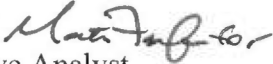


# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: May 10, 2018

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso  Chief Legislative Analyst Council File No.: 18-0002-S33  
Assignment No.: 18-03-0269

SUBJECT: Resolution (Harris-Dawson – Cedillo) to SUPPORT Senate Bill 912 (Beall and Skinner).

CLA RECOMMENDATION: Adopt Resolution (Harris-Dawson – Cedillo) to include in the City's 2017-18 State Legislative Program SUPPORT for SB 912 which would allocate \$2 billion in one-time general fund revenues for cities, counties, and non-profits to immediately house and help the homeless, as well as hard working low-income families most at risk of homelessness.

## SUMMARY

The Resolution (Harris-Dawson – Cedillo), introduced March 20, 2018, states that 21 of the 30 most expensive rental housing markets in the country are located in California which results in a disproportionate impact on the middle class and working poor. California Department of Housing and Community Development states that there is a 3.5 million unit shortage in housing for the lowest income households. There has been an increase in homelessness across California and especially Los Angeles, and low-income families are spending a large part of their income on rent. The Resolution states that in the past few years, the State Legislature has taken steps to address the homelessness and housing crisis by passing the No Place Like Home Initiative and the 2017 Housing Package, but there is still need for additional funding.

State Senators Jim Beall and Nancy Skinner introduced Senate Bill 912 which would allocate \$2 billion in one-time funding for cities, counties, and non-profits to house and assist the homeless.

The Resolution recommends that the City support SB 912.

## BACKGROUND

There have been recent budget cuts in affordable housing funds at the state and federal level in recent years slowing the production of affordable housing. The federal government has reduced funding through the following: Community Development Block Grant and HOME Investment Partnerships Program; federal tax cuts have reduced the value of federal tax credits; and the State eliminated redevelopment. Taken together these actions have reduced the ability of cities to fund affordable housing.

Existing law establishes the Department of Housing and Community Development in the Business, Consumer Services, and Housing Agency and makes the department responsible for

administering various housing programs throughout the state. SB 912 would require \$2 billion from the General Fund to be allocated to the Department of Housing and Community Development. The Bill requires that \$1 billion, of the \$2 billion, be transferred to the Housing Rehabilitation Loan Fund which would assist in new construction, rehabilitation, and preservation of permanent and transitional housing for people with incomes up to 60% of the area median income.

The remaining \$1 billion would be allocated to address homelessness, especially among vulnerable populations. It would be used to provide grants to cities and counties for specific programs. The grants would be administered through the Housing for a Healthy California Program, California Emergency Solutions Grants Program for homeless youths, and for housing and services for survivors of domestic violence.


SB 912 could provide the City with additional funding to create, rehabilitate, and preserve affordable housing as well as housing and services. The City regularly supports legislation that expands funding for affordable housing. It is in the City's interest to support SB 912.

DEPARTMENTS NOTIFIED

Housing and Community Investment Department

BILL STATUS

01/18/18	Introduced. Read first time. To Com. on RLS. for assignment. To print.
01/19/18	From printer. May be acted upon on or after February 18.
02/01/18	Referred to Com. on RLS.
02/20/18	From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.
03/21/18	Re-referred to Com. on T. & H.
04/11/18	Set for hearing April 24.
04/12/18	From committee with author's amendments. Read second time and amended. Re-referred to Com. on T. & H.
04/25/18	From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 0.) (April 24). Re-referred to Com. on APPR.
04/27/18	Set for hearing May 7.

  
Pranita Amatya  
Analyst

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence or the Mayor; and

WHEREAS, 21 of the 30 most expensive rental housing markets in the country are located in California, resulting in a disproportionate impact on the middle class and the working poor; and

WHEREAS, according to California Department of Housing and Community Development, California has a 3.5 million unit shortage in housing for the lowest income households; and

WHEREAS, there has been an increase in homelessness across California and especially Los Angeles and low-income families are spending a large part of their income on rent; and

WHEREAS, in the past few years, the State Legislature has taken steps to address the homelessness and housing crisis by passing the No Place Like Home Initiative and the 2017 Housing Package, but there is still a need for additional funding; and

WHEREAS, currently pending before the Senate is a bill, SB 912 (Beall and Skinner) which seeks to off-set actions taken at the federal level, and fill existing state funding gaps at the state level by allocating \$2 billion in one-time general fund revenues for cities, counties, and non-profits to immediately house and help the homeless, as well as low-income families most at risk of homelessness; and

WHEREAS, because the legislation would allocate funding for creating, rehabilitating, and preserving affordable housing for low-income families as well as funding for housing solutions for the homeless, it is in the City's interest to support SB 912;

NOW, THEREFORE, BE IT RESOLVED, with concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles hereby includes in its 2017-18 State Legislative Program SUPPORT for SB 912 that would allocate \$2 billion in one-time general fund revenues for cities, counties, and non-profits to immediately house and help the homeless, as well as hard working low-income families most at risk of homelessness.

Presented By: \_\_\_\_\_  
MARQUEECE HARRIS-DAWSON  
Councilmember, 8<sup>th</sup> District

MAR 20 2018

Seconded By: \_\_\_\_\_