



LOS ANGELES COUNTY
ECONOMIC DEVELOPMENT CORPORATION
Collaboratively Advancing Growth and Prosperity for All



LOS ANGELES AREA
CHAMBER OF COMMERCE

April 17, 2025

Los Angeles City Hall
200 N. Spring Street, Room 350
Los Angeles, CA 90012

Re: FY 25-26 Budget Priorities – Delivery of Core City Services & Revenue Generation

Dear Council President Harris-Dawson and Budget Chair Yaroslavsky:

The Central City Association (CCA), Los Angeles Area Chamber of Commerce (LA Chamber), Los Angeles Economic Development Corporation (LAEDC), Valley Industry & Commerce Association (VICA), and the Los Angeles Business Council (LABC) collectively represent hundreds of thousands of businesses and workers from all corners of Los Angeles’ economy. As you know, a key component of our respective work is focused on correcting structural and systemic inefficiencies that hamper the City’s ability to govern effectively. These constraints deeply impact regional economic development efforts and sustained private investment in our city.

We echo the sentiments of your joint letter dated March 18, 2025 to Chief Legislative Analyst Sharon Tso regarding Fiscal Year 25-26 Budget Priorities. We acknowledge the unenviable choices before you and recognize the challenges of balancing essential services, fiscal responsibility, and long-term planning. As you deliberate on the appropriate allocation of resources, we encourage you to adopt a strategic focus that fulfills the objectives below:

I. Preserve Investment in Revenue-Generating Departments

Certain city departments such as the Office of Finance, City Planning, Engineering and Transportation have the potential to generate significant income through its services, permits, and programming. In particular, it is critical that the Office of Finance remain adequately staffed to continue processing tax collections on a regular basis. *Maintaining investment in these departments will inevitably lead to long-term fiscal benefits.* We further request your consideration in filling long-vacant positions in the Planning and Building & Safety Departments to ensure that consistent permit processing takes place – particularly in fire-affected areas. Unfortunately, the converse is true in that divesting in these areas will only further escalate the City’s precarious financial situation. It is imperative that the work of city departments that touch upon economic development continue to function efficiently so that private investment can remain steady to help withstand these unprecedented times.

II. Delivery of Core City Services

While investing in revenue-generating departments is essential, it is equally important that the delivery of core city services continues uninterrupted. Residents can look to the County for areas of overlap in social services; however, only the City can provide public safety and public works. Thus, adequate levels of spending in departments such as Police, Fire, Street Services, and Sanitation are crucial for a baseline functional and safe community. The maintenance of roads, sewers, and public infrastructure are vital *regardless* of the economy and scaling back these functions will only lead to decay – running counter to your stated goals of improved long-term planning.

III. Leverage Existing City Assets

Many valuable municipal assets (vacant lots, unused buildings, aged infrastructure) sit idle and are not maximized/monetized effectively, serving as ongoing costs that drain limited budgets. Examples run the spectrum from the Los Angeles Convention Center to Heritage Square. Optimizing these assets can potentially create new (or higher) revenue streams – either permanently or temporarily – to boost fiscal resiliency. Tremendous value can be captured, or these assets repurposed, to achieve other city goals such as affordable housing or economic development projects.

With this focus, the City can strengthen its financial sustainability while also continuing to fund essential services and community programs. Now, more than ever, the City Council has the power to change the trajectory of Los Angeles’ financial condition. We urge you to use this moment to make strategic, long-term decisions that protect both the City’s financial health and the well-being of all those that live and work here.

We thank you for your leadership and consideration and welcome the opportunity to collaborate/support efforts to strengthen Los Angeles’ economic state and governance.

Sincerely,



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CCA



Maria Salinas
President & CEO
LA Chamber



Stephen Cheung
President & CEO
LAEDC



Stuart Waldman
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Mary Leslie
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