

**MOTION BY SUPERVISORS MARK RIDLEY-THOMAS AND  
AND JANICE HAHN**

**DECEMBER 6, 2016**

**Securing Ongoing Funding to Address the Homeless Crisis**

On August 17, 2015, the Los Angeles County (County) Board of Supervisors (Board) launched the Homeless Initiative to combat the homeless crisis that pervades its communities. The County Homeless Initiative conducted an inclusive and comprehensive planning process, including 18 policy summits on nine topics from October 1 to December 3, 2015, which brought together 25 County departments, 30 cities and other public agencies, and over 100 community partners and stakeholders.

The Homeless Initiative generated a powerful set of 47 coordinated and integrated strategies divided into the following six areas, which are each key to combating homelessness:

- Prevent Homelessness;
- Subsidize Housing;
- Increase Income;
- Provide Case Management and Services;
- Create a Coordinated System; and
- Increase Affordable/Homeless Housing.

- MORE -

MOTION

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On February 9, 2016, after hearing the testimony of elected officials and representatives of over fourteen cities from throughout the County who pledged their support and commitment to working collaboratively with the County, the Board adopted the Chief Executive Officer's Homeless Initiative's 47 strategies (Strategies). The Board also approved new, one-time funding of \$100 million to initiate the implementation of these Strategies; however, the Board will soon need to replenish these one-time funds. The community-based organizations that participated in crafting the Strategies strongly advocated that the Board needed to secure additional, ongoing, annual funds to implement the Strategies in the years to come.

The best budget projections make it very clear that current County resources are not sufficient to fund Countywide initiatives and services to combat homelessness on an ongoing basis at the levels required to address the current crisis within the County.

The passage of Proposition HHH in November 2016 will allow the City of Los Angeles (City) to leverage resources and finance about 8,000-10,000 units of permanent supportive housing over the next 10 years. Furthermore, the State of California's No Place Like Home bond would also leverage resources and finance about 5,700 permanent supportive housing units over four funding cycles across all 88 cities and unincorporated areas of the County. Finally, in addition to other local, state and federal grant solicitations, the County's Community Development Commission also provides capital development funds for construction of permanent housing set aside for special needs and homeless populations. As a leader in the regional strategy to address homelessness, the Board is committed to securing annual, ongoing revenue to fund the essential support services that would complement these permanent supportive housing units and associated rental subsidies. To that end, on October 25, 2016, the Board unanimously approved a motion to craft the framework for a proposed Memorandum of Understanding that would facilitate a coordinated Countywide strategy on construction of permanent housing, allocation of rent subsidies and provision of supportive services.

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To ensure the success of these permanent supportive housing units, and to fully implement the Homeless Initiative and other promising practices, the County has an urgent need to provide prevention, crisis, and support services, including health care, mental health services, and substance abuse treatment for homeless children, families, foster youth, seniors, battered women, disabled individuals, veterans, and other homeless adults.

The Los Angeles Homeless Services Authority (LAHSA) has estimated that \$450 million a year (not counting construction costs) in services funding is required to make serious strides to address homelessness across the County. LAHSA calculates that over 15,000 units of permanent supportive housing are needed to aid persons who are living with disabilities and have had long durations of homelessness; the \$450 million estimate includes, but is not limited to, supportive services and rental subsidies for these proposed permanent supportive housing units.

While the key to ending homelessness is linking individuals and families to permanent housing, not all persons experiencing homelessness need permanent supportive housing. Many families and individuals can be linked to permanent housing and services through rapid rehousing programs. Additionally, the County's Homeless Initiative is implementing prevention, outreach, employment and bridge housing and other critical strategies that will need to be sustained and expanded in the coming years.

The County has diligently examined existing programs and reallocated funds to high-performing, effective programs that have shown the best outcomes. The County has also set aside General Funds to implement innovative programs, such as C3 street engagement teams, rapid rehousing and landlord incentive programs. The County has already taken steps through the Whole Person Care application to secure \$90 million in federal funding for the next five years, a portion of which will help finance supportive service needs for homeless persons eligible for Medicaid. However, an ongoing

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revenue measure is critical if the County is to fully honor any long-term commitments to address the regional homeless crisis consistent with the strategies for combating homelessness developed through the Homeless Initiative adopted by the Board.

The County 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.

In order to meet the urgent need of the people of this County to combat the homeless crisis, this Board must place a ¼-cent special sales tax on the ballot at the next available election to be held on March 7, 2017.

**WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS,** adopt the attached resolution calling and giving notice of the special election on a countywide sales tax measure, that will be levied for a period of ten (10) years, to generate ongoing revenue dedicated to preventing and combating the homeless crisis and to fund the County's Homeless Initiative Plan, to be held in Los Angeles County on March 7, 2017, and consolidating the special election with other elections to be held on March 7, 2017.

YV/DW

**###**

RESOLUTION OF THE BOARD OF SUPERVISORS OF  
THE COUNTY OF LOS ANGELES CALLING AND GIVING  
NOTICE OF A SPECIAL TAX ELECTION ON A  
COUNTYWIDE TRANSACTIONS AND USE (SALES) TAX  
TO PREVENT AND COMBAT HOMELESSNESS TO BE  
HELD IN THE COUNTY OF LOS ANGELES ON MARCH 7,  
2017, AND CONSOLIDATING THE SPECIAL TAX  
ELECTION WITH OTHER ELECTIONS TO BE HELD ON  
MARCH 7, 2017

**WHEREAS**, the County of Los Angeles (“County”) is facing a pervasive and deepening homeless crisis, which currently endangers the health and safety of tens of thousands of residents, including veterans, women, children, LGBTQ youth, persons with disabilities, and seniors; and

**WHEREAS**, the tremendous scale of homelessness in the County threatens the economic stability of the region by burdening emergency medical services and the social services infrastructure; and

**WHEREAS**, according to the 2016 Homeless Count released by the Los Angeles Homeless Services Authority (LAHSA), the number of homeless persons in the County on any given night is roughly 47,000, including over 6,000 parents and their children; and

**WHEREAS**, over 3,000 of the homeless in the County are veterans; and

**WHEREAS**, since 2013, the number of homeless women has risen 55 percent; and

**WHEREAS**, the number of homeless persons living in encampments, tents and vehicles increased by a staggering 123 percent from 2013 to 2016, from 5,153 persons to 11,472; and

**WHEREAS**, homelessness is also increasing in the suburbs of the County. The homeless population has grown by 35 percent in the San Fernando Valley from 2015 to 2016, from 5,424 to 7,334, and in the South Bay, homelessness increased by 10 percent, from 5,351 to 5,913 during the same period; and

**WHEREAS**, many homeless people are facing severe threats to their health and safety on a daily basis; recent research has demonstrated that homeless persons are 3 to 4 times more likely to die than members of the general population, and studies

indicate that premature death most often results from acute and chronic medical conditions aggravated by homeless life; and

**WHEREAS**, on August 17, 2015, the County Board of Supervisors launched the Homeless Initiative to combat the homeless crisis that pervades our communities; and

**WHEREAS**, the County Chief Executive Officer's ("CEO") Homeless Initiative conducted an inclusive and comprehensive planning process, including 18 policy summits on nine topics from October 1 to December 3, 2015, which brought together 25 County departments, 30 cities and other public agencies, and over 100 community partners and stakeholders; and

**WHEREAS**, the Homeless Initiative generated a powerful set of 47 coordinated and integrated strategies divided into the following six areas, which are each key to combating homelessness:

- Prevent Homelessness;
- Subsidize Housing;
- Increase Income;
- Provide Case Management and Services;
- Create a Coordinated System; and
- Increase Affordable/Homeless Housing; and

**WHEREAS**, the recommended strategies of the Homeless Initiative reflect the following key principles:

- Homelessness is an extraordinarily complex problem which necessitates active, sustained countywide collaboration amongst the County, cities and other public agencies, and a wide array of community partners;
- The web of established collaborative relationships in Los Angeles County provides a very strong foundation for the implementation of these strategies;
- These recommended strategies must strengthen and build upon current County efforts by:
  - Directing more resources to proven strategies;
  - Integrating existing programs and services more effectively;
  - Enabling cities to join the County in combating homelessness; and

- Identifying opportunities to leverage mainstream criminal justice, health, and social services; and

**WHEREAS**, on February 9, 2016, after hearing the testimony of elected officials and representatives from over 14 cities from throughout the County who pledged their support and commitment to working collaboratively with the County, the Board of Supervisors adopted the CEO's Homeless Initiative strategies; and

**WHEREAS**, for fiscal year 2016-17, the Board of Supervisors approved new, one-time funding of \$100 million to initiate the implementation of the strategies developed by the Homeless Initiative; however, this funding will not sustain the recommended strategies through 2017. The Board will soon need to replenish the \$100 million dollars in one-time funds allocated to fund the Homeless Initiative strategies. The community-based organizations that participated in crafting the Homeless Initiative strategies strongly advocated that the Board of Supervisors needed to secure additional, ongoing, annual funds to implement the Homeless Initiative strategies in the years to come; and

**WHEREAS**, the best budget projections make it very clear that current County resources are not sufficient to fund countywide initiatives and services to combat homelessness on an ongoing basis at the levels required to address the current crisis within Los Angeles County; and

**WHEREAS**, this past winter, both the County and the City of Los Angeles declared local states of emergency as it relates to the lack of shelter for homeless persons within the County and the City; and

**WHEREAS**, the Board of Supervisors unanimously voted to seek a statewide declaration of emergency for the State's homeless crisis. The County's petition to get the Governor to declare a state of emergency on homelessness has garnered over 27,000 signatures. The State Assembly overwhelmingly passed a resolution urging the Governor to declare a state of emergency for homelessness. The City of Los Angeles, City and County of San Francisco, and the City of Santa Rosa have also passed similar resolutions urging the Governor to declare a state of emergency for homelessness. Thirty-two members of Congress have signed a joint letter urging the Governor to augment annual funding to address the homeless crisis and Congress members Hahn,

Napolitano, Sanchez, and Lowenthal have all also urged the Governor to declare a state of emergency for homelessness. The Governor has refused, however, to declare such an emergency, and therefore, local governments, like the County, must take immediate action to address the homeless crisis in their own jurisdictions; and

**WHEREAS**, the passage of Proposition HHH in November 2016 will allow the City of Los Angeles to leverage resources and finance about 8,000-10,000 units of permanent supportive housing over the next 10 years. Furthermore, the State of California's "No Place Like Home" bond would also leverage resources and finance about 5,700 permanent supportive housing units over four funding cycles across all 88 cities and unincorporated areas of the County. Finally, in addition to other local, state and federal grant solicitations, the County's Community Development Commission (CDC) also provides capital development funds for construction of permanent housing set aside for special needs and homeless populations. As a strong partner in the regional strategy to address homelessness, the Board of Supervisors is committed to securing annual, ongoing revenue to fund the essential support services that would complement these permanent supportive housing units and associated rental subsidies. To that end, on October 25, 2016, the Board of Supervisors unanimously approved a motion to craft the framework for a proposed Memorandum of Understanding that would facilitate a coordinated countywide strategy on construction of permanent housing, allocation of rent subsidies and provision of supportive services. To ensure the success of these permanent supportive housing units, and to fully implement the Homeless Initiative and other promising practices, the County has an urgent need to provide prevention, crisis, and support services, including healthcare, mental health services, and substance abuse treatment for homeless children, families, foster youth, seniors, battered women, disabled individuals, veterans, and other homeless adults; and

**WHEREAS**, LAHSA has estimated that \$450 million a year (not counting construction costs) in services funding is required to make serious strides to address homelessness across the County. LAHSA calculates that over 15,000 units of permanent supportive housing are needed to aid persons who are living with disabilities and have had long durations of homelessness; the \$450 million estimate includes

supportive services and rental subsidies for these proposed permanent supportive housing units; and

**WHEREAS**, while the key to ending homelessness is linking individuals and families to permanent housing, not all persons experiencing homelessness need permanent supportive housing. Many families and individuals can be linked to permanent housing and services through rapid rehousing programs. Additionally, the County's Homeless Initiative is implementing prevention, outreach, employment and bridge housing and other critical strategies that will need to be sustained and expanded in the coming years.

**WHEREAS**, the County has diligently examined existing programs and reallocated funds to high-performing, effective programs that have shown the best outcomes. The County has also set aside general fund money to implement innovative programs, such as C3 street engagement teams, rapid rehousing and landlord incentive programs. The County has already taken steps through the Whole Person Care application to secure \$90 million in federal funding for the next five years, a portion of which will help finance supportive service needs for homeless persons eligible for Medicaid. However, an ongoing revenue measure is critical if the County is to fully honor any long-term commitments to address the regional homeless crisis consistent with the strategies for combating homelessness developed through the Homeless Initiative adopted by the Board of Supervisors; and

**WHEREAS**, pursuant to Parts 1.6 and 1.7 of Division 2 of the Revenue and Taxation Code, the County is authorized to impose a retail transactions and use tax at a rate of 0.125% (or any multiple thereof) in the incorporated and unincorporated territory of the County to generate revenue for specific purposes ("special sales tax"); and

**WHEREAS**, pursuant to Article XIII C, section 2(d) of the Constitution, and California Revenue and Taxation Code section 7285.5, a special sales tax is subject to approval by a two-thirds vote of the Board of Supervisors and by a two-thirds vote of the qualified voters voting in an election on the issue; and

**WHEREAS**, pursuant Government Code section 53724(d), an election for the approval of a special tax may be held at any election date otherwise permitted by law; and

**WHEREAS**, the County desires to impose a special retail sales tax at a rate of one-quarter percent (0.25%) on the sale of tangible personal property and the storage, use, or other consumption of such property to generate revenue for the specific purpose of preventing and combating homelessness in Los Angeles County; and

**WHEREAS**, the Board of Supervisors deems it necessary and essential to submit the question of the special sales tax to the qualified voters within the County at the regular election to be held on March 7, 2017, and to consolidate such election with the other elections to be held on that date.

**NOW, THEREFORE BE IT RESOLVED** by the Board of Supervisors of the County of Los Angeles as follows:

**Section 1. Call of the Election and Purpose.** An election shall be held and the same is hereby called and ordered to be held in the County on the 7th day of March, 2017, for the purpose of submitting to the voters a proposed ordinance regarding a special sales tax in the amounts hereinafter set forth.

**Section 2. Ballot Measure.** The measure for the County to levy a special tax shall appear on the ballot substantially as follows:

<p><b>Los Angeles County Plan to Prevent and Combat Homelessness</b></p> <p>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. _____ to levy a ¼ cent sales tax for ten years, with independent annual audits and citizens' oversight?</p>	<p>YES _____</p> <p>NO _____</p>
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**Section 3. Ordinance.** The attached ordinance, Exhibit A, is incorporated by reference ("Ordinance").

**Section 4. Specific Purpose.** The specific purpose of the special sales tax is to generate ongoing funding to prevent and combat homelessness within Los Angeles County, including funding 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, consistent with the strategies developed through the Homeless Initiative adopted by the Board of Supervisors, and as otherwise directed by the Board to address the causes and effects of homelessness, as further described in the Ordinance.

**Section 5. Accountability Measures.** Pursuant to Government Code section 50075.3, if the special sales tax is approved, for so long as any proceeds of the special sales tax remain unexpended, the County Auditor-Controller shall cause a report to be prepared by an independent auditor and to be filed with the Board of Supervisors no later than December 31<sup>st</sup> of each year, commencing December 31, 2018, stating (1) the amount of special sales tax revenues collected and expended in such year; and (2) the status of any project and description of any services or programs funded from proceeds of the special sales tax. The report may relate to the calendar year, fiscal year, or other appropriate annual period, as the Auditor-Controller shall determine, and may be incorporated into or filed with the annual budget, audit, or other appropriate routine report to the Board of Supervisors.

**Section 6. Community Oversight and Accountability.** A Citizens' Oversight Advisory Board shall be created, as provided for in the Ordinance, to review all expenditures from the special sales tax, and submit periodic evaluations of the Homeless Initiative and the County's programs to combat homelessness funded by the special sales tax.

**Section 7. Tax Account.** If the ballot measure authorizing the special sales tax is approved, the proceeds of the special sales tax shall be deposited in a special account, to be created and maintained by the County.

**Section 8. California Environmental Quality Act.** Based upon all of the facts before it on this matter, the Board of Supervisors finds that the submission of this question of a special sales tax to the voters is not subject to, or is exempt from, the California Environmental Quality Act (CEQA). Submission of the special sales tax to the voters is not a project as defined by California Code of Regulations Section 15378(b)(4) because it relates to the creation of government funding mechanisms, which do not

involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

**Section 9. Proclamation.** Pursuant to section 12001 of the Elections Code, the Board of Supervisors of the County of Los Angeles hereby PROCLAIMS that an election shall be held in the County on Tuesday, March 7, 2017, to vote upon the proposed ordinance. The polls shall be open from 7:00 a.m. to 8:00 p.m.

**Section 10. Election Procedure.** All qualified voters residing within the County shall be permitted to vote in the election and in all particulars not recited in this resolution, the elections shall be held as nearly as practicable in conformity with the Elections Code of the State of California. The votes cast for and against the measure shall be separately counted and if the measure receives the required number of votes, two-thirds (2/3) of the votes cast by the qualified electors voting on the measure, the special sales tax in the amounts stated in the Ordinance shall be effective and ratified.

**Section 11. Sample Ballot.** The Registrar-Recorder/County Clerk is instructed to print the entire proposed Ordinance in the sample ballot.

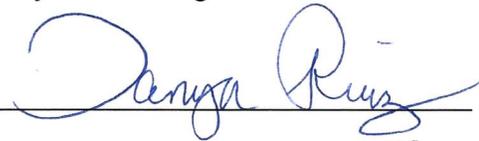
**Section 12. Consolidation.** The election called by this Resolution shall be consolidated with the other elections conducted by the Registrar-Recorder/County Clerk to be held in the County of Los Angeles on March 7, 2017, and the measure shall be placed on the same ballot.

**Section 13. Authority.** This Resolution is adopted pursuant to section 12001 of the Elections Code and section 25201 of the Government Code. The Executive Officer-Clerk of the Board of Supervisors is ordered to file a copy of this Resolution with the Registrar-Recorder/County Clerk at least eighty-eight (88) days prior to the day of the election. The Registrar-Recorder/County Clerk is authorized, instructed and directed to prepare any documents and take any additional actions that may be necessary in order to properly and lawfully conduct the election.

The foregoing Resolution was on the 6th day of December 2016, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.



LORI GLASGOW, Executive Officer-  
Clerk of the Board of Supervisors of the  
County of Los Angeles

By:   
DEPUTY

APPROVED AS TO FORM:

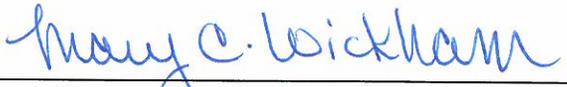
MARY C. WICKHAM  
County Counsel

By:   
Deputy County Counsel

## ANALYSIS

This ordinance adds Chapter 4.73--Transactions and Use Tax to Prevent and Combat Homelessness, of the Los Angeles County Code to impose a special countywide tax of 0.25% on all retail sales consummated at the retailer's place of business, and on the storage, use or other consumption of tangible personal property for a period of ten (10) years. The sole purpose of the Transactions and Use Tax to Prevent and Combat Homelessness is to generate revenue to address the causes and effects of homelessness within Los Angeles County. The ordinance will become effective only after approval by a two-thirds vote of the County Board of Supervisors and a two-thirds vote of the qualified voters voting in an election on the issue.

MARY C. WICKHAM  
County Counsel

By   
Deputy County Counsel

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Title 4, Revenue and Finance of the Los Angeles County Code, to add Chapter 4.73—Transactions and Use Tax to Prevent and Combat Homelessness, relating to a special countywide transactions and use tax to prevent and combat homelessness within Los Angeles County.

The people of the County of Los Angeles ordains as follows:

**SECTION 1.** Chapter 4.73 is hereby added to read as follows:

**Chapter 4.73**

**Transactions and Use Tax to Prevent and Combat Homelessness**

**Sections:**

- 4.73.010 Title.
- 4.73.020 Operative Date.
- 4.73.030 Purpose.
- 4.73.040 Expenditure Plan.
- 4.73.050 Special Account.
- 4.73.060 Community Oversight and Accountability.
- 4.73.070 Accountability Measures.
- 4.73.080 Contract with State.
- 4.73.090 Transactions Tax Rate.
- 4.73.100 Place of Sale.
- 4.73.110 Use Tax Rate.
- 4.73.120 Adoption of Provisions of State Law.
- 4.73.130 Limitations on Adoption of State Law and Collection of Use.
- 4.73.140 Permit Not Required.

- 4.73.150 Exemptions and Exclusions.
- 4.73.160 State Law Amendments.
- 4.73.170 Amendment of Ordinance.
- 4.73.180 Enjoining Collection Forbidden.
- 4.73.190 Severability.
- 4.73.200 Effective Date.
- 4.73.201 Execution.
- 4.73.010 Title.**

This Chapter shall be known as the "Transactions and Use Tax to Prevent and Combat Homelessness" ordinance. The County of Los Angeles hereinafter shall be called "County." This ordinance shall be applicable in the incorporated and unincorporated territory of the County.

**4.73.020 Operative Date.**

Except as provided for in Section 4.73.050, the "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

**4.73.030 Purpose.**

This ordinance is adopted to achieve the following and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with section 7251) of Division 2 of the Revenue and Taxation Code and section 7285.5 of Part 1.7 of Division 2 which authorizes the County to adopt this tax ordinance which shall be operative if two thirds of the electors voting on

the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

E. To adopt a retail transactions and use tax ordinance for the specific purpose of preventing and combatting homelessness within Los Angeles County. Revenues generated by the retail transactions and use tax shall be used to sustain the implementation of the County's Homeless Initiative's recommended strategies, adopted by the Board of Supervisors on February 9, 2016, and as otherwise directed by the

Board of Supervisors to address the causes and effects of homelessness, consistent with this Chapter.

**4.73.040 Expenditure Plan.**

A. Consistent with Subsection E of Section 4.73.030, above, the revenues generated by the retail transactions and use tax will be expended by the County pursuant to an expenditure plan approved by the Board of Supervisors prior to June 30<sup>th</sup> of each year. The annual expenditure plan will include, but not be limited to, the following projects:

- 1. Prevent Homelessness:
  - a. Homeless Prevention Program for Families;
  - b. Homeless Prevention Program for Individuals.
  
- 2. Subsidize Housing:
  - a. Expand Rapid Rehousing;
  - b. Provide subsidized housing to homeless disabled individuals pursuing Supplemental Security Income;
  - c. Facilitate utilization of federal housing subsidies;
  - d. Family reunification housing subsidies;
  - e. Interim/bridge housing for those exiting institutions.
  
- 3. Provide Case Management and Services:
  - a. Mental health, substance use, and counseling services;
  - b. Regional Integrated Re-entry Network;
  - c. Jail In-reach;
  - d. Criminal Record Clearing Project;
  - e. Provide services for Permanent Supportive Housing.

4. Increase Income:

- a. Increase employment for homeless adults by supporting social enterprise;
- b. Subsidized employment for homeless adults;
- c. Countywide Supplemental Security/Social Security Disability income, and Veterans benefits advocacy.

5. Create a Coordinated System:

- a. Expand the Countywide Outreach System;
- b. Strengthen the Coordinated Entry System;
- c. Enhance the Emergency Shelter System;
- d. Enhance services for transition age youth.

6. Affordable Housing for the Homeless:

- a. Preserve current affordable housing;
- b. Promote the development of affordable housing for homeless families and individuals.

7. Other services to address the causes and effects of homelessness.

B. To the extent feasible, revenues from the retail transactions and use tax shall be used to leverage additional public and private resources to address the causes and effects of homelessness, consistent with this Chapter.

C. Revenues from the retail transactions and use tax may be awarded as grants to public agencies and non-profit organizations to address the causes and effects of homelessness, consistent with this Chapter. The Board of Supervisors shall adopt policies and procedures for the solicitation and award of such grants. Nothing herein precludes the County from using revenue generated by the retail transactions and use

tax for contracting with for-profit contractors and private businesses in compliance with applicable law.

**4.73.050 Special Account.**

Any retail transactions and use tax proceeds shall be deposited in a special account, created and maintained by the County, and used only for the specific purposes identified in Subsection E of Section 4.73.030, above, in accordance with Section 4.73.030, above.

**4.73.060 Community Oversight and Accountability**

A. The Citizens' Homelessness Initiative Oversight Advisory Board ("Advisory Board") is hereby created.

B. The Advisory Board shall be comprised of five members appointed by the Board of Supervisors. Each Supervisorial District shall nominate one member for appointment by the Board of Supervisors. The Advisory Board shall include at least one member that meets each of the following criteria:

1. A professional from the field of municipal/public finance and/or accounting and budgeting with a minimum of ten years of relevant experience in evaluating financial transactions and program cost-effectiveness; and

2. An individual working in the homelessness services, research, or advocacy field in a management position with a minimum of ten years of relevant experience.

The Advisory Board members shall be governed by and comply with State conflict of interest laws (e.g., Government Code section 87000 et seq.; and section 1090 et seq.) and the County's conflict of interest policies. The members shall have no legal action pending against Los Angeles County and are prohibited from acting in any

activity directly or indirectly involving funding provided through this ordinance during their tenure on the Advisory Board. Advisory Board members shall not have direct interest or employment with any public or private entity, which receives funding provided through this ordinance.

C. The Advisory Board shall do all of the following:

1. Semi-annual review of all expenditures from the retail transactions and use tax;
2. Publish a complete accounting of all allocations each year, posting the information on the County's publicly accessible Internet Web site; in a downloadable spreadsheet format, including information about the location and footprint of each funded project, its objectives, status, and outcomes, any matching funds used, and the applicable program from the expenditure plan schedule;
3. Submit periodic evaluations to the County of the retail transactions and use tax expenditures, which may at the Board of Supervisors' direction be undertaken by independent researchers, identifying any changes needed to meet the objectives of the Homeless Initiative.

D. Members of the Advisory Board shall serve a term of four years at the pleasure of the Board of Supervisors, and no member may serve more than two consecutive four-year terms. The Board of Supervisors may, by order, extend this length of service or waive this limit for individuals or the Advisory Board as a whole. A member's position shall become vacant upon his or her death, resignation, or removal by the Board of Supervisors. In the case of such a vacancy, the Supervisorial District from which the vacancy arose shall nominate a successor for appointment by the Board of Supervisors to fill the unexpired term.

E. Members of the Advisory Board shall not be compensated for their service, but may be reimbursed for actual and necessary expenses incurred in the performance of their duties.

**4.73.070 Accountability Measures.**

For so long as any proceeds of the retail transactions and use tax remain unexpended, the Auditor-Controller shall cause a report to be prepared by an independent auditor and filed with the Board of Supervisors no later than December 31<sup>st</sup> of each year, stating: (i) the amount of retail transactions and use tax proceeds collected and expended in such year; and (ii) the status of any projects or description of any services or programs funded from proceeds of the retail transactions and use tax.

**4.73.080 Contract with State.**

Prior to the operative date, the County shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the County shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

**4.73.090 Transactions Tax Rate.**

For the privilege of selling tangible personal property at retail, a transaction tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the County at the rate of 0.25% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory for a period of ten (10) years beginning on and after the operative date of this ordinance.

**4.73.100 Place of Sale.**

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the State sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

**4.73.110 Use Tax Rate.**

A use tax is hereby imposed on the storage, use or other consumption in the County of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 0.25% of the sales price of the property for a period of ten (10) years beginning on and after the operative date of this ordinance. The sales price shall include delivery charges when such charges are subject to State sales or use tax regardless of the place to which delivery is made.

**4.73.120 Adoption of Provisions of State Law.**

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

**4.73.130 Limitations on Adoption of State Law and Collection of Use**

**Taxes.**

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this County shall be substituted therefor. However, the substitution shall not be made:

1. When the word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. Where the result of that substitution would require action to be taken by or against this County or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.

4. In sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "County" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in section 6203 of the Revenue and Taxation Code, and in the definition of that phrase in section 6203.

**4.73.140 Permit Not Required.**

If a seller's permit has been issued to a retailer under section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

**4.73.150 Exemptions and Exclusions.**

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the County which is shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the County shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with section 9840) of the Vehicle Code by registration to an out-of-County address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-County and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease

has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this County of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in sections 6366 and 6366.1 of the Revenue and Taxation Code.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs 3 and 4 of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the

unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph 7, a retailer engaged in business in the County shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the County or participates within the County in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the County or through any representative, agent, canvasser, solicitor, subsidiary, or person in the County under the authority of the retailer.

7. "A retailer engaged in business in the County" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the County.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a County imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

E. When contracting with the State Board of Equalization pursuant to section 4.73.080 to administer the tax imposed by this ordinance, it shall be the County's intent,

and any agreement shall ensure, that the combined rate limit specified in Revenue and Taxation Code section 7251.1 is not exceeded in any district within the County that has imposed a transactions and use tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code in effect on or before the effective date of this ordinance. The agreement shall include that appropriate steps are taken by the Board of Equalization to ensure that the County tax imposed by this ordinance, when aggregated with all other transactions and use taxes imposed pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code within that district, will 1) not cause the rate of the transactions and use tax within the district to exceed the combined rate limit; 2) not cause any person subject to the tax imposed by this ordinance to pay more than the legally permissible combined rate; and 3) have no impact on the revenue received by each district within the County as the result of any transactions and use tax imposed by the district on or prior to the effective date of this ordinance.

**4.73.160 State Law Amendments.**

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

**4.73.170 Amendment of Ordinance.**

Except for amendments that would increase the tax rate, impose the tax on transactions and uses not previously subject to the tax (unless the amendment occurs

pursuant to Section 4.73.160), extend the tax, or be inconsistent with the purposes of this ordinance, the Board of Supervisors may amend this ordinance without submitting the amendment to the voters for approval.

**4.73.180 Enjoining Collection Forbidden.**

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the County, or against any officer of the State or the County, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

**4.73.190 Severability.**

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

**4.73.200 Effective Date.**

This ordinance relates to the levying and collecting of the County's Transactions and Use Tax to Prevent and Combat Homelessness and shall take effect immediately upon approval by two thirds of the electorate voting in an election on this ordinance.

**4.73.201 Execution.**

The Chair of the Board of Supervisors is authorized to attest to the adoption of this ordinance by the voters of the County.

I hereby certify that the foregoing ordinance was PASSED, APPROVED and ADOPTED by the people of the County of Los Angeles voting on the 7th day of March, 2017.

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Chair of the Board of Supervisors