

RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS, AND NEIGHBORHOODS COMMITTEE REPORT relative to a proposal to place a measure on the next General or City election ballot to raise new revenue needed to address homelessness.

Recommendations for Council action:

1. REQUEST the City Attorney, with the assistance of the Chief Legislative Analyst (CLA), the City Administrative Office (CAO) and the Chair of the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee, to prepare the necessary election ordinance and resolutions to place a ballot measure before the voters at the November 8, 2016 general election that would authorize General Obligation Bonds for Homelessness and Housing with the following elements:
 - a. Amount not to exceed \$1.1 billion dollars with a mix of taxable and non-taxable debt.
 - b. Eligible uses would include supportive housing, homeless facilities (e.g. storage, shelters, showers, etc.), affordable housing, accessible housing, veterans housing, and associated infrastructure, such as utilities, sidewalks, and streets, related to properties/projects, which may be carried out in partnership with public, private or non-profit parties, including, but not limited to:
 - i. Capital to construct or finance housing development and acquire real property.
 - ii. New acquisition, construction, renovation, or improvements.
 - iii. Housing (Income levels-options to live in housing)
 1. Extremely Low Income (0-30 percent of Area Median Income [AMI]).
 2. Very Low Income (31-50 percent of AMI).
 3. Low Income (51-80 percent of AMI).
 - c. Provide for a robust Public Oversight Committee of seven members with four appointments by the Mayor and three appointments by the Council.
 - d. Establish an Administrative Oversight Committee comprised of the Mayor, CAO, and CLA or designees.
 - e. Require an annual allocation plan to be submitted by the Public Oversight Committee to the Administrative Oversight Committee on April 1st of each year beginning in 2018 and adopted by the City Council and Mayor prior to the beginning of each Fiscal Year.
 - f. Bonds to be issued as needed, and expended, based on an allocation process that includes an annual allocation plan to determine funding priorities and awards, as well as an annual audit conducted by the Controller.

- g. Bonds to be administered by the CAO and programs to be administered by the Housing and Community Investment Department, or other department as designated by the Council and Mayor, with oversight by the Citizens Oversight Committee and the Administrative Oversight Committee.
 - h. Bond proceeds must not supplant existing sources dedicated to the development or finance of supportive or affordable housing, including facilities for the homeless such as storage, shelters, showers, etc.
- 2. REQUEST the City Attorney, with the assistance of the CLA, the CAO, and the Chair of the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee, to prepare an amendment to Recommendation No. 1 that would add an additional eligible use for a first-time homebuyer assistance program not to exceed ten percent of the total proceeds with an income range up to 100 percent of AMI.
- 3. REQUEST the City Attorney, with the assistance of the CLA, the CAO and the Chair of the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee, to prepare the necessary election ordinance and resolution to place a ballot measure before the voters at the November 8, 2016 general election that would authorize a parcel tax for homelessness services and housing.
 - a. \$80 million dollars annually based on a per parcel tax with a July 1, 2027 sunset clause.
 - b. Eligible uses would include all of the elements listed in the Comprehensive Homeless Strategy and amendments, as well as supportive housing, homeless facilities (e.g. storage, shelters, showers, etc.), affordable housing, accessible housing, veterans housing, and associated infrastructure, such as utilities, sidewalks, and streets, related to properties/projects, which may be carried out in partnership with public, private or non-profit parties, including, but not limited to:
 - i. Capital to construct or finance housing development and acquire real property;.
 - ii. New acquisition, construction, renovation, or improvements.
 - iii. Housing (Income levels-options to live in housing):
 - 1. Extremely Low Income (0-30 percent of AMI).
 - 2. Very Low Income (31-50 percent of AMI).
 - 3. Low Income (51-80 percent of AMI).
 - c. Provide for a robust Public Oversight Committee of seven members with four appointments by the Mayor and three appointments by the Council.
 - d. Establish an Administrative Oversight Committee comprised of the Mayor, CAO, and CLA or designees.

- e. Require an annual allocation plan to be submitted by the Public Oversight Committee to the Administrative Oversight Committee on April 1st of each year beginning in 2018 and adopted by the City Council and Mayor prior to the beginning of each Fiscal Year.
 - f. Tax proceeds would be expended based on an annual allocation plan to determine funding priorities and awards, as well as an annual audit conducted by the Controller.
 - g. Bonds paid by the parcel tax may be issued, as needed, based on an annual allocation plan to determine funding priorities and awards, as well as an annual audit conducted by the Controller.
 - h. Housing programs would be administered by the Los Angeles Housing and Community Investment Department, or other departments as designated by the Council and Mayor, with oversight by the Citizens Oversight Committee and the Administrative Oversight Committee.
 - i. Tax proceeds must not supplant existing sources dedicated to the development or finance of supportive or affordable housing, including homeless facilities such as storage, shelters, showers, etc.
4. REQUEST the City Attorney, with the assistance of the CLA and CAO, to draft specific language to ensure that funding is prioritized to address the needs of the chronically homeless by defining supportive housing to include assistance with mental health treatment, health care, drug and alcohol treatment, education, and job training.

Fiscal Impact Statement: Neither the CLA nor the CAO has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At a special meeting held on June 17, 2016, the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee considered several joint and individual reports from the CLA and CAO relative to ballot measures to provide funding to address homelessness, as initiated by Motion (Huizar - Harris-Dawson - Wesson, et al). The CLA/CAO report attached to the Council file provides further details.

The CAO and staff, and representatives of the CLA and City Attorney, addressed the Committee and provided an overview of the matter and responded to related questions. The CAO reported that the latest joint CAO/CLA report recommends that of the various options discussed for possible revenue sources to provide funding for homelessness, the General Obligation (G.O.) Bond, Parcel Tax, and Sales tax would be the most viable options for the November 8, 2016 election; and that if the Council wishes to consider the Billboard Tax, Marijuana tax, and Documentary Transfer tax, those items would be best held for the March 17, 2017 elections so that further information can be gathered. A representative of the CAO advised the Committee that the deadline is July 1, 2016 for any November 8, 2016 election ballot measures. The CLA

representative advised that in addition to ordinances for both the G.O. Bond and the Parcel Tax, a G.O. Bond would also require Resolutions of Necessity which would need to be adopted two days prior to July 1, 2016. The Chair stated that the Committee supports moving forward with the G.O. Bond and the Parcel Tax, but ultimately only one would be selected by the Council for inclusion on the ballot.

The Committee Chair then provided proposed recommendations for Committee consideration (attached to the Council file). The recommendations were made available to the public, and the representative of the CLA provided a detailed overview of the recommendations. The Committee Chair noted amendments to the recommendations that would change the G.O. Bond amount requested to \$1.1 billion, and Oversight Committee member selection would be revised to indicate four members to be appointed by the Mayor and three by the Council.

During discussion of the proposed recommendations, concern was expressed by both the Vice-Chair and the third member of the Committee that the proposed recommendations may be overly broad in the categories of housing to be provided by a G.O. Bond or Parcel Tax, i.e., inasmuch as homeless and chronically homeless fall within the category of Extremely Low Income 0-30 percent of Area Median Income (AMI), the proposed housing income-level options in the recommendations also included Very Low Income (31-50 percent of AMI) and Low Income (51-80 of AMI), which would appear to make the proposed G.O. Bond or Parcel Tax seem aimed more toward affordable housing rather than homelessness. Although affordable housing is needed, there is currently a greater need for permanent supportive housing for the homelessness. The CAO, City Attorney, and CLA representatives advised the Committee that having broad criteria gives the City greater flexibility in determining what type of housing ultimately gets built. After additional discussion, the Vice-Chair requested that the City Attorney report back with language that would prioritize funding for permanent supportive housing.

After consideration, and after providing an opportunity for public comment, the Committee approved the recommendations submitted by the Chair as amended. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS, AND NEIGHBORHOODS
COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
WESSON:	YES
HUIZAR:	YES
HARRIS-DAWSON:	YES

REW
6/17/16
FILE NO. 16-0047

-NOT OFFICIAL UNTIL COUNCIL ACTS-