



# City of Culver City

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## Staff Report

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**File #:** 16-562, **Version:** 1

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**CC - Consideration of a City Council Position on Measure H, the Los Angeles County Plan to Prevent and Combat Homelessness, a Sales Tax Ballot Measure which appears on the March 7, 2017 Ballot.**

**Meeting Date:** February 13, 2017

**Contact Person/Dept:** Tevis Barnes/Community Development Department  
**Phone Number:** (310) 253-5782

**Fiscal Impact:** Yes ☐ No ☒

**General Fund:** Yes ☐ No ☒

**Public Hearing:** ☐ **Action Item:** ☒ **Attachments:** ☒

**Commission Action Required:** Yes ☐ No ☒

**Public Notification:** LA County Homeless Initiative Director; Culver City Chamber of Commerce President and Chief Executive Officer; Culver City Downtown Business Association Executive Director; Westside Cities Council of Governments Executive Director; and (E-Mail) Meetings and Agendas - City Council (02/07/17); Committee on Homelessness (02/07/17); and Landlord Tenant Mediation Board.

**Department Approval:** John M. Nachbar (02/07/17)

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### **RECOMMENDATION**

Staff recommends that the City Council consider a position on Measure H, the Los Angeles County Plan to Prevent and Combat Homelessness, a sales tax ballot measure which appears on the March 7, 2017 Ballot.

### **BACKGROUND/DISCUSSION**

On August 17, 2015, the Los Angeles County (County) Board of Supervisors (BOS) launched the Homeless Initiative to combat the homelessness crisis that pervades its communities. The County Homeless Initiative conducted a planning process, including 18 policy summits on nine topics from October 1 to December 3, 2015, which brought together 25 County departments, cities and other public agencies, and over 100 community partners and stakeholders. The Homeless Initiative generated a set of 47 strategies divided into the following six areas, which the County feels are components to combating homelessness and which would be eligible for funding from Measure H:

1. Prevent Homelessness
2. Subsidize Housing and Related Housing Services
3. Employment Assistance
4. Provide Case Management and Services
5. Create a Coordinated System
6. Increase Affordable/Homeless Housing

On February 9, 2016, the BOS adopted the County's Chief Executive Officer's Homeless Initiative's 47 strategies. On October 25, 2016, the BOS unanimously approved a motion to develop the structure for a proposed Memorandum of Understanding that would result in a coordinated countywide strategy on construction of permanent housing, allocation of rent subsidies, and delivery of supportive services. The Los Angeles Homeless Services Authority (LAHSA) has estimated that \$450 million a year (excluding construction costs) in services funding is required to make serious strides to address homelessness across the County. On November 28, 2016, the City Council adopted the attached Resolution to partner with County to combat homelessness.

The BOS is authorized to impose a retail transactions and use (sales) tax in the incorporated and unincorporated territory of the County to generate revenue dedicated to preventing and combating the homelessness crisis and to fund the County's Homeless Initiative Plan. On December 6, 2016, the BOS passed a resolution to place a ¼-cent special sales tax on the ballot at the next available election (March 7, 2017). The ¼ percent increase to the County's sales tax commences after July 1, 2017, to fund services, rental subsidies and housing. The County estimates a tax revenue estimate of \$355 Million annually for ten years (solely to be used to combat homelessness).

The following question will appear on the March 7, 2017 ballot:

“Los Angeles County Plan to Prevent and Combat Homelessness. To fund mental health, substance abuse treatment, health care, education, job training, rental subsidies, emergency and affordable housing, transportation, outreach, prevention, and supportive services for homeless children, families, foster youth, veterans, battered women, seniors, disabled individuals, and other homeless adults; shall voters authorize Ordinance No. 2017-0001 to levy a ¼ cent sales tax for ten years, with independent annual audits and citizens' oversight?”

A “yes” vote is a vote in favor of authorizing a 0.25 percent county sales tax for 10 years in order to fund homeless services and prevention. A “no” vote is a vote against authorizing a 0.25 percent county sales tax for 10 years in order to fund homeless services and prevention.

The County estimates a tax revenue estimate of \$355 Million annually for ten years (solely to be used to combat homelessness). Funding distribution from Measure H will be coordinated with each County Service Planning Area (SPA). Culver City is in SPA 5, which serves the communities of Beverly Hills, Brentwood, Culver City, Malibu, Pacific Palisades, Playa del Rey, Santa Monica, and Venice. Staff will examine how the County will distribute funding to the various SPAs and which supportive service areas will be targeted for funding. If funds are distributed locally, staff will seek direction from Council on which types of homeless programming is most needed in our community. Such programs may include Rapid Re-Housing, emergency rental assistance to prevent

homelessness, incentives to attract and retain property owners to rent to low-income and homeless households and subsidies to assist with move-in costs.

At the January 12, 2017, the Westside Cities Council of Governments (WSCCOG) Board of Directors discussed the proposed countywide sales tax measure to secure ongoing funding to address the homeless crisis, and potentially take a position on the ballot measure. At that meeting, WSCCOG Chair Kevin McKeown (City of Santa Monica Council Member) received consensus from the Board to have each WSCCOG member jurisdiction determine whether it would support Measure H. Once the level of consensus is determined by the WSCCOG Executive Director, she would draft a support letter to circulate among WSCCOG staff for review and approval.

Additionally, the Committee on Homelessness at its Special Meeting on January 17, 2017 made a motion and voted unanimously to ask the Council to support Measure H.

### **FISCAL ANALYSIS**

The State sales tax rate is 7.25%. This is made up of a 6% State sales tax rate and 1.25% Mandatory local rate (1% to City and 0.25% to County). Additionally, there are three 0.5% sales tax overrides in Los Angeles County (Proposition A, Proposition C, and Measure R). Culver City has its 0.5% Measure Y local tax rate. In July, the new Measure M sales tax goes into effect, and the sales tax rate will be 9.75%. If Measure H is approved by the voters, the new sales tax rate would be 10%.

There is no fiscal impact to the City of Culver City for the City Council to take a position on Measure H.

### **ATTACHMENT**

1. 2017-02-13 ATT March 2017 County Ballot Measure H
2. 2017-02-13 ATT Resolution 2016-R114 - Partnering with LA County to Combat Homelessness
3. 2017-02-13 ATT Measure H Fact Sheet

### **MOTION**

That the City Council:

- 1A. Adopt a position to support Measure H;

OR

- 1B. Adopt a position to oppose Measure H;

OR

- 1C. Take no position on Measure H;

AND/OR

2. Transmit the City's position to the County and the Executive Director of the Westside Cities Council of Governments;

AND/OR

3. Direct the City Manager as deemed appropriate.