RESOLUTION

Resolution providing a proposal for the issuance of general obligation bonds to be submitted for approval by a two-thirds vote of the qualified voters of the City of Los Angeles to finance the acquisition or improvement of real property to provide: (a) supportive housing for extremely low income, very low income or low income individuals and families who are homeless, chronically homeless or at risk of homelessness, which includes facilities from which assistance and services, such as mental health treatment, health care, drug and alcohol treatment, education and job training, may be provided; (b) temporary shelter facilities, storage facilities, shower facilities and other facilities to be used to provide supportive services or goods to, or otherwise benefit, those who are homeless, chronically homeless or at risk of homelessness; (c) affordable housing, including veterans housing, for extremely low income, very low income and/or low income individuals and families; (d) associated infrastructure and landscaping, including utilities, sidewalks and streets to be used in connection with the aforementioned housing units and other facilities; and (e) financial assistance loans to first-time, low to moderate income homebuyers in accordance with the City’s Low Income Purchase Assistance Program; any of which may be operated, managed, owned or used by the City, other public entities, nonprofit entities or private entities, as permitted by law.

WHEREAS, on January 7, 2016, the City Administrative Officer and Chief Legislative Analyst, with the assistance of various City of Los Angeles and County of Los Angeles representatives issued a Comprehensive Homeless Strategy Report (such report as amended is referred to herein as the Report, CF# 15-1138-S1) pursuant to the request of the Mayor and the Council of the City of Los Angeles;

WHEREAS, the Report provided more than 60 policy and funding recommendations in dealing with homelessness;

WHEREAS, in the Report, the Los Angeles Homeless Services Authority has identified approximately 26,000 homeless persons within the City of Los Angeles;

WHEREAS, the present homeless population within the City of Los Angeles which affects all segments of society, including all ethnicities and ages, and affects areas throughout the City of Los Angeles, has created a public health and safety crisis;

WHEREAS, the homeless crisis has been exacerbated by the underbuilding of housing in the City of Los Angeles, which has created a shortage of housing for homeless persons;

WHEREAS, low-income individuals and households face a greater risk and danger of homelessness because of the shortage of housing and affordable housing in the City of Los Angeles and resulting high rents;
WHEREAS, the City Council has determined that, to address this crisis, the public interest or necessity demands the acquisition or improvement of real property to provide: (a) supportive housing for extremely low income, very low income or low income individuals and families who are homeless, chronically homeless or at risk of homelessness, which includes facilities from which assistance and services, such as mental health treatment, health care, drug and alcohol treatment, education and job training, may be provided; (b) temporary shelter facilities, storage facilities, shower facilities and other facilities to be used to provide supportive services or goods to, or otherwise benefit, those who are homeless, chronically homeless or at risk of homelessness; (c) affordable housing, including veterans housing, for extremely low income, very low income and/or low income individuals and families; (d) associated infrastructure and landscaping, including utilities, sidewalks and streets to be used in connection with the aforementioned housing units and other facilities; and (e) financial assistance loans to first-time, low to moderate income homebuyers in accordance with the City's Low Income Purchase Assistance Program; any of which may be operated, managed, owned or used by the City, other public entities, nonprofit entities or private entities, as permitted by law;

WHEREAS, the City Council finds that financing supportive housing, veterans housing, affordable housing and other facilities to provide supportive services or goods to those who are homeless, chronically homeless or at risk of homelessness, which may be owned by the City, other public entities, nonprofit entities or private entities, serves a public purpose;

WHEREAS, the City Council finds that providing financial assistance loans to first-time, low to moderate income homebuyers, in accordance with the City's Low Income Purchase Assistance Program, serves a public purpose;

WHEREAS, the City Council, for the fiscal year 2016-17 budget, included over One Hundred Million Dollars to address the homeless crisis;

WHEREAS, the Report has estimated that the projected cost estimate for the City of Los Angeles to create and maintain programs and facilities to address the public health and safety crisis created by homelessness in the City of Los Angeles, will require approximately Two Billion Dollars of funding over ten years;

WHEREAS, given limited resources and other priority endeavors in the City to ensure public safety, infrastructure improvements and a growing economy, it is clear that additional funding for housing is also needed to complement any City plan to address the homeless crisis in the urgent, comprehensive and persistent manner it deserves;

WHEREAS, the City Council finds that the issuance of general obligation bonds is the most cost effective way to raise funds necessary to pay for the acquisition or improvement of real property described above, and to stabilize the funding needs for
such acquisition or improvement of real property, and to mitigate any financial pressures on the General Fund;

WHEREAS, in order to issue general obligation bonds for this purpose, it is necessary to prepare an ordinance ordering the submission of a proposition to incur general obligation bonded indebtedness to the qualified voters of the City of Los Angeles;

WHEREAS, the Charter of the City of Los Angeles Section 325 requires the preparation of a debt impact statement prior to the placing of any debt authorization on the ballot, and the City Administrative Officer has presented a debt impact statement to the City Council; and

WHEREAS, the City Council hereby proposes to submit to the qualified voters of the City of Los Angeles at a Special Election to be called and consolidated with the State General Election to be held on November 8, 2016, a proposition designated as Proposition ___, and as further described in Exhibit 1 attached to this Resolution, to incur general obligation bonded indebtedness to finance the acquisition or improvement of real property to provide: (a) supportive housing for extremely low income, very low income or low income individuals and families who are homeless, chronically homeless or at risk of homelessness, which includes facilities from which assistance and services, such as mental health treatment, health care, drug and alcohol treatment, education and job training, may be provided; (b) temporary shelter facilities, storage facilities, shower facilities and other facilities to be used to provide supportive services or goods to, or otherwise benefit, those who are homeless, chronically homeless or at risk of homelessness; (c) affordable housing, including veterans housing, for extremely low income, very low income and/or low income individuals and families; (d) associated infrastructure and landscaping, including utilities, sidewalks and streets to be used in connection with the aforementioned housing units and other facilities; and (e) financial assistance loans to first-time, low to moderate income homebuyers in accordance with the City’s Low Income Purchase Assistance Program; any of which may be operated, managed, owned or used by the City, other public entities, nonprofit entities or private entities, as permitted by law, and the City Council hereby sets forth its determination of public interest and necessity with respect thereto and the public purposes served thereby;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LOS ANGELES AS FOLLOWS:

Section 1. That the recitals herein are true and correct.

Sec. 2. That the public interest or necessity demand: (a) the acquisition or improvement of real property to provide: (1) supportive housing for extremely low income, very low income or low income individuals and families who are homeless, chronically homeless or at risk of homelessness, which includes facilities from which assistance and services, such as mental health treatment, health care, drug and alcohol
treatment, education and job training, may be provided; (2) temporary shelter facilities, storage facilities, shower facilities and other facilities to be used to provide supportive services or goods to, or otherwise benefit, those who are homeless, chronically homeless or at risk of homelessness; (3) affordable housing, including veterans housing, for extremely low income, very low income and/or low income individuals and families; (4) associated infrastructure and landscaping, including utilities, sidewalks and streets to be used in connection with the aforementioned housing units and other facilities; and (5) financial assistance loans to first-time, low to moderate income homebuyers in accordance with the City's Low Income Purchase Assistance Program; any of which may be operated, managed, owned or used by the City, other public entities, nonprofit entities or private entities, as permitted by law, all as further described in Exhibit 1 attached to this Resolution, and (b) the ordering of the preparation of an ordinance to submit a proposition to incur general obligation bonded indebtedness of an aggregate principal amount up to One Billion One Hundred Million Dollars ($1,100,000,000) to pay for such acquisition or improvement of real property to the qualified voters of the City at a Special Election to be called and consolidated with the State General Election to be held on November 8, 2016.

Sec. 3. That the acquisition or improvement of real property described above and in Exhibit 1 attached to this Resolution are necessary or convenient to carry out the objects, purposes and powers of the City.

Sec. 4. That the cost of the acquisition or improvement of real property described above and in Exhibit 1 attached to this Resolution is approximately One Billion One Hundred Million Dollars ($1,100,000,000), that the costs are too great to be paid out of the ordinary annual income and revenue of the City and require an expenditure greater than the amount allowed for acquisition or improvement of real property by the annual tax levy, and the maximum aggregate principal amount of the general obligation bonded indebtedness proposed to be incurred to pay for such acquisition or improvement of real property is One Billion One Hundred Million Dollars ($1,100,000,000).

Sec. 5. The City Clerk is hereby directed to present to the City Council the necessary resolutions and ordinance ordering the submission of the proposition to incur general obligation bonded indebtedness in the maximum aggregate principal amount and for the purposes set forth above and as described in Exhibit 1 attached to this Resolution to the qualified voters of the City at a Special Election to be called and consolidated with the State General Election to be held on November 8, 2016.

Sec. 6. The City Clerk is hereby authorized and directed to publish a notice containing the proposed general obligation bond proposition, specifying the date of November 8, 2016, as the date the proposition is to be voted upon by the qualified voters of the City of Los Angeles. The notice shall be published once in a newspaper of general circulation in the City of Los Angeles, and in each edition thereof during that day of publication. The City Clerk is authorized and directed to prepare and keep in the City Clerk's office a sufficient supply of copies of the proposed general obligation bond
proposition and to distribute the proposed general obligation bond proposition to any and all persons requesting a copy. Further, the City Clerk is authorized and directed to mail copies of the proposed general obligation bond proposition to each of the qualified voters of the City of Los Angeles.

Sec. 7. The City Clerk is hereby authorized and directed to cause a notice to be published once in a newspaper of general circulation that copies of voter information pamphlets containing the proposed general obligation bond proposition may be obtained upon request in the City Clerk's office.

Sec. 8. The City Clerk shall certify to the adoption and passage of this Resolution by a vote of two-thirds of all the members of the City Council, and is directed to file a duly certified copy of this Resolution forthwith with the Board of Supervisors and with the Registrar-Recorder of the County of Los Angeles.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles, by a vote of not less than two-thirds of all of its members, at its meeting held on _________________________.

HOLLY L. WOLCOTT, City Clerk

By ___________________________ Deputy

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By ___________________________ Chief Assistant City Attorney

Date ____________

C.F. No. ________________________

m\econ dev_pub financia\public finance\gerald kim\resolutions\reso of necessity (bp housing go bonds 2016).doc
Exhibit 1

HOMELESSNESS REDUCTION AND HOUSING
GENERAL OBLIGATION BOND PROGRAM

Proceeds of the general obligation bonds, to be issued in one or more series on a tax-exempt or taxable basis as determined to be necessary or appropriate, in an aggregate principal amount up to One Billion One Hundred Million Dollars ($1,100,000,000), shall be used only for the purposes of acquisition or improvement of real property to provide:

(A) Supportive housing or supportive housing units for individuals and families who are homeless, chronically homeless or at risk of homelessness and (1) "extremely low income," as established and revised from time to time by the U.S. Department of Housing and Urban Development (HUD) for the County of Los Angeles (which currently includes income up to 30% of Area Median Income (AMI)) (referred to herein as Extremely Low Income), (2) "very low income," as established and revised from time to time by HUD for the County of Los Angeles (which currently includes income up to 50% of AMI) (referred to herein as Very Low Income), or (3) "low income," as established and revised from time to time by HUD for the County of Los Angeles (which currently includes income up to 80% of AMI) (referred to herein as Low Income), which housing includes facilities from which assistance and services, such as mental health treatment, health care, drug and alcohol treatment, education and job training, may be provided by the City, other public entities, nonprofit entities and/or private entities;

(B) Temporary shelter facilities, storage facilities, shower facilities and other facilities to be used by the City, other public entities, nonprofit entities and/or private entities to provide supportive services or goods to, or otherwise benefit, those who are homeless, chronically homeless or at risk of homelessness;

(C) Affordable housing or affordable housing units, including veterans housing, for Extremely Low Income, Very Low Income and/or Low Income individuals and their families;

(D) Financial assistance loans to first-time homebuyers, whose income do not exceed 100% of AMI, purchasing a home in the City of Los Angeles in accordance with the Low Income Purchase Assistance Program, as modified from time to time, administered by the Los Angeles Housing and Community Investment Department; provided, however, that not more
than 10% of total general obligation bond proceeds shall be used for such purposes; and/or

(E) Associated infrastructure and landscaping, including utilities, sidewalks and streets to be used in connection with the housing units and other facilities described in clauses (A) through (C) above.

The housing units and other facilities described above may be operated, managed, owned or used by the City, other public entities, nonprofit entities or private entities, as permitted by law.

All housing developments and facilities described above shall comply with applicable City, State and Federal accessibility laws and agreements, including Section 504 of The Rehabilitation Act of 1973 and the Americans with Disabilities Act.

Proceeds of the general obligation bonds would also be used to pay for costs directly connected to the acquisition or improvement of real property described above, as well as costs incidental to issuing the general obligation bonds.

Proceeds of the general obligation bonds will not be used to finance any services or operations.

Additional Provisions:

(1) A seven-member Citizens Oversight Committee shall be established prior to the issuance of any bonds, and shall be comprised of four members appointed by the Mayor and three members appointed by the City Council. Except as otherwise provided herein, the members' terms and qualifications, and any other duties and scope of the Citizens Oversight Committee, shall be established by ordinance.

(2) A three-member Administrative Oversight Committee shall be established prior to the issuance of any bonds, and shall be comprised of the Mayor, the City Administrative Officer and the Chief Legislative Analyst, or their respective designees. Except as otherwise provided herein, any other duties and scope of the Administrative Oversight Committee shall be established by ordinance.

(3) On or before April 1 of each year beginning on April 1, 2018, the Citizens Oversight Committee shall prepare or cause to be prepared, and submit, an annual allocation plan for the upcoming fiscal year (beginning on the immediately following July 1) to the Administrative Oversight Committee for review and approval, which annual allocation plan shall then be submitted by the Administrative Oversight Committee to the City Council for review and approval. The annual allocation plan shall be adopted and
approved by the City Council and the Mayor prior to the beginning of such upcoming fiscal year.

(4) The annual allocation plan shall prioritize funding for supportive housing or supportive housing units that provide for the expansion and improved access for those who are homeless, chronically homeless or at risk of homelessness to assistance and services, such as mental health treatment, health care, drug and alcohol treatment, education and job training.

(5) A financial audit shall be conducted for each fiscal year bonds are outstanding or any bond proceeds remain unspent by the City Controller and shall be made available to the public.

(6) Bonds shall be issued from time to time, and expended, based on an allocation process that includes the then current annual allocation plan to determine funding priorities and awards, as well as the most recent annual financial audit conducted by the City Controller.

(7) Bonds shall be issued and administered by the City Administrative Officer, and bond financed projects under the Program shall be administered by the Los Angeles Housing and Community Investment Department or such other department or entity as designated by the City Council and Mayor, each with oversight by the Citizens Oversight Committee and the Administrative Oversight Committee. The City Administrative Officer shall annually report on the status of the Program, funds collected and expended and projects approved for funding.

(8) Bond proceeds shall not be used to supplant existing funding sources dedicated to the development or financing of affordable housing, supportive housing, temporary shelter facilities, storage facilities, shower facilities and other facilities used to provide supportive services to those who are homeless, chronically homeless or at risk of homelessness.

(9) All bond proceeds shall be deposited into a special fund and shall only be used for the purposes of the Program as described herein.

(10) If any section, clause, sentence, phrase, or portion of this proposition is held unconstitutional or invalid by any court or tribunal of competent jurisdiction, the remaining sections, clauses, sentences, phrases, or portions of this proposition shall remain in full force and effect, and to this end the provisions of this proposition are severable. In addition, the voters declare that they would have passed all sections, clauses, sentences, phrases, or portions of this proposition without the section, clause, sentence, phrase or portion held unconstitutional or invalid.