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Meeting Report for February 16, 2009

by

Richard Bort

Valley VOTE Board members, community leaders, and concerned citizens convened on February 16, 2009 at Galpin Ford to hear featured speaker **Ron Kaye** speak about Measure B on the March 3 ballot, and to witness a debate over the future of the Sepulveda Veterans facility in North Hills. We encourage everyone to join us at these meetings on the third Monday of each month to hear the latest information and to participate in open discussion of various topics of community interest. For a meeting agenda and previous meeting reviews and press releases we encourage you to go to the Valley VOTE website:

www.valleyvote.org.

Ron Kaye

Measure B: “Green Energy and Good Jobs for L.A. Program” on the March 3, 2009 Ballot.

Ron Kaye is the former editor of the Los Angeles Daily News where he spent 23 years helping to make the newspaper the voice of the San Fernando Valley and fighting for a city government that serves the people and not special interests. Twice in recent years, Los Angeles Magazine listed Kaye among the city's most influential people, specifically in the area of politics. He is now committed to carrying on his crusade for a greater Los Angeles as an ordinary citizen. He firmly believes that informed, involved and organized, the people can change L.A. Check out his blog at <http://ronkayela.com>.

Beginning his remarks somewhat sarcastically, Kaye said, “We’ve already won! For 10 years everybody has wanted clean solar energy, and finally the DWP is giving it to us.” But there’s a hitch in the proposition. “What they (the DWP) want is your money – a blank check.... Measure B is a grand scheme with nothing behind it,” he charged. Moreover, “The trouble with Measure B is that there is no reason to give it to the IBEW [the DWP’s main labor union]. There is no reason why other union guys cannot do the work.”

Kaye cited the fact that the DWP already is committed to investing some \$5.3 Billion (that’s with a “B”) to improve the Los Angeles power grid, but that project has overwhelmed the DWP staff already. It will be even worse if the voters approve Measure B because surely the DWP staff is stretched too thin to handle it. For many years, according to Kaye, the DWP has given discounts to the L.A. Unified School District (its biggest customer)

and to other large customers to dissuade them from placing solar power generators on their roofs in order to maintain DWP's monopoly.

The new "Los Angeles Solar Energy Plan," which the Mayor and DWP rolled out on November 24, 2008, calls for three programs, one of which is Measure B. The overall plan calls for production of 1,280 megawatts (MW), of which the Measure B component would produce some 400 MW within four years. Yet over the past 10 years of trying to generate solar power, the DWP has succeeded in generating only 12 MW. The goal has been to generate 20 percent of L.A.'s power by 2010 through renewable sources. The DWP has failed to meet any of its renewable power goals, citing the Pine Tree Wind Farm project north of Mojave in Kern County which has been planned since at least 2003 and is expected to produce 120 MW. (Operational testing currently is scheduled to begin in April 2009 – see: http://laist.com/2008/02/02/winds_of_change.php.)

The DWP had two representatives in the audience, Aram Benyamin, Senior Assistant General Manager for Water and Power, and Bill Glaus, Manager of DWP's Solar Energy Program. Mr. Benyamin was given the chance to provide an overview of the Solar Plan. Mr. Benyamin claimed that the Measure B program, which is expected to generate 400 MW of electricity, is just like any other power plant that is owned and operated by the DWP. The only difference is that this power plant would consist of multiple rooftop arrays of solar panels dispersed throughout the city on the roofs of public buildings and on commercial, industrial, and institutional roofs. The DWP would own the power plant assets, and the DWP's employees would erect and maintain the equipment.

Mr. Benyamin noted that some 10 years ago California passed SB 1, which sought to generate solar power by giving incentives to homeowners through state subsidies. SB 1 gives the DWP the exclusive right to sell power in L.A. and prevents property owners from selling power to any other entity than DWP. Homeowners who have installed solar photovoltaic (PV) arrays on their roofs under SB 1 may use the power they generate, and any excess goes back into the DWP's grid through a "net meter" installed on the property. The DWP buys this excess energy from the property owner by issuing credits against the property owner's bill (for nighttime usage, for example).

For those homeowners whose properties don't lend themselves to mounting solar PV panels on the roof, the DWP has proposed the "SunShares Program", which is expected to generate 100 MW. Owners of such properties as condominiums, houses that sit in deep shade from nearby trees, and roof configurations and orientations that would not be useful for solar panels would qualify for participation in this program. These property owners would be allowed to invest in shares of community-based, DWP-operated solar power plants. The residential solar energy program is one of the three prongs of the L.A. Solar Energy Plan; Measure B is the second prong. The third prong of the L.A. Solar Energy Plan is to develop large scale solar thermal projects in the desert. This program is expected to generate 500 MW.

A questioner from the audience noted that a summary presentation of the report of the Huron Group on Measure B, the DWP's consultant, was readily available to the public, but the questioner asked Mr. Benyamin where he could obtain a copy of the full report that detailed the cost assumptions and other data. Benyamin responded, "I haven't seen the actual report. The actual data is in cartons." Aram confirmed that the only Huron Report available is that 22-page summary presentation! He acknowledged that the Huron Group's report makes assumptions that result in a range of pricing for the electricity to be generated in the Measure B program. Valley VOTE President Joe Vitti raised the issue that the costs estimated by Huron were only about one-third the costs estimated by PA Consulting, a difference of about \$2.5 Billion dollars, implying that Huron's costs might be unrealistically optimistic. (PA Consulting was engaged by the city's Chief Legislative Analyst on behalf of the City Council.) Benyamin responded that the known costs are based on prototypes, but the Measure B plan would be a large-scale project, which should bring down costs to the levels projected by Huron through the use of production line manufacturing of the solar PV panels. He said that he has visited a site being built by Sempra Energy (parent of San Diego Gas & Electric) where the costs are down to \$0.10 to \$0.12 per KWH (compared to Huron's estimate of \$0.119 per KWH, PA Consulting's estimate of about \$0.47 per KWH, and the actual cost of coal-fueled plants of \$0.02 to \$0.03 per KWH). To date, the DWP had not made any cost estimates for the Measure B program, but if Measure B passes, the DWP will have 90 days in which to assemble its estimated costs.

EDITOR'S NOTE: The next day, on Tuesday, February 17, Valley VOTE released its announcement that

the Valley VOTE Board of Directors overwhelming approved a motion to OPPOSE Measure B: "Green Energy and Good Jobs for Los Angeles Program," which will be on the March 3, 2009 Ballot.

Sepulveda Veterans Facility A Debate

The Sepulveda V.A. Ambulatory Care facility sits on a 160 acre parcel right smack in the middle of the San Fernando Valley. A proposal made several years ago is now being hotly debated: whether to convert two of the existing buildings, which sit on approximately 7.5 acres of the property, into 147 apartments for homeless veterans. The potential developer of the apartments is the nonprofit organization A Community of Friends (ACOF), which has experience in developing several thousand low cost housing units. Another nonprofit organization, New Directions, which provides housing and substance abuse programs for homeless veterans in the Los Angeles area, would operate the facility for the homeless veterans. Ms. Dora Leung Gallo, ACOF's Chief Executive Officer, and John Keaveney, New Directions' Cofounder, represented their respective organizations at the meeting. (See: www.acof.org/ and www.newdirectionsinc.org/, respectively.) Opposition to the proposed development of the veterans housing at the Sepulveda facility is being led by the North Hills West Neighborhood Council, represented by Peggy Burgess and Loyd Ray. The opponents and their supporters in the audience argued passionately to kill the project, and there seemed to be some significant differences in interpretation of the lease, particularly as to whether it could be amended for other uses and whether ACOF could buy the land.

FACTS:

A longtime Valley resident recounted the history that Birmingham High School was originally built as a military hospital, and the runway at Van Nuys Airport was built to handle large military aircraft bringing in wounded vets. The Sepulveda V.A. facility was built in 1955 as an acute hospital to replace the Birmingham facility. Over the years, however, the Veterans Administration has downgraded the Sepulveda facility from an acute hospital to its current role as a veterans outpatient clinic and assisted living facility. Meanwhile, the V.A. has built acute hospitals for veterans in San Diego, Long Beach, and Westwood, with the acute-care and rehab patient load shifted from Sepulveda to those hospitals.

ACOF and New Directions have signed a 75 year "enhanced lease" with the Veterans Administration covering Buildings #4 and #5, which contains the right to purchase the buildings (but not the underlying land) at any time. The lease provides that at the end of the 75-year term the buildings will revert to the V.A.

ACOF plans to use funding from various sources, including the federal government's Department of Housing and Urban Development (HUD). HUD's rules prevent any housing discrimination in projects financed by HUD. Therefore, unless HUD issues a waiver of this nondiscrimination rule, ACOF and New Directions are barred from limiting the housing to VETERANS ONLY. They may market the housing as VETERANS PREFERRED and maintain a waiting list in which veterans are given preference over non-veterans.

The land is presently zoned for a full-service medical facility, and the city is considering an application made by ACOF and New Directions to change the zoning to permit use of a portion of the property for housing.

Arguments FAVORING Development of Housing For Homeless Vets:

The two buildings are dilapidated and dirty, and have been vacant for over 10 years except for frequent filming, which apparently caused the interior damage.

The veterans would have medical services adjacent to where they live.

All prospective tenants will be placed in the Sepulveda units by referral from existing veterans sources, such as shelters and transitional housing. They will not be coming there directly from the streets.

Tenants will be charged rent of \$398 per month, but subsidies will be available. Tenants will pay a maximum of 30 percent of their monthly income. (Their sources of income primarily include general relief and VA disability benefits.)

Arguments OPPOSING Development of Housing For Homeless Vets:

If the two buildings are converted to apartments, only 147 veterans will benefit, at a project cost of some \$40 million. Surely 147 apartments can be built elsewhere at a much lower cost; or many more apartments can be built for that sum of money.

The 160 acres were donated to the U.S. government for exclusive use for veterans. To use the land for any other purpose would be a violation of the public trust.

The Sepulveda Veterans facility serves an estimated 150,000 veterans living in and around the San Fernando Valley, and it could serve many more coming back from the wars in Iraq and Afghanistan. It should remain a medical facility serving only veterans, and restored to an acute hospital facility or converted to a rehab center specializing in orthopedic and head injuries serving thousands of veterans returning from the current wars.

While neither side could claim victory in the debate, Valley VOTE was pleased to provide a forum to both sides in the interest of understanding the issues.

COMMITTEE REPORTS

Josh Jordahl -An Alternative Solar Program

Josh spoke briefly about AB 811, which authorizes cities to establish "Sustainable Energy Financing Districts." AB 811 was signed into law in 2008, and Councilman Greig Smith has proposed that the DWP form a Sustainable Energy Financing District in L.A. The unique aspect of this AB 811 program is that the property owner would hire an approved installer of the solar array, the cost of which would be paid for by the District using funds borrowed at low interest rates. Then the homeowner would repay the amount over a 20-year period through a property tax assessment. The cost to the property owner would be less than the amount saved by generating solar electricity on the roof. The assessment would stay with the property even if it is sold before the debt is repaid.

Vic Viereck - Housing

Vic's report proffered his opinion that "the best government help is to back off." He cited the new water use regulations and offered his opinion that renters of rent-stabilized apartments "have no incentive to conserve water, nor penalty for wasting it."

Bart Reed - Mass Transit

Bart reported that he had just returned from Washington D.C. where he was lobbying for mass transit funds for Los Angeles from the Economic Stimulus Package. He said that California plans to remove funds from the state's Transportation budget in order to balance the state's budget, and rely instead on bond funds from Measure R, the half-cent sales tax increase to fund the MTA projects, which was approved by voters in November 2008. He said that this will amount to \$500 million over 10 years.

George Truesdell -Neighborhood Councils

George reported that neighborhood councils are currently wrestling with a lot of issues, including Measure B (Solar), digital billboards, the Sepulveda Veterans Hospital, Providence Holy Cross Hospital, the "Super Graphics" issue of wrapping buildings in advertising, and the issue of submission of Council Files by NCs and financial disclosure by the NC board members.

NEXT MEETING The next meeting of Valley VOTE will be held on Monday, March 16, 2009 at Galpin Ford.

Valley VOTE Mission Statement

Valley VOTE, a diverse coalition of San Fernando Valley residents, business people, educators, community activists, and organizations, is committed to exploring and fostering the implementation of programs that empower the people of the San Fernando Valley and the City of Los Angeles, to improve local governance, education and public participation on policy matters.

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