



## BUDGET ADVOCATES REPORT September 2023

### Los Angeles City Budget Update

The City entered into a new labor agreement with the Police Protective League that will increase salaries of new recruits by 13% (\$384 million) over the next four years. This is known as the “2023-27 Memorandum of Understanding (MOU) for the Police Officers, Lieutenant and Below Representation Unit (MOU 24)” and is posted in Council File [23-0862](#). The goal is to recruit new officers and lateral hires and retain existing officers. The impact on the current year’s budget is unknown because the surpluses caused by vacancies will cover some of the costs. This labor agreement was approved by a 12-3 vote on August 23, 2023, with the opponents concerned that the police budget was crowding out other vital services for the homeless, unarmed police response teams, and infrastructure.

Negotiations with civilian workers are ongoing as witnessed by the SEIU’s one-day strike on August 8. The impact of a new labor agreement on this year’s budget is unknown, but estimates are in the range of \$50 million for the second half of the fiscal year (January-June 2024).

There will be four initiatives on the March 2024 primary ballot. While three do not impact the budget (minimum wage for private sector healthcare workers, the requirement for hotels to house the homeless if there are vacant rooms, and a cap on executive compensation for healthcare executives), the fourth, if approved by the voters, would require the City to implement the Council approved Mobility Plan 2035. The cost is unknown, but it is estimated to be substantial. The City Council is developing alternative plans.

The City is also allocating \$150 million from the ULA (“mansion”) tax on the sale of properties of more than \$5 million. This includes the programs for short-term emergency assistance, eviction defense, tenant outreach and education, tenant harassment, rental subsidies for senior and disabled citizens, and low-income programs, affordable housing, and bridge financing for construction projects.

The strikes by the writers and actors are estimated to cost the local economy \$3 billion. The impact on the City budget is unknown.

On August 18, 2023 the City Council approved 14-0 the purchase of the 204-room Mayfair Hotel, 1256 W. 7th Street in Westlake, for \$60 million and an additional \$23 million for renovations. This acquisition is to provide interim housing and support services for people experiencing homelessness; this facility was previously used for Project Room Key during the COVID-19 pandemic. The Council File number is [23-0792](#).

### Budget Advocates Activity

The Budget Advocates are in the process of forming the teams who will interview the City Departments for the next White Paper. This is an exciting opportunity to build contacts with people who are high in the hierarchies of the City Departments. You don’t need to be a Budget

Representative or a Board member. All Los Angeles stakeholders are eligible to work with us on this and no accounting experience is necessary. If you or know someone you know has a passion for the work of one or more City Departments, please let us know at [LABudgetAdvocates@gmail.com](mailto:LABudgetAdvocates@gmail.com).

Many of the Neighborhood Councils have responded to our requests to know who their Budget Representatives are. Thank you. We ask each Neighborhood Council to appoint two Budget Representatives. To those of you who have not yet done so, please let us know who your Budget Representatives are. Please email their names and contact information to [LABudgetAdvocates@gmail.com](mailto:LABudgetAdvocates@gmail.com).

For more information, please visit our website at [www.BudgetAdvocates.org](http://www.BudgetAdvocates.org).

The September 23rd Congress of Neighborhoods, which will be held in-person at City Hall this year, will include a “City Budget 101” workshop among the numerous offerings. Also, stop by the Budget Advocates table at the Exhibitor Fair. We’d love to meet you. Register now at <https://www.neighborhoodcongress.la/>.