



To: Board of Directors  
From: Kathleen Rawson, Steven Welliver, Lorin Lappin  
Date: October 15, 2026  
Subject: FY 2027 Operating Budget

### **Committee Recommendation**

Finance Committee recommends Board of Directors take the following actions:

1. Approve the FY 2027 Operating Budget.

### **Prior Action**

Oct. 12, 2026: Finance Committee reviewed and approved the draft FY27 budget.

### **Information**

- Per the requirements of the management contract between The Hollywood Partnership (THP) and the City of Los Angeles, the deadline to submit the FY 2027 Operating Budget is November 1, 2026.
- Staff have prepared the draft budget based on the confirmed assessment roll submittal and year-end carry forward projections.
- For each goal, expenditure categories were split between a program allocation for vendor contracts or fixed expenses and a discretionary allocation for projects to be determined by committees and staff based on the priorities of the strategic plan.
- Based on the priorities and feedback from the board and committees, the allocation for the clean and safe program remains most of the general revenue allocation (73.56%).
- After the allocation of personnel & benefits, admin & overhead, management expenses and carry forward into 2028, the remaining funds were split among Goal 2, Goal 3, Goal 4 program and discretionary budgets.
- Each overlay zone contributes a 6% administrative fee to be used towards the administration and overhead expenses of the organization.
- Personnel and benefit expenses were allocated across each of the goals proportionally to each staff member's efforts in that program area.
- An adjustment was made to present a comprehensive view of revenues and expenses related to the allocation of personnel costs between THP and Hollywood Partnership Community Trust (HPCT).
- In prior years, personnel and benefit expenses in the THP operating budget were reported on a net basis, reflecting the net effect after fund transfers between the two entities.
- To provide greater transparency, a revenue line has been added to capture HPCT's contribution, allowing THP's expenditures to reflect true gross personnel costs.
- HPCT will contribute in cash 12.12% of total personnel and benefits expenses in 2027, increased from 8.77% in 2026; the remainder of staff time dedicated to HPCT programs is recognized as an in-kind contribution of services.

### Revenues

- Total general revenue for 2027 amounts to an estimated \$9,657,400, including the 3% increase for general assessments as well as general benefit, delinquent collections, partial year direct billings, interest income, HPCT personnel contribution and carry forward.
- Total restricted revenue for 2027 amounts to \$532,979 for the Alley, EaCa Alley, and Tourism District Overlay Zones.
- The 2026 year-end general carry forward increased to an estimated \$375,000, which is \$99,862 higher than previously projected during mid-year budget amendments.
- Delinquent assessment revenue is budgeted for a 40% collection of any outstanding balance due for private parcels.
- A conservative partial year billing for new building square footage is budgeted based on one development on the watch list to go live in 2027.
- The total revenues have increased by \$280,229 (2.83%) from the amended budget adopted at midyear in 2026.

### Expenditures

- As stated in the Management District Plan (MDP), the allocations are as follows, with the ability to reallocate up to 10% at the board's discretion.

|                                   | <b>MDP</b> | <b>2026 Amended Budget</b> | <b>2027 Budget</b> |
|-----------------------------------|------------|----------------------------|--------------------|
| Goal 1 & Goal 2                   | 74.05%     | 79.50%                     | 79.28%             |
| Goal 3, Goal 4, Gen. Admin & Mgmt | 25.95%     | 20.50%                     | 20.72%             |

#### Goal 1

- Program expenses include the street services and street sweeping contracts, occupancy for the street services program, fleet vehicles including fuel billing and equipment replacement and/or financing allocations, research & subscriptions, professional development and year end gifts for the street services team.
- Program expenses also include 25% share of comms support (graphic design & public relations retainers).
- Discretionary budget is \$10,000.
- The percentage of admin & overhead expenses amounts to 30.60%.

#### Goal 2

- Program expenses include the annual tree trimming, research & subscriptions and professional development.
- Program expenses also include 25% share of comms support (graphic design & public relations retainers).
- Discretionary budget is \$10,000.
- The percentage of admin & overhead expenses amounts to 18.41%.

### Goal 3

- Program expenses include website updates & associated costs, CRM, allocation for marketing and social media support, research & subscriptions and professional development.
- Program expenses also include 25% share of comms support (graphic design & public relations retainers).
- Discretionary budget is \$10,000.
- The percentage of admin & overhead expenses amounts to 20.92%.

### Goal 4

- Program expenses include an allocation for advocacy initiatives, research & subscriptions, and professional development.
- Program expenses also include 25% share of comms support (graphic design & public relations retainers).
- Discretionary budget is \$10,000.
- The percentage of admin & overhead expenses amounts to 15.66%.

### Management Expenses

- The general contingency allocation is \$10,000.
- Delinquency allocation is budgeted at 3.15% of assessment revenue, consistent with prior year projections.

### General Administration

- Total administrative expenses have decreased by \$21,138 (4.9%) mainly due to lower allocations for office rent and professional development and an increase in the total admin fee contributed by the overlay zones.
- The percentage of admin & overhead expenses amounts to 14.41%.

### Personnel & Benefits

- Overall, personnel and benefit costs are anticipated to increase 3.95%.
- Cost of living increases to management staff at 3.6%, health insurance premium increases and merit increases will be offset by the contribution to payroll to be established in the Hollywood Partnership Community Trust HPCT Q1 2027 Budget, reducing the net increase to personnel and benefit expenses for THP to 0.12%.

### Carry Forward

- The projected net revenue for 2027 to be carried forward into 2028 is \$185,413, which is below the City Clerk's unofficial 10% threshold.

### **Next Steps**

- Staff will submit the 2027 Approved Budget to the City Clerk's office by Nov. 1.

### **Attachments**

- Attachment A: FY 2027 Operating Budget Package



# 2027 Budget - The Hollywood Partnership (HED 19-28)

v1 10/12/26

|                                                     | 2026 AMENDED        | 2027 BUDGET          | Increase / Decrease |
|-----------------------------------------------------|---------------------|----------------------|---------------------|
| <b>General Assessment Revenue - Billed</b>          | 8,313,096           | 8,562,489            | 249,393             |
| <b>General Benefit</b>                              | 278,627             | 286,986              | 8,359               |
| <b>Interest Income - Bank / Penalties</b>           | 105,000             | 115,000              | 10,000              |
| <b>Delayed / Delinquent Assessment</b>              | 45,000              | 45,000               | 0                   |
| <b>Direct / Partial Year Billings</b>               | 0                   | 15,000               | 15,000              |
| <b>HPCT Personnel Contribution</b>                  |                     | 257,925              |                     |
| <b>General Assessment Carry Forward</b>             | 696,491             | 375,000              | (321,491)           |
| <b>Alley Maintenance Revenue</b>                    | 100,392             | 103,404              | 3,012               |
| <b>General Benefit - Alley Maintenance</b>          | 2,574               | 2,651                | 77                  |
| <b>Alley Maintenance Carry Forward</b>              | 8,659               | 24,599               | 15,940              |
| <b>EaCa Alley Maintenance Revenue</b>               | 44,157              | 45,482               | 1,325               |
| <b>EaCa Alley Carry Forward</b>                     | 71,153              | 49,091               | (22,062)            |
| <b>TDOZ Assessment Revenue</b>                      | 245,000             | 245,000              | 0                   |
| <b>TDOZ Carry Forward</b>                           | 0                   | 62,752               | 62,752              |
| <b>Total Revenue</b>                                | <b>\$ 9,910,150</b> | <b>\$ 10,190,379</b> | <b>\$ 280,229</b>   |
| <b>Goal 1 - Place Management</b>                    | <b>6,781,335</b>    | <b>6,967,133</b>     | <b>73.56%</b>       |
| Place Management Programs                           | 6,080,293           | 6,210,450            |                     |
| Place Management Discretionary                      | 10,000              | 10,000               |                     |
| HP Personnel & Benes - Place Management             | 556,742             | 611,320              |                     |
| HP Admin & Overhead - Place Management              | 134,300             | 135,363              |                     |
| <b>Goal 2 - Place Enhancement</b>                   | <b>503,323</b>      | <b>542,221</b>       | <b>5.72%</b>        |
| Place Enhancement Programs                          | 88,250              | 75,550               |                     |
| Place Enhancement Discretionary                     | 10,000              | 10,000               |                     |
| HP Personnel & Benes - Place Enhancement            | 323,133             | 375,250              |                     |
| HP Admin & Overhead - Place Enhancement             | 81,940              | 81,421               |                     |
| <b>Goal 3 - Stakeholder Engagement</b>              | <b>725,891</b>      | <b>730,769</b>       | <b>7.72%</b>        |
| Stakeholder Engagement Programs                     | 210,050             | 191,350              |                     |
| Stakeholder Engagement Discretionary                | 10,000              | 10,000               |                     |
| HP Personnel & Benes - Stakeholder Engagement       | 403,215             | 436,865              |                     |
| HP Admin & Overhead - Stakeholder Engagement        | 102,626             | 92,554               |                     |
| <b>Goal 4 - Advocacy &amp; Economic Development</b> | <b>512,056</b>      | <b>544,194</b>       | <b>5.75%</b>        |
| Advocacy & Economic Development Programs            | 65,050              | 58,850               |                     |
| Advocacy & Economic Development Discretionary       | 54,900              | 10,000               |                     |
| HP Personnel & Benes - Advocacy & ED                | 311,805             | 406,050              |                     |
| HP Admin & Overhead - Advocacy & ED                 | 80,301              | 69,294               |                     |
| <b>General Administration</b>                       | <b>303,452</b>      | <b>328,445</b>       | <b>3.47%</b>        |
| HP Personnel & Benes - Administration               | 271,085             | 296,680              |                     |
| HP Admin & Overhead - Administration                | 32,367              | 31,765               |                     |
| <b>Management</b>                                   | <b>337,020</b>      | <b>359,226</b>       | <b>3.79%</b>        |
| Depreciation Expense                                | 22,045              | 22,045               |                     |
| City Fees (0.5%)                                    | 43,825              | 45,055               |                     |
| Contingency Fees                                    | 10,000              | 10,000               |                     |
| Delinquency (3.15%)                                 | 261,150             | 282,126              |                     |
| <b>Alley Assessment</b>                             |                     |                      |                     |
| Alley Assessment Expense                            | 104,928             | 122,815              |                     |
| HP Admin & Overhead - Alley                         | 6,698               | 7,839                |                     |
| <b>EaCa Alley Assessment Expense</b>                |                     |                      |                     |
| EaCa Alley Assessment Expense                       | 108,391             | 88,898               |                     |
| HP Admin & Overhead - EaCa Alley                    | 6,919               | 5,674                |                     |
| <b>Tourism Assessment Expense</b>                   |                     |                      |                     |
| Tourism Assessment Expense                          | 230,300             | 289,287              |                     |
| HP Admin & Overhead - Tourism                       | 14,700              | 18,465               |                     |
| <b>Total Expenses</b>                               | <b>\$9,635,012</b>  | <b>\$10,004,966</b>  | <b>\$ 369,954</b>   |
| <b>Net Revenue / Loss</b>                           | <b>\$275,138</b>    | <b>\$185,413</b>     |                     |

| Goal 1 - Place Management          |                    |                    |                            |
|------------------------------------|--------------------|--------------------|----------------------------|
|                                    | 2026 AMENDED       | 2027 BUDGET        | Notes                      |
| <b>Personnel</b>                   |                    |                    |                            |
| Wages                              | 464,363            | 510,324            |                            |
| Payroll Taxes                      | 37,588             | 35,600             |                            |
| 401(k) Employer Contribution       | 18,690             | 19,716             |                            |
| Admin Health                       | 36,101             | 45,680             |                            |
| <b>Total Personnel</b>             | <b>556,742</b>     | <b>611,320</b>     |                            |
|                                    |                    |                    |                            |
| <b>Program</b>                     |                    |                    |                            |
| Comms Support                      | 21,750             | 19,050             | 25% share (\$76,200 total) |
| Occupancy - Radio Repeater         | 900                |                    |                            |
| Occupancy - Street Services        |                    | 100,000            |                            |
| Professional Development           | 4,570              | 3,500              |                            |
| Research & Subscriptions           | 1,500              | 1,000              |                            |
| Street Services Contract           | 5,723,243          | 5,550,000          |                            |
| Street Services Fleet Vehicles     |                    | 250,000            |                            |
| Street Sweeping                    | 316,330            | 274,900            |                            |
| Year End Gifts for Street Services | 12,000             | 12,000             |                            |
| <b>Total Program</b>               | <b>6,080,293</b>   | <b>6,210,450</b>   |                            |
|                                    |                    |                    |                            |
| <b>Total Discretionary</b>         | <b>10,000</b>      | <b>10,000</b>      |                            |
|                                    |                    |                    |                            |
| <b>Total Admin &amp; Overhead</b>  | <b>134,300</b>     | <b>135,363</b>     | 30.60% allocation share    |
|                                    |                    |                    |                            |
| <b>Total Operating Expenses</b>    | <b>\$6,781,335</b> | <b>\$6,967,133</b> |                            |

| Goal 2 - Place Enhancement        |                  |                  |                            |
|-----------------------------------|------------------|------------------|----------------------------|
|                                   | 2026 AMENDED     | 2027 BUDGET      | Notes                      |
| <b>Personnel</b>                  |                  |                  |                            |
| Wages                             | 269,098          | 316,045          |                            |
| Payroll Taxes                     | 22,079           | 20,058           |                            |
| 401(k) Employer Contribution      | 11,039           | 12,177           |                            |
| Admin Health                      | 20,917           | 26,970           |                            |
| <b>Total Personnel</b>            | <b>323,133</b>   | <b>375,250</b>   |                            |
|                                   |                  |                  |                            |
| <b>Program</b>                    |                  |                  |                            |
| Comms Support                     | 21,750           | 19,050           | 25% share (\$76,200 total) |
| Professional Development          | 3,500            | 3,500            |                            |
| Research & Subscriptions          | 3,000            | 3,000            |                            |
| Tree Trimming                     | 60,000           | 50,000           |                            |
| <b>Total Program</b>              | <b>88,250</b>    | <b>75,550</b>    |                            |
|                                   |                  |                  |                            |
| <b>Total Discretionary</b>        | <b>10,000</b>    | <b>10,000</b>    |                            |
|                                   |                  |                  |                            |
| <b>Total Admin &amp; Overhead</b> | <b>81,940</b>    | <b>81,421</b>    | 18.41% allocation share    |
|                                   |                  |                  |                            |
| <b>Total Operating Expenses</b>   | <b>\$503,323</b> | <b>\$542,221</b> |                            |

| Goal 3 - Stakeholder Engagement   |                  |                  |                            |
|-----------------------------------|------------------|------------------|----------------------------|
|                                   | 2026 AMENDED     | 2027 BUDGET      | Notes                      |
| <b>Personnel</b>                  |                  |                  |                            |
| Wages                             | 336,693          | 368,951          |                            |
| Payroll Taxes                     | 27,487           | 23,768           |                            |
| 401 (k) Employer Contribution     | 13,743           | 13,441           |                            |
| Admin Health                      | 25,292           | 30,705           |                            |
| <b>Total Personnel</b>            | <b>403,215</b>   | <b>436,865</b>   |                            |
|                                   |                  |                  |                            |
| <b>Program</b>                    |                  |                  |                            |
| Comms Support                     | 21,750           | 19,050           | 25% share (\$76,200 total) |
| CRM                               | 4,800            | 4,800            |                            |
| Environmental Graphics            |                  | 10,000           |                            |
| Marketing Support                 | 150,000          | 132,000          |                            |
| Professional Development          | 7,000            | 3,500            |                            |
| Research & Subscriptions          | 3,000            | 3,500            |                            |
| Social Media                      | 11,000           | 6,000            |                            |
| Web Hosting / Domain Renewals     | 7,500            | 7,500            |                            |
| Web Updates                       | 5,000            | 5,000            |                            |
| <b>Total Program</b>              | <b>210,050</b>   | <b>191,350</b>   |                            |
|                                   |                  |                  |                            |
| <b>Total Discretionary</b>        | <b>10,000</b>    | <b>10,000</b>    |                            |
|                                   |                  |                  |                            |
| <b>Total Admin &amp; Overhead</b> | <b>102,626</b>   | <b>92,554</b>    | 20.92% allocation share    |
|                                   |                  |                  |                            |
| <b>Total Operating Expenses</b>   | <b>\$725,891</b> | <b>\$730,769</b> |                            |

| Goal 4 - Advocacy & Economic Development |                  |                  |                            |
|------------------------------------------|------------------|------------------|----------------------------|
|                                          | 2026 AMENDED     | 2027 BUDGET      | Notes                      |
| <b>Personnel</b>                         |                  |                  |                            |
| Wages                                    | 262,720          | 342,975          |                            |
| Payroll Taxes                            | 20,921           | 22,107           |                            |
| 401 (k) Employer Contribution            | 10,460           | 10,775           |                            |
| Admin Health                             | 17,704           | 30,193           |                            |
| <b>Total Personnel</b>                   | <b>311,805</b>   | <b>406,050</b>   |                            |
|                                          |                  |                  |                            |
| <b>Program</b>                           |                  |                  |                            |
| Advocacy Initiatives                     | 6,300            | 6,300            |                            |
| Comms Support                            | 21,750           | 19,050           | 25% share (\$76,200 total) |
| Professional Development                 | 3,500            | 3,500            |                            |
| Research & Subscriptions                 | 33,500           | 30,000           |                            |
| <b>Total Program</b>                     | <b>65,050</b>    | <b>58,850</b>    |                            |
|                                          |                  |                  |                            |
| <b>Total Discretionary</b>               | <b>54,900</b>    | <b>10,000</b>    |                            |
|                                          |                  |                  |                            |
| <b>Total Admin &amp; Overhead</b>        | <b>80,301</b>    | <b>69,294</b>    | 15.66% allocation share    |
|                                          |                  |                  |                            |
| <b>Total Operating Expenses</b>          | <b>\$512,056</b> | <b>\$544,194</b> |                            |

| 2027 Admin Cost Allocation |              |             |         |        |        |        |          |          | Notes / details                                                                               |
|----------------------------|--------------|-------------|---------|--------|--------|--------|----------|----------|-----------------------------------------------------------------------------------------------|
|                            |              |             | Goal 1  | Goal 2 | Goal 3 | Goal 4 | Admin    | Total    |                                                                                               |
|                            | 2026 Amended | 2027 BUDGET | 30.60%  | 18.41% | 20.92% | 15.66% | 14.41%   |          |                                                                                               |
| Accounting                 | 36,500       | 38,150      | 11,674  | 7,022  | 7,982  | 5,976  | 5,497    | 38,150   | Consulting (\$12,600), financial review & tax filings (\$18,000), payroll fees, software fees |
| Admin Insurance            | 47,000       | 47,000      | 14,382  | 8,651  | 9,833  | 7,362  | 6,772    | 47,000   | Includes renewal premiums for 2026-27 period                                                  |
| Dues/Subscriptions         | 13,750       | 14,750      | 4,513   | 2,715  | 3,086  | 2,310  | 2,125    | 14,750   | IDA, CDA, Chamber, admin subscriptions                                                        |
| Interest Exp/Bank Fees     | 4,500        | 8,800       | 2,693   | 1,620  | 1,841  | 1,378  | 1,268    | 8,800    | Line of Credit, includes one-time upfront setup fee and credit card annual fees               |
| Legal                      | 17,000       | 17,000      | 5,202   | 3,129  | 3,557  | 2,663  | 2,450    | 17,000   | Legal retainer (\$12,000) plus ad-hoc legal services (\$5,000)                                |
| Legal Contingency          | 25,000       | 25,000      | 7,650   | 4,601  | 5,231  | 3,916  | 3,602    | 25,000   | General allocation of \$25,000                                                                |
| Meetings/Meals             | 20,000       | 20,000      | 6,120   | 3,681  | 4,184  | 3,133  | 2,882    | 20,000   | for business meetings (includes business development / PD meal incidentals for each goal)     |
| Miscellaneous - Other      | 500          | 500         | 153     | 92     | 105    | 78     | 72       | 500      | General office management contingency allocation                                              |
| Office Equipment           | 9,000        | 9,000       | 2,754   | 1,656  | 1,883  | 1,410  | 1,297    | 9,000    | Zoom accounts, Zoom room, Google accounts, Google back-up, equipment upgrade                  |
| Office Exp (Furniture)     |              |             | 0       | 0      | 0      | 0      | 0        | 0        |                                                                                               |
| Office Expense             | 10,000       | 10,000      | 3,060   | 1,841  | 2,092  | 1,566  | 1,441    | 10,000   | General office supplies                                                                       |
| Pension Expense            | 1,600        | 1,600       | 490     | 294    | 335    | 251    | 231      | 1,600    | 401K management fee                                                                           |
| Professional Dev. - Admin  | 17,500       | 7,000       | 2,142   | 1,288  | 1,465  | 1,096  | 1,009    | 7,000    | General PD allocation                                                                         |
| Rent                       | 237,500      | 225,000     | 68,848  | 41,412 | 47,075 | 35,244 | 32,421   | 225,000  | 6922 Hollywood Blvd rent, staff parking, validations, storage                                 |
| Telephone                  | 12,000       | 10,575      | 3,236   | 1,946  | 2,213  | 1,656  | 1,524    | 10,575   | Staff cell phones, fiber internet                                                             |
| Travel                     | 8,000        | 8,000       | 2,448   | 1,472  | 1,674  | 1,253  | 1,153    | 8,000    | Travel, parking                                                                               |
| Overlay Zones A&O 6%       | (28,316)     | (31,979)    |         |        |        |        | (31,979) | (31,979) | Overlay Zones Admin & Overhead to offset admin costs                                          |
| TOTAL                      | 431,534      | 410,396     | 135,363 | 81,421 | 92,554 | 69,294 | 31,765   | 410,396  |                                                                                               |

| Personnel - General Admin | 2026 Amended | 2027 BUDGET |
|---------------------------|--------------|-------------|
| Wages                     | 225,415      | 246,340     |
| Payroll taxes             | 15,850       | 15,610      |
| 401K Contribution         | 9,190        | 9,854       |
| Admin Health              | 20,630       | 24,876      |
| Total                     | 271,085      | 296,680     |