



VOTER INFORMATION PAMPHLET



COMPILED BY HOLLY L. WOLCOTT, CITY CLERK

★ SPECIAL MUNICIPAL ELECTION ★
TUESDAY, NOVEMBER 8, 2016

**For Election Information,
please call 1-888-873-1000**

**The City of Los Angeles provides voter information
in English as well as in the following languages:**

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զանգահարե՛ք 1-800-994-VOTE (8683) հեռախոսահամարով:**

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تلفن 1-800-994-VOTE (8683) تماس بگیرید**

**हिन्दी में इस पैम्फलेट की प्रति प्राप्त करने के लिए,
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연락하십시오. 1-800-994-VOTE (8683)**

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**เพื่อขอสำเนาจลสารนี้ในภาษาไทย โปรดโทรศัพท์ติดต่อที่หมายเลข
1-800-994-VOTE (8683)**

**Muốn có một tập sách này bằng tiếng Việt, hãy gọi số
1-800-994-VOTE (8683)**

POLLS OPEN AT 7 A.M. AND CLOSE AT 8 P.M.

Note: This pamphlet contains only information on ballot measures pertaining to the City of Los Angeles. It is not a sample ballot. You will receive your sample ballot with polling place location from the Los Angeles County Registrar - Recorder.

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VOTER INFORMATION

The County of Los Angeles is conducting the November 8, 2016 State General Election.

For information concerning the election, such as polling place locations, please contact the County Registrar-Recorder at (800) 815-2666 or visit their website at www.lavote.net.



The next 4 pages contain simplified versions of the City ballot measures. The full text of each measure, along with other information, is printed after the Ballot Summary (see TABLE OF CONTENTS Page).



CITY OF LOS ANGELES PROPOSITION HHH

TITLE:

HOMELESSNESS REDUCTION AND PREVENTION, HOUSING, AND FACILITIES BOND.

THE ISSUE:

To provide safe, clean affordable housing for the homeless and for those in danger of becoming homeless, such as battered women and their children, veterans, seniors, foster youth, and the disabled; and provide facilities to increase access to mental health care, drug and alcohol treatment, and other services; shall the City of Los Angeles issue \$1,200,000,000 in general obligation bonds, with citizen oversight and annual financial audits?

THE SITUATION:

The homeless population in Los Angeles is approximately 26,000 -- an 11% increase since 2015 -- partly due to an undersupply of affordable housing, overall low vacancy rates, and high rents. Homelessness affects all segments of society and is a public health and safety concern Citywide. The City and County of Los Angeles, in partnership with key stakeholders, determined that approximately 13,000 housing units are needed. Revenue sources are required to finance this housing.

THE PROPOSAL:

The City would issue up to \$1,200,000,000 in general obligation bonds to buy, build, or remodel facilities to provide:

- Supportive housing for homeless individuals and families where services such as health care, mental health and substance abuse treatment, education, and job training may be provided;
- Temporary shelters and facilities, such as storage and showers;
- Affordable housing (up to 20% of bond funds), including veterans housing for individuals and families with low incomes; and
- Related infrastructure.

Citizens Oversight and Administrative Oversight Committees would monitor bond expenditures. A financial audit shall be conducted annually.

The bonds will be paid from an increase in property taxes, as detailed in the accompanying tax rate statement.

A YES VOTE MEANS:

You want to issue up to \$1,200,000,000 in bonds to develop housing and facilities to reduce and prevent homelessness.

A NO VOTE MEANS:

You do not want to issue up to \$1,200,000,000 in bonds to develop housing and facilities to reduce and prevent homelessness.

THE FULL TEXT OF THIS MEASURE BEGINS ON PAGE 18.



CITY OF LOS ANGELES INITIATIVE ORDINANCE JJJ

TITLE:

AFFORDABLE HOUSING AND LABOR STANDARDS RELATED TO CITY PLANNING (INITIATIVE ORDINANCE).

THE ISSUE:

Shall an ordinance be adopted to: require that certain residential development projects provide for affordable housing and comply with prevailing wage, local hiring and other labor standards; require the City to assess the impacts of community plan changes on affordable housing and local jobs; create an affordable housing incentive program for developments near major transit stops; and make other changes?

THE SITUATION:

Currently, the City of Los Angeles does not require proposed General Plan amendments or zoning changes to incorporate affordable housing or meet training, local hiring, and prevailing wage requirements.

THE PROPOSAL:

This citizen-sponsored ballot initiative would:

- Require certain residential development projects of 10 or more units seeking General Plan amendments or certain zoning changes to provide affordable housing and meet training, local hiring, and prevailing wage requirements.
- Limit the City's ability to deny General Plan amendments for projects that satisfy all of the following:
 - are located near transit stops or meet other geographic requirements, or are entirely comprised of affordable housing units;
 - meet training, local hiring, and prevailing wage requirements; and
 - provide affordable housing;
- Require the City to assess the impacts of Community Plan changes to ensure that the changes do not:
 - reduce the capacity for affordable housing and access to local jobs; or
 - undermine State or other affordable housing incentive programs;
- Create a new affordable housing incentive program for developments near major transit stops.

A YES VOTE MEANS:

You want to amend City law to add affordable housing standards and training, local hiring, and prevailing wage requirements for certain residential projects seeking General Plan amendments or zoning changes.

A NO VOTE MEANS:

You do not want to amend City law to add affordable housing standards and training, local hiring, and prevailing wage requirements for certain residential projects seeking General Plan amendments or zoning changes.

THE FULL TEXT OF THIS MEASURE BEGINS ON PAGE 35.



CITY OF LOS ANGELES CHARTER ADMENDMENT RRR

TITLE:

CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER (DWP).

THE ISSUE:

Shall the Charter be amended to: (1) add qualification requirements, stipends and removal protections for the DWP Board; (2) expand the Board to seven members; (3) require DWP to prepare four-year Strategic Plans for Council and Mayoral approval; (4) modify DWP's contracting, rate-setting and other authority; (5) permit future alternatives to existing civil service standards for DWP employees through collective bargaining; and (6) require monthly billing?

THE SITUATION:

DWP is a City-owned utility. DWP is governed by a Board appointed by the Mayor, and approved by the City Council. The Board sets rates with Council and Mayoral approval. DWP bills residential customers every two months. The City has identified the need for improvements regarding oversight, transparency and operations of DWP.

THE PROPOSAL:

This measure would amend the Charter to:

- Expand the Board from five to seven members, add qualification requirements, authorize stipends, and establish a process to appeal removal;
- Modify the General Manager appointment process;
- Double the minimum budget of the Office of Public Accountability (OPA);
- Allow the Council and Mayor to reappoint the OPA Executive Director (Ratepayer Advocate) for an additional term;
- Establish a DWP Analyst Office to provide policy/fiscal analysis to the Board;
- Require DWP to prepare four-year Strategic Plans for Council and Mayoral approval, consisting of projects, programs, and revenue requirements;
- Allow the Board to set rates, consistent with the Strategic Plan;
- Expand the Board's contracting authority and modify Council's contracting oversight;
- Allow Council to:
 - approve an alternative to civil service standards for DWP employees (developed through collective bargaining)
 - shift salary setting authority for DWP employees to the Board;
- Require monthly billing by July 1, 2020.

A YES VOTE MEANS:

You want to change DWP's governance and administrative functions.

A NO VOTE MEANS:

You do not want to change DWP's governance and administrative functions.

THE FULL TEXT OF THIS MEASURE BEGINS ON PAGE 71.



CITY OF LOS ANGELES CHARTER ADMENDMENT SSS

TITLE:

CITY OF LOS ANGELES FIRE AND POLICE PENSIONS; AIRPORT PEACE OFFICERS.

THE ISSUE:

Shall the Charter be amended to: (1) enroll new Airport peace officers into Tier 6 of the Los Angeles Fire and Police Pensions Plan (LAFPP); (2) allow current Airport peace officers to transfer into Tier 6 from the Los Angeles City Employees' Retirement System (LACERS) at their own expense; and (3) permit new Airport Police Chiefs to enroll in LACERS?

THE SITUATION:

Sworn peace officers who perform police and firefighting duties for the Airport Department are currently members of LACERS, which provides retirement benefits primarily for civilian employees. LAFPP provides retirement benefits for sworn employees of the Los Angeles Police Department, Fire Department, and the Harbor Department. Tier 6 is the current LAFPP benefits plan provided to new employees. Both plans are funded from employee contributions, City contributions, and retirement plan investments.

THE PROPOSAL:

This measure would:

- Enroll all Airport peace officers hired on or after January 7, 2018 into Tier 6 of LAFPP;
- Allow those hired earlier to transfer into Tier 6 at their own expense; and
- Allow new Airport Police Chiefs who are not already members of LAFPP to enroll in LACERS.

A YES VOTE MEANS:

You want all new Airport peace officers to be enrolled in LAFPP, allow current Airport peace officers to transfer to LAFPP at their expense, and allow new Airport Police Chiefs the option to enroll in LACERS.

A NO VOTE MEANS:

You do not want all new Airport peace officers to be enrolled in LAFPP, allow current Airport peace officers to transfer to LAFPP at their expense, and allow new Airport Police Chiefs the option to enroll in LACERS.

THE FULL TEXT OF THIS MEASURE BEGINS ON PAGE 85.



HHH HOMELESSNESS REDUCTION AND PREVENTION, HOUSING, AND FACILITIES BOND. PROPOSITION HHH.

To provide safe, clean affordable housing for the homeless and for those in danger of becoming homeless, such as battered women and their children, veterans, seniors, foster youth, and the disabled; and provide facilities to increase access to mental health care, drug and alcohol treatment, and other services; shall the City of Los Angeles issue \$1,200,000,000 in general obligation bonds, with citizen oversight and annual financial audits?

**TAX RATE STATEMENT
BY MIGUEL A. SANTANA, CITY ADMINISTRATIVE OFFICER**

If the bond proposition is approved, the general obligation bonds will be issued in phases, as projects are ready. The City expects to sell the bonds in 10 series over time ranging from approximately \$30 million to \$210 million per series. Principal and interest on the bonds will be payable from the proceeds of taxes levied upon taxable property in the City.

In Fiscal Year 2017-18, the first fiscal year after the first series of bonds are expected to be issued, the estimated tax rate is \$0.0006 per every \$100 of assessed valuation (\$0.60 per every \$100,000 of assessed valuation).

In Fiscal Year 2026-27, the first fiscal year after the expected issuance of the last series of bonds (and the year in which the tax rate is expected to be the highest), the estimated tax rate is \$0.0185 per every \$100 of assessed valuation (\$18.54 per every \$100,000 of assessed valuation).

Over the life of the bonds, the estimated average annual tax rate is \$0.0096 per every \$100 of assessed valuation (\$9.64 per every \$100,000 of assessed valuation). A home with an assessed value of \$341,000 is estimated to have an average annual tax of \$32.87 for 29 years.

The best estimate of the total debt service, including the principal (\$1.2 billion) and interest (\$693 million), that would be required to be repaid if all the bonds are issued and sold is \$1,893,000,000.

The foregoing information is based upon the City's projections and estimates only, which are not binding upon the City. The estimates provided herein do not account for the taxes levied to pay for bonds issued by the City pursuant to prior voter authorizations. The actual tax rates and the years in which they will apply may vary from those presently estimated due to variations from these estimates in, among other factors: the timing of bond sales, the amount of bonds sold at each sale, market interest rates for bonds at the time of each bond sale, the credit quality of the City at the time of each bond sale, and the actual assessed valuations of taxable property in the City during the term of repayment of the bonds.



IMPARTIAL SUMMARY
BY SHARON M. TSO, CHIEF LEGISLATIVE ANALYST

The Los Angeles Homeless Services Authority's (LAHSA) recent count of homeless individuals determined that there are approximately 26,000 homeless individuals in Los Angeles, a growth of 11% in the past year. Homelessness and homeless encampments have increased Citywide and are a safety and public health issue. Contributing to homelessness is the lack of affordable housing, low vacancy rates, and rising rents. These factors limit housing options, while high rents put more people at risk of homelessness.

After extensive analysis and working in cooperation with the County of Los Angeles, LAHSA and the non-profit community, the City adopted the Comprehensive Homeless Strategy on February 9, 2016. The strategy determined that 13,000 units of new housing, including 10,000 units of supportive housing, are needed at an estimated cost exceeding \$1 billion to house the homeless. The City's strategy incorporates the United States Department of Housing and Urban Development's (HUD) and LAHSA's position that providing stable housing to a homeless individual prior to providing needed services is more effective at resolving homelessness compared to offering services without guaranteed housing. Development of this housing requires a dedicated revenue source since the City does not have the funding capacity in its current operating budget.

If approved, this proposal will authorize the City to issue General Obligation bonds in the amount of \$1,200,000,000 to develop housing and facilities for the homeless and affordable housing for those at risk of homelessness, as follows:

- Supportive housing or units for individuals and families who are homeless or chronically homeless and (1) extremely low income, or (2) very low income, as defined by HUD for the County of Los Angeles. This 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, non-profit entities and/or private entities;
- Temporary shelter facilities, storage facilities, shower facilities and other facilities to be used by the City, other public entities, non-profit 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;
- Affordable housing or units, including veterans housing, for individuals and families who are (1) extremely low income, (2) very low income and/or (3) low income, as defined by HUD for the County of Los Angeles, including individuals and families who are not currently homeless but are at risk of homelessness; provided, however, that not more than 20% of general obligation bond proceeds shall be used for such purposes; and/or
- Associated infrastructure and landscaping, including utilities, sidewalks and streets to be used in connection with the housing units and other facilities described above.



Bonds will be issued and expended in accordance with an annual allocation plan. Proceeds will pay for costs associated with acquiring and improving real properties. Bond proceeds will not be used to finance services or operations, and will not be used to replace existing sources of funds dedicated to develop similar supportive and affordable housing or facilities that provide homeless services.

This measure will require:

- Preparation of an annual plan that prioritizes funding for supportive housing and facilities and the necessary bond issuance to finance those developments;
- Establishment of Citizens Oversight and Administrative Oversight Committees to monitor the bond program; and
- Annual financial audits which will be available to the public.

This measure will become effective if approved by two-thirds of voters.

FINANCIAL IMPACT STATEMENT BY MIGUEL A. SANTANA, CITY ADMINISTRATIVE OFFICER

The proposition authorizes the City to issue up to \$1.2 billion in general obligation bonds for the purposes of financing permanent supportive and affordable housing and facilities for the homeless. Principal and interest on the bonds will be payable from additional property taxes to be levied upon taxable property in the City according to their assessed value. Based on current estimates, the issuance of such bonds will result in estimated average annual debt service payments of approximately \$65.3 million for 29 years.

The issuance of these bonds is consistent with the City's Debt Management Policy, which limits debt service payments to no more than 15 percent of General Revenues. Based on current debt repayment schedules, the City's debt ratio is estimated to be at its highest in the first year of this bond issuance, Fiscal Year 2017-18, at approximately 6.56 percent of General Revenues.

In addition to the cost of paying principal and interest payments on the bonds, the City will incur additional costs to administer the issuing of this debt and providing loans to build affordable housing and facilities. Some of the costs may not be permitted to be financed from bond proceeds and would be financed from various other sources, including the General Fund. **Once all \$1.2 billion of bonds are issued and all bond proceeds are spent, the estimated additional cost of administering the housing and facilities loan program would be approximately \$1.6 million each year.** The actual annual cost will vary due to numerous factors, including the actual projects constructed.



ARGUMENT IN FAVOR OF PROPOSITION HHH

Homelessness in Los Angeles is rising dramatically, and unless we take action together the situation will only get worse.

As part of the city's Comprehensive Homeless Strategy, **Prop. HHH will:**

- Provide safe, clean housing for the homeless and those in danger of becoming homeless
- Facilitate access to mental health care, drug and alcohol treatment, and other important services
- Have strict accountability for spending funds, including citizen oversight with regular independent audits

Prop. HHH is a common-sense, cost-effective approach to solving the problem of growing homelessness, increasing encampments, and at-risk populations of homeless women and children, seniors, and veterans.

The facts:

- More than 26,000 are homeless in Los Angeles
- Homelessness in Los Angeles went up 11% last year alone
- The number of encampments and people living in vehicles increased by 20%
- Women, many who have been victims of rape and assault, account for 61% of the increase since 2013

We can no longer wait to solve this problem – we need immediate solutions to keep people off the street, reduce the number of encampments, and protect vulnerable women and children.

Prop. HHH will provide \$1.2 billion dollars for safe, clean housing and facilities for mental health, drug and alcohol treatment, and housing assistance.

“Proposition HHH will provide the resources our city needs to reduce the number of people living on our streets, build more supportive housing, and provide services necessary to help those battling addiction and illness. Unless we act now, the problem will only get worse.”

Stephanie Klasky-Gamer, L.A. Family Housing

Prop. HHH will give us the resources to help get homeless the housing and help they need – and go a long way to keeping those in danger of homelessness off the street in the first place.

Vote YES on Proposition HHH.

Arguments printed on this page are the opinions of the authors and are not checked for accuracy by any City agency.



PERSONS SIGNING ARGUMENT IN FAVOR OF PROPOSITION HHH

ELISE BUIK
President & CEO
United Way of Greater Los Angeles

MICHAEL ALVIDREZ
CEO
Skid Row Housing Trust

RICHARD CLOSE
President
Sherman Oaks Homeowners Association

FAYE WASHINGTON
President and CEO
YWCA of Greater Los Angeles

THE HONORABLE ZEV YAROSLAVSKY
Supervisor, 3rd District (ret.)
County of Los Angeles

GARY TOEBBEN
President & CEO
Los Angeles Area Chamber of Commerce

DR. MITCHELL KATZ, MD
Director
Los Angeles County
Department of Health Services

RUSTY HICKS
Executive Secretary-Treasurer
Los Angeles County Federation of Labor

ANTONIA HERNANDEZ
President & CEO
California Community Foundation

CHARLES E. BLAKE, SR.
Presiding Bishop
West Angeles Church of God in Christ



REBUTTAL TO THE ARGUMENT IN FAVOR OF PROPOSITION HHH

NO FUNDING

Proposition HHH can't legally fund mental health care or drug and alcohol treatment—treatment many homeless need. That's why the City says it **needs \$800 million more** for services if Proposition HHH is approved.

Will the need stop when the funding runs out?

MORE HOMELESSNESS

The hard truth—many chronic homeless will remain that way. Proposition HHH will draw more homeless to Los Angeles for free housing. Early release jail policies and reduced drug sentences will add more homeless.

ONLY DEVELOPERS BENEFIT

Proposition HHH will pay developers to build high-density homeless apartments in your neighborhood. City officials can use the power of eminent domain to force you to sell your home to construct homeless apartments.

“The council may go to court to obtain a judge's permission to send [Proposition HHH] funds directly to housing developers.” — Los Angeles Times, July 7, 2016

You pay almost \$2 billion in higher property taxes.

Vote NO on Proposition HHH.

www.noHHHtax.org

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**PERSONS SIGNING REBUTTAL TO THE ARGUMENT IN FAVOR OF
PROPOSITION HHH**

G. RICK MARSHALL
Chief Financial Officer
California Taxpayers Action Network

DENNY SCHNEIDER
Community Activist



ARGUMENT AGAINST PROPOSITION HHH

We all want to help the homeless off the street. But Proposition HHH is an unnecessary and unfair tax that fails to solve the homeless problem.

Rather, the primary beneficiaries are politically well-connected apartment developers.

Proposition HHH authorizes borrowing \$1.2 billion by selling bonds to Wall Street investors, then paying it back, plus interest, by raising our property taxes, overriding Proposition 13 limits.

It's an unfair tax that would not be levied equally on all taxpayers, taxing recent home buyers much higher than others while renters, even wealthy renters, pay nothing.

Because the law says bond funds can only be used for land and buildings, Proposition HHH will not provide funds for operating homeless shelters, mental health or substance abuse treatment, or extra policing to protect residents from the ill effects of homeless encampments.

The homeless crisis has been made worse by a legal settlement that temporarily prevents the City from moving homeless people off of sidewalks and into shelters. Proposition HHH will not change the reality that thousands of "service resistant" homeless consistently refuse offers of shelter.

Under State law, the County, not the City, is responsible for the care of the homeless. But the County spends its money on other things while it ignores this priority.

The City doesn't have a comprehensive plan other than to throw our cash at the problem. No wonder Proposition HHH does not provide for independent oversight!

Finally, this tax is unnecessary. The average annual debt service for the bonds is **less than 5% of the increase in the City budget over the next 30 years. A modest allocation of future revenues would avoid the need for this tax increase.**

California Taxpayers Action Network, a nonpartisan, all-volunteer, nonprofit organization fighting to stop wasteful government spending, urges you to vote NO on this unnecessary and unfair tax.

www.caltan.org

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PERSONS SIGNING ARGUMENT AGAINST PROPOSITION HHH

G. RICK MARSHALL
Chief Financial Officer
California Taxpayers Action Network

DENNY SCHNEIDER
Community Activist

JACK HUMPREVILLE
Neighborhood Council Budget Advocate

MARK RYAVEC
Former Chief Deputy Assessor
Los Angeles County Assessor's Office

JAY HANDAL
Co-Chair
Citywide Budget Advocates

GARY AMINOFF
President
Alliance for Liberty



REBUTTAL TO THE ARGUMENT AGAINST PROPOSITION HHH

Prop. HHH will help solve the Homelessness crisis in Los Angeles.

We cannot afford to pass the buck to the next generation. Over 26,000 women, children and veterans need our help now.

The opponents' arguments are misleading and based on ideology instead of facts.

The truth is Prop. HHH uses strict citizen oversight and independent audits to ensure funding goes where it is most needed to help the homeless.

The Prop. HHH housing solution works:

- Local and national data demonstrate that over 85% of people placed in permanent supportive housing stay permanently housed
- It's over 40% cheaper to house chronically homeless individuals with mental difficulties than pay for other public services like costly emergency and crisis systems
- Similar plans in cities such as Salt Lake City have nearly ended chronic homelessness

We must take action now. Prop. HHH is a proven, responsible solution to the growing problem of homelessness.

Vote YES on Proposition HHH !

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**PERSONS SIGNING REBUTTAL TO THE ARGUMENT AGAINST
PROPOSITION HHH**

ELISE BUIK
President & CEO
United Way of Greater Los Angeles

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THE HONORABLE ZEV YAROSLAVSKY
Supervisor, 3rd District (ret.)
County of Los Angeles

CHARLES E. BLAKE, SR.
Presiding Bishop
West Angeles Church of God in Christ



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, in accordance with California Constitution Article XIII A, Section 1(b)(2), to finance the acquisition or improvement of real property to provide: (a) supportive housing for extremely low income or very low income individuals and families who are homeless or chronically homeless, 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, including those who are at risk of homelessness; and (d) associated infrastructure and landscaping, including utilities, sidewalks and streets to be used in connection with the aforementioned housing units and other facilities; 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 or very low income individuals and families who are homeless



or chronically homeless, 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, including those who are at risk of homelessness; and (d) associated infrastructure and landscaping, including utilities, sidewalks and streets to be used in connection with the aforementioned housing units and other facilities; 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, 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 HHH, 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 or very low income individuals and families who are homeless or chronically homeless, 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, including those who are at risk of homelessness; and (d) associated infrastructure and landscaping, including utilities, sidewalks and streets to be used in connection with the aforementioned housing units and other facilities; 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 or very low income individuals and families who are homeless or chronically homeless, 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, including those who are at risk of homelessness; and (4) associated infrastructure and landscaping, including utilities, sidewalks and streets to be used in connection with the aforementioned housing units and other facilities; 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 Two Hundred Million Dollars (\$1,200,000,000) 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 Two Hundred Million Dollars (\$1,200,000,000), 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 Two Hundred Million Dollars (\$1,200,000,000).

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.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney



Exhibit 1

HOMELESSNESS REDUCTION AND PREVENTION, HOUSING AND FACILITIES 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 Two Hundred Million Dollars (\$1,200,000,000), 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 or chronically homeless 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), or (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), 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 individuals and families who are (1) Extremely Low Income, (2) Very Low Income and/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), including individuals and families who are not currently homeless but are at risk of homelessness; provided, however, that not more than 20% of general obligation bond proceeds shall be used for such purposes; and/or
- (D) 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 or chronically homeless 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 funding from existing sources currently allocated by the City and dedicated to the development or financing of (a) affordable housing or (b) 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; provided, that, such funding from existing sources are from established ongoing sources of funding, including grant and special funds, and subject to the continued availability of such funds. This Maintenance of Effort requirement shall not apply to any source of one-time or limited-duration funding, including General Fund, Special Fund or Grant Funds.
- (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.



JJJ

AFFORDABLE HOUSING AND LABOR STANDARDS RELATED TO CITY PLANNING. INITIATIVE ORDINANCE JJJ.

Shall an ordinance: 1) requiring that certain residential development projects provide for affordable housing and comply with prevailing wage, local hiring and other labor standards; 2) requiring the City to assess the impacts of community plan changes on affordable housing and local jobs; 3) creating an affordable housing incentive program for developments near major transit stops; and 4) making other changes; be adopted?

IMPARTIAL SUMMARY BY SHARON M. TSO, CHIEF LEGISLATIVE ANALYST

This citizen-sponsored ballot initiative, if approved, will amend City law to add affordable housing standards and training, local hiring, and specific wage requirements for certain residential projects of 10 or more units seeking General Plan amendments or zoning changes. The proposed ordinance would limit the City's ability to deny General Plan amendments for projects that satisfy all of the following:

- Are located near transit stops or meet other geographic requirements, or are entirely comprised of affordable housing units;
- Meet training, local hiring, and certain wage requirements; and
- Provide a certain percentage of affordable housing or otherwise comply with specified affordable housing requirements.

The percentage and type of affordable units required for each housing project will vary depending on the amendment or change approved for that project. The affordable housing requirements may also be satisfied through off-site construction of affordable housing, off-site acquisition of affordable housing, or fees. Under the affordable housing provisions of the measure, all affordable housing units are subject to an affordability commitment acceptable to the City. Affordable rental housing units, created or acquired, must guarantee continuing affordability for a minimum term of 55 years.

The labor-related provisions of this initiative would require a good-faith effort that at least 30 percent of all construction worker hours in a project be performed by permanent residents of the City, of which at least 10 percent must be performed by "Transitional Workers" facing socioeconomic obstacles or other barriers to employment and whose primary residence is within a five mile radius of the project site; payment of certain wages; and licensing, certifications, and apprenticeship requirements.

The measure also proposes to limit the City's ability to reduce the number of community plans or make changes to their geographical boundaries, land uses or other material changes until:



- The Planning Department completes a comprehensive assessment to ensure that the proposed changes do not reduce the capacity for creation and preservation of affordable housing and access to local jobs; or undermine any State or other affordable housing incentive program.
- The Planning Commission considers the plan amendment accompanied by the required comprehensive assessment and makes a recommendation to accept or reject the proposed amendment, and Council votes to either accept or reject the amendment.

This initiative would change the City's Affordable Housing Trust Fund requirements making housing projects receiving Affordable Housing Trust Fund funding subject to labor-related provisions, except for affordable housing developments of 25 units or less. All construction projects funded by the Affordable Housing Trust Fund, however, would be subject to prevailing wage rate requirements, as determined by the California Department of Industrial Relations.

This measure also creates an affordable housing incentive program with increased density and reduced parking requirements in areas within a one-half mile radius around a major transit stop.

This measure would become effective with a majority vote.

**FINANCIAL IMPACT STATEMENT
BY MIGUEL A. SANTANA, CITY ADMINISTRATIVE OFFICER**

This initiative would require certain residential development projects of ten or more units seeking General Plan amendments or certain zoning changes to provide affordable housing and meet training, local hiring, and prevailing wage requirements. Furthermore, this initiative would limit the City's ability to deny or amend projects that satisfy all of the requirements.

This initiative is not expected to result in any additional cost to the City or to taxpayers.



ARGUMENT IN FAVOR OF INITIATIVE ORDINANCE JJJ

Yes on Proposition JJJ - Affordable housing built by Angelenos who need jobs the most.

Proposition JJJ applies to developers who ask the City for special planning or zoning changes.

If a developer wants *planning or zoning changes*, **then** 30% of the construction workers must be from local communities who need jobs the most, including veterans.

If a developer wants *planning or zoning changes* for new apartments, **then** up to 20% of the apartments must have rents people with ordinary incomes can afford.

If a developer wants *planning or zoning changes* for new homes to sell, **then** up to 40% of those homes must be priced for people with ordinary incomes.

If the new affordable housing is more practical in another area, **then** the developer will pay into the Affordable Housing Trust Fund for the construction.

Proposition JJJ produces more affordable housing *without relying on taxpayer funding.*

Too many hardworking Angelenos can no longer find a home they can afford to buy or rent. UCLA estimates that 300,000 working families can't afford Los Angeles' skyrocketing housing prices. There are few homes priced below \$600,000. Rent for a new apartment has risen to nearly \$3,000 per month - \$36,000 a year.

Angelenos who drive the trucks, cook the food, clean the offices and hotels, care for the elderly, stock the shelves, provide the day care, build and repair almost everything else are being pushed farther and farther away from their jobs adding more and more traffic throughout the city. Proposition JJJ will build more housing near transit stops to reduce congestion.

Proposition JJJ won't solve every problem. But if Proposition JJJ had been enacted three years ago, Los Angeles would have 5,522 additional new homes that people could afford today and 11,656 local residents would have had the jobs to build them.

Veterans, renters, first-time homebuyers, and out-of-work construction workers asked Angelenos to sign Proposition JJJ - and 100,000 said "Yes."

Please join us in voting Yes on Propostion JJJ.

Arguments printed on this page are the opinions of the authors and are not checked for accuracy by any City agency.



PERSONS SIGNING ARGUMENT IN FAVOR OF INITIATIVE ORDINANCE JJJ

ALTON WILKERSON
Electrician

ANGELLA GAINES
Renter

RUSTY HICKS
Veteran

JOSEFINA CASTILLO
First-time Homebuyer

RONALD MILLER
Plumber



REBUTTAL TO THE ARGUMENT IN FAVOR OF INITIATIVE ORDINANCE JJJ

NO ON MEASURE JJJ

We need a comprehensive solution to help our most vulnerable populations. Measure JJJ is not that solution and in fact, could make affordable housing even more unattainable for those most in need.

That is why so many community-based organizations, businesses, homeless advocates, non-profit groups, housing advocates and tenant rights groups oppose Measure JJJ.

Measure JJJ won't help those most in need. Even under a best case scenario, Measure JJJ's own fuzzy math estimates only a 1.8% increase in needed housing - at greatly inflated costs.

Increased labor costs will take its toll on the availability and affordability of new housing. **Habitat for Humanity/San Fernando and Santa Clarita Valleys' poll of its subcontractors** provides a snapshot of current standard wages versus what would have to be paid the same worker under Measure JJJ.

- The standard wage for framing would increase from \$28/hour to \$51/hour under Measure JJJ.
- The standard wage for the installation of HVAC would increase from \$35/hour to \$70/hour under Measure JJJ.
- The standard wage for drywall would increase from \$15/hour to \$45/hour under Measure JJJ.

Measure JJJ will not build more housing, especially affordable housing. While it may have good intentions, Measure JJJ will have disastrous results on the ability to build new and affordable housing for residents.

The fact is Measure JJJ will cost more for the same work, driving up the cost to build homes and making them MORE expensive. First time homebuyers will have fewer opportunities to find a home at a reasonable price.

Measure JJJ is really a hidden tax on renters and future homeowners, because increased construction costs will drive home prices and rents even higher.

Measure JJJ is ballot-box legislating at its worst. Not only will it not help those most in need, it will add new layers of bureaucracy and red tape to the planning process, drive up construction costs and make our housing predicament worse.

Please join us and **VOTE NO on Measure JJJ.**

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**PERSONS SIGNING REBUTTAL TO THE ARGUMENT IN FAVOR OF
INITIATIVE ORDINANCE JJJ**

TIM PIASKY
Co-Chair
Coalition for Jobs and Attainable Housing

GARY TOEBBEN
President & CEO
Los Angeles Area Chamber of Commerce

BEVERLY A. KENWORTHY
Vice President
California Apartment Association Los Angeles

STUART WALDMAN
President
Valley Industry & Commerce Association

CAROL SCHATZ
President & CEO
Central City Association of Los Angeles

MIKE BALSAMO
CEO
Building Industry Association of Southern
California



ARGUMENT AGAINST INITIATIVE ORDINANCE JJJ

RIGHT PROBLEM, WRONG SOLUTION: VOTE NO ON JJJ!

Measure JJJ is a deeply flawed initiative that deserves a NO vote. Measure JJJ does not produce new jobs and will not increase the availability, or affordability, of housing.

In fact, studies by University of California, Berkeley, the California Institute for County Government, and Habitat for Humanity North Los Angeles estimate that the requirements of Measure JJJ could add as much as 23-30% to the cost of constructing new housing.

Habitat for Humanity North Los Angeles has noted that this will significantly impair its ability to build affordable homes.

Measure JJJ will:

- Drive up rental costs
- Make homes more unaffordable for first-time buyers
- Add delays and red tape to the construction of needed housing
- Increase construction costs

Specifically, Measure JJJ's far-reaching and poorly-defined regulations will increase the cost of construction for new housing. Additional construction cost will be felt most by those that can least afford it - small firms and non-profit organizations that build homes for seniors, veterans, and lower-income families and homeless individuals.

Measure JJJ's regulatory barriers are also counter-productive. To build more affordable housing and create new jobs, we need to build sustainably. This misguided initiative will make it more difficult and costly to build.

Without increasing our housing supply to meet demands, rents will continue to rise, home-ownership will remain out of reach and there will be limited opportunities for job creation in communities most in need.

We all agree more needs to be done to address our housing problem in Los Angeles.

Measure JJJ is the wrong approach and will make it harder to provide housing options for hard-working, lower-income families and homeless individuals.

That is why community-based organizations, businesses, homeless advocates, non-profit groups, housing advocates and tenant rights groups oppose Measure JJJ.

VOTE NO on Measure JJJ.

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PERSONS SIGNING ARGUMENT AGAINST INITIATIVE ORDINANCE JJJ

TIM PIASKY
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CAROL SCHATZ
President & CEO
Central City Association of Los Angeles

MIKE BALSAMO
CEO
Building Industry Association of
Southern California



REBUTTAL TO THE ARGUMENT AGAINST INITIATIVE ORDINANCE JJJ

The opponents of Proposition JJJ make a number of misleading arguments.

They imply that respected institutions, including the University of California, have conducted “studies” on the policies in Proposition JJJ. But no one involved in Proposition JJJ or the City of Los Angeles has reported being contacted by anyone conducting such a “study.” Nor has anyone seen one.

Did the University of California actually conclude that building more affordable housing makes housing more expensive? No, they did not.

For the development interests opposing Proposition JJJ, the facts continue to get in the way of their arguments.

Proposition JJJ does not pretend to create more jobs. It simply requires that 30% of the jobs building affordable housing go to people in Los Angeles who need the jobs most – including veterans.

Proposition JJJ does not raise rents. It makes more affordable apartments available.

Proposition JJJ does not impose “expensive barriers” on new housing that is being built where it is already allowed. Proposition JJJ only takes effect when the developer wants special zoning or planning changes.

If a developer doesn’t want special zoning or planning considerations, Proposition JJJ won’t apply to them. If they do want special zoning or planning changes, Proposition JJJ simply requires they build some affordable housing and local workers get some of the jobs.

And Proposition JJJ’s jobs and affordable housing do not cost the taxpayers.

Proposition JJJ replaces the current special interest-system that only benefits wealthy developers who can influence decisions that help only them and Angelenos get nothing back.

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**PERSONS SIGNING REBUTTAL TO THE ARGUMENT AGAINST
INITIATIVE ORDINANCE JJJ**

ALTON WILKERSON
Electrician

ANGELLA GAINES
Renter

RUSTY HICKS
Veteran

JOSEFINA CASTILLO
First-time Homebuyer

RONALD MILLER
Plumber



INITIATIVE ORDINANCE JJJ

AFFORDABLE HOUSING AND LABOR STANDARDS FOR GENERAL PLAN AMENDMENTS AND ZONING CHANGES. INITIATIVE ORDINANCE.

The proposed ordinance would provide that: 1) development projects with 10 or more residential units are not eligible for general plan amendments or certain zoning changes unless the project (a) includes a component of affordable housing or the developer pays in-lieu fees into the City's Affordable Housing Trust Fund (AHTF), and (b) complies with labor standards regarding using licensed contractors, paying prevailing wages and hiring workers from local and disadvantaged areas and State-approved apprenticeship programs; 2) nothing in the Municipal Code's provision regarding general plan amendments shall restrict amendments for above-described projects located in regional centers, downtown centers, industrial zones or near major transit stops; 3) the City assess the impacts of community plan changes on affordable housing and local jobs and create and monitor affordable housing inventories within community plan areas; 4) AHTF projects comply with the above-described labor standards; and 5) the City create an affordable housing incentive program for developments located near major transit stops.

ORDINANCE NO. _____

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. **Name.** This ordinance initiative shall be known and may be cited as "The Build Better LA Initiative," and shall be referred to herein as "the Build Better LA Initiative" or "this Ordinance."

Sec.2. **Findings.** The People of Los Angeles hereby find:

The City of Los Angeles has seen a surge in homeless individuals and families who are forced to sleep on our streets, in our parks, and below our bridges. While LA has had the unfortunate distinction of being the nation's homeless capital for quite some time, the current situation has become so dire that City leaders considered declaring a State of Emergency. At last count, nearly 26,000 Angelenos were homeless, including those suffering from various medical challenges, people of color, families with children, and individuals who are employed. While their backgrounds and stories are as diverse as the population of LA, they share a common struggle with the majority of LA residents who are struggling to afford skyrocketing rents. A recent study from the University of California, Los Angeles shows that Los Angeles, which has the highest percentage of renters in the nation, is also now the least affordable rental market in the nation. Another study from Harvard University states that at least half of all households in LA are rent burdened, or spending more than 30% of their monthly income on housing, with significant numbers paying more than 50% of their income for housing costs. With average rents nearing \$2,000 per month, research has found that an individual must earn over \$30 per hour to afford the rent for a one bedroom apartment in LA and a working family must earn over \$88,000 per year to afford the rent for a two-bedroom apartment in LA - amounts that



are out of reach for a city where nearly a quarter of its residents are in poverty and the median income is less than \$28,000 per year.

Despite the tremendous need for the construction of new housing, especially for those with extremely low, very-low, and low incomes, LA continues to struggle with capacity. The City expects to fall far short of its need for affordable housing - projecting that it may meet only 26% of the housing needed for lower-income households while exceeding the need for wealthier households. In May 2014, Southern California Association of Nonprofit Housing (SCANPH) released a report showing that the LA region had a shortfall of nearly 500,000 units of affordable housing available to low and very-low income residents. Southern California Association of Governments (SCAG) estimated that LA had a shortage of over 82,000 housing units, which according to the City's calculations, necessitates production of nearly 11,000 units per year, half of which would be affordable. Unfortunately, the City only has the funding to build 500 units annually and that could drop to 250 in the coming years. In other words, LA does not have the available building stock to address the homeless and affordable housing crisis.

The acute shortage of affordable housing available to those who are homeless or low income is not a new phenomenon and has many causes. Among the many reasons are a lack of public financing for affordable housing and an outdated general plan that does not provide incentives to build the type of housing we need. Cities like LA have been devastated by the dissolution of the Community Redevelopment Agency (CRA). In fiscal year 2009-2010, CRAs throughout California deposited over \$1 billion into accounts for low and moderate income housing. With the CRA being dissolved, cities and counties lost their most reliable funding source for projects that house residents with low to moderate incomes. The City's Affordable Housing Trust Fund (AHTF) was created in 2000 to fund the construction and preservation of affording housing. Available funding in the Trust Fund has dipped below \$20 million, far below the amount needed to meet the current demand. Given losses in funding, maximizing land use strategies and incentives for both producing and preserving affordable housing is crucial.

Unfortunately, LA has an outdated General Plan, based upon codes that were developed in the aftermath of World War II. While the City's population has doubled from less than 2 million to nearly 4 million in 5 decades, the rules that govern construction keep LA locked into a small-city framework. 60% of LA is covered by a mix of mismatched zoning regulations. We need and deserve a General Plan and zoning codes that address our current challenges, while also embracing the diverse and dynamic city that LA is today and will continue to be in the future.

Cities across the nation have sought to encourage residential development for all income levels around major transit areas and along mixed-use boulevards. As we fight to add more affordable housing, new units must also be located in strategic locations such as areas near major transit stops in order to provide our workers, seniors and students with affordable and convenient travel on a daily basis. By doing so, we also promote healthy, safe, walkable, and sustainable spaces at all economic levels. Current residents of transit-rich neighborhoods in the City are three times as likely to use transit, walk, or bike to work, significantly more likely to be renters, typically make less than \$30,000 per year, and are the groups most susceptible to displacement when property values rise and trigger higher rents.



The City's General Plan encourages provision of sufficient land use and density to accommodate an adequate supply of housing units to meet projected housing needs and encourages location of new housing near transit stations and corridors and within high activity areas while also protecting and preserving low-density neighborhoods. (See, e.g. Framework Element Policy 4.1.1, Objectives 4.2 and 4.3). The City's General Plan Housing Element also sets forth a primary goal of creating "[a] City where housing production and preservation result in an adequate supply of ownership and rental housing that is safe, healthy and affordable to people of all income levels, races, ages, and suitable for their various needs." Recognizing that affordable housing is a matter of statewide concern, the City's Housing Element encourages increasing the supply of affordable and mixed-income housing through land use programs, preserving affordable and rent-stabilized housing, particularly along transit corridors (See, e.g., Policy 1.2.2 and 1.2.8), and promoting sustainable neighborhoods that have mixed-income housing, jobs, amenities, services, and transit, and targeting housing resources, policies, and incentives to include affordable housing in residential development, particularly in mixed use development, Transit-Oriented Districts and designated Centers. Program 8, Objective 2.2, Policy 2.5.1. In furtherance of these General Plan policies and programs, a primary purpose of this ordinance is to create mixed-income development and encourage on-site affordable housing in market rate development projects within Transit-Oriented Districts and designated Centers. The development of mixed-income housing increases social and economic integration, and creates a healthy job and housing balance by locating affordable housing close to employment centers.

As LA continues to suffer through a homeless and affordable housing crisis, we need a General Plan and zoning codes that create incentives for projects that create affordable housing and provide local jobs at the income levels needed to pay the rents found throughout the City. In a city with widespread poverty, we must build more affordable housing and as result, create the local jobs necessary to raise families out of poverty. The City's General Plan aims to maintain the balance of local job creation and housing development. Chapter 7 of the General Plan states, "If the jobs/housing ratio declines, that is, if the number of jobs declines in relationship to the number of housing units, then the City's economic vitality may spiral downward. If the jobs/housing ratio increases, that is, if the number of jobs increases in relationship to the number of housing units, the housing shortage and the need for affordable housing would be exacerbated." LA recognizes that increasing housing must also be connected to similar increases in local jobs. To ensure affordability, we must also make sure that the jobs created from the construction boom pay good, family-supporting wages. Each development which contributes to affordable housing and good jobs through the provisions of this Initiative augments the City's housing mix, helps to increase the supply of housing for all economic segments of the community, and supports a balanced community which is beneficial to the public health, safety and welfare of the City.

Now THEREFORE, based upon these findings the people declare that the City adopt the legislation contained herein in order to address our homeless and affordable housing crisis, while also creating good jobs with family-supporting wages.



Sec. 3. **Affordable Housing and Good, Local Jobs.**

Subdivision B of Section 11.5.6 of Article 1.5 of the Los Angeles Municipal Code is amended to read as follows:

SEC. 11.5.6. GENERAL PLAN.

Pursuant to Charter Section 555, the City's comprehensive General Plan may be adopted, and amended from time to time, either as a whole, by complete subject elements, by geographic areas or by portions of elements or areas, provided that any area or portion of an area has significant social, economic or physical identity.

A. Amendments. Amendments to the General Plan of the City shall be initiated, prepared and acted upon in accordance with the procedures set forth in Charter Section 555 and this section.

B. Initiation of Plan Amendment. As provided in Charter Section 555, an amendment to the General Plan may be initiated by the Council, the City Planning Commission or the Director of Planning. Initiations by the Council or City Planning Commission shall be by majority vote. If an amendment is initiated by the Council or City Planning Commission, then it shall be transmitted to the Director for report and recommendation to the City Planning Commission.

Whether initiated by the Director, the Council or the City Planning Commission, the Director shall prepare the amendment and a report recommending action by the City Planning Commission. The report shall contain an explanation of the reasons for the action recommended.

After the Director prepares a Plan amendment and report, the Director shall transmit the file to the City Planning Commission for its action. Nothing in this section shall restrict the adoption of a General Plan amendment which permits the development of a project if:

1. The project (a) is located in an area classified on January 1, 2016, as a Regional Center, a Downtown Center, in an area zoned as Industrial, or a Major Transit Stop including all land within a one-half mile radius of a Major Transit Stop; or (b) each residential unit in the project, exclusive of a manager's unit or units, is affordable to, and occupied by, either a Lower or Very Low Income household;

2. All building and construction work on the project will be performed at all tiers by contractors which (a) are licensed by the State of California and the City of Los Angeles; (b) shall make a good-faith effort to ensure that at least 30% of all their respective workforces' construction workers' hours of Project Work shall be performed



by permanent residents of the City of Los Angeles of which at least 10% of all their respective workforces' construction workers' hours of Project Work shall be performed by Transitional Workers whose primary place of residence is within a 5-mile radius of the covered project; (c) employ only construction workers which possess all licenses and certifications required by the State of California and the City of Los Angeles; (d) pay their construction workers performing project work the wages prevailing in the project area determined pursuant to California Labor Code § 1770; and (e) have at least 60% of their respective construction workforces on the project from: (1) workers who have graduated from a Joint Labor Management apprenticeship training program approved by the State of California, or have at least as many hours of on-the-job experience in the applicable craft which would be required to graduate from such a state-approved apprenticeship training program, and (2) registered apprentices in an apprenticeship training program approved by the State of California or an out-of-state, federally-approved apprenticeship program; and

3. If the General Plan amendment results in increased allowable residential floor area, density or height, or allows a residential use where previously not allowed, projects with ten or more residential dwelling units shall also provide affordable housing consistent with the provisions of Section 5 of the Build Better LA Initiative.

For the purposes of this Section the following terms have the meaning shown:

“Transitional Worker” means an individual who, at the time of commencing work on the project, resides in an Economically Disadvantaged Area or Extremely Economically Disadvantaged Area and faces at least two of the following barriers to employment: (1) being homeless; (2) being a custodial single parent; (3) receiving public assistance; (4) lacking a GED or high school diploma; (5) having a criminal record or other involvement with the criminal justice system; (6) suffering from chronic unemployment; (7) emancipated from the foster care system; (8) being a veteran; or (9) being an apprentice with less than 15% of the apprenticeship hours required to graduate to journey level in a program.

“Economically Disadvantaged Area” means a zip code that includes a census tract or portion thereof in which the median annual household income is less than \$40,000 per year, as measured and reported by the U.S. Census Bureau in the 2010 U.S. Census and as updated by the parties upon the U.S. Census Bureau issuing updated Median Annual Household Income data by census tract in the American Community Survey.

“Extremely Economically Disadvantaged Area” means a zip code that includes a census tract or portion thereof in which the median annual household income is less than \$32,000 per year, as measured and reported by the U.S. Census Bureau in the 2010 U.S. Census and as updated by the parties upon the U.S. Census Bureau issuing updated Median Annual Household Income data by census tract in the American Community Survey.



The Department of Public Works, Bureau of Contract Administration shall bear administrative responsibilities for the labor standards required by this section.

C. Action by City Planning Commission on Proposed Amendments.

1. **Notice and Hearing.** Before the City Planning Commission acts on a proposed Plan amendment and the Director's recommendation, the matter shall be set for a public hearing. The City Planning Commission may hold the hearing itself or may direct the Director to hold the hearing. In either event, notice of the time, place and purpose of the hearing shall be given by at least one publication in a newspaper of general circulation in the City (designated for this purpose by the City Clerk), at least ten days prior to the date of the hearing. Notice shall also be mailed to any person requesting notice of the hearing.

At the time of the hearing, the City Planning Commission or the Director shall hear public testimony from anyone wishing to be heard on the matter. The City Planning Commission or the Director may continue the hearing to another date announced publicly at the hearing being continued; no additional notice of the continued hearing need be given. If the hearing is conducted by the Director, he or she shall submit a report to the City Planning Commission summarizing the information received. The report may also contain a recommendation to the City Planning Commission regarding its action on the proposed amendment. The Director shall file his or her report with the City Planning Commission after the close of the hearing.

2. **City Planning Commission Action.** After receiving the Director's report, or after the close of a public hearing conducted by the City Planning Commission, the City Planning Commission shall recommend to the Mayor and the Council that the proposed amendment be approved or disapproved in whole or in part. The City Planning Commission's report to the Mayor and the Council shall set forth the Commission's reasons for its recommendation.

The City Planning Commission shall act within 90 days after receiving the Director's report pursuant to Subsection B. If the City Planning Commission fails to do so, the City Planning Commission's failure to act shall be deemed a recommendation for approval of the Plan amendment.

If the City Planning Commission recommends approval of any proposed Plan amendment or disapproval of either a proposed amendment initiated by the Director or the Council, the Commission shall transmit as soon as possible those actions to the Mayor for consideration and report to the Council. If the City Planning Commission recommends the disapproval of a Plan Amendment initiated by it, the City Planning Commission shall report its decision to the Council and Mayor.



D. Action by the Mayor on Proposed Amendments. Within 30 days after receipt of the City Planning Commission's recommendation, the Mayor shall make a recommendation to the Council on the proposed Plan amendment. The Mayor's report to the Council shall set forth the Mayor's reasons for his or her recommendation. If the Mayor does not act within the 30-day period, the Mayor's inaction shall be deemed a recommendation for approval of the Plan amendment.

E. Action by the Council on Proposed Amendments. After receiving the recommendations of the City Planning Commission and the Mayor, or at the expiration of the 30-day period for the Mayor to act, the Council shall hold a public hearing on the proposed Plan amendment.

After the close of the public hearing, the Council may do either of the following:

1. Approve or disapprove the Plan amendment in whole or in part in accordance with Charter Section 555(e); or
2. Propose changes to the Plan amendment.

The Council shall take either of these actions within 75 days after receiving the recommendation of the Mayor, or within 75 days after the expiration of the Mayor's time to act if the Mayor has not made a timely recommendation. The failure of the Council to act within that 75-day period shall constitute a disapproval of the Plan amendment.

In accordance with Charter Section 555(e), if both the City Planning Commission and the Mayor recommend approval of a proposed amendment, the Council may adopt the amendment by a majority vote. If either the City Planning Commission or the Mayor recommends the disapproval of a proposed amendment, the Council may adopt the amendment only by at least a two-thirds vote. If both the City Planning Commission and the Mayor recommend the disapproval of a proposed amendment, the Council may adopt the amendment only by at least a three-fourths vote.

F. Proposed Changes by the Council. If the Council proposes changes to the Plan amendment that differ from the amendment as initiated or the recommendation of the City Planning Commission, the matter shall be returned simultaneously to the City Planning Commission and the Mayor for their recommendations on the proposed changes. In acting on those changes, the City Planning Commission and the Mayor shall follow the procedures set forth above for their initial action. The City Planning Commission shall act within 60 days of receipt of the Council's proposed change. The Mayor shall act within 30 days of the receipt of the City Planning Commission's recommendation on the proposed change, or the expiration of the time for the City Planning Commission to act if the Commission fails to make a timely recommendation. If either the City Planning Commission or the Mayor does not act within the time period, that inaction shall be deemed



a recommendation of approval of the proposed changes. The recommendations of the Commission and the Mayor on any changes made by the Council shall affect only those changes. The Council shall act to approve or disapprove, in whole or in part, the Plan amendment, including the Council's changes, within 120 days after receiving both the City Planning Commission's and the Mayor's recommendations on the Council's proposed changes, or the expiration of their time to act on those changes.

Sec. 4. Requirement for Plan Updates and Consistency.

Section 11.5.8 of Article 1.5 of the Los Angeles Municipal Code is amended to read as follows:

SEC. 11.5.8. GENERAL PLAN REVIEW.

A. Planning Areas. The City is hereby divided into 37 planning areas. Each planning area constitutes an area for which either a community plan, a district plan, or other portion of the Land Use Element of the General Plan has been adopted by the City. The boundaries of each planning area shall be those of the applicable adopted community or district plan, or other portion of the Land Use Element of the General Plan as they existed on enactment of this section. These boundaries may be only changed by amendment to the General Plan pursuant to the procedures set forth in Section 11.5.6 of this Code. No amendment to a plan for any of the 37 planning areas, including reduction in the number of such areas, changes in their respective boundaries, land uses permitted within or at any particular location in any such area, or any other material change, may be made until the completion of a comprehensive assessment of such proposed changes by the Planning Department to ensure that such changes do not:

1. Reduce the capacity for creation and preservation of affordable housing and access to local jobs; or
2. Undermine California Government Code Section 65915 or any other affordable housing incentive program; and

The changes must include a program to create and monitor an inventory of units within the Community Plan Area that are: subject to a recorded covenant, ordinance or law that restricts rents to levels affordable to persons and families of Lower or Very Low-Income; subject to the City Rent Stabilization Ordinance; and/or occupied by Lower-Income or Very Low-Income households.

B. Action on Proposed Amendments. The City Planning Commission shall receive the assessment by the Planning Department and shall by vote make a recommendation to accept or reject the amendment. The Commission's recommendation will be received by City Council and the Council shall vote to either accept or reject the



proposed amendment. The current plans for the 37 planning areas shall remain in full force and effect until or unless the City Council votes to amend them in accordance with this section.

Sec. 5. Affordable Housing and Good Jobs.

A. The following section shall be added into the Los Angeles Municipal Code. The Los Angeles City Council shall have authority to make non-substantive modifications to the language contained within this Initiative solely to conform to the Los Angeles Municipal Code, to the extent necessary. Any such non-substantive modifications, including re-numbering, shall not be required to go through any further voter approval process:

SEC. 11.5.11. AFFORDABLE HOUSING.

(a) Affordable Housing. To be eligible for a discretionary General Plan amendment pursuant to Subdivision B of Section 11.5.6 of the Los Angeles Municipal Code or otherwise, or any zone change or height-district change that results in increased allowable residential floor area, density or height, or allows a residential use where previously not allowed, Projects with ten or more residential dwelling units shall meet one of the following on-site affordability provisions, or satisfy one of the alternative options in subdivision (b) and shall comply with the job standards in subdivision (i).

1. **Rental Projects** shall provide the following:
 - (i) No less than the affordability percentage corresponding to the level of density increase as provided in California Government Code Section 65915(f), inclusive of any Replacement Units; or
 - (ii) If the General Plan amendment, zone change or height district change results in a residential density increase greater than 35%, then the Project shall provide no less than 5% of the total units at rents affordable to Extremely Low Income households, and either 6% of the total units at rents affordable to Very Low Income households or 15% of the total units at rents affordable to Lower Income households, inclusive of any Replacement Units; or
 - (iii) If the General Plan amendment, zone change or height district change allows a residential use where not previously allowed, then the Project shall provide no less than 5% of the total units at rents affordable to Extremely Low Income households, and either 11% of the total units at rents affordable to Very Low Income households or 20% of the total units at rents affordable to Lower Income households, inclusive of any Replacement Units.



2. **For-sale Projects** shall provide the following:

(i) No less than the affordability percentage corresponding to the level of density increase as provided in California Government Code Section 65915(f), inclusive of any Replacement Units; or

(ii) If the general plan amendment, zone change or height district change results in a residential density increase greater than 35% or allows a residential use where not previously allowed, then the Project shall provide no less than 11% of the total units at rents affordable to Very Low Income households, or 20% of the total units at rents affordable to Lower Income households, or 40% of the total units at rents affordable to Moderate Income households, inclusive of any Replacement Units.

3. **100% affordable.** Each residential unit in the Project, exclusive of a manager's unit or units, is affordable to, and occupied by, either a Lower or Very Low Income household.

4. **Projects with both for-sale and rental units.** When a Project includes both for-sale and rental dwelling units, the provisions of this Section that apply to for-sale residential development shall apply to that portion of the Project that consists of for-sale dwelling units, while the provisions of this Section that apply to rental dwelling units shall apply to that portion of the development that consists of rental dwelling units.

All Projects qualifying for development bonuses pursuant to this Section shall be required to meet any applicable replacement requirements of California Government Code Section 65915(c)(3).

A Developer seeking and receiving a density or development bonus under the provisions of California Government Code Section 65915 or any other State or local program that provides development bonuses shall not be eligible for the development bonuses pursuant to this Section. For purposes of this provision, development bonuses shall include discretionary General Plan amendments, zone changes, and height district changes.

(b) Alternative compliance options. A Project may satisfy the affordability provisions of this section through the following off-site options in lieu of providing affordable units on site:

1. **Off-site Construction.** The affordability provisions of this Section may be satisfied by constructing off-site affordable units at the following rate:



(i) No less than the same number of on-site affordable units, at the same or greater mix of unit type and affordability levels as provided in paragraph (a), if constructed within one-half mile of the outer edge of the Project;

(ii) No less than 1.25 times the number of on-site affordable units, at the same or greater mix of unit type and affordability levels as provided in paragraph (a), if constructed within 2 miles of the outer edge of the Project;

(iii) No less than 1.5 times the number of on-site affordable units, at the same or greater mix of unit type and affordability levels as provided in paragraph (a), if constructed within 3 miles of the outer edge of the Project.

The off-site units created pursuant to this paragraph must be on a site that is zoned for residential development at a density to accommodate at least the number of otherwise required units; is suitable for development of the units in terms of configuration, physical characteristics, location, access, adjacent uses and other relevant planning and development criteria; and environmental review has been completed to the satisfaction of the City prior to acceptance of the site by the City. The development of off-site affordable units shall include integration of community space and services as required by the Housing and Community Investment Department for comparable affordable housing development. The first Certificate of Occupancy for the off-site units shall be issued prior to or concurrent with the first Certificate of Occupancy for the original Project. In no event shall the Certificate of Occupancy for the market rate units for the original project be issued prior to the Certificate of Occupancy for the affordable off-site units. Individual affordable units constructed as part of an off-site project under this Section shall not receive development subsidies from any Federal, State or local program established for the purpose of providing affordable housing, and shall not be counted to satisfy any affordable housing requirement for the off-site development. Other units in the same offsite project may receive such subsidies. In addition, subsidies may be used, only with the express written permission by the Department of Housing and Community Investment, to deepen the affordability of an affordable unit beyond the level of affordability required by this Section.

2. **Off-site Acquisition.** The affordability provisions of this Section may be satisfied by the acquisition of property containing At-Risk Affordable Units and converting the units to non-profit, Community Land Trust, and/or tenant ownership prior to issuance of the Certificate of Occupancy for the original Project. Prior to transferring ownership to a qualified entity, the At-Risk Affordable Units shall achieve a minimum of a C2 rating based on the Fannie Mae Uniform Appraisal Dataset Property Condition Ratings, as assessed and certified by the Housing and Community



Investment Department (HCID), or as required by HCID to be completed by the Developer and subsequently certified by HCID. Any entity taking ownership of At-Risk Affordable Units pursuant to this Section shall record an affordability covenant, consistent with the provisions of subsection (d), guaranteeing affordability to Lower or Very Low Income Households. The number of At Risk Affordable Units that must be acquired and converted to non-profit or tenant ownership under this subdivision shall be as follows:

(i) No less than the same number of on-site affordable units, at the same or greater mix of unit type and affordability levels as provided in paragraph (a), if acquired within one-half mile of the outer edge of the Project;

(ii) No less than 1.25 times the number of on-site affordable units, at the same or greater mix of unit type and affordability levels as provided in paragraph (a), if acquired within 1 mile of the outer edge of the Project;

(iii) No less than 1.5 times the number of on-site affordable units, and affordability levels as provided in paragraph at the same or greater mix of unit type if acquired within 2 miles of the outer edge of the Project.

3. **In-Lieu Fee.** The affordability provisions of this Section may be satisfied by the payment of a fee to the City in lieu of constructing the affordable units within the Project. The in lieu fee shall be determined by the City based on the following:

(i) The number of units equivalent to 1.1 times the required number of on-site affordable units pursuant to paragraph (a), in the same proportion of affordability, multiplied by the applicable Affordability Gap, as defined herein.

(ii) No later than 90 days from the enactment of this ordinance, the City shall produce a study identifying the Affordability Gap for rental and ownership units of each bedroom size (studio, 1 bedroom, 2 bedroom and 3 bedroom) for each required affordability level. For rental housing, the study shall collect and determine, by unit type and affordability level, the following information from recently completed affordable housing projects funded by the City's Affordable Housing Trust Fund: total development costs and operating expenses. The study shall also determine the amounts of permanent financing available based on restricted rents and prevailing interest rates. The difference between the total development cost



and permanent financing amount shall be the Affordability Gaps per unit by unit type and affordability level. For ownership housing, the study shall identify the market median sales prices by unit type in the 37 Community Plan areas. It shall determine the restricted sales prices of for-sale units by unit type and affordability level. The difference between the market median sales price and the restricted sales price shall be the Affordability Gaps per unit by unit type and affordability level.

(iii) The City shall adjust the fee every two years, based on the results of a new Affordability Gaps study (as defined Section 5(b)(3) (ii)). An Affordability Gaps study, the proposed adjusted Affordability Gaps, and the adjusted fees shall be published within 2 years of the date that the original Affordability Gaps study is released, and consecutively thereafter by the date that is 2 years after the release of the previous Gaps study.

The fee is due and payable to the Affordable Housing Trust Fund at the time of and in no event later than issuance of the first building permit, concurrent with and proportional to project phases. The Developer shall have an option to defer payment of all or a portion of the fee upon agreeing to pay a Deferral Surcharge, with the fee and the Deferral Surcharge due and payable at the time of and in no event later than issuance of the Certificate of Occupancy. The Deferral Surcharge will be assessed at the Wall Street Journal Prime Rate plus 200 basis points at the time such fee is due, at the issuance of the building permit. The Deferral Surcharge fee shall be deposited into the Affordable Housing Trust Fund and accounted for and used as provided in Section (c).

(c) Use of Funds. All monies contributed pursuant to this Section shall be deposited in the City's Affordable Housing Trust Fund. All funds collected under this Section shall be used in the following manner:

1. Except as provided in Subdivision (2) below, the funds collected under this Section shall be used to create and/or preserve housing affordable to Extremely Low-, Very Low-, and Lower-Income households.

2. The City shall designate and separately account for all Deferral Surcharge payments that it receives under this Section to support the creation and/or preservation of affordable housing within one-half mile of a Major Transit Stop ("TOC area"), with priority to TOC Areas where there is a demonstrated decline in units affordable to and/or occupied by Extremely Low, Very Low and/or Lower Income households. Use of the Deferral Surcharge funds shall include but not be limited to the following:



(i) Acquisition and/or remediation of land, and/or acquisition, construction, rehabilitation, and/or financing of housing units by a Community Land Trust or non-profit entity which guarantees perpetual affordability of these units for Extremely Low, Very Low and/or Lower-Income Households or a term of affordability of these units that has a duration of a minimum of 55 years.

(ii) Funding for proactive enforcement of the City's Rent Stabilization Ordinance.

(d) Continuing Affordability/Standards for Affordable Units.

1. All affordable rental housing units created or acquired pursuant to this Section shall be subject to an affordability covenant acceptable to the Housing and Community Investment Department, and recorded with the Los Angeles County Recorder, guaranteeing continuing affordability to the targeted income group for no less than 55 years. In addition, when units are acquired and conveyed pursuant to the Off-Site Acquisition option, the Developer and/or entity taking ownership of the units shall create and implement a plan to prevent involuntary displacement of current tenants. Affordable units provided under this Section shall be comparable to the market rate units in the Project (or off-site location in the case of off-site affordable units) in terms of unit type, number of bedrooms per unit, quality of exterior appearance, energy efficiency, and overall quality of construction.

2. All for-sale housing units created pursuant to this Section shall be subject to an affordability covenant acceptable to the Los Angeles Housing and Community Investment Department, and recorded with the Los Angeles County Recorder, consistent with the for-sale requirements of California Government Code Section 65915(c)(2).

3. A longer term of affordability may be required if the Project receives a subsidy which requires a longer term of affordability. If the duration of affordability covenants provided for in this subsection conflicts with any other government requirement, the longest duration shall control.

(e) Developer Incentives. In addition to the requested General Plan amendments, zone changes and/or height district changes, a Project that provides affordable housing consistent with this Section shall also be entitled to three incentives or concessions specified in California Government Code Section 65915(k) or the applicable Affordable Housing Incentive Program.

(f) Processing. A Project that provides affordable housing consistent with this Section shall be entitled to review and processing by the Expedited Processing Section of the Planning Department dedicated solely to processing entitlements for such Projects with the goal of expediting such Projects.



(g) City Council approved adjustments to affordable housing set-asides contained herein. The City may, by majority vote of City Council, adjust the affordable housing percentages set forth in this Section upon a showing of substantial evidence that such adjustments are necessary to maximize affordable housing while ensuring a reasonable return on investment for Developers.

(h) Waiver/Adjustment. Notwithstanding any other provision of this Section, the requirements of this Section may be waived or adjusted only if a Project applicant shows, based on substantial evidence, that compliance with its requirements would result in a deprivation of the applicant's constitutional rights. The applicant shall bear the burden of presenting substantial evidence to support the request and set forth in detail the factual and legal basis for the claim, including all supporting technical documentation.

In determining whether an applicant has presented substantial evidence to support the request for waiver/adjustment, if upon legal advice provided by or at the behest of the City Attorney, it is determined that applying the requirements of this Section would effectuate an unconstitutional taking of property or otherwise have an unconstitutional application to the property, the requirements of this Section shall be adjusted or waived only to the extent necessary to avoid an unconstitutional result. If an adjustment or waiver is granted, any change in the use within the project shall invalidate the adjustment or waiver. If it is determined that no violation of the United States or California Constitutions would occur through application of this Section, the requirements of this Section remain fully applicable.

(i) All building and construction work on the project will be performed at all tiers by contractors which (a) are licensed by the State of California and the City of Los Angeles; (b) shall make a good-faith effort to ensure that at least 30% of all their respective workforces' construction workers' hours of Project Work shall be performed by permanent residents of the City of Los Angeles of which at least 10% of all their respective workforces' construction workers' hours of Project Work shall be performed by Transitional Workers whose primary place of residence is within a 5-mile radius of the covered project; (c) employ only construction workers which possess all licenses and certifications required by the State of California and the City of Los Angeles; (d) pay their construction workers performing project work the area standard wages in the project area; and (e) have at least 60% of their respective construction workforces on the project from: (1) workers who have graduated from a Joint Labor Management apprenticeship training program approved by the State of California, or have at least as many hours of on-the-job experience in the applicable craft which would be required to graduate from such a state approved apprenticeship training program, and (2) registered apprentices in an apprenticeship training program approved by the State of California or an out-of-state, federally-approved apprenticeship program. The Department of Public Works, Bureau of Contract Administration, shall bear administrative responsibilities for the labor standards required by this subsection.



(j) Definitions.

“At-Risk Affordable Unit” shall mean any residential dwelling unit that receives government assistance under prescribed federal, State, and/or local programs, or any combination of rental assistance and is eligible to convert to market rate due to termination (opt-out) of a rent subsidy contract, prepayment of a subsidized mortgage, or expiration of rental restrictions. These assistance programs include, but are not limited to, Housing Choice Vouchers [formerly Section 8], project-based rental assistance, subsidized mortgage programs (e.g., FHA), or expiring rent/deed restrictions with the use of State or local funding programs, including Community Redevelopment Agency Covenants.

“Community Land Trust” shall mean a California nonprofit corporation that: (1) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual; (2) is neither sponsored by, controlled by, nor under the direction of a for-profit organization; (3) has a corporate membership of adult residents of a particular geographic area as described in the bylaws of the corporation; (4) has a board of directors that: (A) includes a majority of members who are elected by the corporate membership; (B) includes representation by persons occupying and/or leasing any structural improvements on the land; and (C) includes representation by persons residing within the geographic area specified in the bylaws of the corporation who neither lease land from the corporation nor occupy structural improvements controlled by the corporation; (5) acquires and retains parcels of land, primarily for conveyance under long-term ground leases; (6) transfers ownership of many or all of the structural improvements located on such leased parcels to the lessees; and (7) retains a preemptive option to purchase such structural improvements at a price determined by formula that is designed to ensure that the improvements remain affordable to low and moderate income households in perpetuity.

“Developer” shall mean the owner of the Project and, if different from the owner, any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities which develops or causes to be developed the residential housing project and, if applicable, provides off-site affordable units, together with their successors and assigns, but does not include a lender, any governmental entity or the general contractor working for any developer.

“Economically Disadvantaged Area” means a zip code that includes a census tract or portion thereof in which the median annual household income is less than \$40,000 per year, as measured and reported by the U.S. Census Bureau in the 2010 U.S. Census and as updated by the parties upon the U.S. Census Bureau issuing updated Median Annual Household Income data by census tract in the American Community Survey.

“Extremely Economically Disadvantaged Area” means a zip code that includes a census tract or portion thereof in which the median annual household income is less than \$32,000 per year, as measured and reported by the U.S. Census Bureau in the 2010 U.S. Census and as updated by the parties upon the U.S. Census Bureau issuing updated Median Annual Household Income data by census tract in the American Community Survey.



“Extremely Low-Income Households” is defined in Section 50106 of the Health and Safety Code.

“Lower Income Households” is defined in Section 50079.5 of the Health and Safety Code.

“Project” shall mean the construction, erection, alteration of, or addition to a structure. The term Project shall not include interior or exterior improvements that do not increase the floor area over that of an existing structure, and shall not mean any construction for which a building permit or demolition permit is required to comply with an order issued by the Department of Building and Safety to repair, remove, or demolish an unsafe or substandard condition, or to rebuild as a result of destruction by fire, earthquake or natural disaster, provided that the development is not prohibited by any provision of the Los Angeles Municipal Code and the development does not increase the square footage beyond what previously existed on the site.

“Replacement Unit” shall mean any unit that would need to be replaced pursuant to California Government Code Section 65915(c)(3) if the Project was seeking a density bonus.

“Transitional Worker” means an individual who, at the time of commencing work on the project, resides in an Economically Disadvantaged Area or Extremely Economically Disadvantaged Area and faces at least two of the following barriers to employment: (1) being homeless; (2) being a custodial single parent; (3) receiving public assistance; (4) lacking a GED or high school diploma; (5) having a criminal record or other involvement with the criminal justice system; (6) suffering from chronic unemployment; (7) emancipated from the foster care system; (8) being a veteran; or (9) being an apprentice with less than 15% of the apprenticeship hours required to graduate to journey level in a program.

“Very Low-Income Households” is defined in Section 50105 of the Health and Safety Code.

B. Section 5.522 of the Los Angeles Administrative Code is amended to read as follows:

Sec. 5.522. Creation and Administration of the Affordable Housing Trust Fund.

(a) There is hereby created and established within the Treasury of the City of Los Angeles a special fund to be known as the City of Los Angeles Affordable Housing Trust Fund (the Fund) for the purposes of receiving and disbursing monies to address the affordable housing needs of the City of Los Angeles. In addition to the initial deposit of funds, the Mayor and City Council may establish additional revenue sources and appropriate funds for deposit in the Fund from time to time. An amount equal to 25% of the initial and continuing net revenue attributable to the 2001 business tax and payroll expense



tax amnesty program and the initial and continuing net revenue attributable to the revenue program initiated pursuant to information obtained as a result of the enactment of Revenue and Taxation Code Section 1955.1 (AB 63) received in the applicable reporting period shall be allocated to the Fund and shall be transferred by the Controller from the General Fund to the Fund. The Fund shall be administered by the HCID.

(b) The money from the Fund shall only be expended within the boundaries of the City of Los Angeles, pursuant to guidelines (the “**Guidelines**”) promulgated for this purpose by the Housing and Community Investment Department (“**HCID**”). The Guidelines shall authorize expenditures from the Rental Housing Production Account, as established by Chapter 1, Article 2.9 of the Los Angeles Municipal Code, and the Municipal Housing Finance Fund, Chapter 6, Article 4.5 of the Los Angeles Administrative Code. The Guidelines and any amendments thereto shall be approved by the City Council.

(c) Money in this account shall be used exclusively for the housing needs of the City, for the development and preservation of affordable housing and such other housing activities as that term shall be defined in the Guidelines. Such activities shall include loans and grants, including but not limited to:

(1) Activities by qualified entities to provide affordable housing;

(2) Predevelopment activities, acquisition, development, new construction, rehabilitation and/or restoration of rental and/or ownership of affordable housing in the City of Los Angeles;

(3) Any other activity that contributes to an increased supply of decent, safe and sanitary affordable housing in the City of Los Angeles.

(d) All monies in the Fund shall be held separately from all other funds expended by the HCID. All monies loaned from the Fund shall be repaid to the Fund in accordance with the terms of the loan. The repaid principal and interest shall be placed in the Fund.

(e) Any gifts, contributions or other money received for the stated purposes of the Fund shall be placed in the Fund. All interest earnings accruing on money in the Fund shall become part of the Fund. Money in the Fund shall not revert to the Reserve Fund of the City.

(f) The General Manager of HCID or his or her designee shall make recommendations to the City Council for expenditures from the Fund. No expenditure may be made from the Fund without the prior approval of the Mayor and the City Council, unless otherwise authorized by the Guidelines.

(g) The provisions of this Section are suspended during the fiscal year from July 1, 2009 through June 30, 2010.



(h) All building and construction work on the project, to extent allowed by the law, will be performed at all tiers by contractors which (a) are licensed by the State of California and the City of Los Angeles; (b) shall make a good-faith effort to ensure that at least 30% of all their respective workforces' construction workers' hours of Project Work shall be performed by permanent residents of the City of Los Angeles of which at least 10% of all their respective workforces' construction workers' hours of Project Work shall be performed by Transitional Workers whose primary place of residence is within a 5-mile radius of the covered project; (c) employ only construction workers which possess all licenses and certifications required by the State of California and the City of Los Angeles; (d) pay their construction workers performing project work the wages prevailing in the project area determined pursuant to California Labor Code § 1770; and (e) have at least 60% of their respective construction workforces on the project from: (1) workers who have graduated from a Joint Labor Management apprenticeship training program approved by the State of California, or have at least as many hours of on-the-job experience in the applicable craft which would be required to graduate from such a state approved apprenticeship training program, and (2) registered apprentices in an apprenticeship training program approved by the State of California or an out-of-state, federally-approved apprenticeship program. For the purposes of this subsection the following terms have the meaning shown:

“Transitional Worker” means an individual who, at the time of commencing work on the project, resides in an Economically Disadvantaged Area or Extremely Economically Disadvantaged Area and faces at least two of the following barriers to employment: (1) being homeless; (2) being a custodial single parent; (3) receiving public assistance; (4) lacking a GED or high school diploma; (5) having a criminal record or other involvement with the criminal justice system; (6) suffering from chronic unemployment; (7) emancipated from the foster care system; (8) being a veteran; or (9) being an apprentice with less than 15% of the apprenticeship hours required to graduate to journey level in a program.

“Economically Disadvantaged Area” means a zip code that includes a census tract or portion thereof in which the median annual household income is less than \$40,000 per year, as measured and reported by the U.S. Census Bureau in the 2010 U.S. Census and as updated by the parties upon the U.S. Census Bureau issuing updated Median Annual Household Income data by census tract in the American Community Survey.

“Extremely Economically Disadvantaged Area” means a zip code that includes a census tract or portion thereof in which the median annual household income is less than \$32,000 per year, as measured and reported by the U.S. Census Bureau in the 2010 U.S. Census and as updated by the parties upon the U.S. Census Bureau issuing updated Median Annual Household Income data by census tract in the American Community Survey.

The Department of Public Works, Bureau of Contract Administration, shall bear administrative responsibilities for the labor standards required by this subsection. The requirements of this subsection, except clause (d) concerning wages, shall not apply to affordable housing developments of 25 units or less in which all units in the development



except for managers' units will be affordable to and occupied by -Lower Income households (as defined in Section 50079.5 of the Health and Safety Code). The requirements of this subsection, except clause (d) concerning wages, shall not apply to developments that have been issued award letters for state and/or local funding, which must include City of Los Angeles Affordable Housing Trust Fund award letters issued, prior to November 30, 2016.

On an annual basis, the Housing and Community Investment Department shall collect data, including but not limited to number and size of affordable housing developments and number of affordable units produced. The City may, by majority vote of City Council, adjust the labor standards required by this subsection, except clause (d) concerning wages, for affordable housing developments between 26 to 50 units in which all units in the development except for managers' units will be affordable to and occupied by -Lower Income households (as defined in Section 50079.5 of the Health and Safety Code), if at all, during the calendar year beginning on January 1, 2020, only upon a showing of substantial evidence, which shall include technical documentation and a detailed factual or legal basis, that such adjustments are necessary to maximize production of affordable housing with good, construction jobs that pay wages in accordance with clause (d).

Sec. 6. Transit Oriented Communities Affordable Housing Overlay.

Subsection A of Section 12.22 of the Los Angeles Municipal Code is amended by adding a new Subdivision 31 to read as follows:

31. Transit Oriented Communities Affordable Housing Incentive Program.

(a) Application of TOC Affordable Housing Incentive Program.

This Transit Oriented Communities Affordable Housing Incentive Program, and the provisions contained in the TOC Affordable Housing Incentive Program Guidelines, shall apply to all Housing Developments that are located within a one-half mile radius of a Major Transit Stop, as defined in subdivision (b) of Section 21155 of the California Public Resources Code. Each one-half mile radius around a Major Transit Stop shall constitute a unique Transit Oriented Communities Affordable Housing Incentive Area.

(b) Preparation and Content of TOC Incentive Guidelines.

Within 90 days of enactment of this Ordinance, the Director of Planning shall prepare TOC Affordable Housing Incentive Program Guidelines ("TOC Guidelines") that provide the eligibility standards, incentives, and other necessary components of this TOC Incentive Program described herein. Nothing in the TOC Guidelines shall restrict any right authorized in the underlying zone or height district. The TOC Guidelines shall be drafted consistent with the purposes of this Subdivision and shall include the following:



(1) **Eligibility for TOC Incentives.** A Housing Development located within a TOC Affordable Housing Incentive Area shall be eligible for TOC Incentives if it provides minimum required percentages of On-Site Restricted Affordable Units, meets any applicable replacement requirements of California Government Code Section 65915(c) (3), and is not seeking and receiving a density or development bonus under the provisions of California Government Code Section 65915 or any other State or local program that provides development bonuses. Minimum required percentages of On-Site Restricted Affordable Units shall be determined by the Department of City Planning and set forth in the TOC Guidelines at rates that meet or exceed 11% of the total number of dwelling units affordable to Very Low income households; or 20% of the total number of dwelling units affordable to Lower Income households. The Department of City Planning shall also establish an option for a Developer to qualify for the TOC Incentives by providing a minimum percentage of units for Extremely Low Income Households, which shall be set at no less than 7%. In calculating the required Restricted Affordable Units, the percentage shall be based on the total final project unit count, and any number resulting in a fraction shall be rounded up to the next whole number. In creating the TOC Guidelines, the Department of City Planning shall identify incentives for projects that adhere to the labor standards required in Section 5 of this Ordinance provided, that no such incentives will be created that have the effect of undermining the affordable housing incentives contained herein or in Government Code Section 65915.

(2) **TOC Incentives.** An Eligible Housing Development shall be granted TOC Incentives, as determined by the Department of City Planning consistent with the following:

(i) **Residential Density increase.** An Eligible Housing Development shall be granted increased residential density at rates that shall meet or exceed a 35% increase. In establishing the density allowances, the Department of City Planning may allow adjustments to minimum square feet per dwelling unit, floor area ratio, or both, and may allow different levels of density increase depending on the Project's base zone and density.

(ii) **Parking.** An Eligible Housing Development shall be granted parking reductions consistent with California Government Code Section 65915(p).

(iii) **Incentives and Concessions.** An Eligible Housing Development may be granted up to either two or three incentives or concessions based upon the requirements set forth in California Government Code Section 65915(d)(2).



(c) **Approval of TOC Guidelines and Incentives.** The City Planning Commission shall review the TOC Guidelines and shall by vote make a recommendation to adopt or reject the TOC Guidelines.

(d) **Process for changing TOC Incentives and Eligibility.** The TOC Incentives and the required percentages for On-Site Restricted Affordable Units may be adjusted for an individual TOC Affordable Housing Incentive Area through a Community Plan update, Transit Neighborhood Plan, or Specific Plan, provided that the required percentages for On-Site Restricted Affordable Units may not be reduced below the percentages set forth in subdivision (b).

(e) **Procedures.** Application for the TOC Incentives shall be made on a form provided by the Department of City Planning, and shall follow the procedures outlined in Los Angeles Municipal Code Section 12.22.A.25(g).

(f) **Covenant.** Prior to issuance of a building permit to create a Housing Development, the following shall apply:

(1) For any Housing Development qualifying for a TOC Incentive that contains rental housing for Extremely Low, Very Low, or Lower Income households, a covenant acceptable to the Los Angeles Housing and Community Investment Department shall be recorded with the Los Angeles County Recorder, guaranteeing that the affordability criteria will be observed for 55 years or longer.

(2) For any Housing Development qualifying for a TOC Incentive that contains for-sale housing, a covenant acceptable to the Housing and Community Investment Department and consistent with the for-sale requirements of California Government Code Section 65915(c)(2) shall be recorded with the Los Angeles County Recorder.

(3) If the duration of affordability covenants provided for in this subdivision conflicts with the duration for any other government requirement, the longest duration shall control.

(g) **Definitions.**

“Eligible Housing Development” shall mean a Housing Development that includes On-Site Restricted Affordable Units at a rate that meets or exceeds the minimum requirements to satisfy the TOC Incentives, as determined by the Department of City Planning and as set forth in paragraph (b)(1) above.



“Extremely Low-Income Households” is defined in Section 50106 of the Health and Safety Code.

“Housing Development” shall mean the construction of five or more new residential dwellings units, the addition of five or more residential dwelling units to an existing building or buildings, the remodeling of a building or buildings containing five or more residential dwelling units, or a mixed use development containing residential dwelling units.

“Lower Income Households” is defined in Section 50079.5 of the Health and Safety Code.

“On-Site Restricted Unit” shall mean a residential unit for which rental or mortgage amounts are restricted so as to be affordable to and occupied by Extremely Low, Very Low, or Lower income households, as determined by the Housing and Community Investment Department.

“Very Low-Income Households” is defined in Section 50105 of the Health and Safety Code.

Sec. 7. Enforcement.

Any aggrieved person or resident of the City of Los Angeles shall have the right to maintain an action for equitable relief to restrain any violation of this Ordinance, or City failure to enforce the duties imposed on it by this Ordinance. The provisions of this Act shall be construed liberally to effectuate its intent and purposes. A joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Section 175a) may bring an action in any court of competent jurisdiction against an employer that fails to pay the prevailing wage to its employees as required by this Ordinance.

Sec. 8. Relationship to Other Laws.

All the provisions of this Ordinance are hereby declared by the people to be in direct and irreconcilable conflict with all of the provisions of any other initiative measure on the subject of development, the General Plan, planning areas, development project approvals, building or demolition permits, building moratoria, parking, affordable housing or wages for construction work and shall supersede the provisions of any such other initiative, if a majority of the voters vote in favor of both measures but this measure receives more votes than the other initiative. The people hereby declare that they intend that no other changes to existing laws concerning development shall be made by initiative except the ones in this Ordinance. The people do hereby expressly declare that any limitation on General Plan amendments, zone changes, or height district changes, enacted by ordinance or ballot initiative:



(a) Shall not preclude the City's ability to approve a density bonus pursuant to Government Code Section 65915 and LAMC 12.22.A.25 and/or the incentives and concessions and vehicular parking ratios referenced therein.

(b) Shall not preclude the City's ability to approve a Project that meets the requirements contained in Section 5 of the Build Better LA Initiative.

Sec. 9. Adoption Date and Effective Dates.

If the City Council approves this measure, or if a majority of the voters pass this Ordinance, it shall become a valid enactment of the City, binding on the City Council and all other City officials, as of the earliest date allowed by law.

Sec. 10. Future Amendments.

Each provision of this Ordinance shall remain in full force and effect for 10 years from the effective date of the Ordinance, unless amended or repealed by a vote of the people. The City Council of the City of Los Angeles may re-enact all of the same provisions, without amendment, following the expiration of 10 years from the effective date of this Ordinance for two successive periods of five years each but failing such action, all such provisions shall terminate automatically and shall thereafter be of no further force or effect provided that any project approved under the provisions of this Ordinance before its expiration shall be allowed to proceed as thereby approved.

Sec. 11. Severability.

This Act shall be interpreted so as to be consistent with all federal, state and local laws, rules and regulations. If any section, subsection, subdivision, clause, sentence, phrase or portion of this Ordinance is declared unconstitutional or invalid by a court of competent jurisdiction, the remaining sections, subsections, subdivisions, clauses, sentences, phrases and portions shall remain in full force and effect, and to this end the provisions of this Ordinance are severable. The voters thus declare that they would have passed all sections, subsections, subdivisions, clauses, sentences, phrases and portions of this Ordinance without the section, subsection, subdivision, clause, sentence, phrase or portion held unconstitutional or invalid.

Sec. B. The City Clerk is hereby authorized and directed to publish a notice containing the proposed ballot measure, specifying the date of November 8, 2016, as the date the measure 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 ballot measure and to distribute the proposed ballot measure to any and all persons requesting a copy. Further, the City Clerk is authorized and directed to mail copies of the proposed ballot measure to each of the qualified voters of the City of Los Angeles.



Sec. C. 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 ballot measure may be obtained upon request in the City Clerk's office.

Sec. D. The City Clerk shall 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.



**RRR CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER (DWP).
CHARTER AMENDMENT RRR.**

Shall the Charter be amended to: (1) add qualification requirements, stipends and removal protections for DWP Board; (2) expand Board to seven members; (3) require DWP prepare four-year Strategic Plans for Council and Mayoral approval; (4) modify DWP's contracting, rate-setting and other authority; (5) permit future alternatives to existing civil service standards for DWP employees through collective bargaining; and (6) require monthly billing?

**IMPARTIAL SUMMARY
BY SHARON M. TSO, CHIEF LEGISLATIVE ANALYST**

The proposed measure would amend the Los Angeles City Charter (Charter) as it relates to the Department of Water and Power's (DWP) governance and administrative functions. The purpose for these changes is to increase oversight, transparency and streamline operations of the DWP.

The proposed amendments fall into several categories highlighted below.

Board Composition and Qualifications

The measure would increase the Board of Water and Power Commissioners (Board) from five to seven members, shorten the Board term from five years to four years; require Board members to have experience in areas such as utility management, environmental policy, business, labor relations or community organizations; and allow for a stipend set by ordinance.

The measure would also establish a removal and appeal process for Board members.

General Manager Appointment

Currently, the Board appoints the General Manager of the DWP, subject to Mayor and Council confirmation. The measure would modify the appointment process by requiring the Personnel Department to recruit highly qualified candidates for the Board to review. The Board would provide a pool of candidates to the Mayor from which the Mayor would select a candidate for appointment as General Manager, subject to Council confirmation.

Office of Public Accountability (OPA)

The measure would provide that the OPA's Executive Director may be appointed to a second five-year term by the Council, subject to Mayoral concurrence and would also increase the minimum budget for the OPA from 0.025 percent to 0.050 percent of revenues generated from the sale of water and electricity for the previous fiscal year.



Water and Power Analyst (WPA) Office

The measure establishes the WPA Office to provide policy and fiscal analysis for the Board. The Board would have the power to appoint and remove an Executive Director for the Office.

Strategic Plan and Rates

The measure provides that beginning on January 1, 2020, the Board shall submit a four-year strategic/revenue requirement and rate-setting plan (Plan), including potential rates, to the Council and Mayor for consideration.

Once the Plan has been approved by the Council and Mayor, all projects and revenue requirements within the Plan shall require Board approval only. Any components that exceed the parameters of the Plan shall require Council and Mayor approval.

Contracting

The measure would expand the Board's contracting authority by no longer requiring Council approval for certain contracts. Specifically, the measure would eliminate the Charter requirement that franchises, licenses and leases over five years, but less than 30 years, be approved by Council after Board adoption. The measure would also permit the Board to award such contracts as design-build contracts, with criteria established by the Board. Currently, the Charter requires that this criteria be established by Council.

The measure would eliminate the Charter requirement that all power contracts be approved by ordinance.

The Council would maintain its authority to review these contracts except those under a threshold established by ordinance.

Alternative Civil Service Standards and Salary Setting Authority

The measure would allow the Council to approve alternatives to civil service standards for DWP employees, pursuant to a legally binding memorandum of understanding developed through collective bargaining. The alternative standards must provide for merit based hiring, retention and discharge provisions. The Council would conduct periodic audits of the standards.

The Council may delegate its authority to the Board to set salaries for DWP employees and may also revoke any delegation of authority.

Monthly Billing

The measure would require the DWP to implement a monthly billing cycle beginning no later than July 1, 2020.

This Charter Amendment will become effective if approved by a majority of voters.



FINANCIAL IMPACT STATEMENT
BY MIGUEL A. SANTANA, CITY ADMINISTRATIVE OFFICER

This charter amendment reforms the governance and administration of the Department of Water and Power (DWP), including increasing the minimum budget amount for the Office of Public Accountability/Rate Payer Advocate by approximately \$1,200,000 annually.

This measure empowers the DWP General Manager, with the concurrence of the Mayor and City Council and/or DWP Board of Commissioners, to take future actions for ratepayer enhancements, including converting the residential billing cycle from every two months to monthly. The initial estimate for this change is approximately \$19,000,000 in one-time costs and recurring costs of \$4,000,000 annually.

The costs or savings resulting from the additional governance and operational reforms are unknown until completion of subsequent actions during a public process.

The measure impacts the DWP Water Revenue Fund and Power Revenue Fund. There is no anticipated impact to the General Fund.



ARGUMENT IN FAVOR OF CHARTER AMENDMENT RRR

REFORM THE DWP – VOTE YES ON RRR

The Los Angeles Department of Water and Power has been an example of bureaucratic inefficiency for too long – Charter Amendment RRR will change that, reforming the DWP so it is more accountable, transparent, and responsive to ratepayers.

YES ON RRR, the DWP Reform Plan:

- Increases accountability and oversight at DWP;
- Requires DWP to issue a strategic plan every four years;
- Reduces billing periods to monthly instead of every two months
- Increases the number of experienced citizen and ratepayer representatives on the DWP Board.

Charter Amendment RRR reforms the DWP, the utility that provides our electricity, water, and billing for our sewer and trash service, to make it more transparent and accountable to City of Los Angeles residents.

Charter Amendment RRR will cut red tape in contracting and hiring, making it faster, more transparent, and accountable.

Increased accountability will reduce roadblocks like those that led to a failed billing system, and make DWP more responsive to the needs of ratepayers, neighborhoods, and local businesses.

Charter Amendment RRR will help curb rate increases by slashing waste and duplication, improving efficiency, and requiring more transparent strategic and financial planning.

Charter Amendment RRR increases oversight of the utility, improving rules covering personnel and contracting to make them fairer, more responsive to ratepayers rather than bureaucrats, and requiring board members have relevant experience to oversee the utility.

Charter Amendment RRR is supported by community leaders, environmentalists, and ratepayer advocates like Dr. Frederick Pickel, our City of Los Angeles DWP Ratepayer Advocate.

DON'T DELAY REFORM! Vote Yes on Charter Amendment RRR.

VOTE Yes for REFORM! Vote Yes on Charter Amendment RRR.

Arguments printed on this page are the opinions of the authors and are not checked for accuracy by any City agency.



PERSONS SIGNING ARGUMENT IN FAVOR OF CHARTER AMENDMENT RRR

DR. FREDERICK PICKEL
Ratepayer Advocate
City of Los Angeles

MARCIE EDWARDS
General Manager
Los Angeles Department of Water and
Power

MEL LEVINE
President
Board of Water and Power
Commissioners, City of Los Angeles

JILL BANKS BARAD
Founder and Chair
Valley Alliance of
Neighborhood Councils

VERONICA PADILLA-CAMPOS
Executive Director
Pacoima Beautiful

JONATHAN PARFREY
Executive Director
Climate Resolve

TONY WILKINSON
Chair
Neighborhood Council-DWP
MOU Committee

STUART WALDMAN
President
Valley Industry &
Commerce Association

JESSICA GOODHEART
Repower LA Project Director
Los Angeles Alliance for a New Economy

BRUCE SAITO
Executive Director Emeritus
Los Angeles Conservation Corps.



REBUTTAL TO THE ARGUMENT IN FAVOR OF CHARTER AMENDMENT RRR

Charter Amendment RRR is not “reform” – it’s change for the worse.

RRR is a scheme proposed by DWP insiders. Look no further than the proponents and signers in favor: a “who’s who” of DWP insiders, including DWP Commissioners and the DWP General Manager.

Proponents claim this measure increases oversight.

RRR actually reduces oversight and gives **extraordinary powers** to **unelected, unaccountable bureaucrats**, including the power to spend millions without direct City Council oversight.

Proponents claim this measure curbs rate increases.

Not so. RRR gives **the DWP Board** the ability to **hike rates far more easily and eliminates the need to ask the Mayor and City Council for approval on individual rate increases.**

Don’t be fooled by DWP insiders’ slick assurances of “reform.”

RRR is not the change we need.

Stop unaccountable DWP RATE HIKES.

Say **NO** to the **DWP POWER GRAB.**

Vote NO on **CHARTER AMENDMENT RRR!**

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**PERSONS SIGNING REBUTTAL TO THE ARGUMENT IN FAVOR OF
CHARTER AMENDMENT RRR**

PASTOR WILLIAM D. SMART, JR.
Fix L.A. Coalition

LAURA N. CHICK
Los Angeles City Controller (Ret.)

ERWIN CHEMERINSKY
Former Chair, Elected Los Angeles Charter
Reform Commission

JERILYN STAPLETON
President
California National Organization for Women
(NOW)

ED BEGLEY, JR.
Enviromentalist

NATE HOLDEN
Los Angeles City Councilman (Ret.)

ROBERT FARRELL
Los Angeles City Councilman (Ret.)

BRENNA NORTON
Senior Southern California Organizer
Food and Water Watch

CONNER EVERTS
Executive Director
Southern California Watershed Alliance

RICHARD CLOSE
President
Sherman Oaks Homeowners Association



ARGUMENT AGAINST CHARTER AMENDMENT RRR

Don't believe the false claims that this measure is "reform." Charter Amendment RRR is a power-grab by the DWP that gives voters less oversight over the DWP— not more.

The DWP has been plagued by dysfunction and mismanagement for years. **This measure takes away voters' decision-making powers and accountability over the DWP** by enabling **unelected bureaucrats** to run the department and determine **rate hikes**.

This measure gives the DWP Board the extraordinary power to spend millions of ratepayer dollars on contracts, rate hikes, and salaries without preserving currently existing oversight and approvals from voters and elected officials.

The DWP needs serious overhaul and reform, but this reckless proposal takes us backwards and does not reflect the good-government changes that ratepayers want and need.

In fact, this measure limits scrutiny over the DWP and decreases transparency by eliminating existing checks and balances.

This measure severely restricts voters' power over DWP operations and rate hikes, and gives voters less of a say on clean water and renewable energy policies.

Making matters worse, this measure gives the DWP Commissioners, currently appointed citizen volunteers, ratepayer funded pay that could total as much as \$2 million throughout the next decade.

This measure also opens the door to corruption and unethical hiring of friends and family by allowing the department to opt out of the civil service system.

This proposal could easily lead to mismanagement of our most precious resource: our water.

If this misleading measure passes, the mayor won't have final authority to fire unelected and unaccountable DWP Board Members, who will have unprecedented power and control over rate hikes.

Vote NO on Charter Amendment RRR— the DWP power-grab. It's misleading, worse than the status quo, and doesn't represent the real change we need at DWP.

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ED BEGLEY, JR.
Environmentalist

JAMIE COURT
President,
Consumer Watchdog

NATE HOLDEN
Senator / L.A. City Council Member (Ret.)

BRENNA NORTON
Senior Southern California Organizer,
Food and Water Watch

CONNER EVERTS
Executive Director,
Southern California Watershed Alliance

RICHARD CLOSE
President,
Sherman Oaks Homeowners Association



REBUTTAL TO THE ARGUMENT AGAINST CHARTER AMENDMENT RRR

DON'T BELIEVE THE SCARE TACTICS!

Charter Amendment RRR does NOT remove oversight of DWP by elected officials.

Actions of the DWP Board will still be subject to review by the Council. The Mayor has executive controls and nominates the General Manager and Board. Routine contracts will be expedited, helping local businesses and reducing costs.

Charter Amendment RRR ensures Council input by requiring DWP to prepare four-year strategic plans for approval by the Council. These plans will adopt policies that include clean water and renewable energy, and the projected revenue needed to support these plans.

The Board can only approve rates connected to the plan approved by the Council.

Changes to make DWP hiring more efficient must be open, transparent, and approved by the Council.

DWP Reform will make our utility more efficient. It will tie rates to planning and long-range strategy.

Don't delay Reform – Vote YES on DWP Reform!

Vote YES on Charter Amendment RRR.

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**PERSONS SIGNING REBUTTAL TO THE ARGUMENT AGAINST
CHARTER AMENDMENT RRR**

DR. FREDERICK PICKEL
Ratepayer Advocate
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Repower LA Project Director
Los Angeles Alliance for a New Economy

BRUCE SAITO
Executive Director Emeritus
Los Angeles Conservation Corps.



New provisions or language added to the Charter or to existing Charter sections are shown in underline type; words deleted from the Charter or from existing Charter sections are shown in ~~strikeout~~ type.

CHARTER AMENDMENT RRR

Section 1. Section 245 of the Charter of the City of Los Angeles is amended to read as follows:

Sec. 245. City Council Veto of Board Actions.

Actions of boards of commissioners shall become final at the expiration of the next five meeting days of the Council during which the Council has convened in regular session, unless the Council acts within that time by two-thirds vote to bring the action before it or to waive review of the action, except that as to any action of the Board of Police Commissioners regarding the removal of the Chief of Police, the time period within which the Council may act before the action of the Board shall become final shall be ten meeting days during which the Council has convened in regular session.

(a) **Action by Council.** If the Council timely asserts jurisdiction over the action, the Council may, by two-thirds vote, veto the action of the board within 21 calendar days of voting to bring the matter before it, or the action of the board shall become final. Except as provided in subsection (e), the Council may not amend, or take any other action with respect to the board's action.

(b) **Waiver.** The Council may, by ordinance, waive review of classes or categories of actions, or, by resolution, waive review of an individual anticipated action of a board. The Council may also, by resolution, waive review of a board action after the board has acted. Actions for which review has been waived are final upon the waiver, or action of the board, as applicable.

(c) **Effect of Veto.** An action vetoed by the Council shall be remanded to the originating board, which board shall have the authority it originally held to take action on the matter.

(d) **Exempt Actions.** The following actions are exempt from Council review under this section:

- (1) actions of the Ethics Commission;
- (2) actions of the Board of Fire and Police Pension Commissioners;
- (3) actions of the Board of Administration for Los Angeles City Employees Retirement System;
- (4) actions of the Board of Administration of Water and Power Employees Retirement Plan;



(5) quasi-judicial personnel decisions of the Board of Civil Service Commissioners;

(6) actions of a board organized under authority of the Meyers-Milias Brown Act for administration of employer-employee relations;

(7) individual personnel decisions of boards of commissioners other than the Board of Police Commissioners; and

(8) actions of the Board of Water and Power Commissioners regarding contracts involving consideration reasonably valued at less than an amount specified by ordinance; and

(89) actions which are subject to appeal or review by the Council pursuant to other provisions of the Charter, ordinance or other applicable law.

(e) Exceptions for Actions of City Planning Commission and Area Planning Commissions. The Council shall not be limited to veto of actions of the City Planning Commission or Area Planning Commissions, but, subject to the time limits and other limitations of this section, after voting to bring the matter before it, shall have the same authority to act on a matter as that originally held by the City Planning Commission or Area Planning Commission.

Sec. 2. Section 371(b) of the Charter of the City of Los Angeles is amended to read as follows:

(b) Competitive Sealed Proposals. As an alternative to an award pursuant to open and competitive bidding, a contract can be let pursuant to a competitive sealed proposal method, in accordance with criteria established by ordinance adopted by at least a two-thirds vote of the Council. The competitive sealed bid proposal system may permit negotiations after proposals have been opened to allow clarification and changes in the proposal. Adequate precautions shall be taken to treat each proposer fairly. No award may be made pursuant to this alternative method to a proposer whose final proposal is higher as to the ultimate cost to the City, as above defined, than any other responsive proposal submitted. The contracting authority, in order to utilize this alternative method, must make a written finding supported by a written statement of facts that adherence to the rule that the award be made to the lowest responsive and responsible bidder is not practicable or advantageous and shall also state in writing the reason for the particular award. Notwithstanding the foregoing, the Department of Water and Power may award contracts pursuant to a competitive sealed proposal method in accordance with criteria established by the Board of Water and Power Commissioners.

Consistent with competitive bidding requirements, design-build or other appropriate project delivery systems may be used when justified by the type of project and approved by the contracting authority.



Sec. 3. Section 501 of the Charter of the City of Los Angeles is amended to read as follows:

Sec. 501. Boards of Commissioners.

(a) **Creation.** Each department created in the Charter shall have a board of commissioners consisting of five commissioners, unless some other number is provided in the Charter for a specific board.

Each board shall be known as the Board of (insert name of department) Commissioners, except that the Board of the Personnel Department shall be known as the Board of Civil Service Commissioners.

(b) **Attendance Fees.** The Council shall, by ordinance adopted by a two-thirds vote, establish the amount of attendance fees to be paid to commissioners. Attendance fee ordinances shall be adopted no more frequently than once a year.

(c) **Term.** Unless otherwise provided in the Charter, a commissioner term shall be five years, beginning on July 1. The terms of the commissioners shall be designated so that as much as possible the terms of office are staggered. The period of the term of each commissioner shall be designated in the appointment. An appointment to fill an unexpired term on any board shall be for the period of the unexpired term.

(d) **Qualifications.**

(1) No person shall be appointed to a Charter created commission who is not a registered voter of the City. This requirement shall also apply to standing commissions created by ordinance that are advisory to, or manage, a department or office, or perform regulatory functions. This requirement does not apply to commissioners who are elected or who serve ex officio.

(2) No person who is required by ordinance to be registered as a lobbyist shall be appointed to a commission whose members are required to file financial disclosure statements pursuant to the California Political Reform Act.

(e) **Diversity.** Unless otherwise provided in the Charter, the Mayor, Council or other appointing authority shall strive to make his or her overall appointments to appointed boards, commissions or advisory bodies established by the Charter or ordinance reflect the diversity of the City, including, but not limited to, communities of interest, neighborhoods, ethnicity, race, gender, age and sexual orientation.

Sec. 4. Section 502 of the Charter of the City of Los Angeles is amended to read as follows:



Sec. 502. Appointment and Removal of Commissioners.

(a) **Appointment.** Unless otherwise provided in the Charter, commissioners of Charter created boards and of standing commissions created by ordinance that are advisory to, or manage a department or appointed office, or perform regulatory functions, shall be appointed by the Mayor, subject to the approval of the Council. The Mayor shall appoint the commissioners of all other ordinance created commissions, unless otherwise provided in the ordinance.

Within 45 days of a vacancy created by the expiration of a term of office or otherwise, the Mayor shall submit to the Council for its approval the name of the Mayor's appointee to serve for the next ensuing term or remainder of the unexpired term created by the vacancy.

If the Council does not disapprove the appointment within 45 days after its submission to the Council, the appointment shall be deemed approved. If the Council disapproves an appointment, the Mayor shall make and submit to the Council a new appointment within 45 days of Council disapproval. Each subsequent Council disapproval of a mayoral appointment shall create a new 45 day period.

(b) **Appointment by President of the Council.** In the event the Mayor fails to submit an appointment to the Council within any of the 45 day periods provided in this section, the President of the Council shall, within an additional 45 days, submit an appointment for that office to the Council for its approval. If the Council does not disapprove the appointment made by the President of the Council within 45 days after submission, the appointment shall be deemed approved by the Council.

If the Council disapproves the appointment made by the President of the Council within the 45 day period, the President of the Council shall make a new appointment to the office involved within 45 days of the disapproval of the previous appointment. Each subsequent disapproval of an appointment made by the President of the Council shall create a new 45 day period.

(c) **Appointment by Council Resolution.** Upon failure of the President of the Council to submit an appointment to the Council for its approval as provided in this section, that appointment shall be made by the Council, by resolution, within 45 days from the expiration of the 45 day period within which the President of the Council failed to act.

(d) **Removal.** Members of a board or commission, other than the City Ethics Commission, ~~and the Police Commission and the Board of Water and Power Commissioners~~, who are appointed by the Mayor subject to approval by the Council, may be removed by the Mayor without Council confirmation. Members of the Police Commission and of the Board of Water and Power Commissioners may be removed by the Mayor, but a removed member may, within ten calendar days of the removal, appeal the action to the Council. Within ten Council meeting days of receipt of the appeal, the Council may reinstate the commissioner by a two-thirds vote of the Council. Failure of the Council to reinstate the commissioner during this time period shall



constitute a denial of the appeal. Action on an appeal shall be by an action separate from the approval of the appointment of a successor to the removed member. Members of the City Ethics Commission may be removed in accordance with Section 700.

Sec. 5. Section 604 of the Charter of the City of Los Angeles is amended to read as follows:

Sec. 604. General Managers.

(a) **Appointing Authority.** The board of each Proprietary Department shall appoint the general manager subject to confirmation by the Mayor and Council, unless otherwise provided in the Charter, and shall remove the general manager subject to confirmation by the Mayor. A general manager removed pursuant to the provisions of this section may appeal the removal to the Council in the manner provided in Section 508(e).

(b) **Annual Review.** The board of each Proprietary Department shall evaluate its general manager at least annually and shall set or adjust the compensation of the general manager within guidelines established by Council, after recommendations concerning those guidelines have been made to the Council by the Director of the Office of Administrative and Research Services. The board shall forward a copy of its performance evaluation and salary determination to the Mayor and Council.

(c) **Powers and Duties.** The powers and duties of general managers contained in Section 509 shall apply to general managers of the Proprietary Departments. Additionally, the board of each Proprietary Department may authorize its general manager to contract on behalf of the department where the contract does not involve payment or receipt of money or consideration reasonably valued in excess of a monetary limit provided by ordinance.

Sec. 6. Section 606 of the Charter of the City of Los Angeles is amended to read as follows:

Sec. 606. Process for Granting Franchises, Permits, Licenses and Entering Into Leases.

(a) Board action granting franchises, concessions, permits and licenses or approving leases shall be taken by order or resolution.

(b) If the board's order or resolution grants a franchise, permit or license or approves a lease for a term greater than five years, it shall be submitted to Council for its approval or disapproval. The Council may, by ordinance, further define what constitutes a term of more than five years. Unless Council takes action disapproving the franchise, permit, license or lease within 30 days after submission of it to Council, the franchise, permit, license or lease shall be deemed approved. If Council does not approve the franchise, permit, license or lease, Council shall return it to the originating board for reconsideration and resubmission. Any order or resolution granting a franchise for a term of more than five years shall be published once in the same manner as ordinances of the City and shall take effect 30 days after publication. This subsection shall not apply to the Board of Water and Power Commissioners.



Sec. 7. Section 670 of the Charter of the City of Los Angeles is amended to read as follows:

Sec. 670. Board of Water and Power Commissioners~~Composition.~~

(a) **Composition, Appointment and Removal.** The Board of Water and Power Commissioners shall consist of five seven members appointed and removed as provided in Section 502.

(b) **Term.** The members of the board shall serve four-year terms. The terms shall be designated so that as much as possible the terms of office are staggered.

(c) **Qualifications.** In addition to the requirements set forth in Sections 501(d) and (e), members of the board shall meet the following qualifications:

(1) Members of the board shall have general experience in one or more of the following areas: (i) utility management; (ii) water or power policy and operations; (iii) environmental policy; (iv) business or finance; (v) labor relations; (vi) consumer advocacy; and/or (vii) Neighborhood Councils or community organizations.

(2) No person shall be appointed to the board who, during the 12 months prior to appointment, was required to be registered as a lobbyist with the City of Los Angeles and participated in any lobbying activities related to the Department of Water and Power.

(d) **Stipend.** Members of the board shall receive a stipend as further provided by ordinance.

Sec. 8. Section 674 of the Charter of the City of Los Angeles is amended to read as follows:

Sec. 674. Power Contracts.

(a) ~~Subject to approval by ordinance,~~†The board shall have the power to contract with the United States or any of its agencies, any state or state agency, and any corporation, public or private, located inside or outside of the City or State of California:

(1) For the construction, ownership, operation, and maintenance of facilities for the generation, transformation, and transmission of electric energy, subject to the following:

(A) Any contract entered into under this subsection may provide for a sharing of the use and benefits and of the capital charges and other obligations associated with the facilities.



(B) The term of any contract entered into under this subsection is not subject to the term limitations specified in Section 607(a) and may extend over the useful life of the facilities constructed, purchased or developed. The board shall notify the Council and Mayor of any proposed contract with a term longer than 30 years prior to board action on any such contract.

(2) For the sale, purchase, exchange or pooling of electric energy or electric generating capacity.

(b) The board may renew, without Council approval, any contract with the United States existing as of December 12, 1940 concerning the delivery of electric energy to the City and the customers of the department from the Hoover Dam electric generating facility.

Sec. 9. Section 676 of the Charter of the City of Los Angeles is amended to read as follows:

Sec. 676. Strategic Plan and Rate Setting.

(a) **Strategic Plan.** Beginning on January 1, 2020, and every four years thereafter, the board shall submit a four-year strategic investment and revenue requirement plan (Plan) to the Council and Mayor for approval or disapproval. The Plan shall include a discussion of potential rates and the rate setting process. Once the Plan has been approved by the Council and Mayor:

(1) All policies, projects, programs, and revenue requirements within the parameters of the adopted Plan, including the ability to adjust rates, shall require only board approval unless otherwise provided by the Charter; and

(2) All policies, projects, programs, revenue requirements, or base rate setting that exceed the parameters of the adopted Plan shall require approval by the Council and Mayor unless otherwise provided by the Charter. The Council and Mayoral approval requirement of this subdivision shall not apply to day-to-day operations, operational emergencies or actions of the department necessary to comply with new state or federal laws, unless otherwise provided by ordinance.

(b) The City Council, by ordinance, may further define the policies, projects, programs and revenue requirements that shall be within the parameters of the Plan and shall establish the timelines, procedures, and other requirements for the Plan. The City Council shall adopt the ordinance establishing the timelines, procedures, and other requirements for the January 1, 2020 Plan by January 1, 2018.

(ca) Rate Setting Procedure.

(1) Until such time as the first Plan is approved in accordance with subsection (a), Subject to approval by ordinance, rates for water, reclaimed water, surplus water,



electric energy and surplus energy shall be fixed by the board from time to time as necessary, subject to approval by ordinance. Except as otherwise provided in the Charter, rates shall be of uniform operation for customers of similar circumstances throughout the City, as near as may be, and shall be fair and reasonable, taking into consideration, among other things:

- (A1) the nature of the uses;
- (B2) the quantity supplied; and
- (C3) the value of the service.

The rates inside the City may be less, but not greater, than the rates outside the City for the same or similar uses.

(2) Following the approval of the first Plan in accordance with subsection (a), rates for water, reclaimed water, surplus water, electric energy, surplus energy and other services shall be fixed by the board from time to time as necessary. All rates within the parameters of the Plan shall not require Council or Mayoral approval. The fixing of any base rates by the board that exceed the adopted Plan shall require approval by the Council and Mayor pursuant to timelines and procedures established by ordinance. Except as otherwise provided in the Charter, rates shall be of uniform operation for customers of similar circumstances throughout the City, as near as may be, and shall be fair and reasonable, taking into consideration, among other things:

- (A) the nature of the uses;
- (B) the quantity supplied; and
- (C) the value of the service.

The rates inside the City may be less, but not greater, than the rates outside the City for the same or similar uses.

(db) Individual Power Contracts. Rates for electric energy may be negotiated with individual customers, provided that these rates are established by binding contract, contribute to the financial stability of the electric works and are consistent with procedures established by ordinance.



Sec. 10. Section 678 of the Charter of the City of Los Angeles is amended to read as follows:

Sec. 678. Powers and Duties of the General Manager of the Department of Water and Power.

(a) **Appointment.** The recruitment and selection of qualified candidates for the position of General Manager of the Department of Water and Power shall be administered by the general manager of the Personnel Department, in cooperation with the Board of Water and Power Commissioners, through a system of open competition based on professionally accepted recruitment and selection standards. The general manager of the Personnel Department shall refer a group of up to six highly qualified candidates to the Board of Water and Power Commissioners, which shall then provide a list of up to three recommended candidates, in ranked order, to the Mayor for review and for appointment of one of them as the General Manager. At the request of the Mayor, the Board of Water and Power Commissioners shall provide the Mayor with an additional list of up to three candidates, in ranked order, from the group of candidates previously provided by the general manager of the Personnel Department. The Mayor's appointee shall be subject to confirmation by the Council. Should the Council fail to confirm the appointee, and if any additional candidates remain, the Mayor may request and receive from the Board of Water and Power Commissioners one additional candidate, who will be selected from the group of candidates previously provided by the general manager of the Personnel Department. The Mayor may appoint that candidate or one of the candidates on the list or lists previously provided to the Mayor by the Board of Water and Power Commissioners, subject to Council confirmation.

(b) **Powers and Duties.** In addition to the powers described in Section 604, the general manager of the department shall have the power and duty to:

(1a) enforce all orders, rules and regulations adopted by the board;

(2b) supervise and manage the design, construction, maintenance and operation of all work or improvements authorized or ordered by the board; and

(3e) carry out all powers and duties of the department delegated by the board;

(4) provide informational reports regarding any actions or pending actions of the Board or Department, as requested by the Council; and

(5) implement a monthly billing cycle and provide daily water usage data to the Bureau of Sanitation beginning no later than July 1, 2020, unless otherwise prescribed by ordinance.



Sec. 11. Section 683 of the Charter of the City of Los Angeles is amended to read as follows:

Sec. 683. Office of Public Accountability.

(a) The role of the Office of Public Accountability (OPA) shall be to provide public independent analysis of department actions as they relate to water and electricity rates.

(b) The OPA shall be headed by an Executive Director, who shall be exempt from civil service. The Executive Director shall be appointed by a citizens committee to a five-year term, subject in appointment to confirmation by the Council and Mayor, and may be appointed to a second five-year term by the Council, subject to approval by the Mayor. The Council shall by ordinance provide for the removal of the Executive Director in a procedure similar to that set forth in City Charter Section 575(e), and only for the reasons provided by ordinance. The Council by ordinance shall prescribe the composition and manner of selection of the citizens committee.

(c) The Executive Director shall (1) report directly to, but shall not be instructed by, the board; (2) have full charge and control of all work of the OPA; (3) be responsible for the proper administration of its affairs; (4) appoint, discharge, suspend, or transfer all of its employees, subject to the civil service provisions of the Charter; (5) issue instructions to OPA employees in the line of their duties, subject to the civil service provisions of the Charter; (6) prior to the beginning of each fiscal year and in accordance with a schedule prescribed by ordinance, submit to the City Administrative Officer a proposed annual budget covering the anticipated expenditures of the OPA; (7) expend the funds of the OPA (including, without limitation, awarding contracts) in accordance with the provisions of the budget appropriations or of appropriations made after adoption of the budget; and (8) perform such other duties as may be prescribed by ordinance.

(d) The City Council shall by ordinance establish provisions for the administration and operation of the OPA, which provisions shall include at a minimum: (1) reporting requirements and schedules and (2) consumer protection and complaint procedures.

(e) The OPA shall have access to information to fulfill its responsibilities.

(f) The employees of the OPA shall include a Ratepayer Advocate and additional positions as prescribed by ordinance. The OPA shall periodically issue public reports.

(g) The department shall include a budget for the OPA as shall be set by ordinance at a level not less than 0.250.05 percent of department annual revenues generated solely from the sale of water and electric energy for the previous fiscal year.



(h) Nothing contained in this section shall reduce or otherwise affect the authority of the City Controller to conduct fiscal and performance audits of the department.

~~(i) This Section shall be operative on July 1, 2011.~~

Sec. 12. A new Section 685 is added to the Charter of the City of Los Angeles to read as follows:

Sec. 685. Water and Power Analyst Office

The role of the Water and Power Analyst Office shall be to provide policy and fiscal analysis under the direction of the board. The board shall have the power to appoint and remove an Executive Director for the Office, who shall be exempt from civil service. The board shall also have the power to set and adjust the compensation of the Executive Director and establish a budget for the Office as further provided by ordinance. The Executive Director shall report directly to the board, administer the affairs of the Office, appoint employees sufficient to fulfill the responsibilities of the Office, and perform such other duties as may be prescribed by the board consistent with this Section.

Sec. 13. Section 1000 of the Charter of the City of Los Angeles is amended to read as follows:

Sec. 1000. Applicability.

The provisions of this Article shall apply to all employees of the City, except for those specifically exempted in Section 1001 and as provided in Section 1025.

Sec. 14. A new Section 1025 is added to the Charter of the City of Los Angeles to read as follows:

Sec. 1025. Department of Water and Power.

(a) The Council, or the Board of Water and Power Commissioners (Board) if authorized pursuant to subsection (b) to set salaries for Department of Water and Power employees, may approve alternative standards for Department of Water and Power employees to replace any or all of the civil service standards of Sections 1000 through 1020 of the Charter, subject to the following requirements:

(1) The alternative standards are adopted pursuant to a legally binding memorandum of understanding developed through collective bargaining and approved by the Council;



(2) The Council, or the Board if authorized as the salary setting authority pursuant to subsection (b), shall make a determination that the provisions of the memorandum of understanding maintain standards that provide for merit based hiring, merit based retention and discharge, equal employment opportunity compliance, and protection from coercion for partisan political purposes; and

(3) The Council, or the Board if authorized as the salary setting authority pursuant to subsection (b), may conduct periodic audits of any alternative standards adopted pursuant to this section, and may revoke such standards, subject to any meet and confer process as may be required by law and approval by the Council.

(b) The Council may, by ordinance, delegate its authority under Section 219 of the Charter to set salaries for Department of Water and Power employees, in whole or in part, to the Board of Water and Power Commissioners. Council may also, by ordinance, revoke any previous delegation of authority made pursuant to this subsection.

Sec. 15. Implementing Ordinances. The Council shall, by ordinance, provide for the transition to the newly constructed Board of Water and Power Commissioners described in proposed Charter Section 670 above. In order to transition to the new Board and establish staggered terms, the ordinance may designate initial Commissioner terms of a duration other than four years for the first Board established under the proposed Charter Section. The increase in the size of the Board, qualification requirements and change to the length of terms of Commissioners shall commence no sooner than July 1, 2017, and no later than August 15, 2017.

Sec. 16. Severability. If any section, subsection, subdivision, clause, sentence, phrase or portion of this measure is held unconstitutional or invalid by any court or tribunal of competent jurisdiction, the remaining sections, subsections, subdivisions, clauses, sentences, phrases or portions of this measure shall remain in full force and effect, and to this end the provisions of this measure are severable. In addition, the voters declare that they would have passed all sections, subsections, subdivisions, clauses, sentences, phrases or portions of this measure without the section, subsection, subdivision, clause, sentence, phrase or portion held unconstitutional or invalid.





CITY OF LOS ANGELES FIRE AND POLICE PENSIONS; AIRPORT PEACE OFFICERS. CHARTER AMENDMENT SSS.

Shall the Charter be amended to: (1) enroll new Airport peace officers into Tier 6 of the Fire and Police Pensions System; (2) allow current Airport peace officers to transfer into Tier 6 from the City Employees' Retirement System (LACERS) at their own expense; and (3) permit new Airport Police Chiefs to enroll in LACERS?

**IMPARTIAL SUMMARY
BY SHARON M. TSO, CHIEF LEGISLATIVE ANALYST**

This measure would amend the Los Angeles City Charter (Charter) to: 1) enroll all City employees appointed on or after January 7, 2018 as sworn peace officers who perform police or firefighting duties for the Airports Department in Tier 6 of the sworn employee retirement system; 2) give any Airports Department Chief of Police appointed on or after January 7, 2018 who is not already a member of the sworn retirement system the option to enroll in the City's civilian retirement plan; and, 3) allow sworn peace officers appointed to the Airports Department prior to January 7, 2018 the option to transfer from the City's civilian employee retirement plan to Tier 6 of the sworn employee retirement system, at their expense.

Since 1946, when the Los Angeles Airport was transferred from the U.S. War Department to the City of Los Angeles, airport security has been provided by Airport Police Officers and Airport Safety Officers (collectively, Airport Peace Officers). Airport Police Officers have full peace officer status with police powers equivalent to those of Los Angeles Police Department (LAPD) officers. Airport Safety Officers are also sworn peace officers who perform firefighting and rescue operations. Today, the Los Angeles Airport Police Department is staffed by 550 sworn officers.

Currently, all Airport Peace Officers who perform police and firefighting duties for the Airports Department are members of the City's civilian retirement plan, the Los Angeles City Employees' Retirement System (LACERS). Sworn LAPD officers, Los Angeles Fire Department firefighters and paramedics, and Harbor Department peace officers are members of the sworn retirement system, the Los Angeles Fire and Police Pensions Plan (LAFPP).

The proposed Charter amendment would automatically enroll in Tier 6 of the LAFPP Airport Peace Officers who are appointed on or after January 7, 2018 to perform police and firefighting duties for the Airports Department. In addition, any Airport Chief of Police appointed on or after January 7, 2018 who is not already a current or retired member of the LAFPP may choose to join LACERS instead of the LAFPP, an option currently available to the LAPD Chief of Police, Fire Chief, and the Harbor Department Chief of Police.

The proposed Charter amendment would also give Airport Peace Officers appointed to the Airports Department before January 7, 2018 the option to transfer their retirement benefits from



LACERS to Tier 6 of the LAFPP, at their expense. Any transfer between retirement plans must be cost neutral and the transferring employee will be required to pay the full actuarial cost of the service to be transferred. To the extent required by the Internal Revenue Code and applicable tax law, Airport Peace Officers who elect to transfer to the LAFPP would be required to continue to make member contributions at the rate applicable to their LACERS membership.

This Charter Amendment will become effective if approved by a majority of voters.

**FINANCIAL IMPACT STATEMENT
BY MIGUEL A. SANTANA, CITY ADMINISTRATIVE OFFICER**

This proposition enrolls new Airport Peace Officers into the Los Angeles Fire and Police Pension (LAFPP) and allows current Officers to voluntarily transfer into LAFPP from the Los Angeles City Employees' Retirement System (LACERS). Officers electing to transfer into LAFPP must each pay the full costs associated with all prior LACERS years of service.

According to an independent actuarial analysis, the City's annual cost of providing future retirement benefits (normal cost) for current and new Officers joining LAFPP will be 14 to 19 percent higher than if these same Officers were with LACERS. This increase represents \$140,000 to \$190,000 for every \$1 million of total payroll of current and new Officers joining LAFPP. The actual annual cost increase will depend on the number of Officers joining LAFPP. The Airports Department, not the City's General Fund, will pay all future employer contributions to LAFPP for these Officers.



New provisions or language added to the Charter or to existing Charter sections are shown in underline type; words deleted from the Charter or from existing Charter sections are shown in ~~strikeout~~ type.

CHARTER AMENDMENT SSS

Section 1. Subsection (e) of Section 1202 of the Charter of the City of Los Angeles is amended to read as follows:

(e) **Department Member.** A person who is a sworn Member of the Fire Department or a sworn Member of the Police Department, as those terms are defined for each Tier. This term also includes a person who is a sworn Member of the Harbor Department who qualifies for membership in the Plan pursuant to the provisions of any Tier of the Plan, but shall not include any sworn employee of the Harbor Department who was appointed prior to January 8, 2006 and remained a member of the Los Angeles City Employees' Retirement System. Additionally, this term includes a person who is a sworn Member of the Airport Department who qualifies for membership in the Plan pursuant to the provisions of any Tier of the Plan, but shall not include any employee of the Airport Department who was appointed prior to January 7, 2018 and was eligible to make the election authorized by Charter Section 1704 but remained a member of the Los Angeles City Employees' Retirement System.

Sec. 2. Subsection (a) of Section 1700 of the Charter of the City of Los Angeles is amended to read as follows:

(a) **Appointed Chief.** A Chief of Police, a Fire Chief, or a Port Warden (Chief) who is appointed to that position on or after July 1, 2011, and a Chief of the Airport Police who is appointed to that position on or after January 7, 2018, and who is neither a Plan Member nor a Retired Plan Member at the time of appointment, shall become a Tier 6 Plan Member upon appointment unless, within seven calendar days of appointment, he or she files a written opt out election with the Department of Fire and Police Pensions to elect to become a member of the Los Angeles City Employees' Retirement System (LACERS) in lieu of membership in Tier 6. A Chief who is appointed to that position on or after July 1, 2011 and is already a Department Member on the day of his or her appointment, shall continue to be a member of the Tier to which he or she belonged prior to appointment as Chief. A Retired Plan Member who is appointed to the position of a Chief on or after July 1, 2011, shall become a member of LACERS at the time of appointment, rather than a Tier 6 Plan Member, and shall continue to receive all benefits to which he or she is entitled as a Retired Plan Member, but shall not accrue any additional right to benefits from the Plan by virtue of his or her employment as a Chief.

Sec. 3. A new Subdivision (5) is added to subsection (c) Section 1700 of the Charter of the City of Los Angeles to read as follows:



(5) A person appointed to a sworn position with the Airport Department or Fire Department on or after January 7, 2018, who did not elect to transfer into Tier 6 and remained a member of LACERS, if subsequently appointed without a break in Airport Department service to an Airport Department sworn position or a Fire Department sworn position that would otherwise qualify him or her for membership in Tier 6, shall not become a member of Tier 6 upon appointment, but shall remain a LACERS member.

Sec. 4. Subsection (d) of Section 1700 of the Charter of the City of Los Angeles is amended to read as follows:

(d) **Former Members.** Any former member of any Tier, who ceased to be a member as a result of resignation or discharge and who subsequently is reappointed as a Department Member on or after July 1, 2011, shall become a Tier 6 Member. In the event such person did not receive a refund of contributions for his or her prior service, the definition of “Years of Service” contained in this Tier 6 shall be controlling with respect to such person’s entitlement to service credit and such person need not make back contributions on account of such former service. In the event that the member had no right to a refund of contributions from his or her former Tier, then he or she shall not have any right to have contributions formerly made by him or her under the provisions of a former Tier refunded in the event he or she should subsequently terminate as a Plan Member. In the event such person received a refund of his or her contributions as a result of his or her termination, then such person’s entitlement to Years of Service credit for the period of such former service shall be conditioned upon such person electing to repay and having paid to the Fire and Police Pension Plan the amount of previously refunded contributions, with interest thereon in an amount calculated as interest which would have been earned between the date of such termination and the date of entry into service as a Plan Member in accordance with rules adopted by the Board. In the event such member does not elect to so repay, the term Years of Service as elsewhere used in this Tier 6 shall not include any periods prior to his or her reappointment, notwithstanding the definitions contained in Section 1702(pq) and (qr).

Sec. 5. A new subsection (f) is added to Section 1700 of the Charter of the City of Los Angeles to read as follows:

(f) **Airport Department Members.** In addition to those Department Members described in Subsection (b) of this section, the following persons qualify for membership in Tier 6 as provided below:

(1) **Persons Appointed On or After January 7, 2018.** Each person appointed on or after January 7, 2018, as a Member of the Airport Department, as defined in Section 1702(d), shall become a Tier 6 Plan Member upon graduation by the person from academy training required by the Airport Department. Upon becoming a Tier 6 Plan Member, a member may elect to purchase Years of Service credit for the academy training period in accordance with rules adopted by the Board, provided that only academy training time during which the person was a member of the Pension Savings Plan for Part-time, Seasonal



and Temporary Employees is eligible for purchase. An Airport Police Chief appointed on or after January 7, 2018, may irrevocably elect in writing at the time of appointment not to become a member of Tier 6, provided that he or she meets the eligibility requirements for such election as set forth in Section 1700(a).

(2) **Persons Appointed Prior to January 7, 2018.** A person appointed prior to January 7, 2018 as a Member of the Airport Department, as defined in Section 1702(d), and who is employed on that date as a Member of the Airport Department, as defined in Section 1702(d), may make an irrevocable election in writing to become a Tier 6 Plan Member in lieu of membership in LACERS, on the terms and conditions set forth below and in any ordinance adopted by the City Council to implement this provision, provided that no person shall become a Tier 6 Plan Member until he or she has completed the academy training required by the Airport Department. A person who does not file an election within the period specified below shall continue as a LACERS member and shall remain a LACERS member if subsequently appointed without a break in Airport Department service to an Airport Department sworn position, or Fire Department sworn position that would otherwise require him or her to become a Tier 6 Plan Member.

All elections made pursuant to this Subdivision (2) must meet the requirements of the ordinance adopted by Council, as authorized by Section 1704, to govern the election, including all related requirements governing service purchases, contributions, and the cost of the election.

For purposes of Sections 1706 and 1708, relating to Tier 6 Disability Pensions and Tier 6 Survivorship Pensions, and Section 1212, relating to the effect of a Department Member's receipt of Worker's Compensation, a Tier 6 Plan Member who transfers under Subdivision (2) of this Section, Section 1704 and the ordinance adopted by the Council as authorized by Section 1704, shall be considered a Department Member as defined in Section 1202(e) during all employment periods for which the member receives Years of Service credit pursuant to Section 1704 and the ordinance adopted by the Council as authorized by Section 1704, notwithstanding that the person was not an actual Tier 6 Plan Member at the time of employment. The intent of this provision is that the person shall be considered a Department Member at the time of employment for purposes of these sections, so that the amount of any disability or survivorship pension granted pursuant to the provisions of Tier 6 shall be reduced as provided in Section 1212.

Sec. 6. Subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), and (r) of Section 1702 of the Charter of the City of Los Angeles are redesignated as subsections (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r) and (s), respectively.

Sec. 7. A new subsection (d) is added to Section 1702 of the Charter of the City of Los Angeles to read as follows:



(d) **Member of the Airport Department.** Member of the Airport Department means the Chief of the Airport Police, the Assistant Chief of the Airport Police, the Chief Airport Safety Officer, and a person duly and regularly appointed, under civil service rules and regulations or provisions of the Charter, or both, governing the making of original regular and permanent appointments which require the serving of probationary periods but not of original emergency or temporary appointments therein, and sworn in, as provided by Penal Code Section 830.1, to perform police or firefighting duties for the Airport Department, under whatever designation such person may be described in any salary or departmental ordinance providing salaries for members of the department, but such person shall be a member of the department only until his or her status as such shall be terminated by reason of his or her retirement, resignation or discharge or for any other reason.

Sec. 8. The first paragraph of Subsection (q) of Section 1702 of the Charter of the City of Los Angeles is amended to read as follows:

(p) **Years of Service.** Years of Service means and includes only those periods during or for which the Plan Member was a Department Member of the Fire Department, a Department Member of the Police Department, a Department Member of the Harbor Department, or a Department Member of the Airport Department, and whether prior to or after his or her becoming a Tier 6 Plan Member and subject to the limitations contained in Section 1700 of this Tier 6:

Sec. 9. Subsection (a) of Section 1703 of the Charter of the City of Los Angeles is amended to read as follows:

(a) **Council Authority.** The Council may, by ordinance adopted in accordance with the provisions of this section, allow police personnel who are transferred to the Police Department from the Department of General Services and gain status in one of the following Class Codes 2214, 2217, 2223, 2227, 2232, and 2244 to transfer prior sworn service with the City from the Los Angeles City Employees' Retirement System (LACERS) to Tier 6 after they become members of the Plan pursuant to the applicable provisions of the Charter and the Los Angeles Administrative Code. Notwithstanding the provisions of Section 1702(pg), transferred service may count as Years of Service for all Tier 6 purposes.

Sec. 10. Section 1704 of the Charter of the City of Los Angeles is redesignated as Section 1705.

Sec. 11. A new Section 1704 is added to the Charter of the City of Los Angeles to read as follows:

Sec. 1704. Authority of City Council to Allow Transfer of Airport Peace Personnel to Tier 6 and to Allow Transferring Personnel to Purchase Prior City Service.



(a) **Council Authority.** The Council may, by ordinance adopted in accordance with the provisions of this Section, and pursuant to applicable provisions of the Charter and the Los Angeles Administrative Code, allow a person who entered City service prior to January 7, 2018, as a Member of the Airport Department, as defined in Section 1702(d), to become a Tier 6 Plan Member in lieu of membership in the Los Angeles City Employees' Retirement System (LACERS), and to transfer all prior City service from LACERS to Tier 6 after he or she becomes a member of the Plan, provided such person shall continue to make member contributions at the rate applicable to his or her LACERS membership to the extent required by the Internal Revenue Code and as further described in Section 1714(a)(3). Notwithstanding the provisions of Section 1702(q), service transferred pursuant to this Section and the implementing ordinance adopted by Council shall count as Years of Service for all Tier 6 purposes.

(b) **Limitations on Service Purchases.** The authority given to the Council to allow the transfer of prior service is specifically limited as follows:

(1) **Purchases Shall Be Cost Neutral.** The member shall be required to pay the full actuarial cost of the service to be transferred, as determined by the Plan's actuary without taking into consideration incidental administrative expenses incurred by the Plan, reduced by the amount of any funds transferred from LACERS to the Plan in connection with the transferred service.

(2) **All Prior Service Must Be Transferred.** As a condition of making the election to transfer from LACERS to the Plan, a member must transfer all prior service from LACERS to the Plan, including prior City service earned as a contributing member of LACERS and any service purchased from LACERS, and pay the full actuarial cost of the service to be transferred, as determined by the Plan's actuary and pursuant to requirements of the ordinance adopted in accordance with this Section.

(3) **Election and Service Purchase Shall Be Irrevocable.** A member's election to enter Tier 6 membership shall be irrevocable after January 7, 2018. A member's agreement to purchase his or her prior service shall be nonrefundable. Neither the Council nor the Board shall have the authority to revoke or refund a member's election or purchase, or to allow transfers after January 7, 2018.

(c) **Mode of Adoption.** Ordinances adopted pursuant to this section shall be adopted in the same manner as provided in Section 1618(b), but the Council shall be advised in writing by an enrolled actuary as to the cost of the proposed change.

Sec. 12. Subsections (a) and (b) of Section 1706 of the Charter of the City of Los Angeles is amended to read as follows:

(a) **Service-Connected Disability.** Upon the filing of his or her written application for a disability pension or upon the filing of a written request therefore by or on behalf of the head



of the department in which he or she is a Department Member, any Tier 6 Plan Member whom the Board shall determine has become physically or mentally incapacitated by reason of injuries received or sickness caused by the discharge of the duties of such person as a Department Member, and who is incapable as a result thereof from performing his or her assigned duties, or those to which he or she would be assigned within the Plan Member's civil service classification if returned to duty, shall be retired by order of the Board from further active duty as a Department Member.

A Tier 6 Plan Member's incapacity is caused by the discharge of his or her duties if there is clear and convincing evidence that the discharge of the Plan Member's duties is the predominant cause of the incapacity.

A Tier 6 Plan Member retired under the provisions of this subsection shall be paid thereafter a monthly service-connected disability pension in an amount which shall be equal to the same percentage of the Plan Member's Final Average Salary as the Board shall determine, from time to time, to be the percentage of his or her disability. Such pension shall be in an amount of not less than 30% and not more than 90% of the Retired Tier 6 Plan Member's Final Average Salary, but in no case shall the pension be less than the equivalent of 2% of Final Average Salary for each Year of Service of the Retired Tier 6 Plan Member.

No Retired Tier 6 Plan Member, while retired pursuant to this subsection, ever shall be paid any pension pursuant to Section ~~4704~~1705 or subsection (b) of this section.

(b) **Nonservice-Connected Disability.** Upon the filing of his or her written application for a disability pension by a Tier 6 Plan Member who shall have five Years of Service or more, or upon the filing of a written request therefore with respect to such a Tier 6 Plan Member by or on behalf of the head of the department in which he or she is a Department Member, any Tier 6 Plan Member whom the Board shall determine has become physically or mentally incapacitated by reason of injuries or sickness other than injuries received or sickness caused by the discharge of the duties of such person as a Department Member, and who is incapable as a result thereof from performing his or her assigned duties or those to which he or she would be assigned within the Plan Member's civil service classification if returned to duty, shall be retired by order of the Board from further active duty as a Department Member. As a further condition of entitlement to such a pension, the Board shall also determine that such disability was not principally due to or caused by voluntary action of the Plan Member intended to entitle him or her to a nonservice-connected disability pension.

A Tier 6 Plan Member retired under the provisions of this subsection shall be paid thereafter a monthly nonservice-connected disability pension in an amount which shall be equal to the same percentage of the Retired Tier 6 Plan Member's Final Average Salary as the Board shall determine, from time to time, to be the percentage of his or her disability, but such pension shall be in an amount of not less than 30% and not more than 50% of the Retired Tier 6 Plan Member's Final Average Salary.



No Retired Tier 6 Plan Member, while retired pursuant to this subsection, ever shall be paid any pension pursuant either to Section ~~1704~~1705 or to subsection (a) of this section.

Sec. 13. Section 1707 of the Charter of the City of Los Angeles is amended to read as follows:

Any former Tier 6 Plan Member, who became such because of termination of his or her employment for any reason including retirement, who shall believe that he or she is eligible to be paid a pension pursuant to Section ~~1704~~1705 or 1706 of this Tier 6, may file his or her written application for the payment of a pension pursuant to either one of these sections within one year from the date he or she ceased to be a Plan Member, and the Board, if it were to determine that the contingencies provided in this Tier 6 for the payment thereof had happened or occurred as to such former Plan Member prior to the date upon which he or she had ceased to be a Plan Member and if there is no legal bar or defense to the granting to him or her of such pension or to any judicial action or proceeding which could be brought by him or her with respect thereto, shall grant him or her the pension in accordance with his or her written application.

Sec. 14. Subdivision (3) of Subsection (a) of Section 1708 of the Charter of the City of Los Angeles is amended to read as follows:

(3) *Tier 6 Retired Plan Member's Death While on a Service Pension.* The Qualified Survivor of a Retired Tier 6 Plan Member, who shall die while he or she is receiving a pension pursuant to Section ~~1704~~1705, shall be paid for life a monthly pension in an amount which shall be equal to 70% of the pension received by the deceased Retired Tier 6 Plan Member immediately preceding the date of his or her death. The benefit described in this subsection (a)(3) may be modified as provided in subsection (b) of this section.

Sec. 15. Subsection (b) of Section 1708 of the Charter of the City of Los Angeles is amended to read as follows:

(b) **Optional Pensions for Qualified Survivor.** At any time before the first payment of a service pension, a service-connected disability pension, or a nonservice-connected disability pension, the Tier 6 Plan Member may elect to receive, in lieu of his or her pension as provided in Section ~~1704~~1705 or Section 1706, the actuarial equivalent at that time of such pension and of the pension for the Qualified Survivor, as provided in subsection (a) of this section, by electing an optional pension payable throughout the balance of his or her life, with the provisions that upon his or her death such optional pension shall be continued to the Tier 6 Plan Member's Qualified Survivor in the proportional amount designated by the Plan Member at the time of election of the option provided by this section.

The amount of such optional pension shall be so calculated that the liability of the Fire and Police Pension Plan at the date of retirement under the optional pension shall be equal to the liability of the Fire and Police Pension Plan at the same date under the pension awarded in



accordance with the provisions of Section ~~1704~~1705 or Section 1706 and of the survivorship pension provided by subsection (a) of this section. For the purpose of this section, the liability of the Fire and Police Pension Plan is defined as the present value, in accordance with tables adopted by the Board, of the pensions or optional pensions calculated by approved actuarial methods, and recommended by the Board's actuary. In determining the actuarial equivalent of the pension for a Qualified Survivor as provided pursuant to subsection (a)(4) of this section, the equivalent of a survivorship pension of 80% of the retiree's pension shall be used in all cases.

The optional amounts, calculated in accordance with the foregoing paragraph, shall provide a range of optional values such that the amount to be paid to the Qualified Survivor of the Plan Member shall range from 75% to 100% of the pension payable to the Tier 6 Plan Member, varying by increments of 5%.

If a Retired Tier 6 Plan Member, previously retired on a disability pension pursuant to the provisions of Section 1706, should be reinstated to active duty upon termination of his or her disability, the election to receive the optional pension as herein provided, shall be deemed cancelled as of the effective date of such reinstatement.

A Retired Tier 6 Plan Member, previously retired on a disability pension pursuant to the provisions of Section 1706, shall have the right to cancel any option previously elected by him or her pursuant to the provisions of this subsection in the event his or her pension is subsequently adjusted as provided for in Section 1706.

The Board shall by rule provide for a method in which the election to receive an optional pension shall be exercised.

Sec. 16. Subdivision (2) of Subsection (b) of Section 1710 of the Charter of the City of Los Angeles is amended to read as follows:

(2) all contributions and donations to the Fire Department, the Police Department, the Harbor Department, or the Airport Department, for services by any Tier 6 Plan Members, except amounts of money donated to provide for any medal or permanent competitive award;

Sec. 17. Subsection (d) of Section 1710 of the Charter of the City of Los Angeles is amended to read as follows:

(d) **Use of Funds.** The monies in the Fire and Police Tier 6 Service Pension Fund shall be used, other than for the investment thereof, exclusively for the payment of service pensions granted pursuant to Section ~~1704~~1705 and for the refund of contributions as provided in this Tier 6 and such uses as may be authorized by Sections 1220(b) and Section 1220(c), subject to the limitations contained in Section 1220(d). The monies in the Fire and Police Tier 6 General Pension Fund shall be used, other than for the investment thereof, exclusively for the payment of all pensions other than service pensions, such benefits as may be provided by ordinance



adopted pursuant to the enabling provisions contained in Section 1718, and such other uses as authorized by Charter Section 1220(b) and (c).

Sec. 18. The second paragraph of Subdivision (2) Subsection (a) of Section 1714 of the Charter of the City of Los Angeles is amended to read as follows:

For purposes of determining the amount of these deductions, Salary shall mean those elements of a Tier 6 Plan Member's compensation which would be included in calculating Final Average Salary. The administrative heads of the Fire Department, Police Department, and Harbor Department, and Airport Department shall cause to be shown on each and every payroll of such departments all deductions that are required to be made pursuant to this subsection for Department Members who are Tier 6 Plan Members. All references in Tier 6 to contributions shall be deemed to include both regular contributions and additional contributions, unless a different meaning is clearly indicated in the context.

Sec. 19. A new Subdivision (3) is added to Subsection (a) of Section 1714 of the Charter of the City of Los Angeles is amended to read as follows:

(3) Internal Revenue Code Requirements for Contributions by Members Who Transferred From LACERS Pursuant to Section 1704. Notwithstanding any language in subsection (a) to the contrary, a Tier 6 Plan Member who elected to transfer into the Plan and purchase his or her prior LACERS service pursuant to Charter Section 1704 and the ordinance adopted in accordance therewith shall continue to make member contributions at the rate applicable to his or her LACERS membership to the extent required by the Internal Revenue Code, provided however: (i) if this subsection (a) would otherwise require additional member contributions by such a member, such additional member contributions shall be made by the member on an after-tax basis to the extent required by the Internal Revenue Code; and (ii) provided further, if this subsection (a) would otherwise require member contributions at a rate that is lower than the rate applicable to the member's LACERS membership, the Council may, by ordinance adopted in accordance with the provisions of this Section, and pursuant to applicable provisions of the Charter and the Los Angeles Administrative Code, provide for a larger annuity benefit at the time of retirement for such a member to reflect the additional contribution amounts, as determined by the actuary and subject to all limitations of the Internal Revenue Code.

Sec. 20. Subdivision (3) of Subsection (c) of Section 1716 of the Charter of the City of Los Angeles is amended to read as follows:

(3) Pensions Eligible for Adjustment. Discretionary adjustments herein provided shall be applied to pensions granted pursuant to Sections ~~1704~~1705, 1706 and 1708 subject to the following limitations: If a pension became payable on or after July 1 immediately preceding the effective date of such adjustment, it shall not be so adjusted; and any pension which shall have become payable at a time within the three year period



(but prior to the immediately preceding July 1), shall be prorated on a monthly basis to the number of completed months for which the pension was received, provided that pensions paid pursuant to Section 1708(a)(3), (4) or (5), or Section 1708(c), (d) or (e), shall be adjusted by basing eligibility on the date upon which the Retired Plan Member's pension became effective.

Sec. 21. Subdivision (1) of Subsection (b) of Section 1724 of the Charter of the City of Los Angeles is amended to read as follows:

(1) *Service Retirement and Former Rank.* That his or her original retirement had been pursuant to Section ~~1704~~1705 and had been from the Fire Department while holding a rank lower than Fire Chief or from the Police Department while holding a rank lower than Chief of Police or from the Harbor Department while holding a rank lower than Port Warden;



Voter Bill of Rights

- 1. The right to vote if you are a registered voter.** You are eligible to vote if you are:
 - ★ a U.S. citizen living in California
 - ★ registered where you currently live
 - ★ at least 18 years old
 - ★ not in prison or on parole for a felony
- 2. The right to vote if you are a registered voter even if your name is not on the list.**

You will vote using a provisional ballot. Your vote will be counted if elections officials determine that you are eligible to vote.
- 3. The right to vote if you are still in line when the polls close.**
- 4. The right to cast a secret ballot** without anyone bothering you or telling you how to vote.
- 5. The right to get a new ballot if you have made a mistake**, if you have not already cast your ballot. You can:
 - Ask an elections official at a polling place** for a new ballot; or
 - Exchange your vote-by-mail ballot** for a new one at an elections office, or at your polling place; or
 - Vote using a provisional ballot**, if you do not have your original vote-by-mail ballot.
- 6. The right to get help casting your ballot** from anyone you choose, except from your employer or union representative.
- 7. The right to drop off your completed vote-by-mail ballot at any polling place** in the county where you are registered to vote.
- 8. The right to get election materials in a language other than English** if enough people voting in your voting precinct speak that language.
- 9. The right to ask questions to elections officials about election procedures** and watch the election process. If the person you ask cannot answer your questions, they must send you to the right person for an answer. If you are disruptive, they can stop answering you.
- 10. The right to report any illegal or fraudulent election activity** to an elections official or the Secretary of State's office.

If you believe you have been denied any of these rights, call the Secretary of State's confidential toll-free Voter Hotline at (800) 345-VOTE (8683).

 On the web at www.sos.ca.gov

 By phone at **(800) 345-VOTE (8683)**

 By email at elections@sos.ca.gov



Information for Voters with Special Needs

Accessibility and other assisted devices.....800-815-2666 (LA County Hotline)

LA County polling places provide for wheelchair accessibility and/or curbside voting. Inside the polling place you may find devices to assist you in your voting experience. For more information, please contact Los Angeles County, the Administrator of the November 8th, 2016 election.

Audio Recordings (213) 978-0444



Audio equipment is available at your polling place to assist you.

Audio recordings of the offices and/or measures included in this booklet are available in English, Armenian, Chinese (Mandarin and Cantonese), Farsi, Hindi, Japanese, Korean, Russian, Spanish, Tagalog, Thai, and Vietnamese. These recordings are available on our website: **clerk.lacity.org/elections** under the “Voters” tab, and at the following locations:

Braille Institute Library
741 North Vermont Avenue
Los Angeles, CA 90029
(323) 660-3880

Central Library
630 West 5th Street
Los Angeles, CA 90071
(213) 228-7000

Voters may also request a copy of the audio recordings from our office:
Office of the City Clerk-Election Division
Attn: Audio Recordings
555 Ramirez Street, Space 300
Los Angeles, CA 90012





OFFICE OF THE CITY CLERK
ELECTION DIVISION
555 RAMIREZ STREET
SPACE 300
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