Bond Case Briefs

Municipal Finance Law Since 1971

As LA Emerges from Pandemic, City Council Backs Revisions to $11.2 billion 'Recovery' Budget.

The council approved revisions to the mayor's spending plan that will restore parks programs, boost spending to address homelessness and come to the aid of those hardest hit by the novel coronavirus pandemic.

The Los Angeles City Council on Thursday approved an $11.2 billion budget for the fiscal year beginning July, that includes revisions made by the Budget and Finance Committee aimed at restoring parks services and spending on programs to help Angelenos recover from the effects of the novel coronavirus pandemic.

The revisions were made to a 2021-22 fiscal year budget that also includes just over $1 billion of spending to address homelessness, including funding for permanent supportive housing. The total spending plan also calls for funding for programs aimed at correcting racial inequities and coming to the aid of those hardest hit by the novel coronavirus pandemic.

Much of the spending put into the overall budget by council members and Mayor Eric Garcetti would not have been possible with out the infusion of $1.3 billion in federal aid that came in through the American Rescue Plan approved by Congress in January.

Only a few months ago, city officials were looking at a current-year revenue shortfall of around $700 million, and potentially more uncertainty in the coming fiscal year.

The first half of federal aid is expected to cover this year's shortfall, while the other half is anticipated to arrive next fiscal year.

The aid caps off a roller-coaster budgeting year that prompted city leaders to offer retirement buyouts, which led to a shrinking of the city workforce, and proposed layoffs and furloughs that were eventually headed off through renegotiated labor agreements.

"It's been quite a year," the council's budget chair, Paul Krekorian, said Thursday, during a special session of the City Council.

"We were facing furloughs layoffs and a potential disaster for the finances of the city," he said. "Thankfully, with the investment of the Cares Act funding, and then the American Rescue Plan funding that we got from Washington, and the very, very difficult decisions that this council and the mayor had to make throughout the fiscal year … we were able to get through this budget year … with minimal impacts compared to what we expected that might take place."

Under the council's revisions that were approved as part of the budget, the recreation and parks department would get $75 million in funding for improvements that had been deferred at 75 recreation centers, and to restore 140 positions that had recently been eliminated.

These parks allocations also would lead to the re-opening of early childcare centers and restoring

swim programs.

The budget also includes funding for enforcement of the city's cannabis business regulations, civilian hiring in the police department, crossing guards and staffing needed to develop a wildlife corridor ordinance.

The spending plan also calls for enough funding to staff 26 sanitation teams, known as CARE and CARE+, that offer services at homeless encampments and enforce laws around when the storage of property in public areas and the setting up tents and makeshift shelters along sidewalks.

Funding being put toward an effort to phase out oil and gas extraction in the city, would pay for a study that could help speed up the shutdown wells, staff up a pilot compliance program and to hire more oil well inspectors.

The $1 billion in spending toward homelessness will include funding for:

- The construction of 89 permanent supportive housing sites;
- More then 1,500 Project Roomkey hotel and motel rooms; and
- Various services to help individuals experiencing homelessness.

Other programs funded by the budget include a pilot guaranteed basic-income program that will be rolled out to single parents, a homelessness crisis-response program, an unarmed 911 response team and an "al fresco" program to help restaurants set up outdoor dining.

The spending comes as community groups are calling for programs to invest toward helping families and vulnerable communities facing inequities to recover.

"We look forward to working with City leaders including the Mayor and Council President to ensure an equitable recovery for Los Angeles, especially in the most impacted communities," said Maria Brenes, the executive Director of InnerCity Struggle, one of the community groups that is part of a coalition called Make Los Angeles Whole.

Councilman Mark Ridley-Thomas noted the effect of the federal aid, saying that it has allowed the city to turn "municipal despair into civic opportunity."

"After a year that has left no family or sector unscathed, I am proud that the City's FY21-22 budget sets us on a just path to recovery — allowing us to invest in unprecedented ways, and in the areas where help is most needed," he said.

LA DAILY NEWS

By ELIZABETH CHOU | hchou@scng.com | Daily News

PUBLISHED: May 20, 2021 at 5:59 p.m. | UPDATED: May 20, 2021 at 6:02 p.m.

Copyright © 2024 Bond Case Briefs | bondcasebriefs.com