

Dear Mayor Garcetti,

The members of the Hollywood Hills West Neighborhood Council are deeply troubled by the revelations contained in a recent audit issued by the City Controller's Office. According the report, the City has failed to charge developers fees which could have created tens of millions of dollars in revenue. Also troubling is the Controller's discovery that over \$50 million in fees that have been collected are sitting in various accounts without being used.

The Controller's report makes a comparison with the cities of San Francisco and Portland, which together collected \$127 million in impact fees during the fiscal year 2013-2014. During the same period, Los Angeles collected less than \$5 million, even though the value of permitted construction was greater than San Francisco and Portland combined. We are disturbed to hear that the City of LA, which has been struggling for years to balance its budget, is receiving approximately 4% of what other West Coast cities receive from developers.

How our elected officials have failed to take advantage of this revenue stream is baffling to say the least. In a city where infrastructure is crumbling, affordable housing is disappearing, parks are barely maintained and public services are suffering from years of budget cuts, it is extremely frustrating to learn that our elected officials somehow neglected to impose fees that are commonly collected in cities all over the country. We could have had tens of millions of dollars (possibly hundreds of millions) in our coffers to deal with the problems listed above, but instead our elected officials promote new taxes and higher fines as a way of generating revenue.

Your recent announcement of a plan to collect linkage fees from developers may be a step in the right direction, though it will probably take at least a year to formulate and possibly much longer to attain the City Council's approval. In the meantime, we strongly urge you to follow Controller Galperin's recommendations that a comprehensive program be developed which will consistently collect impact fees on projects throughout the City, and that a single City department be designated to take responsibility for the collection and use of the funds.

We feel that you and the members of the City Council have neglected your duty to the citizens of Los Angeles. We hope you will take steps to correct this situation as quickly as possible, and that whatever mechanism is established to collect development fees will allow for transparency and accountability.

We deserve better from our elected officials.

Sincerely,

Anastasia Mann

President, HHWNC

On behalf of the 23 board members and thousands of stakeholders in the HHWNC.

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