

VALLEY VILLAGE HOMEOWNERS ASSOCIATION

P.O. Box 4916, Valley Village, CA 91617 • (818) 506-5158

Serving the Valley Village Community located in the City of Los Angeles, bounded by Burbank Blvd., on the North, Ventura Fwy. on the South, Tujunga Wash on the West and the Hollywood Fwy. on the East.



February 12, 2018

Councilman Paul Krekorian
City Hall, Room 435
200 N. Spring Street
Los Angeles, CA 90012

Dear Councilman Krekorian,

Your support of the exclusive trash collection franchise system is a great disappointment to the members of Valley Village Homeowners Association.

Our board represents not only single-family residents, but also condo, co-op owners and renters – the very constituents who have been adversely impacted by the monopoly you and your colleagues so ill advisedly created.

The City Council and mayor's decision to promote this agreement is a classic case of a governing body that put special interests ahead of the residents. The city owes an apology to all those affected and needs to take swift action to undo the damage.

We know you heard an earful at the hearings held last week. While the Council expressed indignation at the waste haulers for price-gouging and unacceptable service, neither you nor the other members acknowledged any complicity as enablers. Making matters worse, **there was a viable alternative** recommended by CAO Miguel Santana that the City Council rejected, one offering a pool of environmentally compliant providers, allowing apartment owners and associations to choose haulers under competitive conditions.

The City Council completely ignored the benefits of competition. It is an indication that you are out of touch with the realities of what the property managers and HOA boards must deal with. Perhaps you are too insulated from the day-to-day challenges they face trying to control housing costs in a city where affordability has reached crisis proportions.

To make matters worse, the franchise fee of approximately \$35 million per year the city is collecting is flowing to the general fund, to be spent at the whim of the City Council. We were told by RecycLA at our last VVHA general meeting that it was for the administration of the franchise program. It really amounts to a virtual windfall to the city as the management of the solid waste program is already funded from the Citywide Recycling Fund, the revenue for which is provided under AB 939. Basically, then, this makes the franchise fee a backdoor tax. Even though it is paid by the haulers, common sense dictates it is baked into their pricing structures. So guess who is really absorbing it?

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At least Councilman Bonin had the good conscience to suggest that the franchise fees be used to reimburse complexes, which have suffered from the equivalent of extortion.

Another undesirable outcome of this deal is that the haulers get to keep the proceeds from the sale of recycled waste. According to a representative from Sanitation, such recoveries were factored into the rate structure, a very difficult assertion to believe in view of the outrageous amounts being charged.

There is no easy remedy, especially since you have locked us into 10-year commitment. Breaking or renegotiating contracts will be costly in and of itself, if even possible.

The Valley Village Homeowners Association would like to know what could be done to reverse the damage and reintroduce competition.

We await your response.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Paul S. Hatfield". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul S. Hatfield
President