

RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS, AND NEIGHBORHOODS COMMITTEE REPORT, RESOLUTION OF NECESSITY, BALLOT RESOLUTIONS and ELECTION ORDINANCES FIRST CONSIDERATION relative to submitting to the voters a proposed General Obligation Bond Proposition, and a proposed Parcel Tax Proposition; related to Homelessness and Housing and, calling Special Elections on the Propositions and consolidating them with the State General Election to be held on November 8, 2016.

Recommendations for Council Action:

1. ADOPT the accompanying RESOLUTION OF NECESSITY (**10 VOTES REQUIRED**), as amended below, declaring that the public interest or necessity demand the acquisition or improvement of real property, and the submission of a \$1,100,000,000 general obligation bond proposition to the qualified voters of the City of Los Angeles at Special Election to be consolidated with the State General Election to be held on November 8, 2016, to pay for such acquisition or improvement of real property; and, REQUEST the City Attorney to submit a revised Resolution of Necessity for Council consideration on Tuesday June 28, 2016 that includes:
  - a. Delete all references to One Billion One Hundred Million Dollars (\$1,100,000,000) and replace with One Billion Two Hundred Million Dollars (\$1,200,000,000).
  - b. Delete Page 1 Preamble (e), Page 2 Whereas Clause 7 (e), Page 2 Whereas Clause 9, Page 3 Whereas Clause 16(e), Page 4, Section 2(a)(5), Page 1-1 Exhibit 1(D), and any other references to the first-time, low to moderate income homebuyers' assistance program.
  - c. AMEND Exhibit 1(A) and Exhibit 1(C) to add the following language, and make any other necessary changes that provides that all programs and funds expended related to housing for individuals or families within the Low Income (51-80 percent Area Median Income [AMI]) category do not exceed 20 percent of the total bond proceeds:

"... provided, however, that not more than 20 percent of total general obligation bond proceeds shall be used to provide housing or housing units (whether supportive housing or affordable housing or veterans housing) to individuals and families who are not Extremely Low Income or Very Low Income."
  - d. PROVIDE a new draft of Exhibit 1 Additional Provisions (8) regarding the maintenance of effort clause with assistance from the City Administrative Officer (CAO) and the Chief Legislative Analyst (CLA).
2. ADOPT the accompanying BALLOT TITLE RESOLUTION, as amended below; and, REQUEST the City Attorney to submit a revised Ballot Title Resolution for Council consideration on Tuesday June 28, 2016 that includes:
  - a. DELETE all references to One Billion One Hundred Million Dollars (\$1,100,000,000) and replace with One Billion Two Hundred Million Dollars (\$1,200,000,000).

- b. AMEND Whereas Clause 3 and Replace the Ballot Title and Question therein with the following language:

**HOMELESSNESS REDUCTION AND PREVENTION, HOUSING, AND FACILITIES BOND. PROPOSITION \_\_.**

To provide safe, clean affordable housing for the homeless and for those in danger of becoming homeless, such as battered women and their children, veterans, seniors, foster youth, and the disabled; and provide facilities to increase access to mental health care, drug and alcohol treatment, and other services; shall the City of Los Angeles issue \$1,200,000,000 in general obligation bonds, with citizen oversight and annual financial audits?

3. ADOPT the accompanying RESOLUTION, as amended below, to request the Los Angeles County Board of Supervisors to authorize consolidation of the City of Los Angeles Special election with the State General Election to be held on November 8, 2016 for the purpose of submitting to the qualified votes of the City of Los Angeles, a general obligation bond proposition; and, REQUEST the City Attorney to submit a revised Resolution for Council consideration on Tuesday June 28, 2016 that includes:

- a. DELETE all references to One Billion One Hundred Million Dollars (\$1,100,000,000) and replace with One Billion Two Hundred Million Dollars (\$1,200,000,000).
- b. AMEND Section 1 and Replace the Ballot Title and Question therein with the following language:

**HOMELESSNESS REDUCTION AND PREVENTION, HOUSING, AND FACILITIES BOND. PROPOSITION \_\_.**

To provide safe, clean affordable housing for the homeless and for those in danger of becoming homeless, such as battered women and their children, veterans, seniors, foster youth, and the disabled; and provide facilities to increase access to mental health care, drug and alcohol treatment, and other services; shall the City of Los Angeles issue \$1,200,000,000 in general obligation bonds, with citizen oversight and annual financial audits?

4. PRESENT and ADOPT the accompanying ORDINANCE as amended below, SUBJECT TO THE APPROVAL OF THE MAYOR, calling a Special Election to be held on Tuesday, November 8, 2016, for the purpose of submitting to the qualified voters of the City of Los Angeles, a proposition to incur general obligation bonded indebtedness by the City for the acquisition or improvement of real property, and consolidating this Special Election with the State General Election to be held on the same date; and, REQUEST the City Attorney to submit a revised Draft Ordinance for Council consideration on Tuesday, June 28, 2016 that includes:

- a. DELETE all references to One Billion One Hundred Million Dollars (\$1,100,000,000) and replace with One Billion Two Hundred Million Dollars (\$1,200,000,000).
- b. DELETE Page 1, Section 2(e) and any other references to the first-time, low to moderate income homebuyers' assistance program.

- c. AMEND Section 4 and Replace the Ballot Title and Question therein with the following language:

HOMELESSNESS REDUCTION AND PREVENTION, HOUSING, AND FACILITIES BOND. PROPOSITION \_\_.

To provide safe, clean affordable housing for the homeless and for those in danger of becoming homeless, such as battered women and their children, veterans, seniors, foster youth, and the disabled; and provide facilities to increase access to mental health care, drug and alcohol treatment, and other services; shall the City of Los Angeles issue \$1,200,000,000 in general obligation bonds, with citizen oversight and annual financial audits?

5. ADOPT the accompanying RESOLUTION, as amended below, to amend Chapter II of the Los Angeles Municipal Code by adding new Article 1.18 to provide funding for housing and homeless services within the City of Los Angeles through the imposition of a special parcel tax on real property parcels within the City of Los Angeles; and, REQUEST the City Attorney to submit all revised documents for Council consideration on Tuesday June 28, 2016 that includes:

- a. DELETE Section 21.18.5 and replace with:

SEC. 21.18.5. TAX RATE.

The Special Tax to be imposed on each parcel shall be \$0.0381 per square footage of improvements.

- b. AMEND Section 21.18.1(g) and replace "homeless housing" with "supportive housing" and include in the definition of supportive housing those services associated with supportive housing (similar to the General Obligation Bond), and REPLACE where necessary.
  - c. ADD new definitions for "extremely low income" and "very low income".
  - d. PROVIDE a new draft of Section 21.18.7 Maintenance of Effort with assistance from the CAO and the CLA.
6. ADOPT the accompanying BALLOT TITLE RESOLUTION, as amended below; and, REQUEST the City Attorney to submit a revised Ballot Title Resolution for Council consideration on Tuesday June 28, 2016 that includes:

- a. AMEND Whereas Clause 3 and Replace the Ballot Title and Question therein with the following language:

HOMELESSNESS REDUCTION AND PREVENTION AND HOUSING PARCEL TAX. PROPOSITION \_\_.

To provide housing for the homeless and for those in danger of becoming homeless, such as battered women and their children, veterans, seniors and the disabled; increase access to supportive services for homeless; shall the City of Los Angeles collect a parcel tax of \$0.0381 per square footage of improvements, totaling

approximately ninety million dollars annually, with citizen oversight, annual audits, and a July 1, 2027 sunset clause?

7. ADOPT the accompanying RESOLUTION, as amended below, to request the Los Angeles County Board of Supervisors to authorize consolidation of the City of Los Angeles Special election with the State General Election to be held on November 8, 2016 for the purpose of submitting to the qualified voters of the City of Los Angeles, a homeless funding proposition; and, REQUEST the City Attorney to submit a revised Resolution for Council consideration on Tuesday, June 28, 2016 that includes:

- a. Amend Section 1 and Replace the ballot title and question therein with the following language:

HOMELESSNESS REDUCTION AND PREVENTION AND HOUSING PARCEL TAX. PROPOSITION \_\_.

To provide housing for the homeless and for those in danger of becoming homeless, such as battered women and their children, veterans, seniors and the disabled; increase access to supportive services for homeless; shall the City of Los Angeles collect a parcel tax of \$0.0381 per square footage of improvements, totaling approximately ninety million dollars annually, with citizen oversight, annual audits, and a July 1, 2027 sunset clause?

8. PRESENT and ADOPT the accompanying ORDINANCE as amended below, SUBJECT TO THE APPROVAL OF THE MAYOR, calling a Special Election to be held on Tuesday, November 8, 2016, for the purpose of submitting to the qualified voters of the City of Los Angeles, a special parcel tax, and consolidating this Special Election with the State General Election to be held on the same date; and, REQUEST the City Attorney to submit a revised Draft Ordinance for Council consideration on Tuesday, June 28, 2016 that includes:

- a. Amend Section 2 and Replace the ballot title and question therein with the following language:

HOMELESSNESS REDUCTION AND PREVENTION AND HOUSING PARCEL TAX. PROPOSITION \_\_.

To provide housing for the homeless and for those in danger of becoming homeless, such as battered women and their children, veterans, seniors and the disabled; increase access to supportive services for homeless; shall the City of Los Angeles collect a parcel tax of \$0.0381 per square footage of improvements, totaling approximately ninety million dollars annually, with citizen oversight, annual audits, and a July 1, 2027 sunset clause?

9. INSTRUCT the CAO, the CLA, and the Los Angeles Housing and Community Investment Department (HCIDLA), with the assistance of the City Attorney, upon adoption of the General Obligation Bond Measure by the voters, to report on the proposed housing program(s) including:

- a. The financing program(s) that will be implemented based on the City (Bond) Counsel's determination. This should provide for the most effective use, while reducing the City's liability'

- b. Outline how these funds will be prioritized for supportive housing units while maximizing other available public resources.
  - c. Provide a plan that outlines the sources and best use for all funding available for affordable housing, based on the General Obligation Bond proceeds being prioritized for supportive housing units.
10. INSTRUCT the CAO, the CLA, and HCIDLA, upon adoption of the General Obligation Bond Measure by the voters, to report to Council with a draft policy prioritizing all other sources of funding for affordable housing for non-supportive housing units, including allowing any new flexible sources to provide for rental and homeownership assistance for households earning above 80 percent of AMI. Once this recommendation has been approved by the Mayor and Council, the CAO and CLA, with HCIDLA's assistance, report annually on HCIDLA's progress, including all affordable units financed, by source, based on the approved plan.
11. AUTHORIZE the City Attorney, with the assistance of the CLA, CAO, and the Chair of Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee, to make any technical modifications and/or legal corrections to the draft election ordinances, draft resolutions, draft ordinance requests, and any other related actions listed above in order to further the objectives as described in these recommendations.

Fiscal Impact Statement: None submitted by the City Attorney. Neither the CAO nor the CLA has completed a financial analysis of this report.

Debt Impact Statement: The CAO reports that the issuance of the proposed \$1.2 billion in General Obligation Bonds for Homelessness and Housing Projects will result in average annual debt service payments of approximately \$67.3 million for 28 years, assuming an average interest rate of 4.6 percent. The issuance of these bonds will not cause the City's debt service payments to exceed 15 percent of General Fund revenues as established in the City's Debt Policy. There is no fiscal impact on the General Fund as a result of the proposed bond measure because the bonds will be repaid from ad valorem property taxes levied upon taxable properties within the City in an amount sufficient to pay the debt service.

The operations and maintenance costs associated with the projects to be financed by general obligation bonds may have an impact on the General Fund as these costs cannot be financed by general obligation bonds. likewise, the costs associated with any services to be provided from the projects to be financed by general obligation bonds may have an impact on the General Fund to the extent the City provides or is otherwise responsible to pay for such services as costs for services cannot be financed by general obligation bonds.

Community Impact Statement: Yes (under Council file No. 16-0047)

Greater Valley Glen Neighborhood Council

**TIME LIMIT FILE - JUNE 29, 2016**

**(LAST DAY FOR COUNCIL ACTION - JUNE 29, 2016)**

**(10 VOTES REQUIRED)**

SUMMARY

At a special meeting held on June 27, 2016, the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee considered communications from the City Attorney, Resolution of Necessity, Resolutions, and Ordinances relative to submitting to the voters a proposed General Obligation Bond Proposition, and a proposed Parcel Tax Proposition, related to homelessness and housing; and, calling Special Elections on the Propositions and consolidating them with the State General Election to be held on November 8, 2016.

Representatives of the CLA and CAO addressed the Committee and provided a brief overview of the matter. Also addressing the Committee were two members of the Council's Homeless and Poverty Committee who expressed their appreciation to the Rules Committee Chair and members for leadership on this issue. The Rules Committee Chair then provided proposed recommendations relative to the proposed General Obligation Bond and Parcel Tax Propositions for consideration (the recommendations, attached to the Council file, were also made available to the public during the meeting). The representative of the CLA provided a detailed overview of the recommendations and responded to related questions from the Committee.

During discussion, the Committee Chair noted the timeframe for proposed Council approval of the matter: the required Resolution of Necessity for the General Obligation Bond Proposition will be considered by Council on June 28, 2016 and must be adopted by Council prior to Council action to approve the accompanying General Obligation Bond Resolutions and Ordinances. Those items will be considered on June 29, 2016, provided that the Resolution of Necessity is adopted with the necessary vote (10 votes required). The CLA and CAO representatives confirmed this and advised the Committee that final Council action on the matter must be complete by July 1, 2016. However, if any of the Ordinances need to come back for a second reading, that is able to occur after July 1, 2016.

The Committee discussed the breakdown of funding from the proposed bond and the proposed parcel tax, with 80 percent of the funding to be allocated toward housing those with income levels at 0 to 50 percent AMI and 20 percent of the funding toward those at 51 to 80 AMI. The question was raised as to whether the 0 to 50 percent AMI range encompasses those who are homeless. The CLA and CAO representatives noted that in some cases, even the most needy of homeless may sometimes have sources of income, such as federal Supplemental Security Income (SSI), that can sometimes place them at 15 percent AMI, or even higher. Therefore, the 0 to 50 percent AMI range gives the City flexibility in providing for the greatest number of homeless that require housing.

After providing an opportunity for public comment, the Committee recommended that Council adopt the City Attorney Reports, Resolution of Necessity, Resolutions, and Draft Ordinances as amended and requested the City Attorney to submit revised Resolutions and Ordinances for Council consideration on Tuesday, June 28, 2016 that includes the changes detailed in the recommendations above. This matter is now forwarded to 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  
6/27/16  
FILE NO. 16-1800-S2

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**