



April 24, 2014

The Honorable Paul Krekorian
Chair, Budget and Finance Committee
City Hall, 200 North Spring Street
Los Angeles, California 90012

Re: Department of City Planning's Fiscal Year 2014-15 Budget

Dear Councilmember Krekorian:

This letter is submitted on behalf of the Central City Association of Los Angeles, the Los Angeles Area Chamber of Commerce, the Valley Industry & Commerce Association, the California Apartment Association, and the Building Industry Association. Our organizations represent a broad swath of the businesses that drive the Los Angeles economy. The business community knows firsthand how much economic activity is driven by development, and that is why it is so critical that the City's budgetary priorities also reflect a devotion to job creation and economic investment.

Development in the City grows more challenging by the day due to the constantly growing list of requirements the City places on business. Therefore, we urge you to make use of the City budget so that both the City and the private sector can thrive. Specifically, we ask that you provide Funding for the Environmental Policy Unit and ensure the Proper Use of The Planning Case Processing Fund.

Funding For The Environmental Policy Unit

The Department's proposal for a 2-person Unit supported by outside consultants is necessary to avoid perpetuating the City's stymied approach toward development. Further, establishing an Environmental Policy Unit to (1) update the City's out-of-date CEQA thresholds, (2) simplify the City's CEQA approach, (3) implement new state laws, and (4) strengthen the City's defensibility against new CEQA challenges is *essential* to protecting the City's development capacity and tax base for the following reasons:

- **State Law Mandates That The City Update Its CEQA Thresholds of Significance**
AB226, SB375, and SB743 call for the implementation of new environmental standards. The City must update its CEQA thresholds of significance to reflect the many changes in state law and better address local impacts.
- **City Could Lose Millions Of Dollars In Traffic Mitigations And Infrastructure**
Beginning January 2015, new metrics to measure traffic impacts will be required. Per SB 743, Level of Service as we now know it may no longer exist. Therefore, absent City implementation of new tools, uncertainty will prevail, and the City may not be able to request traffic-related mitigation measures from developers nor will it be able to request other mitigations such as street or sidewalk improvements in connection with discretionary projects.
- **City Is Vulnerable To CEQA Challenges**
As evidenced by the Hollywood Community Plan Update, the City is more vulnerable than ever to CEQA challenges. Updating and modernizing the City's environmental policy is necessary to address the City's weaknesses and ensure the City's defensibility. This applies not only to

environmental challenges associated with Community Plan updates but also to those associated with major and minor development projects.

- **Citywide Benefits Will Result**

Not only will private development projects benefit from these updates, but also the City's capital and infrastructure projects will benefit as well. Some of the projects that could benefit include: LAX modernization, capital enhancements at the Port of Los Angeles, and construction of affordable housing across the City. Even projects managed by the LADWP and other Departments will benefit, including recycled water projects and the Los Angeles Streetcar.

- **Job Creation And Economic Investment Will Result**

It is essential that the City slowly chip away the many layers of existing red tape and ensure that investment is encouraged – and environmental policy is key. With updates to the City's thresholds of significance and with better utilization of categorical exemptions for infill development, the City will immediately become a more attractive place to investors. This will bring billions of dollars in new investment to the City and will result in a growing tax base.

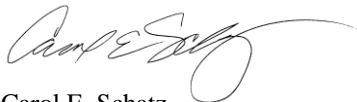
For these reasons, we believe funding the Environmental Policy Unit should be a top priority.

Proper Use Of The Planning Case Processing Fund

The Planning Case Processing Fund is a fund supported entirely by developers and other applicants doing business with the Department of City Planning. The fees are based on a comprehensive fee study that examined the Department's actual cost to process various types of applications. The study, which serves as factual basis, did not contemplate funding legal services provided by the City Attorney. Although City Attorney services are a necessary and valuable function in the development application process, it is inappropriate to allocate case processing funds to a Department that was not examined in the fee study. In fact, this allocation to the City Attorney will prevent the Department from addressing case backlogs since those funds could otherwise be spent on more case planners. Therefore, we ask that Planning Case Processing Fund be preserved for programs that alleviate case processing times and workload demands.

If you have any questions, please do not hesitate to contact Noel Fleming, Director of Legislative and Legal Affairs for the Central City Association of Los Angeles, at (213) 416-7513.

Regards,



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Central City Association of Los Angeles



Beverly Kenworthy
Executive Director
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Gary Toebben
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Tim Piasky
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Cc: Councilmember Gilbert Cedillo
Councilmember Bob Blumenfield, Budget and Finance Committee Member
Councilmember Tom LaBonge
Councilmember Paul Koretz, Budget and Finance Committee Member
Councilmember Nury Martinez
Councilmember Felipe Fuentes
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Mayor Eric Garcetti
Rick Cole, Office of the Mayor
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Kevin Keller, Office of the Mayor
Michael LoGrande, Department of City Planning