Revenue Options

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Executive Summary

- Achieving fiscal sustainability requires revenue and expenditure solutions.
- The City has successfully reduced and postponed budget deficits through the course of four fiscal years with both.
- New revenue options are required to address the structural deficit.
- City residents should be given the opportunity to decide to increase taxes to support the services they demand.
- The City should be prepared to make drastic cuts should revenue measures not succeed at the ballot box.
Budget Outlook: 2013-14 to 2016-17

- Revenue vs. Expenditures over the years 2011-12 to 2016-17
- Graph indicates a trend of increasing expenditure and decreasing revenue from 2011-12 to 2016-17
- Key financial figures include:
  - 2011-12: Adopted revenue $(216) millions
  - 2012-13: Adopted revenue $(216) millions
  - 2013-14: $(327) millions
  - 2014-15: $(296) millions
  - 2015-16: $(265) millions
  - 2016-17: $X millions (estimated or projected)

City of Los Angeles
Options for Revenue Ballot Measures

- Gas Users Tax (1%)
- Transient Occupancy Tax (1%)
- Billboard (1%)
- Communication Users Tax (1%)
- Electric Users Tax (1%)
- City Sales Tax (0.1%)
- Parking Occupancy Tax (5%)
- Documentary Transfer Tax (4.55%)
Comparison of Revenue Measures

- Gas Users Tax (1%)
- Transient Occupancy Tax (1%)
- Billboard (1%)
- Communication Users Tax (1%)
- Electric Users Tax (1%)
- City Sales Tax (0.1%)
- Parking Occupancy Tax (5%)
- Documentary Transfer Tax (4.55%)

City of Los Angeles
Options to Reduce Expenditures

- Cut 10 percent from General Fund funding to all departments $240
- Eliminate negotiated Cost of Living Adjustment increases 66
- Ensure Full Cost Recovery of City support of Recreation and Parks 24
- Eliminate Crossing Guards 11
- Cease Funding of LA Homeless Services Authority 9
- Freeze Police Hiring 8
- Eliminate all Capital Improvement Expenditure Program spending 7
- Implement new Modified Coverage Plan ($2.3 m engine / $1.1 m ambulance) 5
- Eliminate Neighborhood Council subsidy 4
- Eliminate Zoo subsidy 2
- Close Animal Shelters 2
- Develop P3 agreement for parking structures/meters (one-time) $50-$100
## Documentary Transfer Tax

<table>
<thead>
<tr>
<th>California Cities</th>
<th>Rate per $1000 of sale price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oakland</td>
<td>$15.00</td>
</tr>
<tr>
<td>Berkeley</td>
<td>$15.00</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$5.00 - $15.00</td>
</tr>
<tr>
<td>Los Angeles (proposed)</td>
<td>$9.00</td>
</tr>
<tr>
<td>Culver City</td>
<td>$4.50</td>
</tr>
<tr>
<td>Los Angeles (current)</td>
<td>$4.50</td>
</tr>
<tr>
<td>Santa Monica</td>
<td>$3.00</td>
</tr>
<tr>
<td>Pomona</td>
<td>$2.20</td>
</tr>
<tr>
<td>Redondo</td>
<td>$2.20</td>
</tr>
<tr>
<td>Most Others</td>
<td>$0.55</td>
</tr>
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</table>
# Parking Occupancy Tax

## Select National Cities

<table>
<thead>
<tr>
<th>City</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>Pittsburgh</td>
<td>45%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>25%</td>
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<tr>
<td>Chicago</td>
<td>19.75% to 50%</td>
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<tr>
<td>Philadelphia</td>
<td>20%</td>
</tr>
<tr>
<td>New York</td>
<td>10.375% to 18.375%</td>
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<tr>
<td>Miami</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Los Angeles (proposed)</strong></td>
<td>15%</td>
</tr>
<tr>
<td>Oakland</td>
<td>10%</td>
</tr>
<tr>
<td>Seattle</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Los Angeles (current)</strong></td>
<td>10%</td>
</tr>
</tbody>
</table>
Impact of Revenue on Budget Deficit

- Deficit
- Parking Occupancy Tax (5%)
- Documentary Tax (0.45%)

City of Los Angeles