

Discussion & Directions on Proposed County Tax Initiative



August 2, 2024

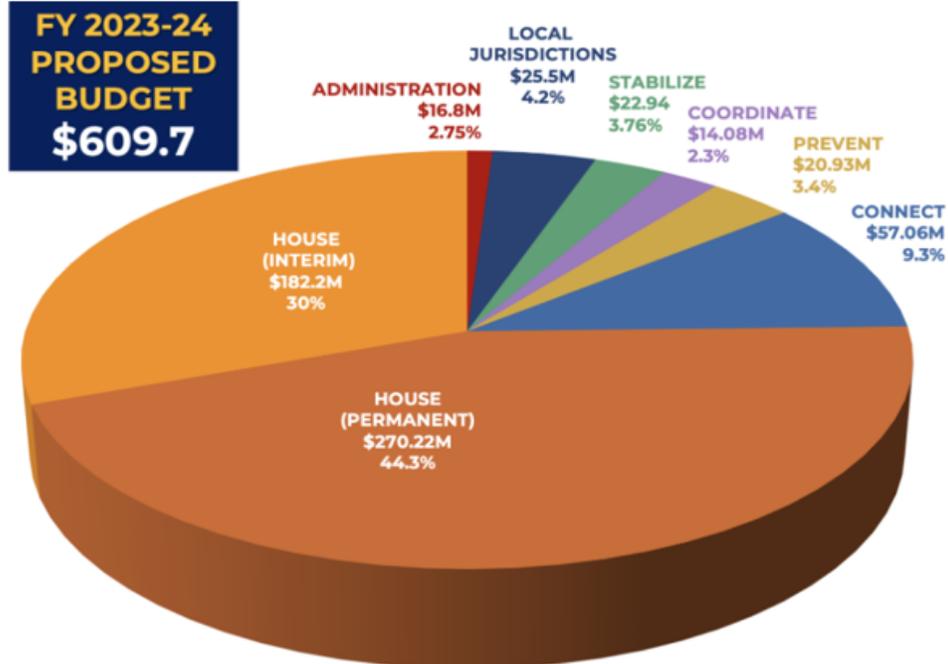
Measure “H”

- “Los Angeles County Plan to Prevent and Combat Homelessness” is a one-quarter percent (¼%) transaction and use tax (TUT) collected for the purpose of addressing and preventing homelessness through homeless prevention, outreach, interim housing, permanent housing, and affordable housing
- Special Tax – required 2/3 vote to pass
- Approved by 69.34% on March 7, 2017
- Sales Tax went into effect on October 1, 2017
- Sunsets on October 1, 2027



Measure H Allocation (2017-2023)

	Fiscal Years Audited						Total
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
Revenue	259,337,705	404,775,957	373,713,727	418,443,899	477,964,326	526,929,335	2,461,164,949
Expense	167,282,296	353,826,592	419,423,028	336,670,557	354,789,387	389,647,040	2,021,638,900
Net Income (Loss)	92,055,409	50,949,365	(45,709,301)	81,773,342	123,174,939	137,282,295	
Reserves	92,055,409	143,004,774	97,263,919	179,037,261	302,212,200	439,494,495	
% of Sales Tax Spent	65%	87%	112%	80%	74%	74%	



Period Covered: July 1, 2017 - December 31, 2023 (78 months total)

108,969 people placed in permanent housing.



40,711 of permanent housing placements (37.4%) were completely or partially funded through Measure H.

148,026 people placed in interim housing.



77,709 of interim housing placements (52.5%) were completely or partially funded through Measure H.

34,265 people have been prevented from becoming homeless.



9,351 of people prevented from becoming homeless (27.3%) were completely or partially funded through Measure H.

Source:

https://file.lacounty.gov/SDSInter/bos/bc/1163574_HomelessInitiativeQuarterlyReportNo.29-SIGNEDBOARDMEMO.pdf

Measure “A”

- The “Affordable Housing, Homelessness Solutions and Prevention Now” measure will be submitted to the voters at the November 5, 2024, election (Measure “A”)
- This is a citizens' initiative ballot measure led by housing and mental health advocates who collected over 400,000 signatures to qualify
- On June 25, 2024, the Los Angeles County Board of Supervisors placed a new measure on the November 5, 2024 ballot that would enact a new ½% special TUT to fund Countywide programs and services to address homelessness.
- This Measure would terminate the existing ¼ percent sales tax (Measure "H" that expires in 2027) and replace it with a ½ percent countywide sales tax
- No sunset clause
- The measure can only be repealed by citizen vote



Amount of Sales Tax Provided to Measure "H" from Irwindale Residents

- Information from CDTFA & Auditor-Controller is not readily available.
- It is projected that since 2017 Irwindale may have potentially provided an approximate estimate of \$12.5M in Measure H sales tax.
- No Direct Local Returns
 - Competitive Application Process
 - San Gabriel Valley Council of Governments (SGVCOG)

Amount of Measure H Funds Returned to Irwindale

- City only received \$322,938 in funding and support from Measure "H" funding through SGVCOG
 - \$30,000 - develop plan to combat homelessness
 - \$194,000 – SGVCOG L.A. CADA contract for Supplemental Services Program (FY 22-23 & FY 24-25) and High Acuity Program (FY 23-24)
 - \$98,938 – SGVCOG L.A. CADA (FY 24-25)
- The main benefactors of Measure "H" are the County of Los Angeles and the City of Los Angeles





Options

1. Adopt Resolution Relating to the City's Position on Measure "A"
2. Adopt Local Ballot Measure to Assess Available $\frac{1}{4}$ % Sales Tax
3. Take No Action

Sales Tax Rates

Sales and Use Tax Rates - City of Irwindale	Tax Rate	Total Tax Rate	
State General Fund - Taxation Code -Section 6051, 6201	3.68750		STATE
State General Fund - Taxation Code -Section 6051.3, 6201.3	0.25000		
State of CA - Local Public Safety Prop 172	0.50000		
State of CA - Local Health and Social Services	0.50000		
State of CA - Local Revenue Fund	1.06250	6.00	
County Transportation Fund Bradley-Burns	0.25000		COUNTY
Los Angeles County Transportation Commission Prop A LACT - 07-01-1982 (TUT)	0.50000		
Los Angeles County Transportation Commission Prop C LACT - 04-01-1991 (TUT)	0.50000		
Los Angeles County Metro Transportation Authority Measure R LAMT - 07-01-2009	0.50000		
Los Angeles County Traffic Improvement Plan Measure M LAMA - 07-01-2017	0.50000		
Los Angeles County Homeless Service Tax Measure H LACH - 10-01-2017 (TUT)	0.25000	2.50	
City of Irwindale Bradley-Burns	1.00000		IRWINDALE
City of Irwindale Measure Z (TUT)	0.75000	1.75	
Total Current Rate	10.25000	10.25	

Summary of Transactions and Use Taxes under the 2% Cap	Tax Rate	Total Tax Rate	
Los Angeles County Transportation Commission Prop A (LACT) - 07-01-1982	0.50000		COUNTY
Los Angeles County Transportation Commission Prop C (LACT) - 04-01-1991	0.50000		
Los Angeles County Homeless Service Tax Measure H (LACH) - 10-01-2017	0.25000	1.25	
City of Irwindale Measure I	0.75000	0.75	IRWINDALE
Total Statutory Cap	2.00000	2.00	





Adopt Resolutions for the Submittal to Voters of an Ordinance Adopting a Local Supplemental Transactions and Use Tax (Sales Tax) at the Rate of 0.25% for the November 5, 2024, Ballot

AUGUST 7, 2024



City Manager's Recommendation

Adopt Resolution No. 2024-66-3543, ordering the submission to the qualified electors of the City of a certain measure relating to a supplemental transactions and use (sales tax) at the consolidated General Municipal Election; and

Adopt Resolution No. 2024-67-3544, setting priorities for filing written argument(s) and directing the City Attorney to prepare an impartial analysis, regarding the proposed Measure; and

Adopt Resolution No. 2024-68-3545, providing for the filing of rebuttal arguments for a Measure; and

If the Resolutions above are adopted, then conduct the First Reading, by Title only, of an Ordinance relating to the proposed supplemental transactions and use tax measure.



Measure H and Measure A

Measure "H"

- "Los Angeles County Plan to Prevent and Combat Homelessness" is a (0.25%) transaction and use tax (TUT) collected for the purpose of servicing and preventing homelessness through homeless prevention, outreach, interim housing, permanent housing, and affordable housing programs
- Special Tax – required 2/3 vote to pass
- Originally estimated to bring in \$3.5 B over 10-years; annual revenues now exceed \$520 M
- Approved by 69.34% on March 7, 2017
- Sales Tax went into effect on October 1, 2017
- Sunsets on October 1, 2027, unless repealed by Measure A

Measure "A"

- The "Affordable Housing, Homelessness Solutions and Prevention Now" this measure will be submitted to the voters at the November 5, 2024, election (Measure "A")
- This is a citizens' initiative ballot measure led by housing and mental health advocates who collected over 400,000 signatures to qualify
- On June 25, 2024, the Los Angeles County Board of Supervisors placed a new measure on the November 5, 2024, ballot that would enact a new ½¢ special TUT to fund Countywide programs and services to address homelessness
- This Measure would terminate the existing 0.25% sales tax (Measure H) and replace it with a ½¢ countywide sales tax
- Required approval of AB 1679 to exceed the 2% local agency cap
- No sunset clause
- Requires simple majority (50% +1)



Measure "H" funds in Irwindale



It is projected that between October 2017 to July 2024, Irwindale may have potentially contributed an approximate estimate of \$12.5M in Measure H sales tax



No Direct Local Returns



City only received \$322,938 in funding and support from Measure "H" funding through SGVCOG

Sales Tax Breakdown & AB 1679

Agency	Tax Rate
State of California	6.00%
LA County Transportation (Prop A & C, Measures M & R)	2.25%
LA County Measure H (Homeless Services)	0.25%
City of Irwindale (including Measure I)	1.75%
Total	10.25 %

AB 1679 (Santiago D) Transactions and use taxes: County of Los Angeles: Homelessness (October 2023)

- Cities and counties, subject to certain limitations and approval requirements, may levy a TUT not to exceed 2% in total
- Legislation authorized LA County to impose a TUT at a rate of no more than 0.50% that, in combination with other TUT, would exceed the 2% rate limit
- The bill would also require all revenues from the tax be dedicated to addressing and preventing homelessness, and would require the repeal of Measure H
- The bill specifies that a TUT established pursuant to its provisions would not be considered for purposes of the 2% combined rate limitation





Irwindale's Supplemental TUT Measure

November 2024 Election – must be received and approved by the County of Los Angeles by August 9, 2024, at 5 pm.

Becomes effective upon the sunset or repeal of Measure H

Generate approximately \$1M annually

Prevents another agency from taking tax allocations available within the 2% cap

General tax with spending at the discretion of the Irwindale City Council

Builds on community needs identified in Measure I

Ensures City receives funding to address public safety, streets, public services (recreation, library, aquatics, senior citizens), homelessness, and other quality of life needs

Sample Ballot Question

“Shall the measure to maintain locally-generated funding for police, emergency/ disaster response, senior citizens/ parks/ transportation/ recreation/ library/ aquatics, and economic/ job development; fix potholes/ streets; clean up encampments/ address homelessness; and other general City services; authorizing a ¼% Supplemental Transactions and Use Tax, taking effect when legally permissible, generating approximately \$1,000,000 annually until ended by voters; and funds only for Irwindale, be adopted?”



RECOMMENDATIONS

Adopt Resolution No. 2024-66-3543, ordering the submission to the qualified electors of the City of a certain measure relating to a transactions and use (sales tax) at the consolidated General Municipal Election; and

Adopt Resolution No. 2024-67-3544, setting priorities for filing written argument(s) and directing the City Attorney to prepare an impartial analysis, regarding the proposed Measure; and

Adopt Resolution No. 2024-68-3545, providing for the filing of rebuttal arguments for a Measure; and

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