



BUDGET ADVOCATES REPORT March 2024

Los Angeles City Budget Update

How will the City fund its homeless budget in the next fiscal year that begins July 1, 2024?

The budget for the Homeless Services and Housing Program for fiscal year 2023-2024 is \$1.3 billion. This funding includes, but is not limited to, a one-time allocation of \$250 million from the City's General Fund, another \$226 million from City departments, \$262 million from Proposition HHH bonds, and \$150 million from Measure ULA.

But will these sources be available next year?

The City is anticipating a "budget gap" of \$350-400 million next fiscal year because of the impact of the new labor agreements with the police, civilian workers, and firefighters. Will the City be able to make another one-time contribution of \$250 million? Will City departments be able to pony up \$226 million? Will the homeless budget crowd out other City services?

The \$1.2 billion of Proposition HHH money has been fully allocated, so this source of funding is not available.

Funding from Measure ULA is questionable because it is tied up in litigation. This tax was approved by the voters in 2022 and calls for a 4% tax on property sales of \$5 million or more and 5.5% on sales of \$10 million or more. While the House LA Fund balance was projected to be \$672 million, the cautious City used only \$150 million. Will these funds and any additional tax revenue be available for next year's homeless budget? While the lower court ruled in the City's favor, will the City use these funds and risk an adverse judgment at the appellate level?

Will the City place a measure on the ballot to authorize a new series of bonds or a parcel tax on property to fund the homeless program? Any measure would require the approval of two-thirds of the voters in November.

We will find out on or before April 22 when the Mayor submits her Proposed Budget to the City Council.

Budget Advocates Activity

The annual Neighborhood Council Budget Day will be held the morning of Saturday, June 15, 2024. For the first time since 2019, Budget Day will be in person at City Hall. It is a free event that is open to the public.

The plenary session will be presented in City Council Chambers where members of the Los Angeles government and other speakers discuss the City's budget and what it means for programs and services the City provides to Angelenos. Please save the date for what will be an educational and thought-provoking event.

Breakout sessions where attendees discuss regional concerns with City services follow the plenary session. Anyone concerned about where our City is headed is encouraged to attend and provide input. The regional breakout sessions will also elect Budget Advocates for their next two-year term.

For up-to-date information, visit [BudgetAdvocates.org](https://www.budgetadvocates.org). Eventbrite registration will be available closer to the event.

We request your Outreach team post the attached graphic on your social media and in your newsletter.

As we prepare to elect Budget Advocates for the next two-year term, please make sure we know who your Budget Representatives are. If your NC doesn't have two Budget Advocates, please make appropriate appointments.

For more information about the Budget Advocates, please visit our website at [www.BudgetAdvocates.org](https://www.budgetadvocates.org).