



Santa Monica Coalition for a Livable City

April 28, 2020

Dear Supporters of SMCLC:

Here is the letter we sent to the City this morning about Santa Monica's recovery from the economic crisis. We encourage you to also write to the City before its May 5<sup>th</sup> meeting which will deal with balancing the budget.

RE: Working Together for Santa Monica's Economic Recovery

Dear City Manager and City Council,

While reading **Pro Developer Group Santa Monica Forward's** letter about our city's finances, we're reminded of Naomi Klein's seminal work, *The Shock Doctrine*. In it, Ms. Klein posits that crises are often used as tools by those with power to push through agendas they had long sought but were unable to achieve through democratic means. A crisis provides the disruption and turmoil powerful interests need to accomplish long sought but unpopular goals.

Santa Monica Forward demonstrates a perfect example of this as **they attempt to gut our city's development standards by using our current crisis as an excuse to dispense with long-established zoning regulations and other community protections.**

Their proposals can be summed up in two problematic thoughts: Build more. Tax more.

Here is why these are bad ideas:

- Development revenues, even in times of hyper-development here in Santa Monica, have not offset increased costs in city services, staff, pension obligations or other essential services. Over the past 25 years residents increasingly have shouldered the burden of additional property and sales taxes and fees – to support our schools, affordable housing, water and sanitation, parking and more. **And the more the City has built, the more residents' share of taxes has increased. There is no reason to believe, other than wanting it to be so, that more development will lead to solving our City's current financial problems;**
- New development, as a part of the approval process, must do more than promise future revenues; it must also properly analyze all of the true costs to the City and its citizens once projects are built, including the additional city and essential services to support those projects, and the related impacts on our environment. **Without knowing both sides of the equation, benefits AND costs, revenue projections alone are meaningless;**
- **We now have the second highest sales taxes in the State.** Residents and businesses struggling to survive are not able to shoulder more. It's the City's obligation to demonstrate sound fiscal responsibility, starting with a zero-based budget that upholds essential services like police and fire, sanitation, water, streets, libraries, transportation, and homeless resources, and then proposes fair cuts to non-essential services in a public and transparent process;

- A paradigm shift is underway as to key assumptions the City has used to drive its planning process. Instead of trying to build massive amounts of new housing in Santa Monica for a commuting workforce, **City planners should acknowledge that current telecommuting throughout different industries may be changing the workplace significantly**, generating major benefits for employees, employers and the planet (a better work/life balance with fewer hours commuting, equal or greater worker productivity, and much reduced vehicle emissions.) This could force urban cities throughout the state to think differently about where to place new housing and density. **It is certainly too soon to blindly call for increased development;**
- Another key planning assumption that needs to be analyzed is the realistic amount of sustainable retail and restaurant businesses in the coming years, given a possible shift to telecommuting, increasing online sales, and new social distancing requirements for restaurants that very well may force many of them out of business. Planning requirements for ground-floor retail in every new development may not work now;
- **The pandemic also has shown us that because of social distancing, residents need MORE open space and park space, as well as buildings designed with more open space, not less space and greater density;**
- Sustainable building requirements, especially incentivizing adaptive reuse of existing buildings like the former Papermate site, are far superior to destroying existing buildings to accommodate large new buildings that use raw materials and generate lasting and greater occupancy impacts, including water, electricity, sewage, traffic gridlock and pollution. **A planning maxim is “the greenest building is the one already built.”**

Even before the current, massive projected fiscal shortfalls resulting from this ongoing pandemic, Santa Monica was grappling with growing budget problems and projected deficits due to declining revenues from key sources the City relied upon, including reduced hotel occupancy bed taxes, and reduced retail spending sales taxes and fees, coupled with growing and unsustainable pension fund requirements. **The way for Santa Monica to truly move forward is to get a handle on the spending side of the equation**, by taking a scrupulous look at the increased staffing our city carries compared to similarly sized Southern California cities.

**This crisis should not be used as an excuse to push through even more development and greater density**, and to do it with even less neighborhood input. Santa Monica’s character must NOT be for sale to the highest bidder to build greater density buildings that are unsustainable, and that end up burdening our city and our environmental resources, inevitably leading to greater taxes for residents.

**Residents are the heart of our city.** They don’t lobby Council for money or personal gain or for their own pet projects. Residents use their voices to tell you what the city cannot lose and what matters, never more so than in the current, strange new world order. We hope they have a seat at the table.

Be safe and we will see you soon.

Victor, Diana, Sherrill and Jeff