

RESOLUTION NUMBER R- **315257**DATE OF FINAL PASSAGE **DEC 12 2023**A RESOLUTION OF THE COUNCIL OF THE CITY OF  
SAN DIEGO ADOPTING AN AMENDED VERSION OF  
COUNCIL POLICY 100-03, TITLED "TRANSIENT  
OCCUPANCY TAX."

WHEREAS, the City of San Diego (City) adopted a Transient Occupancy Tax (TOT) Policy, Council Policy 100-03, in March 1965 (last amended in October 2021) to set forth the purpose of TOT, establish the protocol for potential increases to the TOT rate, identify funding priority areas for utilization of TOT funds, and outline general guidelines by which the City will accept and evaluate applications for, and provide financial assistance from, TOT funds; and

WHEREAS, Council Policy 100-03 identifies arts, culture, and community festivals as one of five funding priority areas for the utilization of TOT funds; and

WHEREAS, on October 25, 2012, the Council of the City of San Diego (Council) adopted a Penny for the Arts plan to increase funding for arts and culture using TOT funds, including a goal to restore arts and culture funding levels to 9.52% of annual TOT revenue by 2017 (Arts Funding Goal); and

WHEREAS, 9.52% of annual TOT revenue is equal to the one cent per dollar of TOT funds described in San Diego Municipal Code section 35.0128(b) (1¢ TOT); and

WHEREAS, the City has failed to meet the Arts Funding Goal every year since its adoption; and

WHEREAS, the Council remains committed to the Arts Funding Goal and desires to establish an annual legislative process to provide guidance on achieving the Arts Funding Goal and to request more information on how TOT funds are allocated in the budget; and

WHEREAS, on July 12, 2023, the Council's Economic Development and Intergovernmental Relations (ED&IR) Committee voted to recommend the Council's approval of an annual legislative process for the Council to provide guidance on how the 1¢ TOT can be used to fulfill the Arts Funding Goal and requested that Council staff work with the Office of the City Attorney on revisions to Council Policy 100-03 to reflect this recommendation and other legal analysis; and

WHEREAS, on October 18, 2023, the Council's Budget and Government Efficiency (B&GE) Committee voted to recommend the Council's approval of Council Policy 100-03 revisions and requested that Council staff work with the Office of the City Attorney to finalize the revisions to Council Policy 100-03 and other legal analysis; and

WHEREAS, Council staff worked with the Office of the City Attorney to prepare an amended version of Council Policy 100-03 with various changes that: reflect the Council's commitment to funding arts and culture, including the Arts Funding Goal; describe the annual legislative process through which the Council may provide a recommendation on meeting the Arts Funding Goal by using a specified portion of TOT funds; and request additional reporting from the Mayor and the City's Department of Finance during the budget process on the use of TOT funds; and

WHEREAS, the Council desires to implement the following legislative process on an annual basis:

A. The ED&IR Committee issues a recommendation on the proposed allocation of the 1¢ TOT on the established Key Budget Date, and will forward the recommendation to the B&GE Committee for consideration.

B. The B&GE Committee considers the ED&IR Committee's recommendation on the proposed allocation of the 1¢ TOT and votes to approve or amend the recommendation.

C. The Office of the Independent Budget Analyst (IBA) incorporates the B&GE Committee's recommendation on the allocation of the 1¢ TOT into the annual budget priorities resolution, which the B&GE Committee adopts and forwards to the full Council for approval.

D. The IBA incorporates into the budget priorities resolution or statement of budgetary principles the Council's request that the Mayor and City's Department of Finance, as part of the Mayor's proposed budget and presentation to the Council's Budget Review Committee, provide the Council with a report on the allocation of the 1¢ TOT in the Mayor's proposed budget as it relates to meeting the Council's recommendation on the allocation of the 1¢ TOT incorporated into the budget priorities resolution.

E. In analyzing the Mayor's proposed budget, the IBA includes an analysis of whether the Council's recommendation on the allocation of the 1¢ TOT in the budget priorities resolution has been met.

F. After the release of updated revenue projections in the Third Quarter Budget Monitoring Report and the Mayor's May Revision to the proposed budget, the Budget Review Committee Chair will request in a call memorandum for Council's final modifications to the budget, that Councilmembers include any updated recommendations for the allocation of the 1¢ TOT; and

G. As part of the IBA's report on the final recommended modifications to the Mayor's proposed budget, the IBA will analyze whether the Council's recommendation on the allocation of the 1¢ TOT in the budget priorities resolution has been met.

H. If the Council's recommendation on the allocation of the 1¢ TOT in the budget priorities resolution has not been met, and the Council's recommendation on the allocation of the 1¢ TOT as updated by the IBA based on the final budget modification memoranda of at least five Councilmembers has not been met, the IBA will provide the Council with further options for budget modifications based on the available revenue in the IBA's final report to the Council for consideration.

I. The IBA will report on whether the Arts Funding Goal has been met and what resources are needed to meet that goal.

WHEREAS, the Council has reviewed proposed amendments to Council Policy 100-03, included in the docket materials accompanying this Resolution; and

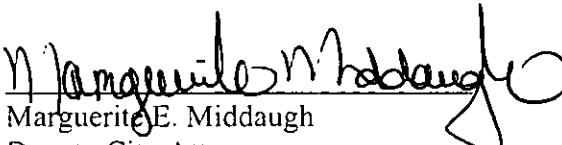
WHEREAS, the Office of the City Attorney has drafted this Resolution based on the information provided by City staff, with the understanding that this information is complete, true, and accurate; NOW THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, as follows:

1. The Council adopts the amended version of Council Policy 100-03, titled  
"Transient Occupancy Tax," as set forth in Document No. RR-**315257** filed in the  
Office of the City Clerk.

2. The City Clerk is instructed to update the Council Policy Manual to include the amended version of Council Policy 100-03.

APPROVED: MARA W. ELLIOTT, City Attorney

By   
Marguerite E. Middaugh  
Deputy City Attorney

MEM:jdf  
11/28/2023  
Or.Dept: CD7  
Doc. No.: 3485249

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of DEC 05 2023.

DIANA J.S. FUENTES  
City Clerk

By   
Deputy City Clerk

Approved: 12/12/23  
(date)

  
TODD GLORIA, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on DEC 05 2023, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
District 4 - vacant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kent Lee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage DEC 12 2023

**(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)**

AUTHENTICATED BY:

TODD GLORIA  
Mayor of The City of San Diego, California.

(Seal)

DIANA J.S. FUENTES  
City Clerk of The City of San Diego, California.

By Kristell Medina, Deputy

Office of the City Clerk, San Diego, California

**315257**

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