

MOTION

The City of Los Angeles is facing a challenging fiscal forecast. The City's Reserve Fund balance is below the Charter-mandated five percent minimum. In the recent Second Financial Status Report for Fiscal Year (FY) 2024-25 the City Administrative Officer (CAO) reported that the "projected revenue growth for FY 2024-25 in the Adopted Budget is likely overstated," raising the possibility that revenue may remain stagnant or fall short.

As the City prepares for a number of major international events, such as the 2026 NBA All Star Weekend, 2026 FIFA World Cup, 2027 Super Bowl LXI, and the 2028 Olympic and Paralympic Games, we must ensure there are sufficient revenues to cover existing City expenses to not only update our infrastructure, but to limit liability and improve the everyday lives of Angelenos.

There are a number of Council initiatives underway to review existing tax revenue sources including the business tax (CF 24-1217), and the City's Transient Occupancy Tax (TOT) (CF 24-1456), both of which likely need voter approval to make adjustments. In contemplating these revenue sources, the City Council should also consider ways to supplement revenues to bridge the existing and future shortfalls, including research into new avenues of revenue generation that specifically would require voter approval.

I THEREFORE MOVE that the City Council instruct the City Administrative Officer (CAO) and the Office of Finance, with the assistance of the Chief Legislative Analyst, to report on revenue generation opportunities; and that said report include a review of the City's four-year budget outlook with current estimated revenues and estimated expenditures directly compared to the revenue generation opportunities and expenditures compounded over time.

PRESENTED BY: *Katy Yaroslavsky*
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