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May 5, 2026

Councilmember Katy Yaroslavsky, Chair  
Budget and Finance Committee  
Attn: Armando Bencomo, Legislative Assistant

RE: COUNCIL FILE TRANSMITTAL

On April 8, 2026, the Ad Hoc Committee for LA Recovery considered Motion (Park - Lee) relative to implementing sales tax relief for purchases made to support reconstruction in the Pacific Palisades community, Council file No. 25-0006-S88. After consideration, and having provided an opportunity for public comment, the Committee moved to approve the Motion as follows:

INSTRUCT the City Administrative Officer, with the assistance of the Office of Finance and the City Attorney, to report to Council within 60 days on potential options for implementing sales tax relief for purchases made to support Palisades reconstruction, excluding properties that have been sold since January 7, 2025, focusing on returning the City's 1% share of sales tax paid within the City of Los Angeles for purchases made in support of reconstruction projects that qualify as prudent capital cost expenditures. The report should include consideration of the following:

1. Options for structuring such a program, aiming to ensure any payments are appropriately tied to the capital costs of prudent reconstruction purchases while minimizing the administrative burden of the program, both for the City and for Palisades residents and businesses.
2. The appropriate type of documentation and/or level of review or such a program.
3. Potential General Fund costs of the program, including, if applicable, the need for new staff positions to administer it.
4. Potential economic benefits of such a program.
5. An estimate of the potential dollar value of such rebates, both in total and on average per eligible home and / or business.
6. Whether sales tax relief payments would be subject to federal tax.

7. The extent to which sales tax costs linked to reconstruction are or are not covered by insurance for residents and businesses in the Palisades.
8. Any legal constraints or requirements for such a program.

This file is now transmitted to the Budget and Finance Committee.

Sharon Gin  
Legislative Assistant  
Ad Hoc Committee for LA Recovery

<u>MEMBER</u>	<u>VOTE</u>
PARK:	YES
RODRIGUEZ:	YES
NAZARIAN:	ABSENT
SOTO-MARTINEZ:	ABSENT
McOSKER:	YES

CF 25-0006-S88