

## IDEAS FOR L.A.

# Power belongs in the neighborhoods

By William D. Eggers  
and John O'Leary

Earlier this year, city officials were hoping to hire 40,000 low-income youths as part of an anticipated \$50 million federal summer jobs program. After filling out forms and waiting in line, disappointed applicants have learned that Los Angeles received just \$16.7 million dollars, enough for only 10,700 jobs.

In the end, this could be an important lesson for those youths and for our new mayor, Richard Riordan, who traveled to Washington looking for aid even be-

*William D. Eggers and John O'Leary are analysts at the Los Angeles-based Reason Foundation, a public-policy think tank.*

fore taking office. Sixteen months after some of the worst riots in the nation's history, the lesson is clear: Los Angeles shouldn't depend on the federal government for help.

A large part of the unrest in L.A.'s inner city stems from a lack of economic opportunity. This lack of opportunity can be traced to two sources: a high crime rate and a regulatory process hostile to business. Our new mayor's top priority must be to make the streets — and the City Hall bureaucracy — safe for business.

Consider Soo Chan Cha, who wants to rebuild his store that was burned down during the riots. City Hall says new zoning regulations won't allow it. So far, only three of 58 Korean convenience-store owners have managed to surmount the bureaucratic barriers and

reopen their doors. Initially a victim of the violence of L.A.'s streets, Soon Chan Cha is now a victim of a Byzantine regulatory process.

Speaking recently before a group of manufacturers, Mayor Riordan lambasted the city's regulatory process. "L.A.'s government has increasingly become the enemy of business," Riordan said. "It's like being in a communist country."

Riordan knows that Los Angeles cannot be rebuilt from the top down; rather, it must be rebuilt neighborhood by neighborhood, by people like Soo Chan Cha. If a neighborhood is free of excessive crime and has a decent economic climate, the energy of its citizens will do the rest.

See **RECOVERY** / Page 4

# L.A.'s recovery lies in giving power to people

RECOVERY / From Page 1

Therein lies a problem.

Too many neighborhoods in Los Angeles are not healthy, socially or economically. Crime and violence have driven out business, fueling unemployment and discontent. These neighborhoods need help. A lot of the city's politicians are looking to the federal government for spending programs to provide summer jobs and other short-term fixes.

But the long-term solution is not to dump in more government money; the key to recovery is allowing people in these neighborhoods to take back control of their own lives. To succeed as mayor of this ethnically diverse city, Riordan must make neighborhood empowerment a cornerstone of his vision for governing.

The first priority, as Riordan stressed in his campaign, must be reducing crime. But there is more to stopping lawlessness than putting more cops on the beat. Members of the community must take an active role in opposing those who would turn their neighborhoods into a shooting gallery for drug dealers.

Landlords can play an important role

to rent to individuals who, in the landlord's judgment, might not be a positive force in the neighborhood. This is because landlords, for economic reasons, desire essentially the same thing their neighbors do: conscientious tenants who will maintain their property and behave responsibly.

In recent years, government regulations, civil-rights laws, and court rulings aimed at preventing discrimination and shielding renters from abusive landlords have made it almost impossible for landlords to turn away dubious renters or to evict destructive tenants from their apartments. The unintended consequence? Many working-class neighborhoods have been ripped apart when the rental unit down the street became a crack house.

Giving homeowners control of their property can help reduce crime. The city of Portland, Ore., helps owners keep control of their neighborhoods by training landlords in the various legal methods by which they can screen out potentially destructive tenants. For example, even asking for a photograph with an application can discourage drug dealers. By requiring favorable recommendations from two previous owners and running a credit check, homeowners can eliminate the bad apples and

gangs. Turning control of city parks over to local citizens can change that. Riordan should take seriously a proposal made by City Councilman Joel Wachs during the campaign to decentralize government by establishing 100 neighborhood councils. These councils would have the power to make some community decisions now made in City Hall, thus putting neighborhoods in charge of their own destiny.

Local citizen councils could be empowered to control local public services and contract for upkeep and patrol of neighborhood parks, streets and sidewalks. Members of the community, not city bureaucrats, would decide which vacant lots should be fixed up using housing rehabilitation money.

But no neighborhood will stay safe for long in the absence of economic opportunity. To generate business expansion in low-income areas, Riordan must aggressively target for extinction regulatory barriers that thwart economic development in the inner city.

Riordan recently visited Indianapolis in order to learn the secret of that city's success. Indianapolis has created a deregulatory SWAT team dedicated to removing unnecessary barriers to inner-city entrepreneurs. Indianapolis' deregulators have embarked on a

analyses on all proposed regulations. Estimated savings to business and government: between \$20 million and \$50 million. Riordan already has a team working to improve the land-use permitting process.

To further promote economic opportunity, the mayor can follow the lead of cities like Louisville, Ky., and Milwaukee and provide city-owned property within depressed areas as shared business facilities for small, start-up businesses. Known as business incubators, they help bring jobs to distressed communities. One survey found that about 80 percent of firms helped by incubators are still thriving.

Valley voters put Richard Riordan over the top in his election. But four years hence he will largely be judged by the quality of life in the neighborhoods of the innercity, where currently the twin afflictions of poverty and crime fuel an accelerating downward spiral of despair. Giving neighborhoods control over their own destiny and encouraging local entrepreneurs will do more to heal our city than any short-term fix possibly could.

Winston Churchill once said, "Give us the tools and we will finish the job." All Riordan has to do is to give people the power to control their neighbor-