

**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. **R 20 - 0228**

**AUG 06 2020**

**REPORT RE:**

**DRAFT ORDINANCE ADDING ARTICLE 1.3 TO CHAPTER 1 OF THE  
LOS ANGELES MUNICIPAL CODE TO ESTABLISH A PROCEDURE FOR THE CITY  
COUNCIL TO REVOKE APPROVALS OF DEVELOPMENT PROJECTS AND  
TERMINATE PROJECT APPLICATIONS TAINTED BY CORRUPTION OR FRAUD**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Honorable Members:

The City must take decisive action to address the specter of corruption and fraud that looms over the City's land use decision making process. The enclosed draft ordinance provides the City Council with a new and effective tool to revoke approvals of development projects and terminate project applications tainted by corruption and fraud. I urge the Council to adopt the ordinance as soon as possible and put it to use with respect to the development projects implicated in the ongoing federal corruption probe.

Once it became possible to identify some of the projects tied to the federal probe, my Office took action. On June 15, 2020, I strongly urged the Director of Planning to initiate revocation proceedings of entitlements and approvals within his authority related to the Luxe Hotel Project. This process has begun. My Office then advised the Department of Building and Safety to place holds on the issuance of any permits for projects connected to the probe. The Department imposed those holds.

These were important steps, but the Council should have the clear ability to go further. In particular, the Council should have the capacity to utilize its authority under the City Charter and Los Angeles Municipal Code to revoke and terminate approvals and applications tainted by corruption and fraud.

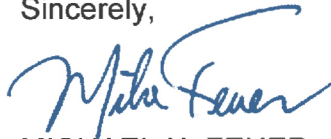
The enclosed draft ordinance accomplishes that objective. It would harness the City's police powers and the authority granted under various City laws to form a single regulation to give the Council an effective and timely tool to address land use, building permits, and related approvals tainted by corruption and fraud. Specifically, the draft ordinance establishes a procedure allowing the Council to revoke project approvals, entitlements, and building permits, and terminate pending project and building permit applications, where there exists the taint of corruption or fraudulent activity. The draft ordinance also allows the Council to impose penalties on those individuals and businesses associated with these developments by prohibiting them from engaging in the City's development process.

Adopting this draft ordinance, and implementing its procedures to tackle those development projects implicated by the federal corruption probe, will help restore the public's faith in the City's land use decision making process. The draft ordinance will also strengthen the City's ability to continue the good and necessary work of granting appropriate approvals of untainted development projects that provide much needed shelter and affordable housing, public amenities, and economic benefits.

The draft ordinance contemplates that the Council will adopt rules and regulations for the conduct of the hearings. Before the Council adopts this draft ordinance, we will make recommendations to the Council as to the content of those rules and regulations.

Please feel free to contact me should you wish to discuss this issue further, or your staff may contact Senior Assistant City Attorney Terry Kaufmann Macias or Deputy City Attorney Adrienne Khorasanee.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Feuer".

MICHAEL N. FEUER, City Attorney

MNF:pj  
Transmittal

cc: Honorable Eric Garcetti, Mayor  
Richard Llewellyn, City Administrative Officer  
Sharon Tso, Chief Legislative Analyst  
Vincent P. Bertoni, Director of Planning, Los Angeles City Planning  
Osama Younan, General Manager, Department of Building and Safety