000 to cover administrative expenses, which would exclude salaries for its modest staff of seven. Mayor Fletcher Bowron appointed an Agency Executive Director.
as well as a four-man Board of Directors. William T. Sesnon, a San Fernando Valley Rancher with oil interests was selected for the job of Executive Director. The new Board would be composed of the President of Broadway Department Stores, the only businessman on the Board; the President of the Los Angeles Realty Board; the President of the National Association of Home Builders; and the Executive Director of the Los Angeles Housing Authority.

The Agency's first action (along with the City Planning Commission) was to declare fifteen areas in 1951 as blighted and in need of redevelopment. Bunker Hill would be the city's prime target. There were worse neighborhoods and one of the other fourteen areas could have been found to need renewal more desperately, but Bunker Hill's important downtown location made it number one.

The City's main planning orientation at the time rested on a philosophy composed of three complementary goals. A 1951 Haynes Foundation report stated these objectives as follows:

1. The integration of forces of city life that tend now toward disintegration;

2. Organization of living, working, shopping, and playing area into community patterns;

1 Robert Alexander and Drayton S. Bryant, Rebuilding a City: A Study of Redevelopment Problems in Los Angeles, Los Angeles: The Haynes Foundation, 1951
3. Creation of an attractive environment throughout the city so that a family can choose a dwelling place that is convenient as well as desirable.

Hence, under this outlook, it was not surprising that the preliminary plan for Bunker Hill called for thirty-seven 13-story apartment buildings. A demand survey had indicated a desire for living downtown by some 25% to 30% central city employees of various income levels. The goal was to build new housing on Bunker Hill for middle- and lower-middle class young married couples and single persons. The idea of constructing luxury garden type apartments was rejected by consultant Babcock, presumably because wealthier groups are more interested in homeownerhip than in so-called in-town living. A feasibility for retail stores and parking garages was also found. However, the development of new office space on Bunker Hill was not proposed.

Plans notwithstanding, urban renewal in Los Angeles and the rest of California had yet to be firmly established. For one thing, the Agency’s legal right to eminent domain powers was still uncertain, for its constitutionality was yet to be asserted by the courts.

With the 1949 Housing Act, the Agency could still not admit that "money was no object." Still to be answered was the question of whether Los Angeles would supply even

2 At the time there was a city ordinance restricting building heights to 13 stories—an earthquake safety measure.

3 Henry Babcock, The Feasibility of Redeveloping Bunker Hill, Los Angeles, Los Angeles, 1951
its one-third share of project costs as required by the federal government. In 1951, Los Angeles answered the question by rejecting a $5 million redevelopment bond issue, which was a blow in general to the area's redevelopment hopes. As a result the Agency was forced to phase out many of its operations; staff size was cut from seven to three, and William Sesnon offered his resignation.

The Bunker Hill project area itself was reduced from over 130 acres to one no larger than a city block on which a parking lot was to be "built". However, this modified Bunker Hill would be used for another purpose: testing the redevelopment law. Plans were to enter the project in a "friendly suit", initiated by the Agency rather than waiting for potential opponents to file their own. This move would reduce litigation time from one-and-a-half years to six months.

Just as it had prepared to phase out completely all of its major operations, the Agency was given a new life with the passage of Proposition 18, which allowed for the funding of renewal projects using so-called tax increment funding. Under this formula any tax increases that accrue from redevelopment are diverted to a special agency fund to pay debts incurred in financing the project. The logic of the law, which later became an amendment in the state constitution, is that tax increases resulting from redevelopment are largely the
work of the agency and thus should be funnelled back to the agency until the project is completed and paid for. Taxing agencies like special districts meanwhile do not lose all project revenues, only the increments; the taxing agencies receive the same tax revenues they collected in a base year at the commencement of the project. However, taxing agencies may be the biggest losers, since they are forced to forego tax increases that would have occurred despite the project, whose revenues are frozen by law at the base year level.

The city as a legal entity gains since the debts of the project do not belong to it, but to the Agency as a state corporation. In this respect, Proposition 18 offers its greatest political appeal: It costs the city nothing to finance the project, other than paying the Agency's administrative expenses. Hence, with Proposition 18 the Agency was able to by-pass city politics by having special districts (taxing agencies) pay for the project through foregone revenues. It is this element of the state, the redevelopment agency, that is as much responsible for urban renewal as the federal government. Its mere existence helped to hurdle local political resistance to urban renewal; Proposition 18 reinforced that position.

The state and federal government are, however, not alone in the ascendance of urban renewal. In 1954, Berman
NOTE: Northern boundary of Central Business District showing overlap into Bunker Hill and Civic Center areas.
CUMULATIVE GROSS BUILDING AREA ALL USES CENTRAL BUSINESS DISTRICT LOS ANGELES SHOWING 1885-1930 TREND PROJECTED TO 1960

SQ. FT. IN MILLIONS

COUNTY POPULATION IN MILLIONS

1956
v. Parker in the federal courts ruled in favor of the constitutionality of urban renewal. In California the landmark case, Redevelopment Agency v. Hayes, cleared the way for Bunker Hill and many future cases.

Thus, although the Agency in 1951 was preparing for its friendly suit, its necessity was negated by the broad decision set by Redevelopment v. Hayes which declared the Community Redevelopment Act constitutional and urban renewal a public use.

Tentative Plan 1956

Having cleared legal, financial, and political obstacles (by no work of its own), the Agency began the more specific endeavor of contracting with the federal government to conduct more studies of Bunker Hill. In 1954, a grant of $365,825 was authorized by Washington to "cover expenses of conducting a complete study of the Bunker Hill urban renewal project." This was virtually a commitment to redevelop Bunker Hill even though more specific plans had not to be approved by either the federal government or the city council; one-third of a million dollars was a substantial amount, sufficient enough to discourage the invalidation by the council or the federal

4 Redevelopment Agency of the City and County of San Francisco et al. v. Hayes et al., 122 Cal. App.2d. 777 (1954)

5 Annual Report to the City Council by the Community Redevelopment Agency of the City of Los Angeles, Fiscal Year 1955, City Council File 72705, Los Angeles,
government of any plan that would emerge.

Through a resolution in 1955, the City Council approved the Agency's plan to contract with the federal government for the planning advance. The vote was nearly unanimous with only councilman Roybal, representing the Bunker Hill district, dissenting. Various civic groups and interests came out to voice their opinions on the proposed federal grant. In its support were the Downtown Businessman's Association, the Greater Los Angeles CIO Building Trades Council, Building Owners Association, Civic Improvement Association of Southern California, and the President of the Bank of America. Against the resolution were property owners on Bunker Hill and the Apartment Owners Association of Los Angeles.

A tentative plan was completed in 1956. It was specific only in its detailing of proposed land use changes for Bunker Hill and in its citing of various reports on the economic feasibility of the project.

One primary aim was to show Bunker Hill as a poor, blighted, slum neighborhood. A joint Health Department, Redevelopment Agency, and Planning Commission survey of the area had indicated that only 15.8% of the structures on Bunker Hill were acceptable, while 62.4% substandard or worse. Dwelling units and rooming units were determined to have a substandard rate or worse of 61%.

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6 The Bunker Hill Area, Los Angeles, California: Determination of Flight, Joint survey, Community Redevelopment Agency, City Planning Commission, and City Health Department, April, 1951.
The survey attempted to demonstrate that the slopes of Bunker Hill barred the services of transit systems up and down the hill; that streets were of inadequate width and overly steep so as to provide a serious traffic hazard; and by virtue of the fact that over 30% of the area was covered by streets and alleys the logical choice was redevelopment.

The 1956 Tentative Plan itself insisted that with redevelopment there would be a minimum disturbance of family life since over two-thirds of Bunker Hill's residents were single persons and of the families 73% were childless couples. Furthermore, disruption of homeownership would be limited since only 2% of the 7,310 residents were owner/residents. Of those who would have to move elsewhere, the Agency argued, most could afford higher rents and better housing. Whether the people on Bunker Hill were prepared to rearrange their budgets to accommodate redevelopment was an entirely different matter.

Still the Agency's depiction of Bunker Hill was one of transiency. The Plan stated that since one-half of Bunker Hill's single person residents lived in rooming houses, that group could "therefore be considered transient." This was of course a culturally biased presumption since
many groups that entertain such an apparently transient life style do in fact have a strong neighborhood attraction but are not permitted to develop permanent economic roots by situational circumstances totally divorced from their personal volition. Moreover, this possibility was more obvious in Bunker Hill than in most other neighborhoods since 45% of the population was over sixty and hence less mobile than a neighborhood with a younger profile.

It was also suggested that relocation problems would be minimized by the fact that 20% were eligible for public housing. But although there were some 450 public housing units within two miles of Bunker Hill, how many would be vacant and available to Bunker Hill residents remained an unanswered question. In general, Los Angeles' vacancy rate in private housing was higher than that for most cities. A high vacancy rate is a popular argument for advocating the feasibility of urban renewal.

Demographically, Bunker Hill's population was 11% Mexican American, 3% black, and 2.4% Asian. It was the densest area in Los Angeles with a gross density of between 73 and 95 people per acre. However, the density indicator, popular in 1951 as an argument for showing blight, was later abandoned when redevelopment itself would bring on even greater

7 See Elliot Liebow, Tally's Corner, Boston: Little Brown, 1967
densities. Either densities were no longer in vogue as accurate social indicators or a double standard was in-
stitute, one for poor, decaying neighborhoods and another for rich, redeveloped areas.

Bunker Hill was pictured as a "civic haunt" as well. The city paid to the area $724,100 in services while receiving only $106,120 in revenues. The district was definitely poor, with a median income of $1800. Twenty-one percent were receiving some form of public assistance, Old Age Assistance comprising two-thirds of the caseload; only 60% lived on wages and salaries. Its civic haunt status was further declared by the Agency with the following statistics:

<table>
<thead>
<tr>
<th></th>
<th>Bunker Hill</th>
<th>Los Angeles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fires per acre</td>
<td>0.800</td>
<td>0.097</td>
</tr>
<tr>
<td>crime per 1000 pop.</td>
<td>88</td>
<td>43</td>
</tr>
<tr>
<td>arrests per 1000 pop.</td>
<td>618</td>
<td>71</td>
</tr>
<tr>
<td>Tuberculosis per 1000 pop</td>
<td>423</td>
<td>84</td>
</tr>
</tbody>
</table>

The validity of these figures is difficult to ascertain since the recording methods were not disclosed, however convincingly they were presented to the public and the city council. Yet it was noted later by opponents of the project during public hearings that the statistical area for recording vice crimes was "gerrymandered" because what the city

9 Los Angeles Times, July 5, 1966

10 Figures are from various police, health department, and fire department reports conducted between 1955 and 1957
MAP SHOWING
LAND ALLOCATION
TO THE VARIOUS USES

INTERIM OPEN-AIR PARKING
APARTMENT PLAZA 753 490
CIVIC TRADE PLAZA
AUDITORIUM 869 142
PARKING STRUCTURES 125 130
PARKING STRUCTURES 478 790
OFFICE AND HOTEL PLAZA 749 557
HILL AND OLIVE STREETS DEVELOPMENT 539 339

FIGUEROA FLOWER HOPE GRAND OLIVE HILL
surveyers delineated as "Bunker Hill" differed from the Agency's project boundaries, thus including in police surveys nonproject area districts. Moreover, whatever crimes may have occurred on Bunker Hill were committed on the area boundaries (usually Hill Street) and less often in the project area itself. Bunker Hill was predominantly residential but contained on its edges several bars that may have unfairly implicated the entire neighborhood which was socially distinct from its boundary areas.

**Final Plan 1959**

The 1959 Final Plan for the redevelopment of Bunker Hill circumscribed project boundaries along Hill Street, First Street, the Harbor Freeway, and Fifth Street, enclosing over 30 city blocks or 136 acres, making it the largest renewal project in the United States. The new plan called for high rise, upper income residential developments, along with retail, parking, and office space land use. A height restriction was removed by the city council in 1957 clearing the way for the development of Los Angeles' first skyline, the absence of which had deprived the city of a visible architectural image.

While plans and earlier studies had recommended primarily residential development for middle and lower income workers in the downtown area, the 1959 Plan called
called for a daytime population of 40,000 (compared to the area's preredevelopment population of 8,000). This working population did not include some 6,000 to 7,000 people who would live in the project's residential developments.

The diversion to higher use office space development would bring higher tax revenues, since the intensity of development would be much greater. Accompanying the change in orientation was the conversion of the Agency Board of Directors toward a 100% businessman composition. Gone were representatives of housing interests in the city that were once appointed by mayor Bowron. The new mayor, Norris Poul
ten, left the Agency only one of its original Directors, businessman, Edward Carter. Added were Dwight L. Clarke, Director of Occidental Life Insurance Company and its past president; J. Howard Edgerton, president of California Savings and Loan Association; and Allerton Jeffries, president of Jeffries Banknote Company.

A feasibility study earlier had recommended developments that would bring the highest revenues since the decentralization problems had grown worse since the Babcock firm had considered them in 1931. The same firm was now noting that several other regional cores like the Miracle Mile, Century City, and Westwood were competing successfully against the central city whose building area since 1931 had

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-19-
declined by 2%, while the population in Los Angeles County had increased 1.5%. Thus, it was not surprising that as early as 1956, the Agency was announcing that major Eastern insurance companies were interested in developing Bunker Hill in an effort to reverse the trend.

The proposed redevelopment project would not be a small one. The net cost (gross project cost less site improvements and property acquisition) would be $29 million, one third of which would be paid by the community through local cash grants-in-aid (locally financed public improvements), tax credits (property tax losses due to temporary ownership by the Agency of project real estate), and tax allocation bonds. The total public and private investment would be $250 million and the gross project cost, which includes the cost of transfers in buying land from owners and selling to developers, would amount to $72 million.

Before anything could happen, however, the Agency was required by law to hold public hearings on the proposal before the city council. They were to be held in 1956 on the Tentative Plan and 1959 on the Final Plan. If they could be rapidly completed, Bunker Hill would be completed around 1962. As it turned out, however, the hearings lasted eight months, the longest for any renewal project in the country.
Response to the Redevelopment Plan

"This organization would lean over backward to let present owners participate."

William T. Sesnon
(I.A. Times, 9/1/56)
Public Hearings

The Los Angeles Times editorialized strongly in favor of redevelopment in 1955 after having heard talk of redevelopment for seven years. A staunch supporter of the Bunker Hill the Times wrote:

The more than four-fold increase in the Bunker Hill tax return is a prime argument for the venture. It was wrong to say the hill is a slum area and should be cleared solely for that reason: it is not a slum, as some have indignantly claimed. But it is a deteriorating neighborhood, and the history of such neighborhoods suggests that if it were permitted to take its course it would some day be a slum. The community will profit more and sooner by doing what is foresighted than by doing in the future what would be imperative.

One indignant supporter of the assertion that Bunker Hill was a slum was, of course, the Agency, for it would have to show that blight existed on Bunker Hill before it could proceed with the project. The format for such a presentation would be public hearings. But they would also provide a forum by which the opponents of Bunker Hill redevelopment would contend that in fact Bunker Hill was not blighted and could undergo natural renewal through private rehabilitation and redevelopment. Opponents would face an uphill battle; the Agency had money, experts, and a professionalism that could outmatch arguments of layman who did not make a living thinking about urban renewal.

1 Los Angeles Times, February 15, 1955
The Agency was well prepared for the hearings on the Tentative Plan in 1956 and on the Final Plan in 1956. To support its contentions the Agency produced the testimony of prominent redevelopers, Agency professional staff, and Agency consulting firm representatives.

In truth, the hearings had already started a year earlier in 1955 when the entire city council, along with the mayor, was flown to Pittsburgh at Agency expense to inspect a successful redevelopment project similar to the one proposed for Bunker Hill. The Agency had thus been selling the project for many months prior to the commencement of official hearings before the council.

For the hearings this process was reversed as prominent developers from the East were flown (again at Agency expense) to examine the Final Plan and testify on behalf of its economic feasibility. Some were there generate enthusiasm for the project which the Agency hoped would rub off on the city council whose approval was needed to execute the program. The Agency's star witness was public entrepreneur, William Zeckendorf of Webb and Knapp who had been flown in from New York for the special appearance. Zeckendorf predicted that Bunker Hill would attract "giants who ordinarily are in competition in other cities of your state and our nation."  "Bunker Hill," he said, "would be the single most important development since the concept of freeways," comparing the feat that was proposed on Bunker
Hill to San Marco Square in Venice, New York's Rockefeller Center, and the Greek Parthenon. 2

Roger L. Stevens of the syndicate that built the Empire State building warned that "conscious-spreading of the city is going to continually be more expensive," advising that it was time that Los Angeles went into "vertical living and vertical occupancy of office buildings. P.G. Winnett of Bullocks Department Stores proclaimed enthusiastically that with the completion of the Bunker Hill project Los Angeles "will have earned the right to be called a great city." However, warned a well known developer from Chicago, this could not occur without the removal of the "presence of Bunker Hill obsolescence in the civic front yard--on the front lawn of our civic center."

Homer Hoyt, an Agency consultant from New York City, saw the absence of office space in Los Angeles as reducing the greatness of the city. He noted that Los Angeles had only one-third the office space of Chicago, and even per capita office space even the small town of Midland, Texas boasted a higher figure than Los Angeles.

Agency staff members also testified in favor of their plans for relocation, disposition, and property management. In addition the Agency presented an elaborate slide show

2 Specific dates and pages of hearing comments will not be cited. Public Hearings on the Redevelopment Plan for the Bunker Hill Project by the Community Redevelopment Agency before the City Council, (transcripts) on tentative plan: July 10 to September 6, 1955; on Final plan: June 24, 1958 through January 8, 1959, Los Angeles, Council File #85141. City Clerk's Office.
demonstrating dangerous and unhealthy conditions on Bunker Hill like decaying buildings and health and safety statistics.

The hearings, rather than resembling a forum where the Agency would present their plan in a detached and objective manner, were handled in the fashion of a court trial, with the Agency advocating a specific plan. The Agency presented its final arguments in 1958 like a trial lawyer trying to convince an uneasy jury, in this case was city council:

You saw the slides graphically depicting the living conditions in the area. You saw the charts showing the number of old, substandard, and dangerous buildings—the number of buildings as to which demolition is the only answer. You saw for yourselves the overcrowding of buildings in the area... You heard and you saw the evidence regarding the high crime and arrest rates in the area. You saw...

One attorney for Bunker Hill redevelopment opponents commented: "They put on a good show."

Meanwhile, Agency adversaries saw special meaning in the trial nature of the hearings since they were prepared to take the case all the way to the supreme court of California if necessary. For this reason they were careful to have included in the records of the hearings all of their contentions—no court would touch the case otherwise, especially if one of the complaints charged that the hearings
were unfair.

The major opponents of the plan were a group of well organized property owners who were represented at the hearings by eight attorneys. In contrast, tenants' objections were poorly articulated, but neither could match the Agency's leverage and promotion techniques.

While property owners took the bulk of opponents' hearing time, a few individuals and organizations like the Sons of the American Revolution feared that urban renewal would be a threat to economic freedom, democracy, and expressed a view that the Agency was attempting to create "disposable cities." However, the group that countenanced the most grave and direct economic loss were to be the property owners who would be forced to relinquish their property to large developers who would profit greatly from Bunker Hill.

They argued that the area would develop without public intervention through private redevelopment. While agreeing with the Agency that Bunker Hill was in poor condition, they differed on causes. They asserted that various historically contingent factors had led to Bunker Hill's deteriorating state. First, capital shortages in the 1930's prevented natural redevelopment. During the 1940's the War delayed decisions to rebuild. Since then, great uncertainty had been created by construction of downtown freeways which forced property owners to assume a "wait and see" attitude. In the
1950's, the Agency created more uncertainty at a time when market situations indicated rapidly rising property values. Property owners argued that Bunker Hill could renew itself with private capital. One opponent recommended to the council that 220 rehabilitation funds be contracted by the city for Bunker Hill, but that was the redevelopment agency's function, and the Agency already had other plans for the Hill. An appeal to the Agency would have been useless. Instead the opponents appealed to the city council, arguing that substantial new development had been occurring immediately outside the project's perimeter, all of which had succeeded in assembling large parcels of land. However, the Agency saw this argument in reverse: developments had been occurring all along around Bunker Hill but not on it, making it an "island of blight," a situation that could never change without public renewal.

As permitted by the Redevelopment Act, several alternative plans were presented at the hearings by property owners, but none could match the professionalism of the Agency's plan. Alternative plans were not grounded on feasibility studies since they could not afford to commission them and none of the opponents were architects or planners; the only skill at their disposal was legal assistance from their eight lawyers. A typical alternative plan was Henry Goldman's four-page brief which made the following points:
That,

1. the project be predominantly residential;
2. property owners be allowed to participate;
3. owners be granted the same privileges as regular developers;
4. taxing agencies be given the right to approve any tax allocation bond issue;
5. relocation provisions be adequate;
6. the city's share of the project never exceed two-thirds of the cost;
7. land disposition assessment include the cost of site improvements, and that owner/participants pay no more than their pro rata share of site improvements;
8. write-down on land be waived only if land cannot be sold.

Several of these points were of legal nature (i.e., questioning the legality of tax allocation bond issues without the consent of the affected taxing agencies). Their inclusion in an alternative plan served the purpose of providing written record for a judge at a later time to consider, and not so much an architectural or planning document seeking to replace the Agency's own plan. For this reason the length of the hearings was not surprising.

Another alternative plan called for the exclusion of a section of the project area known as the "Area South of Fourth street" from the Agency redevelopment plans. Strong arguments were presented for not including it. The area was covered by few buildings (18%); none of the agency's
pathologies, which it attribute to Bunker Hill, existed in the area south of fourth street. In fact, two real estate appraisers had separately predicted that the area could develop with private capital in fashion similar to developments south of the challenged area—i.e., the CBD. Brigg's, whose alternative plan suggested exclusion, insisted that the area was more logically an extension of the CBD than of Bunker Hill and that exclusion therefore was more logical.

The Agency admitted that while parts of Bunker Hill as well as a few buildings on it may not have been blighted their inclusion in the project was warranted by the need for effective and sound over-all planning of the entire Bunker Hill area. Moreover, the Supreme Court had ruled in 1954 that certain areas could be included which were not blighted at the discretion of the renewal agency and the legislative body (city council).

All other alternative plans were criticized and rejected by the Agency and the City Planning Commission for suffering from the following: a) going against the need for over-all comprehensive planning; b) not eliminating certain substandard areas; c) not correcting steep grades that present traffic problems; d) retaining inadequate lot sizes; e) retaining an improper mixture of conflicting land uses; and f) not raising land use standards to highest and best possible use. The City Planning Commission agreed.
It seems obvious that while the alternate may remedy the deterioration of certain blighted buildings, they will not remedy environmental blight, inadequate street patterns, mixture of conflicting land uses, unhealthy social environment, and extreme fire hazards, and would merely delay genuine redevelopment on a sound economic basis.

Besides submitting alternative plans, opponents returned criticisms to the Agency's own plans. Questioning the economic feasibility of the Bunker Hill plan, they failed to see how the Agency's land acquisition budget would be sufficient to purchase all of Bunker Hill from present property owners. The figure of $51 million would be insufficient, they argued, since juries in condemnation proceedings would be required to award land prices at values that included proposed new uses. The Agency responded, citing a where the courts had ruled the opposite, that the contrary was true; juries may not consider the value of proposed new uses. Opponents also claimed that purchasing land for $51 million, then selling it to developers for $43 million, was poor business. The Agency insisted, however, that the $51 million figure included the costs of demolition and purchase of property that would be demolished, necessitating a write-down of $23 million.

Objectors throughout the hearings misunderstood some of the financial and technical considerations of the project, as the above inaccuracies indicate, but they

3 Tentative Plan Hearings, August 23, 1956
4 County of Los Angeles v. Hoc, 13 Cal. App. 2d. 74, p. 78
had little planning assistance or facts and figures at their disposable. In one instance opponents requested appraisal values for Bunker Hill property to prove their contention that the Agency would not have sufficient funds to purchase all of the parcels. They insisted that Agency refusal to release the information was based on a fear that property values would go "sky high" if suddenly known.

The Agency replied that it would be impossible to release appraisals for the following reasons:

-- appraisals are privileged information in condemnation proceedings under the California Code of Civil Procedure.

-- Contracts signed with appraisers made the information confidential

-- There release was not in the public interest

Yet for reasons of equity in the hearings, property owners could not heed the Agency's suggestion that they purchase their own appraisal since the cost of doing so, $84,000, was well beyond what they could afford. Property owners were left to pursue other means by which to prove their contentions.

At several points in the hearings, opponents questioned the propriety of commissioning three economic feasibility studies. Specifically, they accused the Agency of sequentially hiring three different firms to study the feasibility of residential developments until it found one that substantiated their predilections. In 1956 Henry
Babcock had concluded that there was no market for middle income housing on Bunker Hill. Another study was then commissioned in 1957 from the Stanford Research Institute which corroborated Babcock in noting that demand was "particularly strong among persons of lower and middle income; since it is this segment that is most affected by the rising cost of home ownership." Finally, Homer Hoyt was hired from New York City to conduct his own surveys. He recommended residential development for middle and upper middle income groups—a recommendation that was adopted by the Agency in its final plan.

In its defense, the Agency insisted that all three reports were consulted and that the decision in favor of luxury housing was based on review of the methods and data of all three. The city council did not press the issue, conceding to the Agency discretion in the matter. Certain councilmen admitted that they could barely understand the technical feasibility reports let alone analyze them and reach their own conclusions.

The Agency's ownership participation plan was also accused of being discriminatory to property owners since under its provisions objectors complained that "only billionaires could participate", whereas the Community Redevelopment Act, Section 33732 suggested that if,

Alternative plans are submitted, the legislative body shall give preference to the plan which will best redevelop the project area in conformity with the purpose and policies of this part and master or general plan for the community, and which requires the least interference with the continued enjoyment of existing property rights consistent with the purposes of this part.

Naturally, the property owners' alternative plans provided the highest retention of property rights, but their relation to the master plan and other parts of the Act was a matter to be decided by the city council and, conceivably, the courts. The existence of an absolute right of participation was thus not evident.

In practical terms, however, the Agency made it impossible for present property owners to participate since the final plan made financial responsibility mandatory, as well as the assembly of large parcels, neither of which the average property owner on Bunker Hill could comply with due to his inaccessibility to large capital and his ownership of limited size parcels.

Project opponents did not fall short of limiting their attacks to the Agency's plan. They also impugned the characters of several Agency members. First, they brought out that William T. Sesnon was not a resident elector of Los Angeles, but of Beverly Hills, which they claimed was sufficient to discharge Mr. Sesnon of the right to serve as Agency Executive Director. Second, a conflict of
interest with Greater Los Angeles Plans Incorporated, a major land owner on Bunker Hill, whose past president and present GLAPI board member was William Sesnon. Finally, Dwight L. Clarke, Agency Board member was accused of conflict of interest by virtue of his present membership on the Board of the Occidental Insurance Company, (as well as past presidency), a company which had shown an interest in Bunker Hill, specifically, in a parcel in the area south of Fourth street.

The council was urged to investigate all of the charges against the Agency and the Final Plan. However, several councilman voiced the view that their only obligation was to hear both sides of the issues as presented. As councilman Timberlake put it: "The case will be judged on what is presented."

Opponents presented a strong appeal in 1956 for rehabilitation. The hearings on the tentative plan ended with the request that the Building and Safety Department survey Bunker Hill to determine what kind of rehabilitation would be required. Councilman Roybal objected to the idea of voting on the tentative plan before hearing from the Building and Safety Department, since approval of the tentative plan was a major move against rehabilitation. This was a reality because the final plan in 1959 had to be based on the tentative plan, which if approved insured
that the final plan would be for redevelopment rather than rehabilitation. Sesnon suggested that the council give the green light to the tentative plan while the Agency prior to development of a final plan would consider the alternative plans (which it eventually rejected in 1959). Roybal characterized the maneuver as "closing the barn door after the horse is stolen," knowing that the Agency could not seriously consider most of the alternative plans without jeopardizing its own.

The council eventually voted for the tentative plan, 12 in favor and 2 against, feeling strong pressure to "do something up there," as one councilman put it. In its 1959 arguments the Agency had described the council's situation vis-à-vis Bunker Hill and the city's future hopes for redevelopment:

Remember, New York City has reserved almost seven times as much money for urban renewal as Los Angeles—Chicago almost four times as much. Los Angeles is the third largest city in the United States—but New Haven, the 59th largest, has reserved 50% more federal funds than we have....It certainly seems to me that it is this council's duty to see to it that Los Angeles gets its fair share.

Moreover, the Agency's attorney argued, "a vote against the plan will obviously be a vote against the redevelopment of Bunker Hill, and will in addition be a most injurious blow to redevelopment generally in Los Angeles." The city council was in a situation where it could not resist the offer.
The council adopted the Final Plan on April 1, 1959 by vote of 12 to 2. Mayor Poulsen, who was very happy with the decision, urged Los Angeles to be "revolutionary". He added: "We are no longer rural." 6

Litigation

The decision by the city council left property owners with little recourse but to take the issues to the courts, for a referendum was impossible since the legally the council was acting as an arm of the state—as a quasijudicial body hearing arguments for and against the plan—and not in a legislative capacity for the City of Los Angeles, the project's local jurisdiction, notwithstanding. 7

One property owner, as early as 1955, filed a suit challenging the capacity of the city council to declare Bunker Hill blighted. Berman v. Parker and Redevelopment Agency v. Hayes had previously ruled that redevelopment was a public use. The issue of whether the council or the courts would make the determination of blight was litigated by Frank Babcock * who claimed that Bunker Hill was not blighted, thereby requesting the courts to issue their own determination, despite that of the Agency and the city council.

6 Los Angeles Times, April 1, 1959
7 Los Angeles Times, May 9, 1959

* This Babcock should not be confused with the other Babcocks prominent in this study who bear no relation to the litigant.
In its majority opinion in 1957, the court declared that,

The agency and the legislative body have authority to designate redevelopment areas, and a court is not empowered to substitute its determination for the determination of the Agency and the legislative body in absence of abuse of discretion, fraud, collusion, or bad faith on the part of the legislative body.

Thus, in declaring that Bunker Hill a redevelopment area, the Agency and the council found the area blighted, and it was not within the purview of the courts to add to the controversy by entering their own opinion into the ring.

One justice concurred but dissented in that the case was premature since no final plan had been drawn at the time of filing in 1955. The approval of the final plan in 1959 gave the action a new life since the concurring-yet-dissenting-justice would in 1959 be given the opportunity to change his mind by disavowing his concurring opinion in favor of total dissent which he lacked in 1955.

With that in mind, the courts received five different cases on Bunker Hill for which trials were held at various dates between November 4 and December 1960. In April 1961 the trial judge issued a memorandum decision refusing to substitute his evaluation of the evidence. He found no abuse of discretion, collusion, or bad faith, and hence

ruled for the Agency.

A subsequent appeal yielded the view that courts must render broad reviews of the Agency's and council's action beyond a determination of whether there was abuse of discretion etc, a requirement premised on a recent amendment (1957) to the California Redevelopment Act (Section 33746) which permitted broad judicial review, or so the appeals court saw it. It stated:

The findings and determinations of an agency or legislative body, or of either of them, in adoption and approval of any urban renewal plan... may be judicially reviewed by a court of competent jurisdiction.

Thus, legislative intent seemed to call for review de novo by the courts.

The five cases had been consolidated for the appeals and the consolidation finally reached the California Supreme Court in 1964. A lengthy decision in favor of the Agency was issued on November 1964. It is summarized in what follows.

9 Community Redevelopment Agency v. Henry Goldman et al. (or In Re Bunker Hill Urban Renewal Project 1E) may be found as follows: Appellate level, 33 Cal.Rptr. 92
Supreme Court 37 Cal.Rptr. 74
Scope of Review: The opinion concurred with the trial court in its refusal to substitute its independent judgment for the determination of the legislative body. Thinking that the 1957 amendment was insufficient to abrogate the established rule of review by mandamus of the discretion vested in local administrative boards to review and exercise an independent judgment on the evidence. That is, the agency although fully constituted as a state agency has local jurisdiction only; if it were a state agency with state jurisdiction its actions would be subject to broad judicial review of the evidence. Thus, in the absence of abuse of discretion, bad faith, collusion, or fraud, the agency and legislative body retain broad discretionary powers in approving redevelopment plans and declaring areas as blighted.

Blight: While not determining independently that Bunker Hill was blighted, the court admitted as to the reasonableness of the Agency and legislative body determination. It cited the Agency's figures and statistics that indicated social and economic distress—arrest and fire rates, housing quality levels, etc. But the court also disregarded other testimony, mainly by objectors and their supporters, to the effect that Bunker Hill was not blighted since it could redevelop without public intervention. "Speculative argument,"
the court said, "could not prevail, particularly at this stage of the proceedings, as against the existing conditions with which the Agency, the City and County were obliged to deal." (Emphasis added.) Hence the arguments and recommendations of the Agency staff professionals held more weight in the court's view than the opponents' "speculative argument".

**Area South of Fourth Street:** The challenged area which contained Briggs's Barbara Worth Apartments covered about 17% of the total Bunker Hill project area. It consisted mostly of open land. Furthermore, the condition of scattered ownership, which usually hampers coordination and therefore new development did not exist in the area South of Fourth Street facilitating land assemblage; the Pacific Electric Railway, Greater Los Angeles Plans Incorporated, Pacific Mutual Insurance, and the Pacific Telephone and Telegraph Company accounted for 66% of the area. Two appraisers had predicted that the area would redevelop with private capital.

The court acknowledged these facts, agreeing with Briggs that the Area was not blighted but accepted the Agency's contentions that:

--Although some of the elements of blight may have been removed, the challenged area is blighted under the Community Redevelopment Act.
The elimination of the area from the project boundaries would prevent proper over-all development and planning by preventing the realignment of Flower Street, an integral part of the redevelopment plan.

Under the redevelopment law, an area may include buildings and lands not detrimental to the public health and welfare but whose inclusion is found necessary for the effective redevelopment of the area which they are a part.

The court may not substitute its judgment as to the wisdom of including the challenged area if there is reasonable justification for the action of the legislative body.

The area was blighted because the Agency and the council had so declared the entire area. Any areas falling within the larger area were duly blighted regardless of what the courts felt about the specific situation if the decision of the legislative body was reasonable.

In Berman v. Parker the courts reached a similar conclusion:

It is not for the courts to oversee the choice of boundary line or sit in review on the size of the project area. Once the question of public use has been decided, the amount and character of land to be taken rests in the discretion of the legislative body.9

9 Berman v. Parker. 348 U.S. 26, p.35
In other words, once public use is declared, the public interest has been spoken for, and it is proper to take nonblighted areas since the entire project is in the "public interest".

Owner Participation: The court ruled that there was no absolute right of participation by owners in the redevelopment project on Bunker Hill. The requirement that "every redevelopment plan shall provide for participation in the redevelopment plan for the redevelopment of property in the area by owners of all or part of the property" (Section 33701) also requires that owners participate in conformance with the plan. Since the Bunker Hill plan specifically requires that all developers be financially responsible, the fact that property owners shouldered the expense was not discriminatory for reason that property owners are granted the same rights and privileges as new developers.

That all developers would be granted equal privileges also invalidated Godman's claim that new developers would not be required to pay their pro rata share of site improvements. This was because new developers would be paying fair market value for the property which, the court said, "would of course include the value of necessary site improvements." 10

Sesnon's eligibility as an Agency Member: Sesnon's status as a resident elector of Beverly Hills did not invalidate his right to sit as a de facto member of the Agency nor any of the decisions reached by the Board of Directors of the Agency by lack of a quorum that may have resulted by the invalidation of Sesnon's vote. Thus, Mr. Sesnon exercised his duties as Executive Director with the full acquiescence of the public and therefore was a de facto member. Moreover, the issue was presented at public hearings on the redevelopment plan wherein no public invalidation was made.

Sufficiency of Publication of Notice on the Tentative Plan Hearings: Section 33530 of the Redevelopment Law states that the "agency shall publish notice of hearings not less than once a week for four consecutive weeks prior to the hearings." The hearings were held on the fourth week before the complete four week requirement had expired. Objector Trautwein who filed the complaint, however, admitted to having received written notice of hearings, and the Law says that "courts shall disregard any error, irregularity, or omission which did not affect the substantial rights of the party." (Section 33530). The court overlooked the error.

Economic Feasibility Reports: The Agency's need to commission three successive feasibility reports was not seriously questioned by the court since all three reports were
placed before the city council. No concealment or misrepresen-
tation was shown; the council could have consulted all three. (In reality, however, the council could not scientifically analyse the reports, nor did it have the time to do so. All three reports were placed before the council but only on its request; they were not volunteered by the Agency.)

**Appraisals:** The court denied objectors the right to the Agency’s appraisals of the value of individual parcels on Bunker Hill. Opponents had not made an effort to pursue discovery procedures. Further, that the council could not see the appraisals was not improper, since there was reasonable basis for the council’s decision otherwise.

**Conflict of Interest:** Briggs charged that Sesnon who was also a member of GIAPI prevented his request for excluding the area south of Fourth Street from getting a fair consideration from the Agency because of his interest in GIAPI which was a major land owner in the challenged area. The court replied:

*It is not shown or even suggested that Mr. Sesnon had acquired any interest in any property within the project area or had failed to make a disclosure of his connection and interest with GIAPI or that the Agency proposed to acquire any property or interest therein in violation of applicable code sections.*
The conflict of interest charge of Dwight Clarke whose company had shown an interest in property also in the challenged area was also rejected, but on the grounds that objector Briggs had requested the Agency release information on negotiations with the company.

Sespon testified that there were no negotiations. Hence no unfairness was discharged to Briggs by the Agency.

**Other Findings:** The Agency could issue tax allocation bonds without consent of taxing agencies.

Tax increment funding is legal, necessitating no city charter amendment.

Predominantly residential property may be taken for conversion to predominantly commercial land use.

Other charges of opponents were described merely as without merit, therefore not demanding comment.
"I think we can admit that if the other side had one-third of a million dollars, they could make a similar presentation; but you see, they are not subsidized by the federal government."

Councilman Edward Roybal
September 6, 1956
After the state supreme court there is no higher board of appeal except the United States Supreme Courts. For Bunker Hill's property owners there were no federal issues for the U. S. Supreme Court to consider. They had pursued the entire legal route: from submitting alternative plans to presenting their case to the city council, the city planning commission, and every court level in California.

Retrospectively, what can be said of the process by which legally redevelopment plans are reviewed? With what degree of objectivity and fairness are official and alternative plans scrutinized, if at all?

This section examines the practical effect, as opposed to the legal and theoretical purpose of administrative, legislative and judicial review of planning proposals for Bunker Hill. The evidence indicates that the emergence of the final plan for Bunker Hill occurred to a large extent despite the merits of property owners' contentions; despite the guidelines set by the Community Redevelopment Law which are supposed to insure proper selection of a renewal plan—one which is in the public interest, while simultaneously protecting the rights of private parties. Other factors militate strongly to predispose the parties involved toward a particular form of renewal—redevelopment versus rehabili-
iation, for example; Or for a plan that follows boundary lines set by the Agency. These factors have a basis in values and politics, and in the Agency's monopolistic planning position that sanctifies a singular plan of action.

The process presupposes a detached review in the public interest where the actors involved have no special orientations, values, or political leanings, and are willing to pursue issues until a just and proper course is decided upon. But the integrity of the process is compromised by the other factors affecting the city council, the agency, the citizen's advisory committee, and the city planning commission. The courts are thus left powerless to challenge pronouncements by the legislative body that are beyond the court's jurisdiction.

The Community Redevelopment Agency: Autonomy in Politics and Planning

The term "community" is perhaps a misnomer. It exists because the Agency is not an arm of city government but of the state and the present term is more accurate than "city". Still, the Agency's strong business orientation is reflected in the composition of its board of directors and the Agency's location, not in the civic center with most city departments and state or federal agencies, but in an office building on Seventh Street in the central business district.

The Agency's history has been one of conflict with city departments with which the Agency has failed
to coordinate its activities. Members of the agency are appointed by the mayor but are left with no other link to the city's administrators except for occasional audits by the Administrative Officer.

Activities of the Agency generally do not fall within the view of the general public; Los Angeles is a large, fragmented metropolis without a central focal point of deep common interest. News about urban renewal is generally a function of metropolitan newspapers like the Times which tend to serve to a certain degree as public relations agents for the Agency. In the absence of controversy the newspapers can only cover Agency press releases which tend to paint a rosy picture of urban renewal. Political conflict tends to raise the range of coverage, but opponents usually lack public relations techniques and are relatively poorly organized compared to the Agency which is well organized.

On the other side, the Agency must satisfy federal renewal authorities that redevelopments comply with the wishes of the public and the need to develop sound renewal programs. The primary enforcement tool for accomplishing this is the Workable Program of the 1954 Housing Act. The Workable Program's seven requirements mandate:

1 See Los Angeles Times August 5, 1960
1. Adequate codes and ordinances for structures and use, adequately enforced;
2. A comprehensive community plan for land use and public development;
3. Neighborhood analysis for the determination of blight;
4. Adequate administration for an all-out attack on slums;
5. A responsible relocation plan;
6. Citizen participation in the entire program;
7. Adequate financial resources for carrying out the above.

Naturally, the fact that these requirements are met vis a vis the Urban Renewal Administration does not imply automatically that they are fully enforced. The URA has no method for on-the-spot city by city checks of the practical effects of its application; consideration by it is based on what the IPA says in filing the city's workable program.

Los Angeles, for instance, had a quite progressive rehabilitation ordinance—surpassing even model ordinances and probably the best in the nation. Yet representatives of the Building and Safety Department testified in 1956 that they had not been asked not to survey Bunker Hill on request of the Agency which "had its own plans". Mr.

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Morris of the Department admitted that the lack of manpower and funds, along with the existence of worse areas that demanded his attention more desperately than Bunker Hill, would have prevented a survey anyway.

The efficacy of the Workable Program is reduced also by virtue of commonality of interests between the URA and the redevelopment agency, the common denominator of which is a desire to show cause for existence best indicated by "bricks and mortar". Federal administrators were interested in redevelopment on Bunker Hill for the project's potential to develop a solid image in the downtown area. A chief administrator of the Agency was formerly the head of the URA's regional office in San Francisco, which indicates the extent of goal agreement.

The workable program requirement for citizen participation has been shown to be no more than a myth that permits rubber stamp legitimation of Agency plans while skirting the federal legal requirement for broad citizen participation. 3 Citizen advisory committees are generally appointed by the mayor, but they are usually political appointments of influential citizens, the net effect being the creation of a glamorous unit which can easily be co-opted by the Agency because the committee offers little in the way of scrutiny of Agency plans. 4 Few low in-

come citizens, the group most affected by urban renewal, serve on these committees. For these reasons, advisory committees only emerge to give enthusiastically their approval of agency proposals.

A Bunker Hill advisory group was not appointed in time to review the Final Plan, but the Agency waved its name proudly in showing that it had approved the Agency's relocation plan.

When the Agency cannot co-opt citizens, it attempts to keep matters as far away from the general public as possible. Most decisions occur behind the scenes anyway; public decisions only occur in accepting or rejecting a proposal during public hearings. In 1951, the Agency admitted its fear of publicizing a decision to declare 15 blighted areas "because of possible reaction of property owners and tenants in the districts who assume that they are to be summarily dispossessed of their property and living accommodations without having opportunity to protest." Moreover, the Agency made it evident that it would not volunteer more information that it had to during the Bunker Hill hearings by not releasing the three controversial economic feasibility reports not even to the city council (until the council requested them).

5 For a general discussion of cooptation by government bureaucracies see, Philip Selznick, TVA and the Grassroots, Berkeley: University of California, 1949

6 Community Redevelopment Agency Report to the City Council Fiscal Year, 1951, Los Angeles, Council File # 51575
The only local agency with the capacity to review activities of the redevelopment agency is the city planning commission. Its orientation with respect to the Bunker Hill project, however, was much like that of the Agency since its members were also appointed by the mayor. The Director of planning for the commission expressed the view that "the combination of good planning and sound business judgment is what will make the city tick," a reflection that was perfectly consonant with the Agency's own views of planning.  

In general, planning commissions find themselves impuissant against the will of the agency. The renewal agency consults the local commission, but as Greer has noted, "most have the power to do what they want." The planning commission is also generally reluctant to dispute the arguments and plans of the agency for fear of jeopardizing plans on which the renewal agency has been working for many months. The analyses of agency staff carries a great deal of weight; most likely the Agency matches the commission in size and expertise. Planning commissions have a reputation for utopian planning; the agency's planning is more

7 Los Angeles Times, November 1, 1959
8 Scott Greer, Urban Renewal and American Cities, New York: Bobbs-Merrill, 1965, p.78
practical, therefore better suited for urban renewal.

The planning commission is required to select redevelopment areas and the question arises as to why Bunker Hill was picked as the prime target:

"An odd thing happened here--understandable, but sometimes I think it's been a curse. Back in 1951 when we felt we should take advantage of the new federal laws, the Planning Commission right off the bat designated fifteen large areas scattered through the city as redevelopment areas.

"When the question: Where shall we start? came up, the physical thing was determinate. ...(Bunker Hill, presumably)...was an interesting feature, covered with deteriorating buildings, on a site overlooking the city.

Q. "It was esthetics and centrality of location?
A. "I think that about summarizes it." 9

Thus, it was not scientific determination of blight or objectivity in the public interest that led to Bunker Hill's selection for redevelopment. Any hopes that project opponents would have of receiving a fair review of their contentions from the planning commission was henceforth prejudiced regardless of how hard they tried to show the commission that Bunker Hill was not blighted.

The burden of proof, furthermore, of showing that the area was not blighted in the final analysis lay with property owners who would have to conduct their own studies; Planning commissions do not conduct their own independent investigations. As Kaplan has written:

9 Quoted in Greer, op. cit., p. 77
The Planning Board defined its role as that of a judicial tribune, which would make no independent investigation of its own. It would hear the evidence presented by both NHA and opposition, and then would reach a decision on the existence of blight. 10

The same role applies to evaluating the redevelopment plans and alternative plans. Its weakness lies in that the agency possesses a virtual monopoly in planning skills, which opponents cannot match. 11 A "judicial tribune" analogy breaks down when justice is a function of whose plan is more professional. In the absence of an independent investigation the claims of layman can only be termed conjectural when compared to the recommendations of experts. They are at a disadvantage in their inability to hire economic and real estate consultants, whereas the Agency as in the Bunker Hill case, can commission three separate reports until it finds the conclusion it is seeking.

The City Council: the Ritual of Public Hearings

The city council was in no better position to analyze the Bunker Hill case objectively than the city planning commission. It sits as a quasijudicial body—as the planning commission functions as a judicial tribune—needing only to hear both sides of the case. As councilman Timberlake described the council's function: "The council

10 Kaplan, cited in Greer, op. cit., p. 77

will judge the case on what is presented."

Opponents implored the city council to make findings before making a decision on Bunker Hill, but the council is nevertheless in no position to technically evaluate the Agency's redevelopment plan. In the final analysis, it concurred with the expert's prognostications. One councilman admitted he had not had time to study any of the feasibility reports on which the project was grounded. In his defense another councilman stated: "The point is sir, that we don't have enough time to actually go through these reports and become experts in them... None of us, sir, is an expert."

Thus, when neither the planning commission, the citizens advisory committee, or the city council can capably analyze the basis for important renewal decisions, there is reason to worry. Yet Agency prescriptions are usually proffered with the confidence of scientific evaluations which would lead one to conclude that there exists only one solution. The assumption is that professional conclusions are value free, nonpolitical, objective "truths". In fact they are not.

Planners, like other professionals, are susceptible to fads and fashions and to becoming bemused by their own prejudices, preconceptions, and theories. Unlike most other practitioners, however, the planner is part of a highly politicized world in which his work is always the focus of political controversy. The problem is not that the planner becomes involved in politics. Rather, that the planner becomes involved as a manipulator and a molder of public opinion in pursuit of his
own vested interest, i.e., his own prejudices or pet theories. If ideology facilitates the planner's manipulative intervention in planning decisions, it also serves the same function for many special interest groups in the community.

Neither are feasibility studies as scientific as they are made out to be:

Decisions on projects are usually based on shaky empirical findings, some times on mere beliefs. What is the demand for standard housing among slum dwellers? What is the demand for cleared CBD land for all purposes? Marketability studies are rarely adequate for the load they must carry, for they ignore the competition of sites scattered throughout the metropolitan area. The decision is usually based on ideology, law, rules-of-thumb.

Nevertheless, feasibility studies form the basis of major urban renewal decision-making. The council and the courts in Los Angeles, in the face of deciding between believing feasibility studies or the "speculative argument" of opponents, the council accepted the latter, and the courts had little option but to accept the council's decision as long as it was reasonable.

As Mr. Duque, Agency attorney had told the city council: "Who is he to tell you that his alternative plan is superior? He is not a city planner, he is not an architect, and he is not an engineer... Or take Mr. McClung and his charts. What weight can you give his estimates as against the sworn testimony of the Agency's staff?..."

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13 Greer, op. cit., p. 91
However, the dilemma for the city council was not as difficult as it may appear. Some councilmen were predisposed toward redeveloping Bunker Hill instead of favoring natural renewal or rehabilitation, notwithstanding Los Angeles excellent rehabilitation program which had been quite successful in the skid row area and in East Los Angeles. Rehabilitation lacked the luster and esthetics of redevelopment. As councilman Hollen put it:

I have gone down there in the skid row area, and to my mind it is a wonderful thing to get rid of those eyesores, health traps, that were there, but as far as making it a great asset to the city of Los Angeles, the uninitiated can go down there and never know anything had been done. It falls for short.

Apparently the "uninitiated," referred to by Holland are his constituents who would be more impressed by a more visible monument than the rehab program presented by opponents of the Agency's redevelopment plan. Thus, the review was on that basis not on analysis of some of the short term and long term effects of redevelopment, the councilman probably assuming the Agency had already considered those effects.

Several years earlier in the city council had been taken on a junket to Pittsburgh to inspect that city's experience with urban renewal, as well as to inspect a project very much like the one proposed for Bunker.
Hill. All this at Agency expense. The point is not to question the importance of the trip; it was probably very helpful to the council in reaching its decision. Rather, it is unfortunate that project opponents were not offered a similar opportunity to send the city council to view an Eastern rehabilitation project like Washington's George-own; they could have visited while in Pennsylvania, in fact, the Society Hill rehabilitation project. Property owners on Bunker Hill were a slight disadvantage.

In theory public hearings on redevelopment plans serve several functions. Legally, they exist to enlist public support, to provide an opportunity for community participation in the plan and to lay a foundation for the determination of legal rights. There is no premise that they will be used as a vent for disgruntled opponents, for again the format presupposes universality of values, nonpolitical alignment, and detached, scientific discussion of redevelopment plans for the welfare of the entire city. Theoretically, public support is there to be enlisted through rational discourse—to be won over by the well-meaning agency. Thus, it is not surprising to find that in California, and generally, cross-examination of witnesses at hearings is prohibited. While cross-examin-

14 Los Angeles Times, September 28, 1955
ation may in fact be bad policy for its unfair exposure to certain witnesses, it makes it that much more difficult for project opponents to get their points across.

In objecting to some cross-examination that was volunteered by the Agency in the hearings, Councilman Callico exclaimed: "I object to the course of this cross-examination. The purpose of this hearing is to give the council information—not to try a lawsuit." But he was partly incorrect—trial-like advocacy would have served as a better forum to expose certain crucial issues.

Another legal requirement that tends to constrain public hearings: that the final plan must be based on the tentative plan. It must be remembered that a one-third of a million dollar planning investment was on the line in voting to accept or reject the Bunker Hill redevelopment plan. Once the tentative plan was adopted by the council in 1956, the subsequent final plan had to be based on it. Legally, the council may not order changes to be made by the agency: it can only accept or reject the plan. When the council asked the Agency in Los Angeles to review alternative plans after the 1956 hearings but prior to the hearings on the final plan, the council failed to realize that it was, as Roybal put it, "closing the barn door after the horse was stolen." In 1959 when one councilman requested that the area south of fourth street be excluded from the plan, the Agency responded that that
would be impossible since the exclusion would alter the project's boundaries--i.e., the final plan would not be based on the tentative plan. The "horse" had already been "stolen" back in 1956.

Of course, the council could have rejected the final plan, and then hope (it could not direct the Agency to do so) that the Agency would come back with another tentative plan, this time one that excluded the area south of Fourth Street. But the council was unlikely to send the Agency "back to the drawing board". To do so would jeopardize the huge, one-third million dollar planning investment, as well as the future of redevelopment in Los Angeles. Kaplan noted this dilemma in his study of Newark: "Local officials must accept the package as is or risk jeopardizing the proposal." 15

Bunker Hill had been planned and studied since 1951. After waiting anxiously for eight years to take advantage of federal urban renewal funds, the Los Angeles City Council was not about to throw all that out the window.

One could have predicted the outcome. The hearings were in no small way a ritual--lengthy and controversial--but still perfunctory. But they were meant to be since the framers of the California enabling act did not anticipate the controversy they had helped to create.

The Courts and the Need for Administrative Review

In its quasijudicial role, the city council was neither required or able to conduct an independent analysis of the evidence of contentions by both the Agency and property owners. It relied heavily on "what was presented". Yet this situation, along with the planning monopoly of the Agency bore heavily against the capacity of the planning process to render to opponents a fair hearing. The courts, perhaps in error, gave primacy to the determinations of the Agency and the city council in declining to exercise an independent judgment on the evidence and in accepting the council's decisions as long as they were "reasonable".

However, factors which the courts could not have imagined compromised the integrity of the process the courts counted on to yield fairness and due process. The courts left the burden of proof to the city council, and to the Agency and the city planning commission below that. If the only consideration is that there be "reasonable basis" for action then scrutiny of plans will not be very thorough since it is obvious that opponent's plans could likewise be considered "reasonable". Thus, manifestly, "reasonableness" has a basic not in rationality or a legislative intent for fairness, but in the pronouncements of experts and planners who in the final analysis speak for
nonuniform interests and ideologies. The prescriptions of experts can go unchallenged by the city council, the city planning commission, and even the state supreme court in its reference to the contentions of property owners as "speculative argument".

Judicial review is limited to finding "abuse of discretion, bad faith, fraud or collusion" according to the court decision on Bunker Hill. The court's refusal to grant broader review of the administrative and legislative decisions of the council and the Agency assumed that the council in its public hearings would do so, but the courts do not require detailed findings of fact; only that legislative conclusions be reasonable.

Bunker Hill is an extension of the broad discretion granted to the legislative body by the courts in _Berman v. Parker_, which declared urban renewal a "public use", the determination of which would be vested in the legislative body: "Subject to specific constitutional limitations, when the legislature has spoken, the public interest has been declared in terms well nigh conclusive." 16 Under the 5th Amendment private property may be taken for public use. The court in _Berman v. Parker_ equated "public use" with "public purpose", but the assertion has been widely criticized. 17

16 348 U.S. 26

Martin Anderson's criticism appears to be a minority position with the courts, as there is legal precedent for the equation of "public use" with "public purpose". However, there is no error in his conclusion that,

The equation of the public interest with public use is a dangerous principle to accept. It means that the government can theoretically seize anyone's property for any reason that an official claimed was in the public interest if he can justify it to the satisfaction of the court.

The Bunker Hill case illustrates with what facility the public interest can be justified to the satisfaction of courts—decisions need only be reasonable and without evidence of bad faith, collusion, fraud, or abuse of discretion. Furthermore, it is hardly evident from Bunker Hill that neither the Agency nor the city council spoke for any form of a broad public interest. There was no attempt by the council to define a public interest, and henceforth satisfy its needs. Of course, one can argue that the city council is elected by the public and therefore speaks for the public interest. But the fact is that urban renewal is a distortion of that political process; for the Agency is not elected by the public, referendum by the public is forbidden, and the realistic situation is that the public is effectively isolated from urban renewal with many citizens

unfamiliar even with the term "urban renewal". Decisions for projects are made, in theory, on a technical basis, which the city council cannot analyze and there is no public agency to conduct an independent evaluation—certainly not the planning commission. In short, the courts have apparently ignored the practical effects of urban renewal decision-making in favor of a more utopian, rural-Jeffersonian, democratic non-existent ideal.

In ruling on urban renewal plans, the courts are placed in a position, however, where to make an independent judgment would be inappropriate, as well as overly burdening for requiring the immersement of the judiciary into the "nuts and bolts" of administrative and legislative decision-making. Placed in this untenable position, the courts' decisions have not been surprising. The courts have,

characteristically decided the validity of urban renewal statutes or of particular plans in terms broader than the issues before them. The resulting determinations render it difficult to attack subsequent applications of the statute of the statute or plan....Another significant though unexpressed factor may be a distaste for upsetting, at the instance of a single party, a plan upon which considerable amounts of public funds have already been expended. 20

Thus, as the supreme court of California told property owners: "Speculative argument could not prevail, particularly at this stage of the proceedings." The court did not

realize, however, that the city council felt similar pressures to uphold the plan.

In a sense neither the courts or the council could challenge the Agency's inclusion of the area south of Fourth Street without upsetting the final plan. The decision was ruled "reasonable" because the Agency's planners stated that its inclusion was essential to well integrated, overall planning of Bunker Hill. But it is logical that if the other side had the expertise to justify its own position it could have argued for the challenged area's exclusion. The point is that in the final analysis the city council, planning commission, and the courts rely heavily on the claims of the Agency, and specifically, Agency professional staff which is used as a political weapon to disarm project opponents.  

For example, the planning profession in urban renewal may create the groundwork for establishing the existence of blight by noting physical situations inimical to the public health, safety, and welfare. It is in the position of recognizing improper street, health, social, and other environmental conditions that are not in the public interest. The problem with this position of planners is that they are also judges in determining the trade-off between public tolerance of privately caused inconvenience and preserving  

21 See Davidoff, op. cit.
the rights of property owners. Designating this trade-off point is not a technical decision, but one to be decided by the city council, and one on which the Agency, nonetheless, did not remain neutral. The court had no choice but to go with what the Agency felt about Bunker Hill under those circumstances; the Agency did not present to the council options for Bunker Hill, it presented a plan. It was up to Agency planners to justify the plan, not question its feasibility.

It is simple for the city council to declare an area blighted. California law defines blight area as containing any or all of the following:

a. the subdividing of lots of inadequate size for proper usefulness and development;

b. an economic dislocation, deterioration, or misuse from faulty planning;

c. existence of inadequate streets, open spaces or utilities;

d. the existence of lots or other areas subject to being submerged by water.

(Section 33042, Health and Safety Code)

In addition, Sections 33043 and 33044 describe a blighted area as being characterized by "a prevalence of depreciated values, impaired investments, and social and economic maladjustment to such an extent that the capacity to pay taxes is reduced" or "a growing or total lack of proper utilization of areas, resulting in a stagnant and unpro-
ductive condition of land potentially useful and valuable to the public health, safety, and welfare."
A close look at the term "proper utilization of areas" shows it to be a rather amorphous term. With the assistance of someone trained in the proper professional jargon almost any area may be depicted to be against the public health and welfare, while laymen will not question the expert's prognostication of public peril. The council, thus, finds a convenient rationale for redevelopment to disguise its real reasons for the move.

Nevertheless, under these the courts have generally refused to contradict the opinion of "men of reasonable training and experience." Yet when the distribution of these men leans heavily toward the Agency's side, who can dispute the plans of the Agency on its own terms? The answer is no one, not even the courts.

It is evident that the courts and the city council can be placed at the mercy of the agency, its plan, and its planners. (Of course, the council may politically exploit the situation by obscuring the basis for redevelopment.) This is not only counter to the interests of the public, but denies fairness to private property owners so affected.

One solution to this problem is advocacy planning to insure the emergence of plural plans substantiated by technically competent supporters. Planning advocates would serve to counter redevelopment plans and determinations with something more substantial than "speculative argument".  

One writer who has noted a similar problem in HUD's administrative decision-making has suggested that an "independent, technically competent agency would clearly be helpful to the courts." This solution, rather than providing more advocates, would simply add another arbiter technically capable of conducting independent analyses. In the case of Bunker Hill, for example, such a body would have investigated the Agency's three feasibility reports, reaching an independent conclusion. Also, it could have investigated conflict of interest charges, and perhaps could have funded independent appraisals of Bunker Hill which the Agency had declined to release. Naturally, it could not legitimately serve in the public interest. It would merely provide more information than was otherwise available. In short, it would do the job that is theoretically the function of the city planning commission and to

23 For a discussion of some of the limits of advocacy planning see Lisa Peattie, "Reflections of an Advocate Planner," Journal of the American Institute of Planners, March 1968
some extent the function of the city council and the citizens advisory committee.

A vacuum has been created by a series of urban renewal decisions from Berman v. Parker to Babcock v. Redevelopment Agency which have unfairly increased the autonomy of redevelopment agencies and in a legal manner over-inflated their legitimacy in public policy. The immediate answer lies not in judicial reform but in reform of public policy where the public, and especially those most affected by urban renewal, have control over the planning process. That is, the error was not so much in judicial judgment but in the failure of public policy to provide real citizen participation, local control over local renewal agencies, an effective format for reaching equitable and rational decisions, as well as in the failure of policy planners to anticipate the true nature of the public interest.
"The combination of good planning and sound business judgment is what will make the city tick."

--John Roberts, Director of Planning, City Planning Commission
Bunker Hill: Slowest Urban Renewal Project in the U.S.

Property owners and tenants suffered the greatest loss from the decision to redevelop Bunker Hill. The question remains whether it was worth sacrificing property rights for the alleged benefits of redevelopment. While the courts may decide that urban renewal is a public purpose, such a determination is inconclusive and premature in absence of any supernatural judicial prognostications prior to execution.

This section examines the history of the Bunker Hill project subsequent to the commencement of its execution in 1964. That history has been shown to be one Los Angeles can hardly be proud. Bunker Hill, the largest renewal project in the country, would also be the most delayed and over-planned project as well.

One major delay in execution, as has been shown, was litigation which lasted five years, in which time the Agency's capacity to enter contracts with developers and its power of eminent domain were suspended. However, land acquisition was permitted by negotiation although not by condemnation. The first purchase of Bunker Hill property was consummated in May 1961. By 1964 a large part of the "simple" task of renewal was accomplished with the demolition of half of the structures and the acquisition of 75% of the parcels. The remaining 25% of the parcels belonged to litigating property owners and other holdouts who hoped to wait as long as possible before selling, thereby allowing...
the value of their property to increase as much as possible before releasing it to the Agency in condemnation proceedings after litigation had been completed.

Understandably, the Agency was jubilant when the supreme court ruled in its favor against property owners in February 1964. The Agency was predicting at the time that the project would be completed in only three more years. 1 With all this, the *Los Angeles Times*, one of the most powerful renewal boosters in the city, announced that Los Angeles had reached the threshold of redeveloping Bunker Hill. Bunker Hill, the newspaper claimed, would be the most prestigious residential and commercial location in the city with its location between the central business district and the civic center, the largest concentration of government buildings outside of Washington, D.C. 2 Several months later the Agency announced that the Connecticut General Insurance Company would be the project's first developer with the planned construction of a 42-story office building which would be rented by the Union Bank.

Not long after Bunker Hill seemed to have forgotten the nightmare of litigation and the was off to an auspicious beginning, the Agency was presented with another lawsuit. This time the issue was California's recent passage of Prop-

1 *Los Angeles Times*, March 8, 1964
2 *Los Angeles Times*, July 2, 1964, editorial
osition 14 which ostensibly permitted discrimination in housing. Two property owners argued that this allowed absolute discretion in the sale of their properties. They claimed that it also conflicted with the Agency's anti-discrimination policies (Executive Order No. 11063 issued in 1962).3 Meanwhile, federal officials suspended funds to Bunker Hill until the matter was settled.

The supreme court eventually found Proposition 14 to be unconstitutional and the Agency was allowed to break ground on the Connecticut General building in March 1965. A vice president of the insurance company was undaunted by the turn of events on Bunker Hill since 1956: "Los Angeles is the proper place for a project of this type. We know of no other city that has such a future." 4

Meanwhile, the Agency's relocation plan, which had been sold as one that would "set a model for America", 5 was proceeding smoothly in its execution. Fifty-five families had been relocated by late 1963. Most lived in standard housing, but 86% paid higher rents as a result. Only 14% paid less. Of those that paid higher rents, 40%...
paid between $10 and $20 more.  

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Sixty per cent moved to an area within one mile of Bunker Hill; twenty-three per cent within two. Seven per cent self relocated, while 17% were relocated into public housing, half of which were Mexican American. Very few people had to be evicted, although there was a sentimental attachment to the old neighborhood, particularly by the elderly.

Mayor Yorty, complained in 1961 that relocation was proceeding too slowly, but the mayor's comments were premature since relocation was only in its early stages. Rather, Yorty's remarks were more symbolic than anything else for his distrust of the Agency's autonomy and separation from city hall. In 1967 when Bunker Hill was the slowest of 1600 renewal projects in the country, Yorty pressed the Agency to complete the project by 1970, since it had failed to do so as it had predicted in 1964.

6 Relocation figures from Relocation Progress Report, Community Redevelopment Agency, October 31, 1963
7 See Los Angeles Times, February 4, 1962
8 Los Angeles Times, December 12, 1961
9 Los Angeles Times, March 30, 1965
Yorty's disapproval of Agency activity had been fueled by a management audit report by the City Administrative Officer, Erwin Piper, the first such audit of the Agency since the establishment of the Agency in 1948. The CAO report in 1966 proved to be very damaging to the Agency and led to the resignation of its Executive Director, William Sesnon, who had spent his entire 18-year tenure between 1948-1966 trying to redevelop Bunker Hill.

The Piper audit criticized the Agency for costly delays in executing the project:

It is obvious that delay in completing the project can be extremely costly. Delay has resulted in higher acquisition costs, higher overhead costs, and higher administrative costs. Even more important is the loss of tax revenues to the respective tax agencies. Each year the project is delayed beyond 1978 will cost the community taxing agencies several million dollars in lost taxes. (p.16)

In addition there was a direct local cost for planning administration, and dissemination of Agency information of $1.1 million since 1948.

The Agency was charged with failing to coordinate its activities with city and county departments and was requested to move its offices to the civic center where most government agencies in the city are located, and to work more closely with the departments of city planning and public works, and the offices of the city attorney, city administrative officer, and civil service. Ironically, the Agency, which had avoided working with these city departments

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Management Audit Report of the Community Redevelopment Agency, City Administrative Officer, Erwin Piper, Los Angeles, July 1966
in the past, was now facing the scrutiny of the city's chief bureaucratic watchdog.

The Agency was accused of being overly specific in its design requirements. This served to delay the project by not allowing developers sufficient flexibility and by not turning away to many otherwise qualified developers.

The audit also compared the city's experience with urban renewal with Philadelphia's which also operated under a 1945 enabling act. As of 1965, Philadelphia had completed 20 urban renewal projects; Los Angeles had completed only one, a small one. Philadelphia's assessed tax valuation had increased by $60 million as a result of redeveloping some 2,892 acres. In fairness to Los Angeles, Philadelphia is not Los Angeles. The two cities have different political structures, as well as historical circumstances and market situations.

However, the auditors were more adept with the Agency balance sheets. They disclosed that the Agency was wise in purchasing as many parcels through negotiations when litigation was pending in order to avoid the eventual possibility of having to award higher prices for property. Property values had risen sharply in the period during which the Agency was in the courts; it was thus a proper maneuver to buy as much as possible in 1961. A total of 71 parcels had to be purchased after 1964, but the Agency failed to do so immediately after litigation had concluded and was cited by the audit report for that costly delay.
"However, the primary damage resulted from the delay caused by property owners' lawsuits between 1959-1964. Because the Agency was forced to purchase the remaining 71 parcels (by condemnation) in 1964, and since property values had so increased during that period, the Agency paid $1,700,000 for the property more than it would have had to pay if it could have purchased the property in 1959.

The disposition of property was not much better than acquisition. As of 1966 three parcels had been sold, only one at values commensurate with property values around it. One of the sites was assembled by the Agency at the cost of $11,17, not including the cost of clearing the site. Acquisition appraisal was set at $6.85 per square foot but was sold at $5 a square foot. The reason for the poor return was that the construction of a cooling and heating plant had to be expedited by the unexpected early completion of the Union Bank building by Connecticut General. The plant's construction was authorized before the execution of a written contract for sale.

In accusing the Agency of poor business practices, the CAO noted that tenants were evacuated too soon from Bunker Hill although structures were still suitable for habitation and did not demand demolition at so early a date since litigation was still pending. Rents could have been collected by the Agency as it was a landlord at the time. Furthermore, "master tenants", generally the former
owners of apartment houses and hotels, were overly endowed for their upkeep:

The master tenants collected rent, provided furniture, and did minor maintenance work for which they received approximately 50% of the net rental income. A substantial loss of rental income to the Agency has resulted from this questionable business practice when it is realized that hundreds of thousands of dollars in rent are involved. (p. 10)

Finally, the report concluded:

It is imperative that the Agency Board and staff recognize the magnitude of the cost of delay, not only to the Agency itself but also to all the community taxing agencies. For this reason the Agency should prepare and have approved by the board realistic schedules for project completion and make certain that schedules are adhered to. (p. 16)

As a result the administrative structure of the Agency was rearranged with the establishment of a new schedule planning for completion in 1975.

Amendments to the Final Plan 1967

The management audit report indicated that urban renewal execution was not as simple as the Agency once thought. This fact became ever more obvious in 1967 when the Agency announced that the 1959 final plan had become obsolete and was no longer relevant to meet the growing traffic demands downtown.

The new plan would require a five month delay while the Agency went through the red tape required for approval of the amendments. There would be a suspension
of funds by HUD until the amended plan was approved by the city council. Hearings were again held but were not nearly as involved as the hearings on the final plan.

In January 1967 the amended plan was routinely adopted by the city council. This time the CAO reviewed the plan which called for several necessary changes to correct traffic deficiencies in the old plan.

When the 1959 plan was adopted, planners were more concerned with a downtown that was not vibrant and appeared to be dying. A dying downtown, thus, could present few unaccounted and unregulated traffic problems; but recent new development in and around the civic center and the central business district contributed to unforeseen congestion.

Ironically, the objectives of the amended plan were not new: to correct dangerously steep grades, to integrate Bunker Hill with the civic center on one side and the central business district on the other, and to make Grand Avenue a "vehicular promenade" separating project-bound traffic from through traffic. They were the same problems which had been recognized as early as 1931, the same deficiencies property owners were accused of failing to correct in 1959.

In addition, two parcels were to be converted from commercial to residential land use. The change would reduce congestion since a commercial office building would (continued p. 20)

11 Report to the City Council on Proposed Amended Redevelopment Plan, August 7, 1967, Council File #135501

Redevelopment Plan Relationship to Definite Local Objectives

(Section 1000)

1. Elimination of poor, substandard, and extremely substandard dwelling units and rooming units in substandard dwelling units and rooming units in substandard obsolete and outmoded residential structures.

2. Correction of a living environment where children of all ages are subject to contact with persons having a criminal record.

3. Clearance of blighted conditions conducive to rates of disease, crime, and juvenil delinquency, above the community average.

4. Elimination of an incompatible mixture of residential, commercial, industrial, and public land uses.

5. Demolition of frame structures conducive to a potential serious conflagration.

6. Relocation of site occupants to a safer and more healthful residential environment.

7. Correction of street inadequacies regarding narrowness, steepness, congestion, lack of traffic-carrying capacity, and poor location or routing.

8. Demolition of brick and other structures not adequately built to resist seismic forces.

9. Removal of unsightly conditions having a depressing effect on property values in the heart of the City.

10. Clearance of structures and uses in the way of progress of the City where a pressing need exists for public and private facilities requiring large areas.

11. Creation of a plan of land use of great benefit to the people of the entire Los Angeles metropolitan area.

12. Provision of facilities in large demand for modern, convenient and efficient living accommodations for downtown employees.
13. Provision of commercial facilities of a high-type of institutional, professional, and business use.

14. Provision of thousands of automobile parking spaces for employees, shoppers, and business persons with destination both within and adjacent to the project.

15. Elimination of a misuse of land adjacent to the Civic Center and Central Business District of the City of Los Angeles and an economic dislocation indicated by a growing lack of proper utilization of the area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the health, safety, and welfare.

16. Changing a tax liability to a tax asset for the people of the City by increasing tax revenue many times.

17. Elimination of a blighted condition where the costs of public services exceed tax revenues from properties therein.

18. Demolition of incompatible types of living accommodations and conversions with substandard room areas and illegal occupations.
attract less commuter traffic than a residential tower. Current market information according to the Agency indicated a demand for in-town living which also made the land use change more reasonable.

Total intensity of development of Bunker Hill, traffic notwithstanding, would be increased as there would be an increase of 6–7 million square feet of office space, hotel, and motel space. Greater intensity, of course, implies higher tax revenues to pay for the project sooner. The gross project cost was increased to $42.7 million from $27.9 million. Thirteen million dollars would be allocated to traffic planning and street rearrangement alone.

Increased revenue to pay for the project was anticipated by the indefinite postponement of marketing the upper section of Bunker Hill. While postponement until more favorable prices — could be attained in the upper hill makes the project more economical, requiring less in public funds, the more delay costs the taxing agencies, who forecast revenues, dearly.

Amendments to the Final Plan 1970

In 1968, with 90% of Bunker Hill still vacant, the Agency proposed to convert the vacant land into a park. This plan, which was more feasible than redevelopment plan, recommended planting poppies, carnations, and grass
in the interim of executing the Bunker Hill plan. The cost, $38,000 was also more economical than the redevelopment plan, but it was worth the investment; Bunker Hill had for too many years laid vacant and the eyesore that was Bunker Hill in 1959 had been replaced by another—a vacant "island of blight".

An Agency official cautioned the city. "There is a problem," he explained, "After all these years with Bunker Hill barren, people may like the park-like atmosphere so much, they won't want it destroyed." 13

The park idea was still a good one, especially when considering the Agency's 1969 announcement that the plan would have to be amended yet another time. The requisite five month or so delay was again in order.

This time changes in the plan were needed to account for recent developments outside the project's southern perimeter—i.e. the CBD—which had witnessed an unexpected rush of office space development. Zoning on Bunker Hill did not reflect these changes; certain parcels along the southern perimeter were scheduled for residential land use when office space development would be more appropriate and would better integrate Bunker Hill with the CBD.

The unanticipated developments in the CBD also gave emergence to unexpected traffic problems, which Bunker Hill would add to. Thus, the amended plan called for the construction of a "people mover" mini-transit system.

13 Los Angeles Times, March 10, 1969
system — which would transport people to and from their cars parked in peripheral parking lots 3 miles away. In addition, vehicular traffic would be segregated from pedestrian traffic to improve traffic flow through Bunker Hill. Pedestrian walkways and a concourse, Rockefeller Center style along shopping areas were also added to the original plan.

Angel's Flight railway, a city landmark that once transported people up and down Bunker Hill would be restored. Pressures from civic and heritage groups had forced the restoration of Angel's Flight as "a link between the bustling present and a gracious bygone era in the proud history of Los Angeles." 14 The amended plan would take advantage of federal funds earmarked for the restoration of landmarks like Angel's Flight.

A daytime working population which was once calculated at 40,000 would be increased to 70,000; 5,000 housing units would be added. Net project cost would increase to $60 million; The combined private and public investment reaching the billion dollar level, four times the 1959 level.

The amended plan clearly earned Bunker Hill the distinction of being the most over-planned redevelopment project in the country. Still, Mayor Yorty called it the "symbol of the highest degree of planning essential to the orderly economic growth of the city." 15 The comment was very generous.

14 Cultural Heritage Board, press release, May 6, 1969
15 Los Angeles Times, October 4, 1970
Marketing Problems

One objection to the federal urban renewal program had been that "public" entrepreneurs are ineffective substitutes for the workings of the private market. The Bunker Hill case illustrates some of these problems.

As an example, one can question the slowness of the Agency in reacting to environmental and economic developments outside Bunker Hill. Specifically, it is obvious that the area south of Fourth Street, which is on the southern perimeter of the project next to recent CBD developments the 1970 plan finally accounted for, could have been better developed by private developers. A private developer would not have been required to make complicated alterations in the redevelopment plan; neither would it be necessary to follow government red tape. And as was brought out during the 1959 hearings and lawsuits, the area south of Fourth Street could have been successfully redeveloped by private capital in a fashion similarly to the CBD south of it, the area which the Agency had improperly planned for in 1959. It is obvious that the private market would have reacted more quickly to CBD growth.

At best, the private market would have sold parcels at market prices and even if it "gave the land away", that would not be a public loss. In 1968, councilman Wilkinson objected to the low price the Agency was taking for parcel J-1 in the area south of Fourth Street. He claimed
that the citizens had been "cheated" by the Agency for selling parcel J-1 for $20 per square foot when comparable property values were $28 per square foot. The Agency said that the south part of the parcel was sold for $26 and the north part for $5.70. Wilkinson insisted that a private developer wishing to round-out his parcel would pay substantially more and the northern parcel was worth ten times more than the Agency price.

The J-1 sale was nevertheless approved by the city council for a hotel development by the Dillingham Corporation. But the sale might just as well not have been consummated since Dillingham later withdrew from the agreement because of the economic problems of the 1970 recession.

Broken agreements for development have not been uncommon on Bunker Hill. In 1969 the Dillingham Corporation and the Ogden Corporation planned a joint development of a 53-story office building, whose tenant was to be the Pacific Coast Stock Exchange. But when PCSE withdrew its offer for tenancy the whole development had to be cancelled. Later the John Griffith company inherited the notorious parcel J-1, and planned to build a similar office building for Metropolitan Life and the Wells Fargo Bank. However, this one would be about 20 stories less ambitious than Dillingham-Ogden's. Another developer, the Boise Cascade also withdrew its own plans to build a large parking

16 Los Angeles Times, December 6, 1968
17 Los Angeles Times, November 27, 1968
garage on Bunker Hill, citing the economic situation as the reason.

The decision of a developer to back out usually comes after long negotiations with the Agency—three years in the case of the Dillingham hotel and months in case of the office building—after large amounts of money are spent in administration, advertising, promotion, legal fees, and other public costs.

One may reflect on how the Agency was able to effectuate the construction of the Union Bank building by Connecticut General, the only major building on Bunker Hill in 1969. Part of the reason was the more favorable economic situation in 1966 when the bank was built. More importantly, Connecticut General selected only one tenant, the Union Bank, for the structure. Multiple tenants complicate the deal and increase the probability that at least one will withdraw by the time negotiations and red tape have been cleared. As Greer writes:

For the redeveloper, it is a long and costly process that freezes his freedom of movement over a period of years; for this reason it is attractive to some firms and impossible for others.  

The complexity of the process often limits the field of redevelopers to firms specializing in urban renewal.

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Many developers avoid urban renewal ventures for the amount of red tape that is entailed in "doing business with the federal government". They complain of overly stringent requirements which they do not face in the private market like having to file Affirmative Action Plans (antidiscrimination statements) as subcontractors for the federal government.

Public intervention into the private market has been generally justified on grounds that the private economy fails at certain times to eliminate certain external diseconomies that discourage individual property owners from improving their property. Certain critics have maintained that the private market can eliminate many of these externalities without public aid and that the problems of slums and blighted areas are not exclusively a resultant of poor planning. In urban renewal there seems to be a Galbraithian presumption that the public "market" can eliminate diseconomies that lead to blight without giving rise to latent inadequacies of public intervention.

There are at least three virtues of the market that have not have been transposed to the public renewal program.

19 Interview with Members of Counsel for the Community Redevelopment Agency of Los Angeles, March 1973.


The first is efficiency. While the Agency's acquisition and disposition plans may be justified as efficient in terms of cautious planning, its policies have ignored the profit motive in buying and selling. Most citizens would have preferred that the Agency be more frugal in these matters. Whereas profit losses in the private market are taken by developers, in urban renewal these are public losses, and in the case of Bunker Hill they have been very large.

The market also increases the range of choice available to consumers. As the previous sections have shown, the Agency is a monopolistic planning position where the range of options—i.e., rehabilitation or redevelopment—is limited by the politics and ideology of the Agency. There is no process in urban renewal to insure consumer sovereignty, although various citizen participation schemes have been designed.

Third, the market in many cases can react to regional changes more rapidly and does not have to rely on prognosticative reports like feasibility studies. The invisible hand of the market, of course, breaks down; it fails to distribute resources in socially acceptable ways and fails to produce many social goods like police, fire, and other social services. However, the market does not need redevelopment plans or strategies.

Finally, the market is a legitimate way, at least most of the time, of redistributing resources. In approving
Bunker Hill redevelopment plan the city council, in essence, decided to redistribute income from small property owners to large development corporations. Large developers receive the benefits of the write-down. That public policy should so favor one group of capitalists over another is justified on the basis of economic efficiency since large developers will bring higher taxes and more esthetic (sometimes) structures. The Bunker Hill case, however, shows that Los Angeles received from the project many short-run losses such as lost tax revenues, and in 1959, never thought it was bargaining for the delays that have occurred in executing the project. The high economic costs of the project illustrate that public benefits have been small. Does this justify the taking of property and its resulting distribution of income? Does the city council have enough information before it—given also the position of a self-serving redevelopment agency—to make that decision?

The point is not that the market can perform the urban renewal function better. Rather, it is obvious that public renewal, in both a political and economic context, leaves a lot to be desired; planned renewal in theory serves a valuable function, but in practice leaves out many positive attributes of the private market.

The mistake of urban renewal is that it has incorrectly assumed a universal public interest, the existence of which theoretically negates the need for consumer sovereignty.
Controversy in urban renewal, and political conflict such as occurred in the hearings on the Bunker Hill plan and in the city's dissatisfaction with execution of the project illustrates the myth of administration in the interest of the broad public. That hearings and other administrative reviews (e.g., the City Administrative Officer) were caught unprepared by the unexpected conflict indicates the extent to which public harmony was anticipated. Public hearings are obviously poor vehicles for planning urban renewal projects; so are citizen advisory boards and planning commissions. And City Administrative Officer failed to conduct an audit of the Agency for 18 years, during which time the Agency rarely faced the scrutiny of the city; not until the activities of the Agency became costly to the entire city (for in the 1950's primary damage went to individual property owners) did the CAO intervene.

The legitimacy of urban renewal, as well as of the redevelopment agency, has been relatively unquestioned. The role of the agency in state-city politics is to blame for this result. As a state agency with local jurisdiction, as the courts have said, the redevelopment is beyond judicial review. Referendums on renewal plans and activities are also precluded. Redevelopment plans are initiated by an agency with a great deal of autonomy, an agency authorized by the state but with few local controls, and none by the city's elected representatives. Agency officials were, from the start, skeptical of putting any urban renewal questions to the general public for fear of rejection, but the basis...
for urban renewal came not from the city: Urban renewal in Los Angeles received its framework politically from the state and financially from the federal government.

The error of the framers of the Community Redevelopment Act and the tax increment allocation funding amendment was that they largely by-passed the city, assuming all along that the Agency would rule in the public interest, thereby obviating the necessity of broad local input. It was a failing, also, that the city council could not or would not correct. All the returns are not yet in, but the costs of Bunker Hill thus far have been great. If Los Angeles were given the choice on Bunker Hill again, retrospectively the answer would most likely be "no".
The top of Bunker Hill will be dominated by a group of tall buildings symbolic of a burgeoning downtown Los Angeles. The buildings shall be varied in height and balanced and related so that each achieves a specific identity while contributing to the cohesiveness of the whole. Predominant in this urban design will be a single building, noticeably taller, overlooking the central park from the west. This structure surrounded by the other high rise buildings will form an impressive regional landmark, visible from afar.

Bunker Hill Design
for Development
Parcel J-1, once owned by the Dillingham Corporation
and later by the John Griffith Company, currently has its
third developer, the McKeon Company, one more developer that
will attempt to fathom the complexities and uncertainties
of urban renewal. There are three main developments on
Bunker Hill: the Union Bank, Bunker Hill Towers residential
development, and Security Pacific Bank, which is under
construction. In total land coverage these developments encom-
pass only a fraction of Bunker Hill's 136 acres, which
according to latest schedules will be completely developed
by 1983.

For the Agency urban renewal has proved a more com-
plex business than it once anticipated. It is difficult
to determine what course Bunker Hill may have taken in absence
of public intervention, but Bunker Hill is still an island
of barren blight surrounded by successful developments around
it in the central business district and the civic center.

Such are the results of twenty-five years of planning bet-
ween 1948 and 1973. Of course, whether fringe developments
around Bunker Hill would have spread to Bunker Hill is a
moot point, but the unprecedented development of the CBD
would have moved into the area south of Fourth Street as
Briga's appraisers had predicted in 1950. At least the
problems involved in marketing parcel J-1 could have been avoid-
ed by leaving J-1, which is situated in the challenged area,
to the private market.
If Los Angeles has learned one thing from Bunker Hill, it is to scale down future projects and to emphasize rehabilitation and conservation, leaving redevelopment as a last resort.¹ Property owners and tenants have shown themselves to be tough opponents in several urban renewal projects. Los Angeles has been one of the most unsuccessful cities in the country in executing urban renewal projects. While in some cities have political climates well suited for urban renewal, in Los Angeles political decentralization has not lent itself to "effective" urban renewal.²

In California there seems to be a general trend toward rehabilitation and community control.³ A recent law in the state allows neighborhoods to institute their own rehabilitation programs under community-elected public renewal agencies. Any neighborhood between 3 and 30 acres may organize its own program and apply for rehabilitation funds with the federal government. The new law offers tenants and property owners the leverage they lacked in projects like Bunker Hill, since they can control the

¹ Los Angeles Times, February 12, 1968


³ Conservation programs seem to demand substantial property owner participation, for it is the nature of slums that improvements cannot occur without a concerted effort. See Davis and Westen, "Economics of Urban Renewal", on. cit.
entire process from negotiations with HUD to presenting proposals to the city council. 4

When Bunker Hill is completed in 1983, the project will represent the largest combined public and private investment for any redevelopment project in the country. However, every year the project is delayed is costing taxing agencies in foregone revenues, which will not be fully realized until long after the project is completed; that is, until tax increment allocations have paid for all Agency debts incurred in the project. This will be seven or eight years, but the benefits at that time will be large—over $7 million in new revenues per year, 16 times what Bunker Hill yielded in 1959. 5 Whether these new developments would have occurred elsewhere in the city anyway, thus negating the tax increase argument, is unclear. But it is clear that Los Angeles has many advantages sites throughout the metropolitan area, like Century City, the Miracle Mile, and Westwood, which could have attracted several of Bunker Hill's developers.

That various corporations would have settled in Los Angeles despite the Bunker Hill project is also


evident by the development during the 1960's of a new financial district in the CBD, all this a result of private developments. New construction during the 1960's downtown averaged $100 million a year and the total development during the decade was nearly twice as that between 1900-1960.

Bunker Hill, if everything goes well, will add to that construction and will be successful in giving Bunker Hill the "image" it saw and envied in other cities. But the image may not be exactly how planners and businessmen once hoped it would be; the latest predictions show that the high rise boom downtown has ended and future construction will be limited to building heights of no more than 25 stories.

This does not mean that new construction may cease altogether. Construction between 1972 and 1974 will equal that since 1960. However, this will present grave congestion problems for downtown. As the Agency's traffic consultant has warned: "Eventually a rapid transit system will be needed. Failure to meet the challenge will continue to decrease the rate of construction and eventually halt it." 6

The Agency must count on a rapid transit system and has already built an underground network to support it when it comes—-it does—for Los Angeles turned down the latest transit proposal in 1968. The recent proposals for a system

6 Los Angeles Times, October 4, 1970
by the Southern California Rapid Transit District may meet with more success, notwithstanding the fact that Los Angeles is still a car-oriented metropolis. First, although Los Angeles is a politically fragmented city, it has strong mayor in the issue of rapid transit, which was Tom Bradley's primary campaign issue in beating Sam Yorty in 1973. Second, the SCRTD is entering an intensive campaign to sell rapid transit to citizens, which is about the only way to do things in Los Angeles. Third, Los Angeles, in 1973 is more ecology-conscious (although no more smog-conscious) than it was in 1968; residents may for the first time be willing to leave their cars in the garage. Finally, the recent Congressional "bust" of the Highway Trust will permit federal funds for mass rapid transit.

One benefit for the Agency from the problems of congestion and the need for rapid transit may be that more people will decide to move into the project's faltering residential development, Bunker Hill Towers. Construction of two other Towers has been postponed, as the ones currently up have unsatisfactory vacancy rates. Apparently, the "complete community" of Bunker Hill with tennis courts and swimming pools cannot compete with the amenities

7 Interview with members of Counsel for the Community Redevelopment Agency, Los Angeles, March 1973
offered by homeownership since Bunker Hill Towers are directed at that market. Moreover, there are other neighborhood externalities for which Bunker Hill Towers, as well as the other proposed Bunker Hill residential developments, cannot correct for like poor inner city schools. Although Bunker Hill is aimed at bringing the middle class back to the city, there is a growing minority population in central Los Angeles. The city currently has a Mexican American population of 20%, and a black population of 12%; by 1990—Bunker Hill's golden age—those figures should double, for Mexican Americans, as immigrants, legal and illegal, have been coming into the city in great numbers.

Even with successful residential developments on Bunker Hill downtown Los Angeles must brace itself for more congestion. As Melville Branch of the University of Southern California put it: "We worried for years about an empty downtown. Now we're worried about a full one." 8 Since 1931 Los Angeles had been warned that its central city was dying and would die if left to take its own course. The city took the advice in 1959 by approving the redevelopment of Bunker Hill. The City would have its downtown like New York and Chicago. As Norman Chandler, owner of the Los Angeles Times had said: "Every large community has to have

8 "A Sprawling City Gets a New Skyline," Business Week, December 13, 1969
a hard core, a downtown city." Chandler was correct: Los Angeles will have its downtown, but it may be more than it can handle.
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