




NB-28

Date: December 21, 2004

To: Honorable Mayor and Members of the City Council

From: Councilmember Tonia Reyes Uranga, Seventh District 

Subject: **AGENDA ITEM: Request a Report from City Manager regarding Temporary Housing and Utilization of Transient Occupancy Tax**

The City of Long Beach collects a 12% Transient Occupancy Tax (TOT) or bed tax or from hotels, motels and other temporary lodging within the city. This tax is generally supported citywide because it benefits the City's revenue while placing the burden on non-residents. However, there are residents in the City who contribute to the TOT because they depend on temporary lodging at hotels and motels for their residency because the cost of housing is prohibitive or due to the shortage of affordable housing units.

The City's housing crisis has resulted in the need for temporary shelter for individuals without permanent housing. Some families and individuals on subsistence wages utilize their meager savings or a majority of their revenue for housing—sometimes as much as 70%-80% of their income. To assist this population, social service agencies may provide vouchers for an evening stay and or stays up to 30 days. In one case, a mother discovered she had cancer and took a medical leave. During this time, her landlord died and his children decided to sell the home she was renting. She was forced to move out and initiated a 30-day hotel stay that ultimately led to "temporary lodging" in hotels for 9-months.

The City is engaged in looking at various means to increase the TOT for the arts, the general fund, public safety and CVB purposes. The City Council's Ad Hoc Committee on Arts Funding has recommended that these measure(s) be considered for the April 2006 election ballot. It appears logical that if certain occupants generate a significant portion of TOT for transitional housing purposes, we should analyze ways to utilize taxes in areas that generated the revenue.

I would like to know how the TOT is generated, collected and disbursed. In addition, the types of hotels and motels that contribute to the TOT and the allocation of revenue to the present recipients, i.e. General Fund and CVB.

Suggested Action: Request the City Manager to prepare a report on the amount of Transient Occupancy Tax (TOT) paid by individuals and families identified as transitional and how the TOT is administered and allocated.