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June 15, 2018

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County of Los Angeles
Kenneth Hahn Hall of Administration
500 West Temple St. Ste 383
Los Angeles, CA 90012

Re: Building Industry Association Letter on the Safe, Clean Water (SCW) Program Draft Program Elements Document -- Opposition

Dear Supervisor Kuehl,

The Los Angeles/Ventura Chapter of the Building Industry Association of Southern California, Inc. (BIA), is a non-profit trade association of nearly 1,200 companies employing over 100,000 people affiliated with building and development. On behalf of our membership, we are writing to respectfully convey our opposition to the most recent draft of the County's Safe, Clean Water (SCW) Program "Draft Program Elements" document. While we appreciate the robust stakeholder process undertaken by the County, unfortunately, this draft still falls short in addressing the BIA's earlier comments.

As previously mentioned, over the last several months, BIA has been actively engaged in countywide SCW Program stakeholder groups, and public outreach sessions. In May, we submitted a letter with our suggested comments and concerns related to the priority level of a parcel tax for safe & clean water, and three of the program elements contained in the document; the "Purpose of the Draft Program Elements Document" section, the "Regional Program Governance Structure and Selection Process," and the "Tax Calculation and Collection Provisions." What remains as the most concerning component to our BIA membership is the tax, rebate, and incentive

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programs. Additionally, we are concerned that there will not be enough time to update the draft with our suggestions before the final ordinance is presented to the Board of Supervisors. Despite communicating our specific suggestions, shared concerns, and examples of amenable policies, it doesn't appear that the most recent Draft Program Elements document has implemented those changes. Below are the outlying matters that we would like the County to address.

Tax Calculation and Collection Provisions

Just over a week ago, we obtained a document outlining the County's Draft Credit Program. According to the draft, "...a common owner whose aggregated impermeable area exceeds 50 acres may be eligible for the Credit Program." The language provided by the County is vague and we feel does not guarantee that a parcel owner will be 'deemed' eligible to receive this benefit despite the size of their parcel. Also lacking is an appeals process to dispute any incorrect parcel information, or compliance effort. The Credit Program only allows for up to "65% of a parcel tax to be credited for parcel owners that have constructed improvements..." This includes parcels designed to conform to current Municipal Low Impact Development (LID) and other stormwater compliance efforts. Currently, developers and builders face numerous stormwater capture regulations at the local, state and federal levels, including the Municipal Separate Storm Sewer System (MS4) permit process. In fulfilling these responsibilities, the building industry has been vigorously committed to stormwater capture and reuse, and the high standards of water quality maintenance that has been expected by the Regional Water Quality Control Board (RWQCB). The BIA had asked that existing efforts to mitigate stormwater runoff, capture and quality control be considered in the creation of the SCW Program. We appreciate the County's effort to put together a credit program to acknowledge the efforts being practiced by parcel owners, however it does not go far enough.

Parcel owners who have implemented stormwater compliance efforts should be receiving credit to the fullest extent of their implementation. This program would disincentivize parcel owners from going above and beyond the capped 65% credit structure, ultimately working against the mission of the proposition. Furthermore, the Credit Program is based upon water quality benefits, water supply benefits, and a community investment benefits calculation. This calculation is subjective and does not focus enough on the water quality component. Still lacking is the language for an incentive program and stormwater credit trading program. Since the language is still under development, we feel strongly that this should be prepared for review by the public and the Board of Supervisors before this proposition appears on the November ballot.

BIA is still concerned that the particular parcels that will be subject to the SCW Program tax will only be collected from impermeable surfaces such as pavement, concrete, or rooftops, which prevent the infiltration of stormwater and urban runoff into the ground. Many of the described impermeable



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surfaces may have built-in stormwater capture systems or treatment systems, or flow-through permeable surfaces that reduce the impacts of stormwater runoff. If the runoff from the impermeable surface is being properly treated and/or reduced effectively, the impermeable parcel tax should be calculated to account for this. Providing equity and consistency among regulations is the most appropriate way to determine the SCW Program's tax methodology.

Priority Level of Parcel Tax for Safe & Clean Water

As previously expressed, the BIA is supportive of parks, job training and greening of schools, but not at the expense of affordable and homeless housing. The fact that we are in the midst of an affordable housing crisis should be the issue that is most pertinent for the County to be addressing with a countywide proposition. The vast majority of the electorate would probably not say the same thing about a safe and clean water crisis. This, compounded with the fact that the County has already implemented a parcel tax to fund some of the elements outlined in the SCW Program proposal, is not something we can support at this time. Bringing attention to the need for attainable housing for all income levels should be the priority of the County.

Purpose of the Draft Program Elements Document

BIA is still troubled by the County suggesting the creation of two separate ordinances to establish the SCW Program. According to the SCW Program Draft Elements document, the first ordinance will be passed by the Los Angeles County Board of Supervisors as the proposition that will go to the voters. This first ordinance will establish the tax formula, expenditure plan, and any exemptions for the parcel tax. If voters pass the parcel tax, a second ordinance will be created to establish criteria and procedures to implement the Program. This second ordinance will not go to the voters, and could be refined over time based on the County's discretion.

Lastly, we would like to reiterate our concern that the the County is asking its residents to vote on a tax to fund unknown infrastructure projects, without understanding the final project eligibility components, total revenue needs, or the entirety of the project selection processes. As drafted, there is no time frame for how long the tax will be necessary for County stormwater investments. There is not a goal for specific project creation or educational outreach, and there is not any mention that there will be a sunset date for the SCW tax to either end or be extended. It seems unnecessary and inefficient to separate the ordinances and not pass them congruently. Ultimately, splitting the ordinances lacks transparency, and eliminates certainty for taxpayers. We suggest that these ordinances be passed simultaneously and with the aforementioned details better structured.

BIA requests that the County review our suggestions to better craft the Safe, Clean Water Program parcel tax before a final version is adopted. However, we do not feel that we can support the tax



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proposition at this time. Should you have any questions, please contact BIA-LAV Director of Government Affairs, Diana Coronado, at (213) 797-5965 or at dcoroando@bialav.org. Thank you for your consideration.

Sincerely,

Tim Piasky
Chief Executive Officer
BIA-Los Angeles/Ventura

CC: Mark Pestrella, Director of Los Angeles County Department of Public Works