

MOTION BY SUPERVISORS SHEILA KUEHL AND HILDA SOLIS

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Reimagining L.A. County: Shifting Budget Priorities to Revitalize Under-resourced and Low-income Communities

Even as we are forced to confront the unimaginable toll of a global pandemic, millions of people across the world are also naming and condemning the systemic discrimination, exclusion, and inequity that has been brought into sharp focus. This is not just a moment in time, it is the expression of a transformational movement on a scale not seen since the Civil Rights era.

In L.A. County, our most vulnerable neighbors—people who work at minimum wage jobs, young people trying to learn new skills, families who rely on our school system for meals and support, people with physical and mental illness, and seniors—are being doubly crushed, by a virus and by a long-standing lack of resources and opportunities.

To address racial injustice, over-reliance on law enforcement interventions, limited economic opportunity, health disparities, and housing instability, it’s time to structurally shift our budget priorities and reimagine Los Angeles County.

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For decades, the primary response to inequality and a lack of investment has been prosecution and incarceration. For too long, our first instinct has been to fund punishment instead of support. Black people comprise 8% of the county population, but they are 34% of the people experiencing homelessness and 41% of those diagnosed with a mental health condition in a jail. The budget for juvenile halls and camps was over \$397 million in FY 2019-20. With the average daily population of about 900 youth, the Probation Department spends almost \$450,000 per year for each person, the equivalent of about \$1,200 per young person for just one day in a camp or hall. With \$397 million, we could pay for a full year's tuition to UCLA for over 30,000 in-state students.

The scale of these challenges requires that we meet this moment with big, systemic change. Our goals cannot be achieved with a single program or a single year's budget. If we are to reverse decades of underinvestment and the imposition of punitive solutions, we need to change the ways in which our public systems are designed and funded.

According to a Department of Auditor-Controller report for fiscal year 2019-2020, the cost of incarcerating people with mental health needs in L.A. County is over \$206 a day. The County's daily pretrial population, people who have not been convicted of any crime, but are too poor to post bail, costs us nearly \$500,000,000 per year.

The Board of Supervisors, with its partners, has envisioned a way forward. Since its establishment in late 2015, the County Office of Diversion and Reentry has safely diverted over 5,500 people from County jails to more appropriate and effective settings, where individuals can get treatment and avoid future involvement with the criminal

justice system. It is time to prioritize the Office of Diversion and Reentry, as well as other promising “care first, jail last” programs with a stable, dedicated budget commitment. Making such a rock-solid commitment, with the support of voters across Los Angeles County, will guarantee that these efforts will have the chance to succeed.

We also know that our efforts to address racial inequity, and to create economic opportunity and housing stability will be strengthened by deep investments in our marginalized communities. White households in the Los Angeles metro area have a median net worth of \$355,000. In comparison, households with Mexican heritage and Black households have median net worths of \$3,500 and \$4,000, respectively, according to a 2016 report titled “The Color of Wealth in Los Angeles” that was released by the Federal Reserve Bank of San Francisco. The report also notes that racial and ethnic disparity is great across all asset types and even larger across private retirement assets.

The lack of housing that is affordable to most people—and the historic loss of naturally occurring affordable housing—demands a greatly increased and sustained public sector investment. In the L.A. Metro area, 200,000 units that rented for less than \$1,000/month were lost in the 10 years between 2008-2018, according to the Joint Center for Housing Studies at Harvard University. In the same period of time, more than half a million units with rents of \$1,400/month or more were created. Renters in Los Angeles County would have to earn \$47.52 per hour—more than 3 times the local minimum wage—in order to afford the \$2,471 median monthly rent for a two bedroom apartment, according to a 2019 report released by the Southern CA Association of Nonprofit Housing and the California Housing Partnership.

The need is clear, and the promise, if we shift our budget priorities, is within reach.

LA County's \$34.9 billion budget comes from a combination of local, state and federal sources. The locally generated unrestricted revenue is known as "Net County Costs" (NCC) and totals \$8.8 billion of the County's total budget. The County's FY 2020-2021 final approved budget allocates 42% (\$3.7 billion) of NCC for law enforcement and legal system uses. This budget allocation does not reflect this Board's values and priorities, nor does it position the County to robustly and adequately invest in community based counseling and mental health services, youth development programs, small businesses and jobs, or affordable housing. A redistribution of resources is needed.

We have a unique opportunity to change our collective course by building healthy, sustainable communities and addressing longstanding racial inequities. We believe LA County voters will embrace and ratify this structural change, which will require a persistence and commitment that extends beyond any one elected leader's term or budget year. The challenges we seek to solve have built up over decades, and will be solved over decades.

WE, THEREFORE, MOVE the Board of Supervisors direct the Chief Executive Officer, in collaboration with County Counsel, to take the following actions for consideration at the July 28, 2020 Board meeting:

1. Prepare a report on the processes and procedures associated with the placement of a County Charter Amendment on the November 2020 general election ballot, subject to the approval of a simple majority of the voters of the County.

2. Draft the necessary documents, including an ordinance, to call a special election to be held on November 3, 2020, for the purpose of voting on an amendment to the Charter of the County of Los Angeles to set a baseline minimum threshold of at least 10%, phased in by 2024, of our locally generated unrestricted revenues in the general fund (“Net County Cost”) to be allocated on an annual basis for the following primary purposes:

A. Direct Community Investment

- i. Community-based youth development programs
- ii. Job training and jobs to low-income residents focusing on jobs that support the implementation of the “Alternatives to Incarceration” workgroup recommendations, especially construction jobs for the expansion of affordable and supportive housing, and a decentralized system of care
- iii. Access to capital for small minority-owned businesses, with a focus on Black-owned businesses
- iv. Rent assistance, housing vouchers and accompanying supportive services to those at-risk of losing their housing, or without stable housing
- v. Capital funding for transitional housing, affordable housing, and supportive housing

B. Alternatives to Incarceration

- i. Community-based restorative justice programs
- ii. Pre-trial non-custody services and treatment

- iii. Community-based health services, health promotion, counseling, wellness and prevention programs, and mental health and substance use disorder services
3. Ensure that the ordinance containing the proposed charter amendment is clear that the use of any of these earmarked funds for carceral systems and any law enforcement agencies, including the Los Angeles County Sheriff's Department, L.A. County District Attorney's Office, L.A. County Superior Courts, or L.A. County Probation Department, including redistribution of funds through these agencies, is strictly forbidden. This restriction does not extend to State laws requiring the County to fund court facilities and certain court-related expenditures, including, but not limited to, the Trial Court Facilities Act of 2002 (2002 Senate Bill No. 1732), Lockyer-Isenberg Trial Court Funding Act of 1997 (1997 Assembly Bill No. 233), and other mandatory fines and fees.
4. Ensure that the ordinance contains language incrementally phasing in the Net County Cost set-aside detailed in paragraphs 2 and 3 above over a three-year period, beginning July 1, 2021 and incrementally growing to the full set-aside by June 30, 2024, pursuant to the procedures codified in the County Budget Act in the Government Code.