

Sean Fisher: Legislative Analysis

Los Angeles County Homeless Services Sales Tax Measure

SUMMARY: This ballot measure, if passed, would increase sales tax by 0.25% to help fund various homeless programs, including affordable housing development and mental health services. It is intended to complement Proposition HHH, the \$1.2 billion property tax measure approved by voters in November to help build homeless housing over the next 10 years.

STATUS: 12/6/16 -- Unanimously voted by LA County supervisors to be placed on March ballot

ANALYSIS: This quarter-cent sales tax increase will last for 10 years and would ultimately raise \$355 million per year, funding prevention, crisis, and support services. Not only would this money go towards assisting the homeless, but it would also provide health care, mental health services, and substance abuse treatment for foster youth, seniors, victims of domestic violence, disabled individuals, and veterans, among others. This will help to address the root causes behind several situations of homelessness while assisting those homeless peoples in need.

On the other hand, this proposed sales tax increase is one of many recent ballot measures that would further increase the cost to taxpayers. In November, Los Angeles county voters approved Measure M and Proposition HHH. Measure M is a sales tax designed to raise money to bolster public transportation and a parcel tax to help build and maintain parks. Proposition HHH aimed to issue \$1.2 billion in bonds to help build various support facilities, housing, and shelters for homeless people. These would be in addition to California's sales tax rate of 7.5%, the highest in the United States as of January 2016.

RECOMMENDATION: Homelessness is an increasingly pervasive problem; statistics show that there are approximately 26,000 homeless individuals in Los Angeles, an 11% percent from the past year due to a lack of affordable housing, rising rents, and inadequate support services.

Pasadena has not been sheltered from the effects of homelessness as the city passed an ordinance designed to address the increasing presence of homeless people in the city. It prohibits homeless residents from panhandling, erecting shelters on public property, and authorizes authorities to confiscate property left on the sidewalk in response to community concerns about crime and safety.

Although California's sales tax rate is already the nation's highest at 7.5% and there have been other recently approved ballot measures that would further increase it, I believe this quarter-cent sales tax increase is necessary to address the increasingly pervasive homelessness problem in Los Angeles. It would play an hugely beneficial and integral role in funding the estimated \$450 million needed annually to adequately fund social services once permanent supportive housing is built. Additionally, as director of LA County's homeless initiative Phil Ansell pointed out, the quarter-cent sales tax would result in only negligible price increases for consumers, spending an additional 10 cents for a \$40 purchase or an additional \$1 on a \$400 purchase. As such, I recommend that the Pasadena Chamber of Commerce support this sales tax measure.