

**PROCLAMATION
CALLING A SPECIAL MEETING OF THE
BERKELEY CITY COUNCIL**

In accordance with the authority in me vested, I do hereby call the Berkeley City Council in special session as follows:

Tuesday, February 4, 2020

6:00 P.M.

SCHOOL DISTRICT BOARD ROOM - 1231 ADDISON STREET, BERKELEY, CA 94702

JESSE ARREGUIN, MAYOR

Councilmembers:

DISTRICT 1 – RASHI KESARWANI
DISTRICT 2 – CHERYL DAVILA
DISTRICT 3 – BEN BARTLETT
DISTRICT 4 – KATE HARRISON

DISTRICT 5 – SOPHIE HAHN
DISTRICT 6 – SUSAN WENGRAF
DISTRICT 7 – RIGEL ROBINSON
DISTRICT 8 – LORI DROSTE

Preliminary Matters

Roll Call:

Worksession

- 1. Discussion Regarding Potential Ballot Measures for the November 3, 2020 General Municipal Election**
From: City Manager
Contact: Dave White, City Manager's Office, (510) 981-7000
- 2. Adeline Corridor Specific Planning Process Update**
From: City Manager
Contact: Timothy Burroughs, Planning and Development, (510) 981-7400

Public Comment - Items on this agenda only

Adjournment

I hereby request that the City Clerk of the City of Berkeley cause personal notice to be given to each member of the Berkeley City Council on the time and place of said meeting, forthwith.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the City of Berkeley to be affixed on January 30, 2020.



Jesse Arreguin, Mayor

Public Notice – this Proclamation serves as the official agenda for this meeting.

ATTEST:



Date: January 30, 2020
Mark Numainville, City Clerk

NOTICE CONCERNING YOUR LEGAL RIGHTS: If you object to a decision by the City Council to approve or deny an appeal, the following requirements and restrictions apply: 1) Pursuant to Code of Civil Procedure Section 1094.6 and Government Code Section 65009(c)(1)(E), no lawsuit challenging a City decision to deny or approve a Zoning Adjustments Board decision may be filed and served on the City more than 90 days after the date the Notice of Decision of the action of the City Council is mailed. Any lawsuit not filed within that 90-day period will be barred. 2) In any lawsuit that may be filed against a City Council decision to approve or deny a Zoning Adjustments Board decision, the issues and evidence will be limited to those raised by you or someone else, orally or in writing, at a public hearing or prior to the close of the last public hearing on the project.

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Communications to the Berkeley City Council are public record and will become part of the City's electronic records, which are accessible through the City's website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the City Clerk. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk at (510) 981-6900 or clerk@cityofberkeley.info for further information. Copies of individual communications are available for viewing at the City Clerk Department and through Records Online.

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TDD: 510-981-6903
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Main - 2090 Kittredge Street
Claremont Branch – 2940 Benvenue
West Branch – 1125 University
North Branch – 1170 The Alameda
South Branch – 1901 Russell

COMMUNICATION ACCESS INFORMATION:

This meeting is being held in a wheelchair accessible location.

To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the Disability Services specialist at (510) 981-6418 (V) or (510) 981-6347 (TDD) at least three business days before the meeting date.

Please refrain from wearing scented products to this meeting.



Captioning services are provided at the meeting, on B-TV, and on the Internet. In addition, assisted listening devices for the hearing impaired are available from the City Clerk prior to the meeting, and are to be returned before the end of the meeting.



Office of the City Manager

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To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Matthai Chakko, Assistant to the City Manager

Subject: Discussion Regarding Potential Ballot Measures for the November 3, 2020 General Municipal Election

INTRODUCTION

The purpose of this report is to discuss services the Council may wish to consider funding through a revenue measure – or measures – on the November 2020 ballot. In addition, the report will provide information about a community survey to provide additional information about the community's interests. The Council's discussion at this meeting will inform the development of the community survey should the Council wish to undertake one.

CURRENT SITUATION AND ITS EFFECTS**Ballot Measure Development**

In order to prepare for a possible community survey, the City Manager's Office conducted a competitive process to select an opinion research firm, Lake Research Partners, to conduct voter surveys.

At tonight's meeting, Council has a forum to discuss the programs and/or services that could be included in a community survey. For example, should the focus be on a single area, such as an increase in the Emergency Medical Services Tax, or should the council choose a broader approach that includes multiple areas.

Should the Council choose to move forward, the next steps in the community survey process are as follows:

- The survey would take place two weeks after the March 3 primary and at least 500 Berkeley voters would be surveyed.
- Staff and the vendor would present the results of the survey to Council in April.
- Based on those results, Council would be able to discuss whether to narrow the focus of any measures and could direct staff to develop specific measures for the community's consideration. A second survey would then be conducted in April to assess the more focused approach.

Discussion Regarding Potential Ballot Measures for the November 3, 2020 General Municipal Election.

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- Following a second survey, the council would then decide upon a specific ballot measure or measures, if any, and direct the City Manager to develop ballot measure language for Council consideration in June and July.

Ballot Measure Considerations

As part of this discussion, staff has provided a comparison of the City's property-based taxes and assessments with other neighboring jurisdictions; and information about other likely items on the November 2020 ballot.

Property Tax Bill Comparison: When comparing the property tax bills between Berkeley, Oakland, and Albany, the primary differences relate to taxes based on the General Obligation (GO) Bond debt and the jurisdiction's special taxes, assessments and fees.

GO Bond debt is voter-approved and can be issued by the City or a school district. Special taxes can be used to meet a broad variety of needs, and can be based on different formulas. Berkeley's special taxes are generally based on a tax rate multiplied by the building square footage, while Oakland and Albany's special taxes are usually a flat amount per parcel with some land-use variations. The table below illustrates tax differences between Berkeley, Oakland and Albany by comparing a single-family residence with an assessed value of \$485,000¹, a \$7,000 homeowner's exemption and 1,900 square feet.

Summary of FY 2020 Property-Based Taxes and Assessments Comparison*

AGENCY	Berkeley FY2020		Oakland FY2020		Albany FY2020	
	Rate	Amount	Rate	Amount	Rate	Amount
Countywide Ad Valorem Tax	1.000%	\$4,780	1.000%	\$4,780	1.000%	\$4,780
Voter-Approved Ad Valorem Debt Service (Combined)	0.218%	\$1,045	0.369%	\$1,763	0.395%	\$1,887
Total All Ad Valorem Taxes	1.218%	\$5,824	1.369%	\$6,543	1.395%	\$6,667
Total City Special Taxes	\$0.526	\$1,001		\$431		\$321
Total City Special Assessments		\$112		\$16		\$712
Total Unified School District Special Taxes	\$0.468	\$890		\$435		\$909
Total County Assessments/Charges		\$351		\$352		\$405
TOTAL CURRENT ANNUAL TAXES		\$8,178		\$7,777		\$9,014
Tax/Assessment Rate	1.711%		1.627%		1.886%	

*For the full table, see Attachment 1

Funding Mechanisms: For purposes of this discussion, staff have provided information about various funding mechanisms.

General Obligation (GO) Bonds

A General Obligation (GO) Bond is a form of long-term borrowing to finance capital improvements to real property such as buildings, roads and school facilities. Under a GO Bond structure, all tax requirements are shared proportionally based on taxable assessed value.

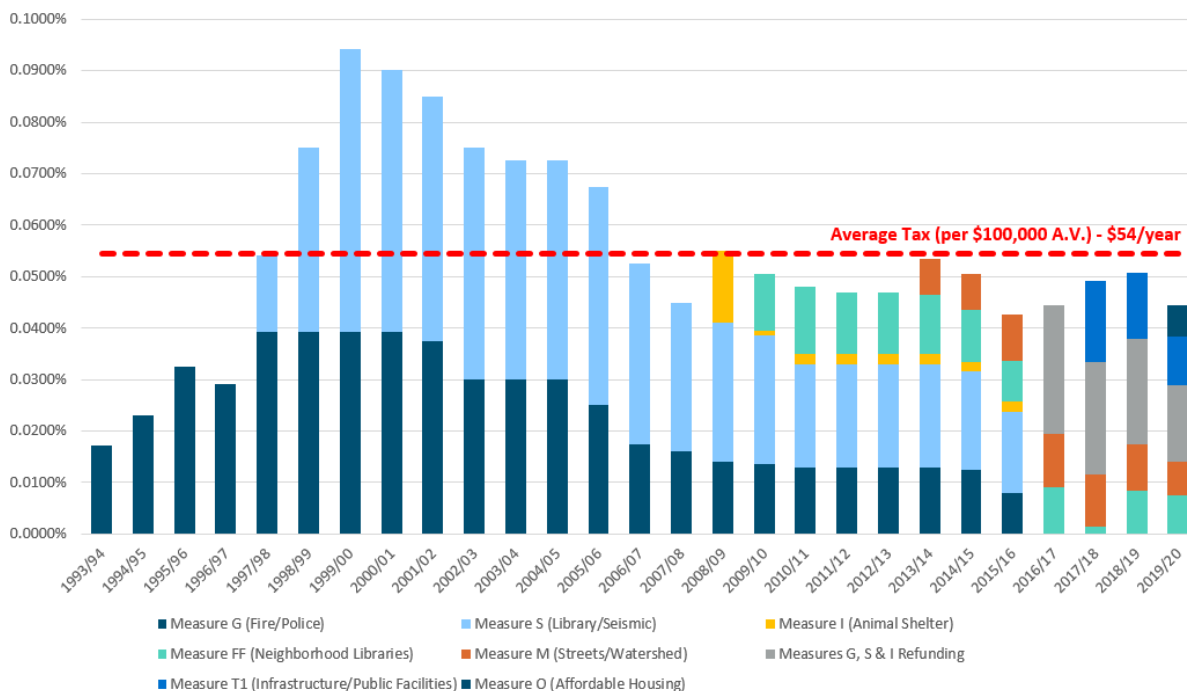
Key features of a GO Bond are:

¹ Represents the median assessed value in the City of Berkeley.

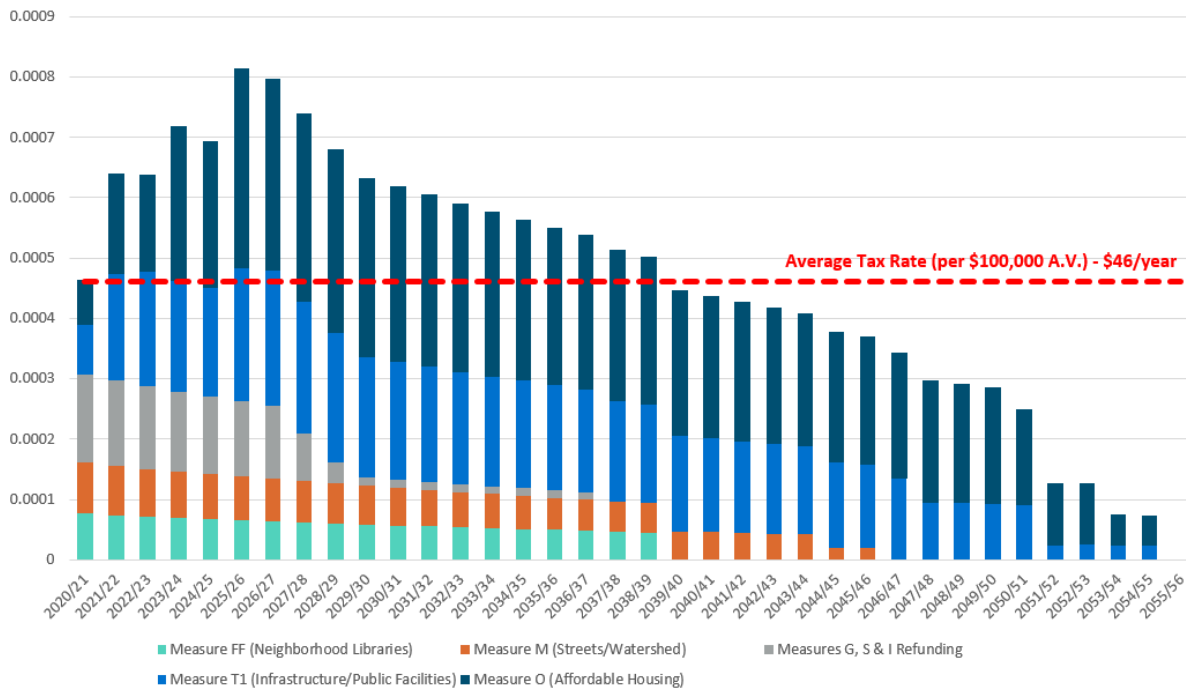
- May be used only for capital improvements, not for ongoing operational costs;
- Requires 66.7% voter approval to pass;
- The principal and interest are paid with the proceeds of tax levies made upon taxable property;
- Bonds are repaid by taxpayers based on their property’s assessed value; and
- Bonds are generally repaid over 30 years.

Berkeley voters have passed several bonds since 2012, including Measure M, Measure T1 and Measure O. The charts below show historical and projected tax rates.

Historical Tax Rates



Projected Tax Rate – All Authorizations



The 2020 Ballot Measure Schedule

In order to meet the deadlines set by the Alameda County Registrar of Voters to place items on the November 2020 ballot, the following timeline has been developed for the Council’s consideration. To get the most accurate feedback, the first survey will be conducted two weeks after the March 3 primary:

Feb. 4: Worksession	City Council to discuss possible revenue measures and questions to be included
Feb. 11: Action Calendar	Council decides which possible measures should be on first Community Survey
March	Conduct Survey
April 14: Action Calendar	<ul style="list-style-type: none"> • Presentation and Discussion of first Community Survey Results • Council refines which issues deserve additional testing with more focused language.
April	Possible second survey
May 26: Action Calendar	Presentation and Discussion of Second Community Survey Results and Direction About Next Steps
June 16: Action Calendar	Draft Ballot Language to Council (from May 26 direction)
July 14: Action Calendar	Draft Ballot Language to Council (from June 16 direction)
July 28: Action Calendar	Last Council meeting before recess; Adopt Final Ballot Language and Resolutions placing measures on the ballot
August 7:	Last Day to Place a Measure on the Ballot

BACKGROUND

Voters, in recent years, have approved the following items to address community need and priorities:

- A \$30 million infrastructure bond in 2012 (Measure M) funded street paving and related green infrastructure throughout the City. In 2014, Berkeley voters also approved an increase in the Parks Tax (Measure F) to ensure well maintained parks.
- A \$100 million infrastructure bond in 2016 (Measure T1). In the first phase, the project funded critical improvements to the North Berkeley Senior Center, the Adult Mental Health Services Center, Frances Albrier Community Center, Live Oak Community Center, improvements to numerous parks, paving of numerous streets and work on 11 different green infrastructure projects. The Parks, Recreation and Waterfront Department has launched an inclusive outreach effort to develop a list for the second phase of Measure T1.
- In 2018, a \$135 million affordable housing bond (Measure O) as well as an increase in property transfer tax on the top 1/3 of properties (Measure P) to increase the supply of affordable housing and services for people who are homeless. The City will be allocated approximately \$37 million to various developers in 2020 that will enable the construction of more than 450 units of affordable housing.

On January 28, staff delivered a presentation to Council on fire and emergency services and various operational and system enhancements as well as funding options that included ballot measures, fees, and special studies.

Berkeley Unified School District is proposing three different revenue measures on the March 3 primary:

Name	Type	Cost	Impact*
Measure E Recruitment & Retention	Parcel Tax	\$0.12/s q foot	\$236
Measure G Facilities Bond	Bond	\$0.0445/\$100	\$213
Measure H Maintenance	Parcel Tax	\$0.091/s q foot	\$173
Total Annual Impact:			\$449
* based on a 1,900 square foot, \$485,000 home			

Several non-revenue generating measures are also being considered for the ballot. These include Charter amendments regarding:

- Revising language throughout the Charter to ensure that gender neutral terminology is used throughout;
- New article regarding the Police Review Commission; and
- Eliminating certain language regarding sworn firefighter residency requirements (Article VII, Section 37a).

A number of state propositions have qualified for the ballot and a high number have been cleared for circulation as voter initiatives. See Attachment 3 for details. The Council may wish to consider the number of measures appearing on the ballot all together when considering placing local measures on the ballot.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the action requested in this report.

POSSIBLE FUTURE ACTION

The council could consider funding mechanisms to support infrastructure or service needs. In addition, the council could consider the use of an opinion poll to gauge the community's interest in such mechanisms.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

The cost of the two community surveys is expected to not exceed \$75,000.

CONTACT PERSON

Matthai Chakko, Assistant to the City Manager, 981-7008

Attachments:

- 1: November 2020 Election Calendar
- 2: Statewide Ballot Measures for November 2020 Election
4. Overview of Revenue Measures
5. Institute for Local Government Report, "Understanding the Basics of Municipal Revenues in California: Cities, Counties, and Special Districts"

Discussion Regarding Potential Ballot Measures for
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CITY OF BERKELEY - GENERAL ELECTION CALENDAR

Attachment 1

November 3, 2020

Offices to be Elected: Mayor; City Council Districts 2, 3, 5, 6; Rent Board (4 seats); School Board (2 seats)

Note: Public Finance submission deadlines will be added to this calendar in 2020

<u>DAYS PRIOR TO ELECTION</u>	<u>DATE</u>	<u>ACTION TAKEN</u>
180	May 7, 2020	Suggested Last Day to file initiative petitions. Qualified petitions received after this date will be accepted, but may not be on the November ballot.
158 103	May 29, 2020 July 23, 2020	Signature In-Lieu of Filing Fee - Candidates may collect signatures during this period to offset the \$150 filing fee. Valid signatures are worth \$1 each. Charter Art. III, Sec. 6.1, BMC §2.16.020
113	July 13, 2020	FILING PERIOD OPENS - CANDIDATE NOMINATION PAPERS
103	July 23, 2020	Deadline to file Signature In-Lieu petitions with City Clerk.
-	July 31	Semi-Annual Campaign Statements due. (1/1/20 - 6/30/20)
90	August 5, 2020	Independent Expenditure Disclosure Period Begins. (\$1000+)
90	August 5, 2020	Late Contribution Disclosure Period Begins. (\$1000+)
88	August 7, 2020	Deadline to deliver resolution calling ballot measure election to Registrar and request election consolidation.
88	August 7, 2020	FILING PERIOD CLOSES - CANDIDATE NOMINATION PAPERS
87 83	August 8, 2020 August 12, 2020	Extended candidate filing period. Candidate filing is extended if an incumbent eligible for re-election does not file nomination documents prior to 5:00 p.m. on August 7, 2020. Incumbents are not eligible to file during the extended period. EC 10225
82	August 13, 2020	Secretary of State to conduct Random Alpha Draw for candidate name order on ballot. EC §13111
81	August 14, 2020	Last day to file primary ballot measure arguments - deadline is 12:00 p.m.
74	August 21, 2020	Last day to file ballot measure rebuttal arguments. Impartial Analysis also due. Deadline is 12:00 p.m.
57 14	September 7, 2020 October 20, 2020	Filing Period - Candidate Nomination Papers for Write-in Candidates.
40 21	September 24, 2020 October 13, 2020	Voter Information Guide mailing period.
	September 24	First Pre-Election Campaign Statement due.
29 7	October 5, 2020 October 27, 2020	Vote-by-Mail Ballot may be obtained by mail between these dates. After October 27, VBM ballots may be obtained at the office of the Registrar.
16	October 18, 2020	48-Hour Late Contribution Reporting Period begins. (\$100 - \$999)

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15	October 19, 2020	Last Day to Register to Vote.
<u>DAYS PRIOR TO ELECTION</u>	<u>DATE</u>	<u>ACTION TAKEN</u>
14	October 20, 2020	Close of write-in candidate filing period at 5:00 p.m.
	October 22	Second Pre-Election Campaign Statement due.
7	October 27, 2020	City Clerk must publish list of campaign contributions of \$50 or more online and at designated locations. BMC §2.12.065
Election Day	November 3, 2020	Election Day - EC §1000; Charter Art. III, Section 4.
<u>DAYS AFTER THE ELECTION</u>	<u>DATE</u>	<u>ACTION TAKEN</u>
	December 1, 2020	Taking office date for newly elected officials (actual swearing in at later date). Charter Art. V , Sections 14, 14.1, 15, 16.
30	December 3, 2020	Last day for County to certify election results to city. EC §15372
35	December 8, 2020	Council to certify election results. EC §§9217, 10262, 10263; Charter Art. III, Sec. 10
	January 31, 2021	Semi-Annual Campaign Statement due.
		Updated 01/15/19

Attachment 2**Comparison of Berkeley, Oakland, and Albany Property-Based Taxes & Assessments, FY 2020**

Ad Valorem Taxes: Berkeley, Oakland, and Albany properties are all equally subject to the 1% countywide ad valorem tax based on assessed value, as well as the ad valorem debt service imposed by the Peralta Community College, Bay Area Rapid Transit, East Bay Regional Park and East Bay Municipal Utility districts. In FY 2020 these combined taxes represent \$6,437 for an average homeowner (\$485,000 A.V.) of total ad valorem tax in each city.

Berkeley, Oakland, and Albany have each approved City GO bond debt, which is based upon the assessed value. In FY 2020, Berkeley's cumulative GO bond tax at \$208 is significantly lower than Oakland's cumulative GO bond tax at \$944 and Albany's GO bond tax at \$550.

Special Taxes: Each of these cities has its own set of voter-approved special taxes and other assessments; however, Oakland and Albany do not use the same taxation method as the City of Berkeley. For instance, while most of Berkeley's special taxes are based on a tax rate multiplied by the building square footage, those in Oakland and Albany are usually a standard flat rate amount per parcel with some variation in the flat rate based upon land use. In all three cities, most of the voter approved special taxes allow for an annual cost of living adjustment based either on the annual Bay Area Consumer Price Index (CPI) or the Statewide Personal Income Growth (PIG) rate. Berkeley's Emergency Services for the Severely Disabled tax, Library Tax, Fire Protection/Emergency Response Tax, and Parks/Landscape Maintenance Tax use the higher of the two.

There are several significant differences in the special taxes imposed by Berkeley, Oakland, and Albany. For example, Berkeley's Library Tax at \$431 is significantly higher than Oakland's library tax at \$187² or Albany's library and library supplemental tax at \$97 annually.

Another significant difference is in school taxes. Each city has approved School GO bond debt and special school taxes. Berkeley Unified School District's combined GO bond and special school taxes total \$1,466, Albany Unified School District's GO and special school tax is slightly higher than Berkeley's at \$1,985, but Oakland Unified School District's GO and special school tax is significantly lower at \$993.

County and other agency assessments (such as County Service Area (CSA) Vector Control, AC Transit, East Bay Municipal Utility District (EBMUD), East Bay Trail LLD and East Bay Regional Parks (EBRP)) are parcel-based, flat rate assessments based on land use. And, with some limited exceptions³, apply equally to all property in these three cities. There are a few other variations billed on property tax statements.

Table 3 summarizes the comparison of total FY 2020 annual parcel-based taxes and assessments for Berkeley, Oakland, and Albany using an 'average' single family property that is 1,900 square feet with an assessed value of \$485,000 and a homeowner's exemption of \$7,000.

² Parcels located in the Rockridge Community Facility District (CFD) 1 pay an additional tax of \$25 annually.

³ Albany is not subject to the additional Mosquito Abatement fee and is not included in the CSA Lead Abatement program. Oakland properties pay higher CSA Vector Control assessments than Berkeley or Albany.

Discussion Regarding Potential Ballot Measures for
the November 3, 2020 General Municipal Election.

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Table 3 – FY 2020 Property-based Taxes and Assessments Comparison

Single Family Home: \$485,000 Median Assessed Value (AV) and 1,900 Square Feet

AGENCY	Berkeley FY2020		Oakland FY2020		Albany FY2020	
			Rate	Amount		
COUNTYWIDE AD VALOREM TAX	1.00%	\$ 4,780	1.00%	\$ 4,780	1.00%	\$ 4,780
Voter-Approved Ad Valorem Debt Service						
County Wide GO Bond	0.0108%	\$ 52	0.0108%	\$ 52	0.0108%	\$ 52
City GO Bond	0.0435%	\$ 208	0.1975%	\$ 944	0.1150%	\$ 550
Unified School District GO Bonds	0.1204%	\$ 576	0.1168%	\$ 558	0.2250%	\$ 1,076
Peralta Community College	0.0257%	\$ 123	0.0257%	\$ 123	0.0257%	\$ 123
Bay Area Rapid Transit	0.0120%	\$ 57	0.0120%	\$ 57	0.0120%	\$ 57
East Bay Regional Park	0.0060%	\$ 29	0.0060%	\$ 29	0.0060%	\$ 29
Voter-Approved Ad Valorem Debt Service (Combined)	0.2184%	\$ 1,045	0.3688%	\$ 1,763	0.3945%	\$ 1,887
TOTAL ALL AD VALOREM TAXES	1.2184%	\$ 5,824	1.3688%	\$ 6,543	1.3945%	\$ 6,667
City Voter-Approved Special Taxes	Rate X BSF	1,900		1,900		1,900
Landscape/Park						
Oakland: City Landscape	\$0.17290	\$ 329	parcel/unit	\$ 103	parcel/unit	\$ 76
Albany: City Landscape 88-1						
Albany Sidewalk Tax					parcel/unit	\$ 40
Library Tax/Services						
Oakland: City Library	\$0.22700	\$ 431	parcel/unit	\$ 187	parcel/unit	\$ 97
Albany: Serv & Supplemental						
Paramedic Supplemental						
Oakland: Emg Med/Param	\$0.03930	\$ 75	parcel/unit	\$ 28	parcel/unit	\$ 108
Albany: ALS (Measure N) & Paramedic Supplement						
Physically Disabled	\$0.01638	\$ 31				
Fire/Emergency Response (Measure GG)	\$0.05818	\$ 111				
CFD1 Disaster Fire/Mello Roos	\$0.01250	\$ 24				
Oakland Violence Prevention (BB)			parcel/unit	\$ 113		
Total City Special Taxes	\$0.52626	\$ 1,001		\$ 431		\$ 321
City Assessments						
Street Lighting	\$0.01080	\$ 21				
2018 Street Light	parcel/unit	\$ 12				
Clean Storm Water (3,740 sqft lot area)						
Oakland Flood Benefit12	Formula	\$ 34	parcel/unit	\$ 16		
Albany Street/Storm Drains & CSW					parcel/unit	\$ 177
2018 Storm Water	Formula	\$ 45				
Albany City Sewer Service					parcel/unit	\$ 535
Total City Special Assessments		\$ 112		\$ 16		\$ 712
BUSD Special Taxes: Measure H of 2010						
Oakland Measure N	\$0.07032	\$ 134	parcel/unit	\$ 120	parcel/unit	\$ 318
Albany Facility Maintenance Measure LL						
BUSD : Measure E1 of 2016						
Oakland Measures G & G1	\$0.39800	\$ 756	parcel/unit	\$ 315	parcel/unit	\$ 591
Albany Measure J						
Total Unified School District Special Taxes	\$0.46832	\$ 890		\$ 435		\$ 909
County/Agency Assessments & Fixed Charges						
Mosquito Abatement	parcel/unit	\$ 2	parcel/unit	\$ 2		
Mosquito Assess 2	parcel/unit	\$ 3	parcel/unit	\$ 3		
CSA Paramedic	parcel/unit	\$ 34	parcel/unit	\$ 34	parcel/unit	\$ 34
CSA Vector Control	parcel/unit	\$ 6	parcel/unit	\$ 7	parcel/unit	\$ 6
CSA Vector Control B	parcel/unit	\$ 5	parcel/unit	\$ 5	parcel/unit	\$ 5
CSA Lead Abatement	parcel/unit	\$ 10	parcel/unit	\$ 10		
AC Transit (Measure VV)	parcel/unit	\$ 96	parcel/unit	\$ 96	parcel/unit	\$ 96
EBMUD Wet weather	parcel/unit	\$ 111	parcel/unit	\$ 111	parcel/unit	\$ 111
East Bay Trail LLD	parcel/unit	\$ 5	parcel/unit	\$ 5	parcel/unit	\$ 5
SFBRA Measure AA	parcel/unit	\$ 12	parcel/unit	\$ 12	parcel/unit	\$ 12
Hazardous Waste Program	parcel/unit	\$ 7	parcel/unit	\$ 7	parcel/unit	\$ 7
EBRP Park Safety/M	parcel/unit	\$ 12	parcel/unit	\$ 12	parcel/unit	\$ 12
Peralta CCD Measure B	parcel/unit	\$ 48	parcel/unit	\$ 48	parcel/unit	\$ 48
Albany Open Space Tax					parcel/unit	\$ 69
Total County Assessments/Charges		\$ 351		\$ 352		\$ 405
TOTAL CURRENT ANNUAL TAXES		\$ 8,178		\$ 7,777		\$ 9,014
Tax/Assessment Rate		1.7109%		1.6270%		1.8858%

November 2020 Ballot Information

Attachment 3

In addition to the national, state and local candidates on the November 2020 ballot, there will also be a number of state propositions and initiatives. The “Cleared for Circulation” list has been abridged to the account for multiple submissions of measures with the same title. The full list can be found at <http://www.sos.ca.gov/elections>

Ballot Measure
State of California: Qualified or Eligible for Ballot
Referendum to overturn a 2018 law that replaced money bail system with a system based on public safety risk.
Restricts Parole for Non-Violent Offenders. Authorizes Felony Sentences for Certain Offenses Currently Treated Only as Misdemeanors. Initiative Statute.)
Requires Certain Commercial and Industrial Real Property to be Taxed Based on Fair-Market Value. Dedicates Portion of Any Increased Revenue to Education and Local Services. Initiative Constitutional Amendment.
State of California: Pending Signature Verification or Cleared for Circulation
Expands local governments' authority to enact rent control on residential property. Initiative statute.
Changes requirements for transferring property tax base to replacement property. Expands business property reassessment. Initiative constitutional amendment.
Increases funding for public schools, community colleges, and local government services by changing tax assessment of commercial and industrial property. Initiative constitutional amendment.
Adjusts limitations in medical negligence cases. Initiative statute.
Limits duration of spousal support after divorce or legal separation to no more than five years. Initiative statute.
Changes requirements for transferring property tax base to replacement property. Expands business property reassessment. Initiative constitutional amendment.
Changes requirements for transferring property tax base to replacement property. Initiative constitutional amendment.
Authorizes bonds to fund projects for wildfire prevention, safe drinking water, and protecting wildlife and lands from climate risks. Initiative statute.
Requires monetary bail. Initiative constitutional amendment.
Increases funding for public schools, community colleges, and local government services by changing tax assessment of commercial and industrial property. Initiative constitutional amendment.
Authorizes electronic signature gathering for initiative, referendum, and recall petitions. Initiative statute.
Expands legalization of cannabis and hemp. Initiative statute.
Replaces state senate and assembly with single-house legislature; increases number of legislators. Initiative constitutional amendment.
Requires ranked-choice voting system for federal and state elections. Restructures state senate to multi-member districts. Initiative constitutional amendment.

Decriminalizes psilocybin mushrooms. Initiative statute.
Adjusts limitations in medical negligence cases. Initiative statute.
Requires enactment of measures to reduce the use of non-organic fungicides, herbicides, insecticides, and fumigants. Initiative statute.
Amends consumer privacy laws. Initiative statute.
Authorizes bonds to continue funding stem cell and other medical research. Initiative statute.
Requires arrest for specified offenses and, if convicted, detention or intervention programs. Initiative statute.
Authorizes state regulation of kidney dialysis clinics. Establishes minimum staffing and other requirements. Initiative statute.
Changes employment classification rules for app-based transportation and delivery drivers. Initiative statute.
Decriminalizes psilocybin mushrooms. Authorizes dismissal of prior psilocybin-related convictions. Initiative statute.
Requires state regulations to reduce plastic waste, tax producers of single-use plastics, and fund recycling and environmental programs. Initiative statute.
Authorizes new types of gambling. Initiative constitutional and statutory amendment.
Authorizes state regulation of kidney dialysis clinics. Initiative statute.

Revenue Measure Options

	Sales Tax (Transaction & Use Tax)	Utility User's Tax (UUT)	Transient Occupancy Tax (TOT)	Parcel Tax (Mello-Roos CFD)	Parcel Tax (Assessment District)	General Obligation Bond	Property Transfer Tax
General Tax (GT) or Special Tax (ST)	Either	Either	Either	Special	Special	Either	General
Voter Approval	GT = 50% + 1 ST = 2/3	GT = 50% + 1 ST = 2/3	GT = 50% + 1 ST = 2/3	2/3 (in District) Citywide has to go on ballot	ST = 2/3 (in District) Citywide has to go on ballot	ST = 2/3	GT = 50% + 1
Advantages	Generated within City, may include non-residents	Referenda to reduce or repeal rarely succeed	Paid by visitors	* Not subject to benefit assessment * Can be formed with non-contiguous boundaries * No allocation to public property required * Pay-as-you-go financing of infrastructure		No volatility	
Disadvantages	High volatility	Paid solely by City residents	High volatility	Paid solely by CFD property owners	Subject to benefit allocation	Paid solely by City property owners/residents	
Restrictions		* State and Federal Governments are exempt * Gas and water used by utility companies to generate electricity are exempt * Further limits the application to charges that are subject to federal excise tax	Applied to stays for nights up to 30 days	* Used to pay for public improvements and certain public services (safety, library, maintenance of parks, parkways, streets, roads, etc.)	* Used to pay for public improvements with direct benefit to parcels within AD * Can fund operations and maintenance of facilities financed by AD	Acquisition or improvement of real property only	* Exemptions: Government-owned property, non-profits, bankruptcy reorg., foreclosure, and dissolution of marriage * General Law cities cannot impose
Fund Capital Projects?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fund Services?	Yes	Yes	Yes	Yes	Yes	No	Yes

Understanding the Basics of Municipal Revenues in California: Cities, Counties and Special Districts

2016 Update



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OVERVIEW

Each one of California's 39 million residents lives within the boundaries of one of the state's 58 counties. Nearly 33 million people also live in one of California's 482 cities.ⁱ Californians are also served by 2,156 independent special districts.

Counties, cities and special districts provide a vast array of municipal services to residents and businesses. These services include public safety (police, fire and emergency services), parks and recreation, roads, flood protection, sewers, water, electricity, refuse disposal, recycling and other utilities. Counties have an additional role as a provider for many state-mandated services, such as foster care, public health care, jails, criminal justice and elections.ⁱⁱ

These municipal local governments rely on a variety of revenues to pay for the services and facilities they provide. The amount and composition of revenues:

- Differ between cities, counties and special districts largely because of differences in responsibilities; and
- Vary among cities, among counties and among special districts depending in part on differences in governance responsibilities.

There is a complex web of legal rules for collecting and using the variety of revenues available to municipal governments in California. These rules derive from the state constitution, state statute and court cases further interpreting those laws.

This guide provides an overview of the sources of county, city and special district revenues in California. It is an introduction to a complex topic. You can find further information in the resources listed on the last page.

How To Use This Information

These materials are not technical or legal advice. You should consult technical experts, attorneys and/or relevant regulatory authorities for up-to-date information and advice on specific situations.

CITY REVENUES IN CALIFORNIA

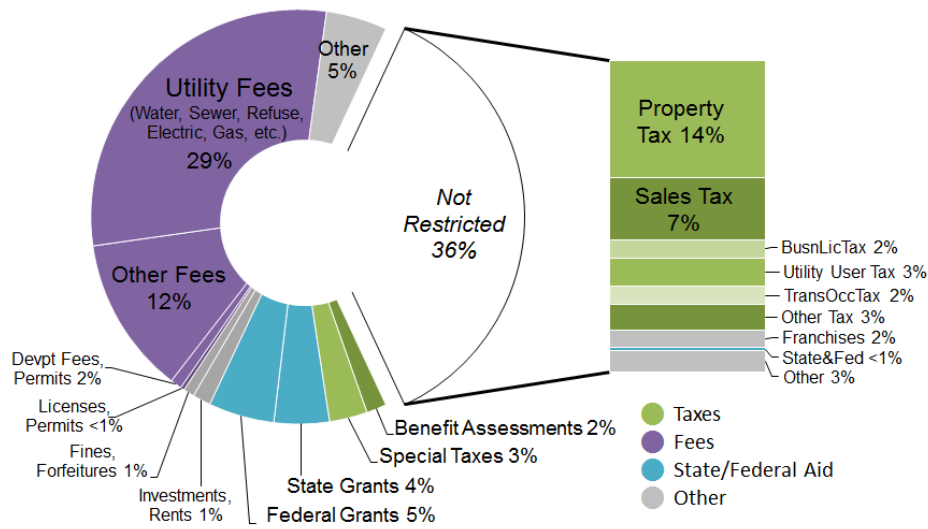
Incorporated cities (including those that refer to themselves as “towns”) are responsible for a broad array of essential frontline services tailored to the needs of their communities. These include:

- Law enforcement and crime prevention,
- Fire suppression and prevention, natural disaster planning and response, emergency medical response and transport,
- Land use planning and zoning, building safety,
- Local parks and open spaces, recreation,
- Water supply, treatment and delivery,
- Sewage collection, treatment and disposal,
- Storm water collection and drainage,
- Solid waste collection, recycling and disposal,
- Local streets, sidewalks, bikeways, street lighting and traffic controls, and
- Public transit.

Cities that are responsible for providing all or most of these functions are called “full service” - the services can be provided in-house or contracted through a private entity or another public agency. In other cities, some of these functions are the financial responsibility of other local agencies such as the county or special districts. For example, in about thirty percent of California cities, a special district provides and funds fire services. In sixty percent, library services are provided and funded by another public agency such as the county or a special district.

The mix of service responsibilities and local choice regarding service levels affects the amount and composition of revenues of each city.

California City Revenues



This is a statewide mash-up of city revenues. Individual cities vary.
 Source: Author's computations from data from California State Controller 2014-15.
 Does not include the City/County of San Francisco.

COUNTY REVENUES IN CALIFORNIA

California counties are responsible for three general areas of municipal services: 1) delegated state and federal programs, 2) countywide public services and 3) essential frontline services for residents not receiving those services from a city or special district, often in unincorporated areas (outside city boundaries).

In unincorporated areas, counties provide the essential frontline services that cities provide that are not provided by a special district. These can include police protection (through a county sheriff), roads, planning and building safety.

Counties also provide public services to all county residents, whether they live in or outside of cities. These countywide functions include:

- Public assistance (notably welfare programs and aid to the indigent),
- Public health services (including mental health and drug/alcohol services),
- Local elections,
- Local corrections, detention and probation facilities and programs (including juvenile detention), and
- Property tax collection and allocation for all local agencies, including school districts.

Funding from the federal and state government, primarily for health and human services, is the largest source of county revenues. Property taxes and sales and use taxes are the primary funding sources for many county services that do not have a dedicated state or federal funding source.

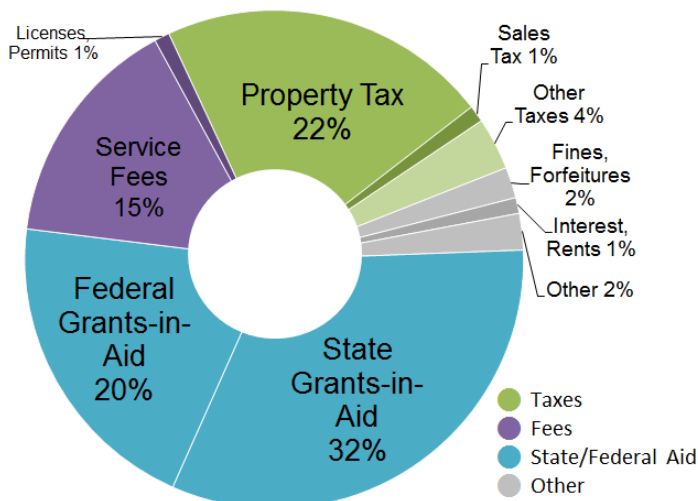
General and Functional Revenues

Municipal revenues may be viewed as falling into two broad categories: general revenues and functional revenues.

General revenues can be used for any legitimate public purpose. General purpose taxes, especially property and sales taxes, account for most general city revenues statewide.

Functional revenues are restricted by law to a particular use. These include funds derived from fees or rates that the local agency charges for public services, including municipal utilities such as water, sewer, and garbage collection, airports, marinas, harbors and water ports. Functional revenues also include most state or federal grants as they are usually restricted for particular programs.

California County Revenues



Source: Author's computations from data from California State Controller 2014-15. Includes the County/City of San Francisco.

SPECIAL DISTRICT REVENUES IN CALIFORNIA

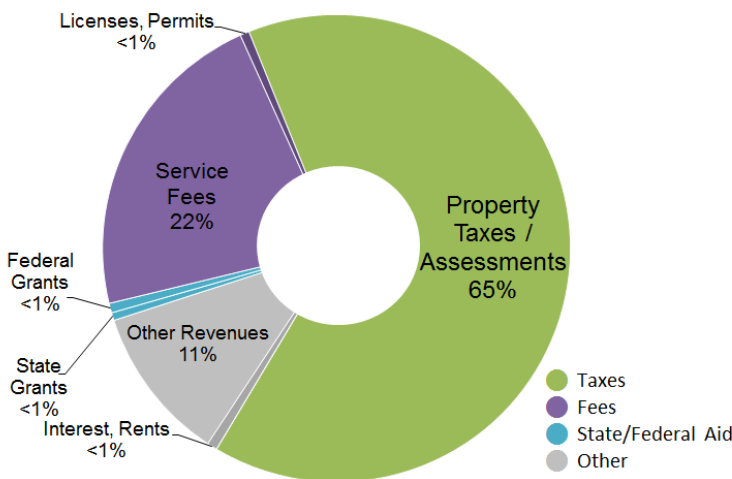
Most special districts provide one or a few municipal services to a particular geographic area. These include both enterprise and non-enterprise services. Enterprise services are funded primarily through charging a fee for service. For example, water and irrigation districts charge utility rates and fees from consumers of those services. Non-enterprise services generally do not lend themselves to fees and are primarily funded by property taxes, with relatively small amounts of fee and state and federal grant revenue. Library and fire protection services are examples of non-enterprise services.

Other districts are multifunction, providing a number of municipal services. Community services districts (CSDs) can provide as many as 32 different types of services, approximating the scope of some cities. Multifunction districts have both enterprise and non-enterprise elements and may, like cities or counties, use an array of different revenue sources.

Types of Special Districts

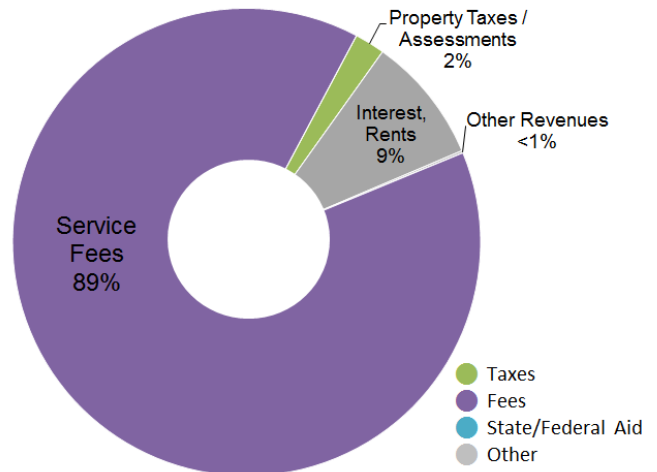
- Air Quality Management / Air Pollution Districts
- Airport Districts
- Cemetery Districts
- Community Services Districts
- Flood/Drainage Districts
- Fire Districts
- Harbor Districts
- Healthcare Districts
- Irrigation Districts
- Library Districts
- Memorial Districts
- Municipal / Resort Improvement Districts
- Open Space Districts
- Parks and Recreation Districts
- Police Protection / Ambulance Districts
- Public Utility Districts
- Reclamation Districts
- Resource Conservation Districts
- Sanitary Districts
- Waste Management Districts
- Water Districts

California Special District Revenues
Typical District (fire) Providing Non-Enterprise Services



Source: Author's computations from data from California State Controller 2014-15.

California Special District Revenues
Typical District (water) Providing Enterprise Services



Source: Author's computations from data from California State Controller 2014-15.

THE STATE LEGISLATURE, LOCAL GOVERNMENTS AND THE VOTERS

The options available to local officials in governing, managing their finances and raising revenues to provide services needed by their communities are limited. Voters have placed restrictions as well as protections in the state constitution. The state's voters and the California Legislature have acted in various ways, to support and provide, and to limit and withdraw financial powers and resources from cities, counties and special districts.

Some of the most significant limitations on the local revenue-raising include:

- Property taxes may not be increased except with a two-thirds vote to fund a general obligation bond.
- The allocation of local property tax among a county, and cities, special districts and school districts within each county is controlled by the Legislature.
- Voter approval is required prior to enacting, increasing or extending any type of local tax.
- Assessments to pay for public facilities that benefit real property require property owner approval.
- Fees for the use of local agency facilities and for services may not exceed the reasonable cost of providing those facilities and services.
- Fees for services such as water, sewer and trash collection are subject to property owner majority protest.

The Legislature has enacted many complicated changes in state and local revenues over the past 30 years. Voters have approved state constitutional protections limiting many of these actions at times followed by even more complicated maneuvers by the Legislature in efforts to solve the financial troubles and interests of the state budget.

Reacting to actions of the Legislature and the deterioration of local control of fiscal matters, local government interests placed on the ballot, and voters approved, Proposition 1A in 2004 and Proposition 22 in 2010. Together, these measures prohibit the state from:

- Enacting most local government mandates without fully funding their costs. The definition of state mandate includes a transfer of responsibility or funding of a program for which the state previously had full or partial responsibility.
- Reducing the local portion of the sales and use tax rate or altering its method of allocation, except to comply with federal law or an interstate compact.
- Reducing the combined share of property tax revenues going to the county as well as cities and special districts in a county.
- Borrowing, delaying or taking motor vehicle fuel tax allocations, gasoline sales tax allocations, or public transportation account funds.

TAXES

According to the California Constitution, every local agency charge is a “tax,” unless it falls into a list of specified exceptions:ⁱⁱⁱ

- User fees for a specific benefit, privilege, service or product provided to the payor. Items include: fees for parks and recreation classes, some utilities, public records copying fees, DUI emergency response fees, emergency medical and ambulance transport service fees.
- Regulatory fees for reasonable regulatory costs of issuing licenses and permits, and performing inspections and enforcement such as health and safety permits, building permits, police background checks, pet licenses, bicycle licenses and permits for regulated commercial activities.
- Rental fees imposed for entrance to or use of government property. These include: facility room rentals, equipment rentals, park, museum and zoo entrance fees, golf greens fees, on and off-street parking and tolls.
- Fines or penalties such as parking fines, code enforcement fees and penalties, late payment fees, interest charges and other charges for violation of the law.
- A charge imposed as a condition of property development such as building permit fees, construction and grading permits, development impact fees and fees for California Environmental Quality Act requirements.
- Benefit assessments and property related fees imposed in accordance with the provisions of Article XIII D (Proposition 218) such as a lighting and landscape assessment and fees for property related services such as many retail water and sewer fees.^{iv}

In contrast to an assessment or a fee, a tax need not be levied in proportion to specific benefit to a person or property. Tax revenues are an important source of funding for both county and city services and for many special districts. In addition to local taxes, counties rely significantly on tax dollars allocated from the state and federal governments.

	TAX- General	TAX- Parcel or Special (earmarked)	G.O. BOND (w/tax)	Fee / fine / rent
City / County	Majority voter approval	Two-thirds voter approval	Two-thirds voter approval	Majority of the governing board*
Special District	n/a	Two-thirds voter approval	Two-thirds voter approval	Majority of the governing board*
K-14 School	n/a	Two-thirds voter approval (parcel tax)	55% voter approval**	Majority of the governing board*
State	For any law that will increase the taxes of any taxpayer, two-thirds of each house of the Legislature - or approval of majority of statewide voters.		Statewide majority voter approval	Majority of each house
<small>* Additional procedures apply for property related fees. ** Per Proposition 39 (2000), maximum tax rate limits and other conditions apply for a 55% threshold school bond or threshold is two-thirds.</small>				

Counties and cities may impose a variety of taxes. Taxes fall into one of two categories: general or special.

A general tax is imposed to raise general-purpose revenues. Counties and cities may use revenues from a general tax for any lawful public purpose. A majority of voters must approve the decision to impose, increase or extend a general tax. A general tax may only be submitted for voter approval at an election for city council or board of supervisors unless a unanimous vote of the governing board declares an emergency.

A special tax is a tax imposed for a specific purpose. For example, a city may increase the sales and use tax by adding a special use tax for public safety, the acquisition of open space or transportation projects. All taxes imposed by special districts are considered special taxes. Since the tax is for a specific purpose, the revenues may only be used for that purpose. Two-thirds of voters must agree to enact, increase or extend a special tax.

County Property Tax Administration

County Assessor.

The assessor sets values on property and produces an annual property tax assessment roll.

County Auditor-Controller.

The auditor-controller receives the assessed values from the assessor and calculates the amount of property tax due.

County Treasurer-Tax Collector. The treasurer-tax collector administers the billing, collection, and reporting of property tax revenues levied annually throughout California for not only the county, but also cities, schools and special districts.

	General Tax	Special Tax
Use of Revenues	Unrestricted	Specific purpose
Governing Body Approval	<ul style="list-style-type: none"> Counties and general law cities: two-thirds Charter cities: majority Transactions and use taxes: two-thirds Special districts may not adopt general taxes. 	Majority
Voter Approval	Majority	Two-thirds
Other Rules	A general tax election must be consolidated with a regularly scheduled general election of members of the governing body, unless an emergency is declared by unanimous vote (among those present) of the governing body.	Special tax funds must be deposited in a separate account. The taxing agency must publish an annual report including: 1) the tax rate; 2) the amounts of revenues collected and expended; and 3) the status of any project funded by the special tax.

PROPERTY TAXES

All counties and cities in California receive property tax revenues. Many special districts do too. For all counties and most cities and non-enterprise special districts, property taxes are the largest source of discretionary revenues.

How Property Taxes Are Calculated in California

The property tax is imposed on “real property” (land and permanently attached improvements such as buildings) and tangible personal property (movable property such as boats, aircraft and business equipment).

The maximum tax rate permitted on real property for general purposes is one percent of the property’s assessed value plus voter approved rates to fund indebtedness (general obligation bonds, requiring two-thirds voter approval).

The tax rate is applied to the assessed value (AV) of the property. The assessed value of real property is the “full cash value” of the property in 1975-76 or at change of ownership, whichever is more recent, adjusted annually by the change in the Consumer Price Index (CPI), not to exceed an annual increase of two percent. The value of new construction is additional. If a property changes hands, then the assessed value becomes the full cash value upon change in ownership.

If a property’s market value falls below its factored base year value, it may be temporarily reassessed to its lower actual value but in future years may be reassessed at the lesser of its actual value or its factored base year value. This can result in increases of more than two percent as a property’s actual value returns to its earlier value, as when the housing market rebounds from a slump.

Property Tax Revenue Distribution

Counties allocate property taxes to the county as well as cities, special districts and school districts within the county according to state law. Allocations among local agencies vary from place to place due to differences in the service responsibilities among agencies serving different areas and differences in the tax rates enacted by those agencies prior to Proposition 13 in 1978. Full-service cities generally receive higher shares than those that do not provide the complete range of municipal services. For example, in a city where fire services are provided by a special district, the city will get a lower share, with a portion of the property tax revenues going instead to the special district.

Property tax revenues among local governments are, of course, also dramatically affected by differences in the assessed value of properties among jurisdictions. A ten percent share in a community of average property values will result in less revenue than in a similar size wealthy bedroom community, or a community that also has a sizable business/industrial area.

Property Tax in Lieu of Vehicle License Fee

In addition to their regular apportionment of property taxes, cities and counties receive property tax revenues in lieu of Vehicle License Fees (VLF). In 2004, the Legislature permanently reduced the VLF rate from two percent to 0.65 percent and compensated cities and counties for their revenue loss with a like amount of property taxes, dollar-for-dollar. Each agency's property tax in lieu of VLF allocation increases annually in proportion to the growth in gross assessed valuation in that city or county.

What is "ERAF?"

The property tax revenues received by school districts in each county include amounts from the county "Educational Revenue Augmentation Fund" (ERAF) created by the California Legislature in 1991 as a way to reduce state general fund spending on schools. These funds receive some property tax that was previously allocated to counties, cities and special districts.

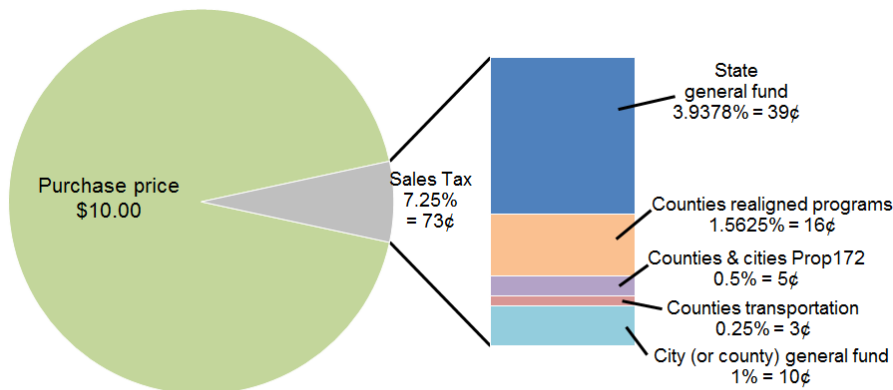
Since 2004, California's Constitution has prohibited the Legislature from increasing the amount of property tax shifted from counties, cities and special districts to ERAF or similar schemes. The state Constitution requires a two-thirds vote of the Legislature to change the allocation of property tax among the county, cities and special districts within a county.

SALES AND USE TAXES

Consumers are familiar with the experience of going to a store, buying something and having an amount added for sales tax. Services are generally exempt from the sales tax as well as certain items, like most groceries and medicine. The sales tax is assessed as a percentage of the amount purchased.

The “base” statewide sales tax rate of 7.25 percent includes amounts to:

- The state general fund (3.9375 percent),^v
- County realignment programs (state health/ welfare and corrections / law enforcement programs shifted from the state, 1.5625 percent),
- Supplemental local law enforcement grants (0.50 percent),^{vi}
- Transportation programs in the county where the transaction occurs (0.25 percent), and
- The city where the transaction occurs (1.00 percent).^{vii} If the transaction occurs in an unincorporated area, the 1.00 percent amount goes to the county.



Rates effective January 1, 2017 after the expiration of the 0.25% Proposition 30 temporary rate.

In addition to the base, statewide rate of 7.25 percent, local voters may authorize additional “transactions and use tax” rates. These additional rates raise the total effective rate to as much as 9.75% in some locations.

Cities, counties and countywide transportation agencies may impose sales tax rates to be added on to the “base” statewide sales and use tax rate. The add-on rates are actually “transactions and use taxes” and are allocated to the jurisdiction where the taxed product is received or registered (as in the case of a motor vehicle purchase). Over 120 cities have enacted transaction and use taxes of up to one percent, most commonly with majority voter approval for general purposes. Many counties and county transportation agencies have enacted rates, most commonly with two-thirds vote for specific purposes. Under current state law, the maximum combination of transactions and use tax rates in any location may not exceed two percent.^{viii}

State Sales and Use Tax Administration

The State Board of Equalization collects local sales and use tax revenues from the retailer and sends revenue from local rates and allocations back to cities and counties. In addition to administering the sales and use tax system, the State Board of Equalization collects and allocates other state taxes including fuel, tobacco and alcohol taxes.

The “Use Tax” Part of the Sales and Use Tax

California’s sales tax has a relative called the “use tax.” While the sales tax is imposed on the seller, the use tax is imposed on the purchaser and at the same rate as the sales tax. The most common example of use tax is for the purchase of goods from an out-of-state retailer for use in California.

Out-of-state retailers doing business in California are required to report to the State Board of Equalization the jurisdiction to which sold items are delivered. If the retailer has a physical presence (nexus) in California, they must collect use tax when goods are delivered to purchasers in this state. If the seller does not collect and remit the use tax, the purchaser is legally obligated to report and pay.

Business License Tax (BLT)

Most cities and a few counties have enacted business license taxes. Business license tax rates are set individually by each city and county most commonly based on gross receipts (overall business revenue) or levied at a flat rate, but may be based on the quantity of goods produced, number of employees, number of vehicles, square footage of the business or some combination of factors.

If a business operates in more than one city, a city may only tax that portion of the business's activities conducted within the city. In most cases, business license taxes are not imposed for regulatory purposes (as the term "license" might imply) but to raise revenues for general municipal purposes (i.e. a tax). If imposed as a fee to pay for the cost of regulating the business, the fee may not exceed the reasonable cost of regulating the business. (See "regulatory fees.")

Transient Occupancy Tax (TOT) or Hotel Bed Tax

Most cities and some counties impose a transient occupancy tax or hotel bed tax on persons staying thirty days or less in hotels, motels and similar lodgings, including mobile homes. A county may impose a transient occupancy taxes only in the county area outside city limits. Typically, the lodging provider collects the tax from guests and turns the funds over to the county or city.

Transient occupancy taxes are imposed by most cities and counties and range from three and a half percent to 15 percent. For cities with a transient occupancy tax, it provides seven percent of general revenues on average, and as much as 17 percent in some cities. Any increase or extension of a local tax requires voter approval.

Utility User Tax (UUT)

Many cities impose utility user taxes on the consumption of utility services, including (but not limited to) electricity, gas, water, sewer, telephone (including mobile phone and long distance), sanitation and cable television. Counties may levy utility user taxes in county area outside city limits. Any increase or extension of a local tax requires voter approval.

Utility companies usually collect utility user's taxes from their customers as part of their regular billing procedures and remit the funds collected to the city or county which imposed the tax.

Over 150 cities and a few counties levy utility user rates varying from one to 11 percent. For those jurisdictions with utility user taxes, it provides an average of 15 percent of general revenue and often as much as 22 percent.

Parcel Tax

A parcel tax is a special tax on a parcel – or unit – of real property. Unlike the property tax, a parcel tax may not be based on the value of property. Instead, parcel taxes are generally based on a flat per-parcel rate.

A parcel tax may be enacted, increased or extended by a city, county, special district or school district only with two-thirds voter approval, even for general purposes.

Documentary Transfer Taxes and Property Transfer Taxes

A documentary transfer tax is a tax imposed on the transfer of interests in real estate. Counties tax at a rate of 55 cents per \$500 of the property's value. Cities may impose the tax at up to one half of that amount, which is credited to the payment of the county tax. The Constitution allows charter cities^{ix} to

enact a property transfer tax, with voter approval, on the value of real estate that is sold. In these cases, the entire county documentary transfer tax rate goes to the county. All cities and counties in California have documentary transfer taxes or property transfer taxes.

Other Taxes

A city or county may impose other types of taxes within the limitations of and if not prohibited by state law. These include: admissions taxes, parking taxes, construction/development taxes, local vehicle registration taxes.

SERVICE CHARGES, ASSESSMENTS AND FEES

Utility Rates

Utility rates are fees for utility services charged to users who pay for special district, county or city provided water, sewer, electric or other utility services. Utility rates cover some or all of the cost of providing the service, which may include operations, maintenance, overhead, capital improvements and debt service.

Utility rates for water, sewer services and certain other utilities belong to a special category of fees called a “property-related fees.” A local government must follow certain specific procedures to impose, extend or increase a property-related fee.

To impose a property-related fee, the agency must first hold a public hearing. At the hearing, a majority of affected property owners can prevent the fee’s adoption by filing written protests. If a majority of affected property owners do not protest the fee and the fees pays for sewer, water or refuse collection, then an election is not required and the governing body may approve the fee. Other property-related fees require approval, either of two-thirds of the electorate residing in the affected area or of a majority of the owners of the property who would pay the fee.

Benefit Assessments

Assessments are charges by cities, counties or special districts on real property to pay for public facilities or services within an area which benefit either real property or businesses. A common type of assessment is one used to pay for landscaping and lighting in a neighborhood. The amount of the assessment must reflect the special benefit to the property that results from the improvements. Assessments on property are typically collected through the owner’s annual property tax bill.

A local government must follow certain specific procedures to impose benefit assessments. When a local agency considers an assessment, a majority of property owners may defeat the assessment in a public hearing procedure. If the proposed assessment is not defeated in a public hearing procedure, then a majority of the property owners subject to the charge must approve the assessment by a mailed ballot. The property owners’ votes are weighted according to how much their property will be charged.

User Fees

A city, county or special district may impose fees, charges and rates for services and facilities it provides. Examples include fees for checking plans for new construction or for recreation classes. The amount of a fee may not exceed the cost of providing the service or granting a benefit or privilege. This cost may include overhead, capital improvements and debt service.

Regulatory Fees

Regulatory fees pay for the cost of issuing licenses and permits, performing investigations, inspections and audits and the administrative enforcement of these activities. Examples include a fee to pay for the cost of processing pesticide license applications or a fee to inspect restaurants for health and safety compliance.

Development Impact Fees

Development impact fees are imposed on new construction (like new houses, apartments, shopping centers or industrial plants). They pay for improvements and facilities required to serve new development and to reduce the impacts of new development on a community.

Development impact fees (also known as “AB 1600 fees” after legislation adopted that governs such fees) pay for community amenities such as streets, sewers, parks and schools. They may not be used for day-to-day operating expenses.

The ordinance or resolution establishing the fee must explain the connection between the development project and fee. For example, a library impact fee must be connected to the demand for library services created by the construction of the development project.

The amount of the fee must not exceed the cost of providing the service or improvement that the fee pays for.

Local Debt Financing Tools

Local governments borrow money to pay for land, facilities and equipment that may require more funding than current revenues provide. Not a revenue source, but a way to leverage the timing of revenues, debt financing methods are important tools in government finance. Local governments may issue bonds and other debt instruments to finance improvements and services. These loans are paid off through taxes, assessments or fees. A variety of debt financing tools are available:

- **General Obligation Bonds.** General obligation bonds are essentially IOUs issued by public entities to finance large projects. General obligation bonds are backed by property tax revenue, which is used to repay the bond over a twenty- to thirty-year period. Increasing the property tax to repay the debt requires two-thirds voter approval and may only be done to acquire or improve real property.
- **Lease-Purchase Agreements.** In a lease-purchase agreement, sometimes called “certificates of participation,” the agency leases an asset for a period of years with the option to purchase the land or improvement at the end of the lease. The amount of the lease is equivalent to the principal and interest that would be paid if the transaction were financed as a loan.
- **Benefit Assessment and Special Tax Financing.** Benefit assessment financing is supported by benefit assessments on the property to fund acquisition of property and improvement of infrastructure and additional facilities of benefit to the property that is charged. Similarly special taxes, such as Mello-Roos taxes, may be financed with bonds to provide public improvements.
- **Revenue Bonds.** Revenue bonds are issued to acquire, construct or expand public projects for which fees, charges or admissions are charged. Because the debt service is paid from income generated by the facility or related service, such debt is considered self-liquidating and generally does not constitute debt of the issuer, subject to constitutional debt limitations.
- **Tax Allocation (Tax Increment).** Tax allocation bonds (sometimes referred to as tax-increment financing) are issued by Enhanced Infrastructure Financing Districts or Community Revitalization and Investment Authorities and repaid from the growth in property tax revenue (i.e., tax increment) and other designated revenues over a certain period, largely as a result of the funded projects in the area.

REVENUES FROM OTHER GOVERNMENT AGENCIES

Counties, cities and many special districts also receive revenues from the state and federal government. For example, over half of county revenues statewide come from state and federal sources. This reflects the role of counties in implementing state policy and programs for health and human services.

Gas Tax or Highway Users Tax

The state imposes per gallon tax on gasoline of 27.8 cents as of July 1, 2016. These funds are apportioned to cities and counties, primarily on the basis of their populations. Local gas tax revenues must be spent on research, planning, construction, improvement and maintenance of public streets, highways and mass transit. The federal government's 18.4 cents per gallon rate pays primarily for federal highways with some local grants.

Motor Vehicle License Fee (VLF)

The Motor Vehicle License Fee is a state imposed and collected tax on ownership of a registered vehicle. Counties receive vehicle license fee revenues to fund certain health, social service and public safety programs that were realigned to counties in 1991 and 2011.

State Public Safety Sales Tax

Proposition 172, a ballot measure approved in 1993, imposed a one-half percent state sales tax to be used for local public safety activities. The state distributes Proposition 172 revenues to each county based on its proportionate share of statewide taxable sales. Many cities receive a share of those funds based on losses to the state's ERAF property tax diversions.

State Mandate Reimbursement

The state constitution requires the Legislature to reimburse local governments for their costs to implement a state-mandated new program or higher level of service in an existing program. The Constitution requires the Legislature to suspend most state mandates in any year in which full funding is not provided for that mandate. The Commission on State Mandates determines the level of reimbursement in response to a claim for reimbursement filed by a local agency. The process typically takes several years during which time, local governments must spend money to comply with the mandate.

Federal and State Grants and Aid

The federal and state governments provide a wide variety of funds to counties, and a more limited set to cities and special districts. Federal and state grants comprise a large proportion of county revenues because of the many programs and responsibilities counties carry out on behalf of the federal and state governments. These funds are almost entirely restricted to specified uses. Examples include certain health, mental health, social and child welfare services.

Categorical grants support a defined program area. Categorical grants typically go to local agencies that either meet predetermined funding criteria or compete for project funding through an application process.

Block grants provide funding to a broad functional area. For example, federal Community Development Block Grant (CDBG) funds support local housing and economic development activities.

RENT FOR USE OF PUBLIC PROPERTY

Rents, Royalties and Concessions

Another way cities and counties and some special districts pay for public services is to charge rent for use of the public's property. An example is royalties from natural resources taken from land the public owns. Others include selling advertisements in publications or on buses, as well as, receiving a percentage of net profits from concessionaires operating on public property.

Franchise Fees

Franchise fees are a form of rent for use of public streets and roadways. Examples of businesses that pay franchise fees include trash collectors, cable television companies, electric utilities and oil and natural gas pipeline companies. Federal and state law limits the amount of some franchise fees (for example, video and cable television franchise fees). Franchise fees for provision of video services (like television programming) are limited and administered by the state.

FINES, FORFEITURES AND PENALTIES

Violations of the law often result in a fine of some kind. Fines, forfeitures and penalties may be imposed for many reasons. Typical examples include traffic violations, court fines, penalties and interest on late or unpaid taxes.

- State law determines the distribution of fines and bail forfeitures imposed by the state.
- State law apportions revenues for parking violations and surcharges between issuing agencies and the counties.
- A city or county may impose fines, forfeitures and penalties for civil violation of local ordinances.
- Bail for local code violations charged criminally is established by the local courts with input from the city or county.

Maintenance of Effort Requirements (MOE)

When cities and counties receive funding for programs from the state or federal government, such funding may come with strings attached. A common condition is that the city or county commit to a certain level of funding. This commitment is called "maintenance of effort."

Local agencies also receive reimbursement for revenue lost as a result of some tax exemptions and reductions. An example includes the homeowners' property tax exemption, which eliminates the property tax on a small portion of the assessed valuation of owner-occupied residential property.

OTHER REVENUES

There are other local government revenues, comparatively minor in amounts. These include interest earned on investments, sales of surplus property and gifts.

ACKNOWLEDGEMENTS

Special thanks to Michael Coleman whose expertise contributed to the 2016 update of this publication. Michael Coleman is a leading expert on California local government revenues, spending and financing. He is the creator of CaliforniaCityFinance.com, the California Local Government Finance Almanac, an online resource of data, analyses and articles on California municipal finance and budgeting.

The Institute also appreciates the contributions from the staff of the California Special Districts Association, the California State Association of Counties and the League of California Cities for their contributions and suggestions to this revised document.

ENDNOTES

ⁱ California Department of Finance, Demographic Research Unit www.dof.ca.gov/Forecasting/Demographics/Estimates/

ⁱⁱ Cal. Const. art. XI, § 1(a). *See also* Cal. Gov't Code § 23002 ("The several existing counties of the State and such other counties as are hereafter organized are legal subdivisions of the State."). *People ex rel. Younger v. County of El Dorado*, 5 Cal. 3d 480, 491, 96 Cal. Rptr. 557 (1971)

ⁱⁱⁱ Cal. Const. art XIII C, section 1(e)

^{iv} A complete discussion of this list of seven exceptions can be found in the *Proposition 26 Implementation Guide* published by the League of California Cities.

^v Proposition 30 imposed an additional state general fund sales tax of 0.25 percent from 2013 through 2016, for a total base rate of 7.5% during that time.

^{vi} See "State Public Safety Sales Tax" under "Revenues From Other Government Agencies."

^{vii} In some cities, by historic agreement, the city collects less than 1.00 percent, with the difference allocated to the county. For example, in San Mateo county each city receives 0.95% of transaction within its jurisdiction and 0.05% goes to the county general fund. For a full list of local sales tax rates see Table 23A of the California State Board of Equalization Annual Report.

<http://www.boe.ca.gov/annual/table23a.htm>

^{viii} Except in the counties of Los Angeles, Alameda and Contra Costa where the maximum is 2.5 percent. Revenue and Tax Code §7251 et seq.

^{ix} For more information on Charter Cities see www.cacities.org/chartercities

Resources for Further Information

Coleman, Michael. *California Municipal Revenue Sources Handbook*, League of California Cities 2014.

Multari, Michael, Michael Coleman, Kenneth Hampian, Bill Statler. *Guide to Local Government Finance in California*, Solano Press Books, 2012.

California Legislative Analyst's Office. www.lao.ca.gov

"California Local Government Finance Almanac: Data, Statistics, Analyses on California City, County and Special District Finance." www.californiacityfinance.com

"Financial Management for Elected Officials." Institute for Local Government. www.ca-ilg.org/post/financialmanagement

"Learn About Cities." League of California Cities. www.cacities.org/Resources/Learn-About-Cities

"What Do Counties Do?" California State Association of Counties. www.csac.counties.org/californias-counties

"What are Special Districts and What Do They do?" California Special Districts Association. www.cstda.net/special-districts/

Notes

ABOUT THE INSTITUTE FOR LOCAL GOVERNMENT

The Institute for Local Government (ILG) is the nonprofit 501(c)(3) research and education affiliate of the League of California Cities, the California State Association of Counties and the California Special Districts Association. Its mission is to promote good government at the local level with practical, impartial and easy-to-use resources for California communities.

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Office of the City Manager

WORKSESSION

February 4, 2020

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Timothy Burroughs, Director, Planning and Development Department

Subject: Adeline Corridor Specific Planning Process Update

SUMMARY

The purpose of this report is to provide City Council with an update about the community-driven planning process for the Adeline Corridor area – an area that has a rich history of cultural and economic diversity and political activism, and that also is facing acute challenges, such as displacement and gentrification.

Funded by a grant from the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG), this four-year planning process has now resulted in publication of a draft Specific Plan (henceforth “Draft Plan”). The Draft Plan articulates a vision and specific goals and actions for the Adeline Corridor. Staff has also prepared draft amendments to the General Plan and zoning ordinance that would advance the goals of the Plan, all of which are evaluated in an associated environmental impact report (EIR). All documents are available for public review at www.cityofberkeley.info/adelinecorridor.

These documents are currently being reviewed by a subcommittee of the Planning Commission, to facilitate the full Commission’s deliberation on a recommendation for Council consideration, anticipated in late spring/summer 2020. Having an adopted Plan and EIR will mark the culmination of a multi-year planning process that was informed by many community members and partner organizations. An adopted Plan will also put the City in a better position to apply for grants and to secure other funding to implement Plan recommendations, including improvements to local infrastructure, anti-displacement policies and programs, and additional investment in invaluable community assets and institutions, among other recommendations.

During the planning process, several key topics continue to emerge from community feedback:

- Preserving existing housing and creating new housing at all affordability levels, in particular at extremely low-income and very low-income levels;
- Developing a community preference policy to prioritize existing residents, those most vulnerable to displacement, and those who have already been displaced;

- Placing a priority on using public land for affordable housing and other community benefits;
- Supporting long-standing community institutions and assets such as the Berkeley Flea Market, community-serving non-profits, and future institutions such as the African American Holistic Resource Center;
- Creating new parks and other community gathering spaces;
- Increasing the safety of the street and repurposing right-of-way for parks, people, bikes and transit; and
- Ensuring accountability and transparency in how the Plan gets implemented.

The Draft Plan puts forth a framework to address these areas of focus in eight chapters, consisting of:

- The Introduction chapter (Chapter 1) that provides context about Plan Area conditions, the purpose of the document, and the community engagement process;
- The Vision and Planning Framework chapter (Chapter 2) provides the long-term vision, brief historical context, goals and planning framework for the Plan Area;
- Five chapters focusing on land use, housing affordability, economic opportunity, transportation and public space (Chapters 3 through 7) that each include an overarching goal and related policies and strategies; and
- The Implementation Chapter (Chapter 8) outlines implementation measures or “next steps” to achieve the long-term vision of the Adeline Corridor Specific Plan.

Adoption of General Plan and zoning amendments that implement Draft Plan goals and policies will be considered concurrently with adoption of the Draft Plan. This will include a new General Plan land use classification (the Adeline Corridor Mixed Use classification) and a new zoning district, the Commercial Adeline Corridor (C-AC) District.

CURRENT SITUATION AND ITS EFFECTS

The Adeline Corridor Specific Plan is a Strategic Plan Priority Project, advancing our goals to:

- Create affordable housing and housing support services for our most vulnerable community members;
- Champion and demonstrate social and racial equity;
- Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment.

The Draft Plan and its Draft Environmental Impact Report (DEIR) were made available for public review on May 17, 2019.¹ The Draft Plan reflects input gathered at dozens of

¹ An overview the Draft Plan, DEIR and associated draft General Plan and zoning concepts can be found in a staff report for the June 5, 2019 Planning Commission meeting:

community meetings and workshops held since the planning process kicked off in 2015. All comments about the Draft Plan and DEIR which were received during the public comment period are reproduced in their entirety in the Response to Comments document of the Final EIR.² Most of the comments were about the Draft Plan rather than the DEIR.³

The Planning Commission's Adeline Corridor Specific Plan Subcommittee has been meeting since May 2019 to provide additional input on the Draft Plan and to prepare a recommendation to the Planning Commission, which will consider that work and forward its own recommendation to the City Council (anticipated in late spring/summer 2020). City Council will consider adopting the Final Plan, General Plan and zoning ordinance amendments, and certifying the EIR. Having an adopted Plan and EIR will put the City in a better position to apply for grants and to secure other funding to implement Plan recommendations.

BACKGROUND

In 2015, the City of Berkeley began a community planning process to develop a long-range plan for the area along Adeline Street and a section of South Shattuck Avenue from Dwight Way to Derby Street (**Attachment 1**). Forty-four percent of the 86-acre Plan Area is public right-of-way (e.g., streets and sidewalks) used for multiple modes of transportation and parking, including the Ashby BART station. The remaining land area consists of private commercial and residential parcels, and other public/civic uses. The effort is funded by a grant from the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG) with the focus on transit-oriented development that reflects community values, providing affordable housing and job growth, improving circulation and public space, and reducing greenhouse gas emissions.

The Draft Plan reflects input gathered at dozens of community meetings and workshops (**Attachment 2**). It includes a community vision for the future, identifying priorities, goals, policies and actions for the Adeline Corridor area which recognize its rich history of cultural and economic diversity and political activism, and its current acute challenges, such as displacement. As noted in the Draft Plan (May 2019), trends in race

https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Commissions/Commission_for_Planning/2019-6-5_PC_Linked%20Agenda.pdf

² The Response to Comments Document of the Final EIR is available on the City's website:

<https://www.cityofberkeley.info/AdelineCorridor/>. Print copies are available for public review at the City of Berkeley Planning and Development Department and at the following locations: the Tarea Hall Pittman South Branch Library (1901 Russell St.), the Central Library (2090 Kittredge St.) and the Judge Henry Ramsey Jr. South Berkeley Senior Center (2939 Ellis St.).

³ Comments that pertain to the EIR are addressed in the Response to Comments Document of the Final EIR, as required by the California Environmental Quality Act (CEQA). Comments about the Draft Plan were grouped by category/topic and addressed in a separate staff memorandum presented to the Planning Commission Adeline Corridor Subcommittee at its December 12, 2019 meeting. Available online at:

https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Commissions/Commission_for_Planning/2019-12-12_PCAdeline_Item%20I%20-%20C.pdf

and ethnicity, income, home prices and rents over the last several decades indicate that the process of gentrification and displacement are well underway. The Bay Area as a whole is building far less housing, especially low and moderate income housing, than needed to keep up with job growth. The clear and unavoidable result of this shortage is higher housing prices and the displacement of lower and moderate income residents, including many members of the African-American community in and around the Plan Area.

The Plan provides a roadmap for City officials, decision-makers and the community for the long-term growth of the Plan Area. The Plan's Vision Statement expresses the desired outcome from implementation of the Plan:

“Over the next 20 years, the Adeline Corridor will become a national model for equitable development. Existing affordable housing will be conserved, while new affordable and market rate housing for a range of income levels will be added. The Corridor will provide local economic opportunity through independent businesses, community non-profits, arts organizations, community markets, and an array of merchants and service providers. It will feature public spaces that are walkable, bikeable, green, and accessible to persons of all ages and abilities. It will be the center of a healthy community that cares for its most vulnerable residents, cherishes its elders, nurtures its youth, and welcomes households of all types. It will be a place where the people, places and institutions that have made South Berkeley what it is today are not only recognized---but celebrated. It will be a place where all people can thrive.”

Five key areas of focus emerged from the community feedback that informed the five broad, interrelated Draft Plan goals summarized below:

- Preserve the unique character and cultural legacy of the Adeline Corridor, sustaining the community as a place where all people can live, work, play, learn, worship, dine, and thrive.
- Foster economic opportunity for South Berkeley residents and businesses by facilitating job training and workforce development, active community spaces, and a thriving environment for commerce along the Adeline Street /South Shattuck Corridor.
- Promote equitable access to housing by producing new affordable housing, preserving existing affordable housing, and preventing displacement.
- Provide safe, equitable transportation options that meet the mobility needs of all residents, regardless of age, means and abilities, and that further the attainment of the City's greenhouse gas reduction goals.

- Provide safe, sustainable, healthy and inclusive public spaces that encourage social interaction, provide opportunities for recreation and environmental health, and support active community life in South Berkeley.

The Draft Plan carefully balances aspirational goals and policies with realistic and implementable strategies and actions. The overarching principle of social and racial equity informed the planning process and the development of Draft Plan recommendations. This has resulted in a focus on ensuring that benefits of new development and other Plan policies prioritize the existing community and enhance existing community institutions.

While no single land use plan can adequately protect neighborhood residents from the impact of the regional housing shortage, the Draft Plan commits to aggressive strategies and actions tailored for both privately owned land and public land, where public agencies have greater ability to prioritize income-restricted affordable housing. The Draft Plan includes a number of policies and actions that reflect and respond to community concerns about gentrification and displacement, which are highlighted below. Without these tailored policies and actions, the regional trends would continue to worsen. Specifically, the Draft Plan:

- Establishes an ambitious goal of at least 50% of all new housing units to be deed-restricted affordable housing serving a range of income levels (i.e., extremely low, very low, low and moderate income);
- Prioritizes public land for new affordable housing and includes a specific policy outlining development parameters, including desired community benefits, and community/stakeholder engagement for the Ashby BART station area (Policy 3.7);
- Establishes new zoning regulations that include an on-site affordable housing incentive that ties increases in density, floor area ratio, and height to the provision of increments of on-site affordable housing;
- Prioritizes development of policies to allow existing tenants and non-profit organizations a right of first offer and a right of first refusal for certain residential properties that are on the market, as well as policies to give preference for new affordable units (i.e. inclusionary Below Market Rate units and/or publicly subsidized units) to current residents or those who have previously been displaced from the neighborhood; and
- Focuses on policies and actions to support existing and future community assets and institutions, including the Berkeley Flea Market, the Juneteenth Festival and the creation of a future African American Holistic Resource Center.

The Draft Plan also includes a conceptual redesign of the roadway that repurposes sections of the public right-of-way to improve safety and mobility, as well as create opportunities for improved streetscape (e.g., street trees, lighting, bus shelters, benches etc.) and new plaza and open space.

The final chapter of the Draft Plan (Chapter 8) outlines preliminary implementation measures to fulfill the long-term vision of the Adeline Corridor Specific Plan. Given the importance, urgency, and complexity of some of the recommended projects and programs, and unknown changes that will occur over the next 20+ years in funding, laws and technological innovation, the Implementation Chapter must be considered a “living document.” It will be monitored and updated on a regular basis to reflect progress, lessons learned, changing circumstances, new opportunities, and community priorities over time. The Draft Plan stipulates that the Planning Department will provide an annual Plan Implementation Report to the City Council that will include a summary of the number of market rate and affordable units permitted, among other metrics, after Plan adoption.

Adoption of General Plan and zoning amendments that implement Draft Plan goals and policies will also be considered concurrently with adoption of the Draft Plan.⁴ This will include a new General Plan land use classification (the Adeline Corridor Mixed Use classification) and a new zoning district, the Commercial Adeline Corridor (C-AC) District. These proposed changes will:

- Incentivize greater quantities of on-site affordable housing in return for allowing specified levels of density (dwelling units/acre), floor area ratio, lot coverage, usable open space and parking;
- Simplify and clarify development standards and permit process, in order to provide more certainty for project applicants and community members;
- Facilitate uses and building design that align with the Plan vision, such as requirements for ground floor uses and minimum height, transitions to adjacent residentially zoned areas, and historic preservation; and
- Prohibit uses that do not support pedestrian-oriented commercial frontages.

In the meantime, staff and partners in the community are already making tangible progress at advancing key Plan priorities. For example, the City recently partnered with the East Bay Community Law Center to secure a grant from the Partnership for the Bay’s Future to advance the design and implementation of two policies highlighted in the Draft Plan to protect against displacement and preserve and expand affordable housing access within the local community through developing a Tenant’s Right to Purchase Act and a Local Housing Preference Policy. The City also recently secured funding from the California Department of Housing and Community Development, in addition to funding allocated by the City Council, to conduct community engagement and develop zoning that conforms to Assembly Bill 2923 for the North Berkeley and Ashby BART stations. This work will advance future redevelopment of these station

⁴ Draft General Plan and zoning amendments were introduced at the 11/21/19 PC Adeline Corridor Subcommittee meeting and continue to be under discussion. Materials are available on the Planning Commission website under the 11/21/19 Subcommittee meeting at: https://www.cityofberkeley.info/Clerk/Commissions/Archive_Pages/Planning/Commissions__Planning_Commission_Archive_Page_2008-2016.aspx

area parking lots into much needed housing and other community uses. Staff in the Planning, Public Works, and Parks Departments are also already collaborating to identify potential sources of funds for increased investment in South Berkeley's public infrastructure and green space, including a recent collaboration with local non-profit housing developers to obtain a funding award from the State's Affordable Housing Sustainable Communities program.

ENVIRONMENTAL SUSTAINABILITY

The Draft Plan is consistent with the Climate Action Plan and other City sustainability goals in several ways. For example, the Draft Plan would advance transit-oriented development along the active Adeline Corridor. The Draft Plan also promotes investment in infrastructure that will result in safe, equitable transportation options that meet the mobility needs of all residents.

POSSIBLE FUTURE ACTION

City staff are working closely with the Planning Commission's Adeline Corridor Specific Plan Subcommittee to identify revisions to the Draft Plan and to prepare a recommendation for the full Planning Commission. The Planning Commission will then consider the Draft Plan, associated General Plan and Zoning Amendments, and certification of the Environmental Impact Report and will make a recommendation for City Council consideration.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Implementation of the Plan will require additional resources for program design and implementation, infrastructure investment, and other services. Staff is already in the process of securing grant dollars to advance implementation of key Plan recommendations, such as zoning and community engagement related to the Ashby BART Station, further development of Tenant Opportunity to Purchase Act and Local Preference policies, and grants for active transportation infrastructure projects. Adoption of the Plan will make the City and partners more competitive for grant dollars.

CONTACT PERSON

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Attachments:

- 1: Plan Area Map
- 2: Summary of Planning Process and Community Engagement

Figure 1-2 Plan Area



Attachment 2: Summary of Planning Process and Community Engagement

VISIONING AND EXISTING CONDITIONS

Introductory Community Forum (January 31, 2015). The Community Forum hosted by then-Mayor Tom Bates and then-District 3 Councilmember Max Anderson, was intended to introduce the project scope, City, and consultant staff and to solicit community ideas about the best way to outreach to the community prior to starting the planning process.

Adeline Community IDEA Centers (April – June 2015). The “IDEA Center” provided a unique and convenient opportunity for community members to participate in the planning process. Over 500 people dropped-in during this 3-month period to learn about the Adeline Corridor Plan process; share input on community goals related to affordable housing, local jobs, historic preservation, transportation, and other topics; and discuss ideas and priorities for physical improvements to the corridor such as streetscape design, public art, pedestrian safety, and improved connectivity. City and consultant staff were available at the Firehouse Art Collective (3192 Adeline Street) for 2 weekdays per week and on five Saturdays at different locations within the Plan Area during the visioning phase of the planning process in April – June 2015.

Pop-Up Event and Walking/Bike Tours (June 13, 2015). The primary goal of the “pop-up” event was to collect public input on how to better use public spaces along Adeline and South Shattuck and check out temporary “pop-up” ideas for the future of the Adeline/South Shattuck corridor. By transforming a normally quiet sidewalk area into a bustling public plaza complete with food, music, live art, and community activities, the 150+ event participants were able to experience and envision potential changes within their community. The event also included two walking tours and one biking tour for community members to share their thoughts on the pedestrian and cyclist experience along the Adeline/South Shattuck corridor. Over 50 community members participated in the three tours.

Community Workshop: Existing Conditions and Visioning (August 31, 2015). The visioning workshop presented members of the community with an opportunity to review and discuss the ideas emerging from community feedback collected to-date and the data in the Existing Conditions Report. The workshop also provided a large-scale forum for residents and community members to work collectively to develop a clear vision for the character of the corridor.

Surveys. City staff and consultants, in partnership with the community, conducted several surveys to help collect information about needs and opportunities. Surveys conducted included: Community Opportunities and Needs Survey (April – June 2015 – 1,118 responses); Business Survey (April/May 2015 – 102 responses out of 340 mailings – 30% response rate); Flea Market Vendor Survey (December 2015 – Feb. 2016 – 41 responses); Shopper/Employee/Business Owner Transportation Intercept Survey (May – June 2017).

Community Learning Sessions (November 2015 – April 2016). In response to community requests for more background information relating to key areas of concern/interest, City staff organized three “101 sessions” that included speakers from City departments, other public agencies, and community partners on the following topics: affordable housing, zoning and planning, and “complete streets” (planning for all modes of transportation to increase safety, access, and mobility).

Attachment 2: Summary of Planning Process and Community Engagement

DEVELOPING PLAN DIRECTION

Community Workshop: Building the Plan Together. Affirming the Community Vision, Exploring Options for Transportation/ROW and Publicly-Owned Land (May 21, 2016). The primary goals of the community workshop were to review and affirm the community vision and to discuss options to identify the community's preferred direction for transportation options and uses of both right-of-way (ROW) opportunity areas and publicly-owned sites to better serve community goals.

Re-Imagine Adeline Open House Exhibits (January/March 2017). The purpose of this event was to present refined design concepts to redesign the right-of-way based on community feedback collected over the past two years with technical studies conducted by staff and consultants. The exhibit consists of display boards and 3-dimensional models to visualize potential changes to the Adeline corridor. The exhibit was hosted at the Ed Roberts Campus at 3075 Adeline Street for two viewing periods. The first viewing period took place between January 28 and February 4, 2017 and began with a "kickoff" event including remarks from City officials. The second viewing period took place between March 25 and March 31, 2017. Additionally, a web-based version of the exhibit was created, including a video and on-line questionnaire that included the same questions presented at the exhibit itself.

Adeline Corridor Open House and Workshops. Plan Concepts (March and June 2018). Members of the public were asked to provide input about draft Plan concepts that would become the basis for preparing a draft Plan. The open house was first presented as a two-week exhibit along with four topic-specific workshops about equity, affordable housing and community benefits, redesigning the public right-of-way to improve mobility and safety and increase open space, and strategies to foster economic opportunity. The open house took place at the Ed Roberts Campus at 3075 Adeline Street from March 10 – March 23, 2018. Additionally, a web-based version of the open house exhibits was created using the City's online forum "Berkeley Considers" to give the public additional opportunities to provide input from May 17 through June 3, 2018.

Community Meeting about a Vision for the Ashby BART Station Area (August 2, 2018). Mayor Jesse Arreguin, Councilmember Ben Bartlett, and BART Director Lateefah Simon hosted a community meeting to have a deeper conversation about the long-term vision for the Ashby BART Station Area. The Mayor, Councilmember, Director Simon and City of Berkeley Planning Director Timothy Burroughs provided brief opening remarks to frame the discussion. Verbal and written community input was documented and incorporated into the Adeline Corridor Plan.

Stakeholder/Focus Group Meetings. The project team conducted meetings with numerous groups and individuals throughout the planning process, including but not limited to: the Flea Market Board and vendors; the South Berkeley Farmer's Market, the Berkeley Chapter of the NAACP, Friends of Adeline; Lorin Business Association; groups of church members and the pastors of (historically black) churches in the area; Healthy Black Families; Ed Roberts; the East Bay Center for the Blind; senior housing residents; youth groups; the Drop-In Center clients (homeless); non-profit affordable housing advocates/developers; and non-profit service providers in the area.

Attachment 2: Summary of Planning Process and Community Engagement

PLAN REVIEW AND ADOPTION¹

Planning Commission Adeline Corridor Specific Plan Subcommittee Meetings. The Planning Commission established an Adeline Corridor Specific Plan Subcommittee, which has been meeting since May 2019 review the documents and develop guidance and/or a draft recommendation for the full Planning Commission. Meetings are currently scheduled through February 2019. Agendas for the meetings are available online at the Planning Commission webpage (www.cityofberkeley.info/PC).

Planning Commission. The Planning Commission will consider its Subcommittee recommendation and prepare a recommendation from the full Commission to the City Council regarding the Adeline Corridor Specific Plan and associated General Plan and Zoning Amendments and certification of the Environmental Impact Report (EIR). Anticipated in Spring 2020.

City Council. The City Council will consider the Planning Commission's recommendation and will be the body that adopts and certifies the Final Adeline Corridor Specific Plan and associated General Plan and Zoning Amendments and certification of the Environmental Impact Report (EIR). Anticipated in Spring/Summer 2020.

¹ Additional stakeholder group and community engagement will continue throughout the Plan Review and Adoption phase.

