

BUDGET & FINANCE

MOTION

The CAO's Office of Economic Analysis was established with the purpose of incorporating economic impact analysis into the City's legislative decision-making process. The original action stated "As the City of Los Angeles develops policies to achieve these economic goals, it is increasingly important to understand the impact of new legislation on business attraction and retention, job creation, tax and fee revenues to the city as well as the overall economic climate."

According to the Bureau of Labor Statistics, the Leisure and Hotel Industry accounts for 724,000 jobs in the Los Angeles metro area, making it one of the largest employers in the region. Pre-COVID, hotels in the City of Los Angeles directly contributed more than \$200 million in Transient Occupancy Taxes (TOT) collected. Ancillary industries to tourism also account for many jobs in the region.

The Council has placed a citizen-sponsored initiative onto the March 2024 ballot entitled "Land Use and Replacement Housing Requirements for Hotel Developers; Program to Utilize Vacant Hotel Rooms for Unhoused Individuals, Police Permit Requirement for Hotels." While many may agree with parts of this initiative, there are potential unintended consequences that can affect hotel workers and visitors to Los Angeles if the voters approve the measure that should be explored. These actions may also have negative impacts on hotel TOT payments to the City, and they may cause visitors to opt to stay in illegal short-term rentals, which continue to have damaging effects on our neighborhoods and availability of housing, or to avoid our hotels and stay in neighboring cities. The Council as well as the voters should have a full explanation of the impacts of this initiative, both positive and negative.

I THEREFORE MOVE that the CAO's Office of Economic Analysis be directed to conduct an economic analysis of the "Land Use" measure that will be on the March 2024 ballot and analyze how it could affect the hotel industry with an emphasis on impacts to the Transient Occupancy Tax, convention business, employment levels, potential to increase illegal short term rental demand in the city, and direct costs to the City; and with the Assistance of the Los Angeles Homeless Services Authority (LAHSA), the Housing Department, and any other appropriate departments, such as the Housing Authority, to also report on how the City could implement the various requirements of the measure, the funding available to meet those requirements, the new staffing necessary to run the various programs, the impacts to the Police Review Board, and the effectiveness of a single-night voucher program that does not provide wrap around services, and how any negative impacts can be mitigated.

PRESENTED BY:


MONICA RODRIGUEZ
Councilwoman, 7th District

SECONDED BY:



ORIGINAL

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