

Contact Information

Neighborhood Council: Downtown Los Angeles Neighborhood Council

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The Board approved this CIS by a vote of: Yea(9) Nay(3) Abstain(2) Ineligible(0) Recusal(0)

Date of NC Board Action: 08/08/2017

Type of NC Board Action: Against

Impact Information

Date: 08/25/2017

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 17-0274

Agenda Date:

Item Number:

Summary: The Downtown Los Angeles Neighborhood Council ("DLANC") shall approve a Community Impact Statement in opposition to Council File 17-0274, concerning Linkage Fees.

1. DLANC recognizes that housing must be subsidized. The question is how. Some propose to finance housing by imposing a Linkage Fee on future developments. DLANC believes that this is an ill-advised approach.
2. DLANC supports new development. The Linkage Fee creates a significant barrier on future development. It will slow down new construction which will disproportionately impacts Downtown.
3. Linkage Fees taxes new development only. That will slow down the building of new units which is counterproductive. A more proportionate taxation strategy should be pursued.
4. The Linkage fees will not have a substantial impact on subsidizing new housing. It will be only be a drop in the bucket. Far more revenue is needed to address the affordable and low-income housing shortage. Because of slowed construction, anticipated revenue from the fees may be less than projected.
5. Linkage Fees cannot provide a stable source of revenue because they are tied to new development which, in turn is based on favorable economic conditions that inevitably ebb and flow.
6. Developers may have to build lesser quality developments to cover the added costs incurred, as well as pass along the additional cost to future tenants, which in effect makes new housing more unaffordable.
7. Assessing linkage fees on top of TFAR will negatively impact and potentially dissuade larger scale development.
8. The better course is to create incentives that will encourage development of affordable and low-income housing. Taxing new development does just the opposite.
9. Paying a tax on land can yield much higher revenue. This will create a much more stable and equitable revenue stream.
10. Taxing new development is not the answer. A more thoughtful, impactful and equitable approach is needed.