FORM GEN. 160

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0220-06383-0001

Date: August 25, 2026

To: Patrice Y. Lattimore, City Clerk
Attn: Jinny Pak, Assistant Chief, Election and Business Improvement District Division

From: Matthew W. Szabo, City Administrative Officer

Subject: **NOVEMBER 3, 2026 ELECTION MEASURES – FINANCIAL IMPACT STATEMENTS**

In accordance with City Election Code Section 604 (b), attached are the Financial Impact Statements for the eight City measures on the November 3, 2026 Primary Nominating Election.

Cc: Christopher Garcia, Assistant Division Manager

Attachments (8)

Property Transfer Tax Exemption for Victims of January 2025 Fire Disaster. Proposition TE
City Infrastructure, Budget, Finance, and Contracting. Charter Amendment LA
City Planning Department. Charter Amendment PL
City Ethics, Elections, and Governance. Charter Amendment EE
City Department of Recreation and Parks Budget. Charter Amendment PRK
City Airports, Harbor, and Water and Power Departments. Charter Amendment PRT
Campaign Finance Rules Related to Board of Education Elections. Charter Amendment SC
Funding for the Los Angeles Fire Department Through A One-Half Percent Sales Tax. Initiative Ordinance FD

MWS:BC:AT: 12270005

RECEIVED
CITY CLERK'S OFFICE
2026 AUG 25 PM 3:53
CITY CLERK
BY H.H.
DEPUTY

NOVEMBER 3, 2026 ELECTION MEASURES
FINANCIAL IMPACT STATEMENTS

Property Transfer Tax Exemption for Victims of January 2025 Fire Disaster
Proposition TE

FINANCIAL IMPACT STATEMENT
BY MATTHEW W. SZABO, CITY ADMINISTRATIVE OFFICER

This measure grants a one-time exemption from the Proposition United to House LA (ULA) documentary transfer tax to residential properties damaged or destroyed in the 2025 Palisades Fire and sold between January 7, 2025 and January 6, 2030. This exemption will not impact the City's General Fund, but will reduce revenue to the House LA Fund, which finances affordable housing production and homelessness prevention programs. The estimated reduction in ULA revenue is between $35 million and $66 million through January 2030. This estimate is based on the average ULA tax paid per eligible transaction in the Palisades, the number of rebuilt homes listed for sale as of July 2026, and post-fire sales of vacant parcels. The upper estimate assumes the average number of transactions doubles. Actual revenue losses will depend on total eligible residential properties sold before the exemption expires.

NOVEMBER 3, 2026 ELECTION MEASURES
FINANCIAL IMPACT STATEMENTS

City Infrastructure, Budget, Finance, and Contracting
Charter Amendment LA

FINANCIAL IMPACT STATEMENT
BY MATTHEW W. SZABO, CITY ADMINISTRATIVE OFFICER

This measure establishes a capital infrastructure plan, shifts the City to a two-year budget cycle, expands the authority of the Director of Public Works, and allows the City to engage in business enterprises, mortgage City property, and modify contracting procedures. Transitioning to the two-year budget cycle and establishing a capital infrastructure plan will require an estimated $4 million to $6 million in one-time costs to upgrade budget and asset management systems, train staff, and consult with subject matter experts. Funding will come from the General Fund, subject to approval by the Mayor and City Council through the budget process. Ongoing expenses for these two elements of the measure, such as project management, will be absorbed by reorganizing existing resources. The financial and revenue impacts of the remaining charter amendments—including contracting changes, property mortgages, and business enterprises—cannot be quantified at this time.

NOVEMBER 3, 2026 ELECTION MEASURES
FINANCIAL IMPACT STATEMENTS

City Planning Department
Charter Amendment PL

FINANCIAL IMPACT STATEMENT
BY MATTHEW W. SZABO, CITY ADMINISTRATIVE OFFICER

This measure will establish one Neighborhood Appeals Commission to replace the seven Area Planning Commissions; establish a process for City Council review of Neighborhood Appeals Commission and City Planning Commission decisions; change the timing and process for City Council action on certain planning decisions; grant the Planning Department the authority to investigate, hear, and determine applications for quasi-judicial review; and, allow the City Council to make changes to floor area regulations by ordinance. This measure is not anticipated to impact revenue. The annual administrative costs for commission staffing and resources are estimated to be reduced by $360,000 from $1.1 million to $740,000. The cost reduction would positively impact the Planning Case Processing Special Fund, which is subsidized by the General Fund.

NOVEMBER 3, 2026 ELECTION MEASURES
FINANCIAL IMPACT STATEMENTS

City Ethics, Elections, and Governance
Charter Amendment EE

FINANCIAL IMPACT STATEMENT
BY MATTHEW W. SZABO, CITY ADMINISTRATIVE OFFICER

This City Charter amendment pertains to various governance areas including: facilitating language accessibility; reducing the minimum requirement for regularly held City Council meetings; increasing the required signatures for a referendum petition; updating Charter Section 470 to align with the campaign finance penalties in Section 706; prohibiting Ethics Commissioners from running for certain offices for five years; and, allowing assessments and audits of the Fire and Police departments by the Independent Assessor or Inspector General, respectively, without oversight of their boards. The reduction in Council meetings may result in General Fund cost savings from reduced translation and closed captioning services. The changes to the Fire and Police commissions may require hiring new investigators, retaining external auditors, or expanding investigative staff depending on case volume resulting in costs that cannot be determined at this time. The other governance changes are not anticipated to have a financial impact.

NOVEMBER 3, 2026 ELECTION MEASURES
FINANCIAL IMPACT STATEMENTS

City Department of Recreation and Parks Budget
Charter Amendment PRK

FINANCIAL IMPACT STATEMENT
By Matthew W. Szabo, City Administrative Officer

This measure doubles the Department of Recreation and Parks' (RAP) property value based appropriation from 0.0325 to 0.065 percent over ten years. Assuming average property value growth, RAP's funding increases from $303 million to $995 million by 2036-37, with estimated annual increases attributed to the measure as follows: 2027-28 ($32 million), 2028-29 ($66 million), 2029-30 ($105 million), 2030-31 ($147 million), 2031-32 ($193 million), 2032-33 ($244 million), 2033-34 ($299 million), 2034-35 ($359 million), 2035-36 ($426 million), and 2036-37 ($497 million). All increases during this period are subject to actual assessed property value growth.

Because this measure does not raise new revenues, the City must reallocate resources from other services, including public safety, public works, and homeless services to meet the increased funding mandate. The City may suspend the mandated increase during a declared fiscal emergency. RAP remains responsible for reimbursing the General Fund for employee benefits and other related costs.

NOVEMBER 3, 2026 ELECTION MEASURES
FINANCIAL IMPACT STATEMENTS

City Airports, Harbor, and Water and Power Departments
Charter Amendment PRT

FINANCIAL IMPACT STATEMENT
BY MATTHEW W. SZABO, CITY ADMINISTRATIVE OFFICER

This measure amends the City Charter as follows:

Lease Length - Extends maximum lease terms for Los Angeles World Airports and Department of Water and Power from 50 to 66 years, aligning them with the Harbor Department. This amendment is cost-neutral.

Airport Board Composition – Increases the local residency representation from one to three members and one to two members for the areas surrounding LAX and Van Nuys Airport, respectively. This amendment is cost-neutral.

Harbor Public Access Investment Plan (PAIP) - Codifies the Harbor Department's annual practice of allocating 10 percent of its operating income to the PAIP for waterfront projects and programs. The historical annual allocation to the PAIP is approximately $28.6 million.

Workforce Impacts - Mandates all applicants seeking Harbor District lease approvals, extensions, amendments, or Coastal Development Permits to submit a self-funded workforce impact disclosure assessing regional economic and employment effects. This amendment is cost-neutral.

NOVEMBER 3, 2026 ELECTION MEASURES
FINANCIAL IMPACT STATEMENTS

Campaign Finance Rules Related to Board of Education Elections
Charter Amendment SC

FINANCIAL IMPACT STATEMENT
BY MATTHEW W. SZABO, CITY ADMINISTRATIVE OFFICER

This measure amends the existing campaign finance provisions for the Los Angeles Unified School District (LAUSD) Board of Education, by applying the same provisions to school board candidates that mayoral candidates for the City of Los Angeles must follow. Candidates for the LAUSD Board of Education shall not be subject to certain provisions regarding contributions and fundraising (Sections 470(c)(11) and 470(c)(12)), the provisions regarding public matching funds (Section 471), and as otherwise exempted by ordinance. This measure is not anticipated to have a financial impact on the City.

NOVEMBER 3, 2026 ELECTION MEASURES
FINANCIAL IMPACT STATEMENTS

Funding for the Los Angeles Fire Department Through A One-Half Percent Sales Tax Initiative Ordinance FD

FINANCIAL IMPACT STATEMENT
BY MATTHEW W. SZABO, CITY ADMINISTRATIVE OFFICER

This measure increases the City's sales tax by 0.5 percent (from 10.25 to 10.75 percent). It generates roughly $345 million annually for a special fund dedicated exclusively to support the operation and services of the Los Angeles Fire Department (LAFD), inclusive of its core functions: hiring and retaining staff; purchasing and maintaining firefighting vehicles and equipment; building new and upgrading existing fire stations; and, enhancing wildfire readiness and brush management. Revenues and expenditures will be monitored by a citizens' oversight committee and audited annually. The measure requires a "maintenance of effort" whereby the City must fund LAFD at a baseline level equal to the average percentage of total discretionary funding to LAFD during the ten fiscal years immediately preceding the operative date of the measure. Should this funding level not be met, the tax cannot be levied during that fiscal year.