



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

July 3, 2018

RE: File 180122 - Ordinance amending the Business Tax & Regulations Code – Hotel tax allocations

Dear Ms. Calvillo,

Should the proposed amendment be approved by the voters, in my opinion, it would have a significant impact on the cost of government. The measure dedicates a portion of the City's hotel tax revenue which is currently available for any public purpose to specific arts and cultural services. As these funds are shifted to these purposes, they would not be available to support other City spending.

The hotel tax currently generates approximately \$370 million that is available for any governmental purpose. The proposed amendment would allocate approximately eight percent of hotel tax to specified arts and cultural services. The City currently allocates General Fund revenues to many of these same purposes. When compared to these current spending levels, funds allocated to the uses specified in the amendment would grow by approximately \$5 million in fiscal year (FY) 2018-19, increasing to approximately \$13 million in FY 2021-22.

As these funds are shifted to these purposes, they would not be available to support other City spending. This shift includes approximately \$5 million annually from the City's general discretionary budget and approximately \$8 million from funding requirements previously adopted by the voters for public transit, youth services, libraries, schools, and other services.

Sincerely,

for 
Ben Rosenfield
Controller