

BUDGET AND FINANCE COMMITTEE REPORT relative to the administration and implementation of the Home-Sharing Ordinance.

Recommendations for Council action, **SUBJECT TO THE APPROVAL OF THE MAYOR:**

1. **AUTHORIZE** a Reserve Fund loan in the amount of \$485,609 to the Department of City Planning (DCP); **TRANSFER** \$485,609 from the Reserve Fund to the Unappropriated Balance; and, **APPROPRIATE** from the Unappropriated Balance to the City Planning Fund No. 100/68, Account No. 003040, Contractual Services, for the short-term rental compliance services to be repaid from the Short-Term Rental Enforcement Trust Fund by June 30, 2020.
2. **RESOLVE** that the following positions in the DCP are **APPROVED** and **CONFIRMED** for a term of April 1, 2019 to June 30, 2019 to support the Home-Sharing Program, subject to position allocation by the Board of Civil Service Commissioners:

<u>No.</u>	<u>Title</u>	<u>Class Code</u>
1	Senior City Planner	7947
1	City Planner	7944
1	City Planning Associate	7941
1	Management Analyst	9184
1	Senior Administrative Clerk	1368
1	Administrative Clerk	1358

3. **INSTRUCT** the DCP to use current year General Fund appropriations to fund the cost of the six positions, for the three-month term in an amount up to \$123,554 and the administrative fee study in an amount up to \$40,000; and, **INSTRUCT** the DCP to report in the Year-End Financial Status Report if the DCP is able to absorb the costs with General Fund savings or if it will require an appropriation to offset these costs.
4. **REQUEST** the City Attorney to prepare and present an Ordinance to establish a Short-Term Rental Enforcement Trust Fund for the receipt of registration fees and Per-Night fees in support of Home-Sharing, and to include the retention and disbursement of monies collected by the City, to be used to address the enforcement of Short-Term Rental activities in the City.
5. **INSTRUCT** the DCP, with the assistance of the City Attorney and the City Administrative Officer (CAO), to develop an administrative fee study to ensure the appropriateness of the fees charged by the City for Home-Sharing related to a Per-Night fee prior to the execution of the administrative fee study contract.

Fiscal Impact Statement: The CAO reports if the anticipated revenue is not achieved in Fiscal Year 2019-20 and the Reserve Fund loan is not repaid, there would be a General Fund impact of up to \$485,609. The cost for the positions recommended in this report is approximately \$123,554 for the three-month term and the cost of the Per-Night fee study is approximately \$40,000. The CAO report proposes that the DCP fund these costs using anticipated General

Fund savings. If the DCP is not able to fund these costs, there may be a General Fund impact of up to \$163,554 that would be addressed in the Year-End Financial Status Report.

Community Impact Statement: Yes

For: Los Feliz Neighborhood Council

(Planning and Land Use Management and Personnel and Animal Welfare Committees waived consideration of the matter)

SUMMARY

At its regular meeting held on February 25, 2019, the Budget and Finance Committee considered reports from the DCP and the CAO relative to the administration and implementation of the Home-Sharing Ordinance. The reports included requests for additional appropriation for contractual services and resolution authorities to create a Home-Sharing Unit in the DCP to implement the Ordinance.

During consideration, the DCP presented its report and answered the Committee's questions regarding the readiness of the DCP to enforce the Home-Sharing Ordinance. Additionally, the DCP's contracted vendor, Host Compliance LLC, was available to answer the Committee's questions regarding the technical components of collecting home-sharing and short term rental data. The DCP stated, with the assistance of Host Compliance LLC, that the City will begin the implementation of the Ordinance by July 1, 2019.

After providing an opportunity for public comment, the Committee approved the recommendations in the CAO report. This matter is now forwarded to Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN	YES
PRICE	YES
KORETZ	YES
BONIN	YES
BLUMENFIELD	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-