

RESOLUTION NO. 21-9003

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
ADOPTING AN INCREASE IN THE TRANSIENT OCCUPANCY
TAX RATE TO 11.5% PURSUANT TO MEASURE E**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, the City's current Transient Occupancy Tax (TOT) rate is 9.5%, which is one of the lowest in the County;

WHEREAS, on November 3, 2020, 73.57% of Santa Clara voters approved the following ballot measure (Measure E) that allowed for an increase of up to four percentage points in the City's TOT:

<p>Transient Occupancy Tax Rates. To maintain and protect the level of essential city services including 9-1-1 emergency medical/disaster preparedness, police and fire protection, bicycle and pedestrian safety, roadways and storm drains, and other vital services including parks, recreation, libraries and senior services, shall a measure increasing the hotel tax rate up to 4%, generating up to approximately 7 million dollars annually, paid only by hotel/motel guests, until ended by voters, be adopted?</p>
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WHEREAS, the tax increase is designed to generate General Fund revenue that is used to continue to deliver high quality City services, prepare for disasters and emergencies, preserve the quality of life in neighborhoods, ensure the safety of our community, and pay for critical infrastructure needs;

WHEREAS, as a result of the fiscal impacts of the Covid-19 pandemic on the City, and as a part of the adoption of the operating budget on June 22, 2021, the City Council requested an increase the TOT rate by two percentage points to 11.5%, which would be effective January 1, 2022;

WHEREAS, the adopted FY 2021/22 and FY 2022/23 Biennial Operating Budget assumes this increase in TOT rate to 11.5%, resulting in an estimated \$1.7 million annually; and,

WHEREAS, pursuant to the authorization granted by the voters in Measure E, the City Council finds it to be in the best interest of the City of Santa Clara to increase the TOT rate from 9.5% to 11.5%, effective January 1, 2022.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That in accordance with the authority granted to the City Council by the voters in November 2020 under Measure E, the Transient Occupancy Tax rate shall be 11.5% effective on and after January 1, 2022.

2. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 28TH DAY OF SEPTEMBER, 2021, BY THE FOLLOWING VOTE:

AYES: COUNCILORS: Becker, Chahal, Hardy, Jain, Park, and Watanabe, and Mayor Gillmor

NOES: COUNCILORS: None

ABSENT: COUNCILORS: None

ABSTAINED: COUNCILORS: None

ATTEST:



NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: None.