

COMMUNICATION FROM CHAIR AND MEMBER, BUDGET AND FINANCE COMMITTEE relative to implementation of the 2016-17 Revenue Budget (Exhibit H) - Revenue Enhancement and Department Fee Annual Reviews.

Recommendation for Council action:

INSTRUCT the City Administrative Officer (CAO), with the assistance of City departments, to report in the First Financial Status Report with its recommendations for fee studies to be conducted in preparation for the development of the 2017-18 budget.

Fiscal Impact Statement: The CAO reports that approval of the above recommendation will not impact the General Fund. The CAO report dated July 18, 2016 (attached to Council file [C.F.] No. 16-0600) summarizes the actions taken to date to realize a total of \$9.7 million in General Fund revenue—from facilitating tax collection and transferring surplus funds—and up to \$47 million in special fund revenue—from the sale of surplus property, to ensure full implementation of the adopted revenue budget.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on August 15, 2016, the Chair and Member of the Budget and Finance Committee considered a report from the CAO dated July 18, 2016 relative to implementation of the 2016-17 Revenue Budget (Exhibit H) - Revenue Enhancement and Department Fee Annual Reviews. The CAO reports that it is providing an update on the implementation of revenue enhancement actions taken by the Mayor and Council in adopting the 2016-17 budget, including an instruction to the Office of Finance to finalize a collection agreement with Airbnb for the collection and remittance of the City's Transient Occupancy Tax (TOT). Additionally, the CAO report includes the status of annual fee reviews conducted by operating departments and makes recommendation for further action to prepare for the development of the Fiscal Year 2017-18 budget.

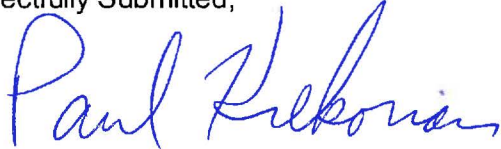
The CAO's Inspector General for Citywide Collections provided the Committee with a brief overview of the CAO report and responded to related questions. During discussion of this matter, the Committee inquired about the status of the sale of surplus properties to provide funding for the Affordable Housing Trust Fund. The Inspector General reported that the proposed ordinance regarding that matter (C.F. No. 16-0600-S157) is pending in the Homeless and Poverty and Housing Committees, and that a Request for Qualifications/Request for Proposal was released on July 25, 2016 with a due date of September 9, 2015. The Assistant CAO reported that there was significant interest based on 113 attendees for a recently held bidders conference for several properties that were listed.

The Committee also inquired about the recent collection agreement between the City and Airbnb for collection of the TOT from hosts using the Airbnb platform and remittance of the TOT to the City, and what is being done to ensure hosts using platforms other than Airbnb also pay the TOT. A representative from the Office of Finance (Finance) reported that Finance is in communication (via letter) with 23 other housing platforms and is working to arrange conference

calls and meetings with them on this issue. Finance is also in contact with a company relative to a contract for the company to assist Finance with identifying hosts directly so hosts can be registered and educated on the TOT. Finance is also working with the Mayor's Office on educational outreach efforts.

After providing an opportunity for public comment, the Chair and member of the Budget and Finance Committee recommended approval of the recommendation in the CAO report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,



COUNCILMEMBER PAUL KREKORIAN, CHAIR
BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	ABSENT
KORETZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	ABSENT

REW
8/15/16
FILE NO. 16-0600

-NOT OFFICIAL UNTIL COUNCIL ACTS-