



Office of the City Manager

ACTION CALENDAR
June 16, 2026

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Paul Buddenhagen, City Manager

Subject: Placing a General Obligation Bond Measure on the November 3, 2026 Ballot for the Acquisition or Improvement of Real Property for Public Infrastructure and Facilities

RECOMMENDATION

- 1) Adopt a Resolution determining public interest and necessity for issuing a general obligation bond in the amount of \$300 million for public infrastructure and facilities, submitting to the Berkeley electorate on the November 3, 2026 ballot a measure to authorize a general obligation bond in that amount, and finding that the proposed measure is not a project under the California Environmental Quality Act.
- 2) Designate, by motion, specific members of the Council to file ballot measure arguments on this measure as provided for in Elections Code Section 9282.

FISCAL IMPACTS OF RECOMMENDATION

No direct fiscal impacts related to the recommended action. Election services have seen a steep increase since 2018, with the City's first million-dollar election in 2020. It is uncertain at this time how recent state mandates and the pandemic will affect election costs on an ongoing basis. In addition, the number of measures placed on the ballot, and the length of the measures, are the primary driving factors in the fluctuation of election costs.

CURRENT SITUATION AND ITS EFFECTS

The City has received direction from the City Council to place a \$300 million General Obligation bond measure on the November 3, 2026 ballot to fund priority public infrastructure and facilities improvements. This item implements Council direction provided at the May 19, 2026 Council meeting, where Council reviewed the results of

the second community survey and affirmed direction to prepare ballot language for the measure¹.

Berkeley faces significant unfunded capital infrastructure needs and a growing deferred maintenance backlog across public safety facilities, community-serving facilities, civic buildings, parks and recreation assets, sidewalks, ADA accessibility improvements, seismic upgrades, and climate-resilient infrastructure. Many City facilities and public assets were constructed decades ago and no longer meet current standards for accessibility, seismic safety, climate resilience, operational efficiency, or modern service delivery. Existing annual capital allocations and available funding sources are not sufficient to address these needs at the scale or pace required.

The proposed bond measure would provide one-time capital funding for eligible infrastructure projects across three high-level categories: Public Safety; Community Facilities and Quality of Life; and Critical Infrastructure and Accessibility. Representative project areas include fire station replacement and modernization, emergency response facilities, parks and recreation facilities, public buildings, sidewalk and ADA improvements, seismic upgrades, waterfront resilience, and other critical infrastructure needs.

The current working framework assumes \$300 million in bond sales and approximately \$13 million in bond interest earnings, for total projected program capacity of approximately \$313 million. This includes approximately \$272.5 million in project costs and approximately \$40.5 million in staffing and implementation resources needed to administer and deliver a multi-year bond-funded capital program, including planning, procurement, project management, construction management, compliance, reporting, auditing, and oversight. These implementation resources are intended to support project delivery and administration, not ongoing operations or routine maintenance.

The measure tested in the community survey assumed an estimated average annual tax rate of approximately \$22.14 per \$100,000 of assessed property value, with \$100 million in bonds issued every five years beginning in 2027. When combined with the City's existing General Obligation bond authorizations, the estimated average tax rate over time would be approximately \$44.13 per \$100,000 of assessed value, depending on issuance timing, interest rates, assessed valuation growth, and other financing assumptions.

The City's second community survey, conducted April 21–26, 2026, found that initial support for the potential \$300 million GO bond was 69 percent, with support decreasing to 64 percent after voters heard supporting and opposing statements. The survey indicates that the measure remains viable but may be sensitive to concerns regarding

¹ <https://berkeleyca.gov/sites/default/files/2026-05/2026-05-19%20Item%2021%20Proposed%20FY%202027%20and%20FY%202028.pdf>

overall tax burden, affordability, and the number of potential revenue measures expected on the November 2026 ballot.

At the May 19, 2026 meeting, following discussion, Council voted to affirm direction to prepare ballot language for a potential \$300 million General Obligation bond measure for the November 3, 2026 ballot to fund priority infrastructure investments. This item now places the proposed bond measure before Berkeley voters for consideration.

If approved by two-thirds of voters, the bond would provide a significant source of capital funding to address high-priority infrastructure needs. If the measure is not approved by voters, the City would need to continue relying on existing limited funding sources, grants, and future budget allocations, which would likely result in continued deferral of major infrastructure investments, increasing repair costs, and greater risk of service disruption or facility failure.

BACKGROUND

The City's consideration of a 2026 General Obligation bond measure is grounded in a series of City Council referrals, long-range infrastructure planning efforts, cross-departmental analysis, voter survey research, and community engagement activities focused on Berkeley's aging public infrastructure and long-term capital needs.

Berkeley faces significant unfunded infrastructure and deferred maintenance needs across public safety facilities, parks and recreation facilities, civic buildings, sidewalks, ADA accessibility improvements, seismic upgrades, waterfront infrastructure, and other critical public assets. Current estimates indicate that the City's long-term infrastructure needs exceed \$1.5 billion.² In addition, the proposed Capital Improvement Program for Fiscal Years 2027-2031 identifies over \$2.1 billion in needs.³ Existing capital funding sources and annual appropriations are insufficient to address these needs at the scale and pace required.

This work builds upon the City's broader infrastructure planning framework, including Vision 2050, which emphasizes climate resilience, equity, public health and safety, sustainability, accessibility, and integrated long-term infrastructure planning. The proposed bond framework is also informed by prior infrastructure planning efforts, deferred maintenance analyses, facility assessments, and capital improvement planning work conducted across multiple City departments.

On June 17, 2025, City Council referred to the City Manager an item to assess the potential for a 2026 ballot measure to support capital improvements to Fire Department facilities⁴. On September 30, 2025, Council referred an additional item to assess the

² <https://berkeleyca.gov/sites/default/files/documents/FY-2025-2029-Capital-Improvement-Program.pdf>

³ <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/Item%2002%20Proposed%20FY27-FY31%20Proposed%20CIP%20Budget%20Presentation.pdf>

⁴ <https://berkeleyca.gov/sites/default/files/documents/2025-06-17%20Item%2028%20Fire%20Facility%20Revenue%20Measures.pdf>

potential for a 2026 ballot measure to support recreation and community facility improvements⁵. These referrals reflected Council's interest in evaluating a potential revenue measure to address major capital needs that cannot be fully funded through existing sources.

On December 2, 2025, City Council reviewed staff's preliminary assessment of the City's infrastructure and deferred maintenance needs and provided direction to explore a potential General Obligation bond measure for the November 2026 ballot, with a funding capacity up to \$300 million⁶. Staff subsequently organized potential bond projects into three high-level categories: Public Safety; Community Facilities and Quality of Life; and Critical Infrastructure and Accessibility.

Potential projects were identified and refined through a collaborative cross-departmental process involving multiple City departments and subject matter experts. Staff also developed an evaluation framework to help assess projects based on factors including health and safety impacts, infrastructure condition and resilience, community use and equity, climate resiliency and sustainability, deliverability and readiness, and opportunities to leverage external funding.

To support the development of a potential bond measure, the City contracted with Lake Research Partners to conduct voter survey research related to potential 2026 revenue measures. The first community survey, conducted February 19–23, 2026, tested voter priorities and support for potential General Obligation bond concepts. At the March 17, 2026 Council work session, Council reviewed the first survey results and directed staff to continue developing a potential \$300 million General Obligation bond measure, refine project priorities and cost assumptions, and conduct a second survey to test refined ballot language⁷.

In parallel with the survey process, the City conducted broader community engagement activities, including meetings with City commissions, focus groups, joint district community meetings, and public informational materials and website updates regarding potential bond projects and infrastructure priorities. Feedback consistently emphasized interest in life safety, emergency response, accessibility, climate resilience, parks and recreation facilities, sidewalks, public buildings, and other visible neighborhood infrastructure improvements. Community members also emphasized the importance of accountability, transparency, geographic equity, and implementation feasibility.

The second community survey was conducted April 21–26, 2026 and tested refined ballot language for a potential \$300 million General Obligation bond measure in the context of other anticipated local and regional revenue measures. Results indicated 69

⁵ <https://berkeleyca.gov/sites/default/files/documents/2025-09-30%20Item%2011%20Recreation%20and%20Community%20Facility%20Improvement%20Measures.pdf>

⁶ <https://berkeleyca.gov/city-council-special-meeting-eagenda-december-2-2025>

⁷ <https://berkeleyca.gov/sites/default/files/2026-03/2026-03-17%20Special%20Item%2001%20Presentation%20and%20Discussion.pdf>

percent initial support for the proposed bond measure, with support decreasing to 64 percent after voters heard supporting and opposing statements. The survey also demonstrated strong voter interest in investments related to fire stations, emergency response infrastructure, parks and recreation facilities, accessibility improvements, and climate-resilient public infrastructure.

At the May 19, 2026 Council meeting, Council reviewed the second survey results, discussed the refined project framework and financial assumptions. Following discussion, Council voted to affirm direction to prepare ballot language for a potential \$300 million General Obligation bond measure for the November 3, 2026 ballot to fund priority infrastructure investments.⁸

This item implements Council's direction by submitting the proposed General Obligation bond measure to Berkeley voters for consideration at the November 3, 2026 General Municipal Election. If approved by two-thirds of voters, the measure would authorize the issuance of up to \$300 million in general obligation bonds to fund eligible capital infrastructure and facility improvements identified in the final bond framework and accompanying measure materials.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Many of the infrastructure investments under consideration for a potential November 2026 ballot measure directly advance the City's environmental sustainability, climate resilience, and environmental justice goals. Modernizing aging public facilities provides opportunities to incorporate energy-efficient building systems, high-performance materials, and low-carbon construction practices consistent with Berkeley's Climate Action Plan policies.

Several of the proposed project categories and example projects also directly support climate adaptation and resilience objectives, including improvements to stormwater infrastructure, shoreline and waterfront protection, seismic upgrades to critical facilities, and retrofits that enhance emergency response capacity during climate-related emergencies such as extreme heat, wildfire smoke events, flooding, and power outages. Investments in public safety facilities and emergency communications infrastructure further strengthen the City's ability to respond to increasingly frequent and severe climate-driven hazards.

In addition, proposed investments in sidewalks, ADA accessibility, and pedestrian infrastructure advance sustainable transportation and public health outcomes by improving walkability and accessibility, reducing reliance on vehicle travel, and supporting safer, more connected neighborhoods. Enhancements to parks, recreation facilities, and community centers also contribute to urban greening, heat mitigation, and

⁸ <https://berkeleyca.gov/sites/default/files/2026-05/2026-05-19%20Special%20Item%2001%20Presentation%20and%20Discussion.pdf>

community resilience by providing cooling spaces and accessible public gathering areas during extreme weather events.

Project prioritization and implementation will continue to be guided by the Vision 2050 framework, which elevates climate resilience, sustainability, equity, and integrated infrastructure planning as core principles. As specific projects are refined, staff will incorporate climate risk screening and lifecycle sustainability considerations to ensure that public investments are durable, resilient to future climate conditions, and aligned with the City's long-term environmental and climate goals.

RATIONALE FOR RECOMMENDATION

The City Clerk is presenting this action in accordance with the direction given by the City Council at the May 19, 2026 meetings.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Paul Buddenhagen, City Manager, (510) 981-7000

Attachments:

1: Resolution

Exhibit A: Text of Measure

Exhibit B: Tax Rate Statement

RESOLUTION NO. -N.S.

DETERMINING THAT PUBLIC INTEREST AND NECESSITY DEMAND THE
ISSUANCE OF GENERAL OBLIGATION BONDS TO FINANCE
THE ACQUISITION OR IMPROVEMENT OF REAL PROPERTY FOR PUBLIC
INFRASTRUCTURE AND FACILITIES, AND SUBMITTING TO THE BERKELEY
ELECTORATE ON THE NOVEMBER 3, 2026 BALLOT A MEASURE TO AUTHORIZE
GENERAL OBLIGATION BONDS FOR SUCH PROJECTS

WHEREAS, the City has undertaken a comprehensive review of its infrastructure and facilities needs, and as documented in the City's Adopted Capital Improvement Program for Fiscal Years 2025-2029, identified over \$1.5 billion in infrastructure and facilities needs, with the proposed Capital Improvement Program for Fiscal Years 2027-2031 identifying over \$2.1 billion in infrastructure and facilities needs (such Programs as updated from time to time and Capital Improvement Programs for subsequent time periods are referred to herein as the "Capital Improvement Programs"); and

WHEREAS, the City's Vision 2050 Framework is a comprehensive plan to build, upgrade, and repair Berkeley's infrastructure and facilities to be more sustainable, safe, and resilient and to meet the needs of future generations, including addressing climate and environmental challenges; and

WHEREAS, the size and scale of local infrastructure and facilities needs show the challenge ahead despite the proactive steps taken to address these issues over the last decade; and

WHEREAS, existing funds and funding sources are inadequate for these infrastructure and facilities needs; and

WHEREAS, the City faces a projected \$31 million General Fund deficit in the 2027 fiscal year and \$29 million deficit in the 2028 fiscal year; and

WHEREAS, the City is authorized to provide for the issuance of general obligation bonds to finance municipal improvements pursuant to Chapter 7.64 of the Berkeley Municipal Code, and is authorized to issue, sell and refund general obligation bonds pursuant to certain provisions of the California Government Code, including Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 (each, the "Bond Law"); and

WHEREAS, in order to address the infrastructure needs identified in the Capital Improvement Programs and the City's Vision 2050 Framework, under the Bond Law and Chapter 7.64 of the Berkeley Municipal Code, the City intends to issue general obligation bonds ("Bonds") to finance the acquisition or improvement of real property for public infrastructure and facilities ("Improvements"), including but not limited to the City's fire stations, emergency response facilities, parks and recreation facilities and infrastructure, accessibility improvements, seismic and climate resiliency upgrades, sidewalk

improvements, facility modernization and reliability and other public infrastructure, including renovation, replacement, or reconstruction so that the public can continue to benefit from infrastructure and facility improvements; and

WHEREAS, the issuance of the Bonds to finance the infrastructure and facilities needs documented in the City's Capital Improvement Programs and the City's Vision 2050 Framework is part of the City's comprehensive approach to identifying and addressing the City's infrastructure and facilities needs, and the Improvements are related as a result of such approach; and

WHEREAS, the Improvements may include any public art integrated into the Improvements consistent with Berkeley Municipal Code Chapter 6.13; and

WHEREAS, the City may have the opportunity to leverage Federal, State, regional and County of Alameda ("County") funds allocated for these needs if it issues the Bonds to address these needs; and

WHEREAS, fiscal accountability protections including public disclosure of all spending and regular audits help ensure funds will be spent as promised; and

WHEREAS, funding from the Bonds should be guided by the City's non-exhaustive list of proposed projects identified through the public input process carried out by the City in 2026 for the purpose of identifying potential projects to be funded by bond revenues, provided that projects not identified in that process shall also be eligible provided they consist of the acquisition or improvement of real property for public infrastructure and facilities provided they are identified in the City's Capital Improvement Programs and the City's Vision 2050 Framework; and

WHEREAS, by law, all funds must remain under local control in the City and cannot be taken away by the State or the County or used for other purposes; and

WHEREAS, the City Council recognizes the importance of ensuring adequate maintenance funding from existing sources for Improvements financed by the Bonds and not supplanting existing City infrastructure funding with proceeds of the Bonds; and

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

WHEREAS, it is in the public interest and for the public benefit that the City declares its official intent to reimburse certain of the proposed expenditures referenced herein; and

WHEREAS, proceeds from the sale of the Bonds will be used to finance the Improvements, and all expenditures will be subject to regular audits by the City Auditor; and

WHEREAS, the Council desires to submit this measure to be placed on the ballot at the November 3, 2026 Statewide General Election, consistent with the Council's Resolution No. 72,236-N.S., adopted on April 21, 2026, calling for a General Municipal Election to be consolidated with said statewide election; and

WHEREAS, the Council's Resolution No. 72,236-N.S., adopted on April 21, 2026, adopted the provisions of Elections Code Section 9285(a) providing for the filing of rebuttal arguments for city ballot measures, pursuant to Elections Code Section 9285(b).

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Berkeley that the public interest and necessity require the issuance of one or more series of general obligation bonds in the amount of \$300,000,000 to fund the Improvements, subject to completion of the proceedings required by the Bond Law.

BE IT FURTHER RESOLVED that this resolution is adopted pursuant to and in conformance with Chapter 7.64 of the Berkeley Municipal Code.

BE IT FURTHER RESOLVED that:

- A. A ballot measure authorizing the City to issue general obligation bonds to finance the acquisition and improvement of real property for the Improvements (the "Measure"), the full text of which is attached hereto as Exhibit A, shall be placed before the voters at the election on November 3, 2026.
- B. The maximum rate of interest to be paid on the Bonds shall not exceed the maximum interest rate permitted by law at the time the Bonds are issued.
- C. The estimated cost of the Improvements may include costs and expenses incidental to or connected with the issuance and sale of the Bonds.
- D. Proceeds of the Bonds shall be used to finance the acquisition and improvement of real property for the Improvements, and to pay any fees and costs in connection with issuance of the Bonds, including but not limited to, legal fees, auditing costs, and bond printing costs.
- E. The Improvements will be completed as needed, and each is assumed to include its share of costs, including planning, program management and construction costs. The final cost of each Improvement will be determined as real property is purchased, plans are finalized, construction bids are awarded, or projects are completed. In addition, certain acquisition or improvement funds are expected from non-bond sources, including funds which have not yet been secured. Therefore,

the City Council cannot guarantee that the Bonds will provide sufficient funds to allow completion of all needed Improvements.

- F. As part of the process to adopt a budget, the City Manager shall provide to the City Council a comprehensive report of funds received from any Bonds authorized by this Measure.
- G. The following commissions or their successors shall provide oversight by reporting to the City Council on an annual basis regarding projects funded by the Bonds and the expenditure of proceeds of the Bonds, whether those expenditures are consistent with the purposes of the Bonds set forth in this Resolution, and recommendations on projects proposed to be funded by the Bonds and proposed expenditures of the proceeds of the Bonds:
 - 1. The Parks, Recreation, and Waterfront Commission shall provide oversight on Improvements related to properties and facilities identified in Municipal Code Section 3.26.040.A, including all parks, recreation, and waterfront Improvements.
 - 2. The Transportation and Infrastructure Commission shall provide oversight on the Improvements related to transportation and other public infrastructure.
- H. All expenditures will be subject to regular audits by the City Auditor at least once every three years to confirm that expenditures of proceeds of the Bonds are consistent with the intent of this Resolution.

BE IT FURTHER RESOLVED that, pursuant to California Elections Code sections 10002 and 10403, this City Council does hereby call an election on Tuesday, November 3, 2026 and requests that the Alameda County Board of Supervisors consolidate said election with the Statewide General Election on that same date in the manner and schedule established by Resolution No. 72,236-N.S., adopted on April 21, 2026, and submit to the qualified voters of the City, at said consolidated election, the Measure, such approval to constitute the authorization to issue the Bonds.

BE IT FURTHER RESOLVED that the City of Berkeley hereby requests that the Alameda County Board of Supervisors permit the Registrar of Voters of Alameda County to perform services in connection with said election at the request of the City Clerk. These services are to include all necessary services related to official ballot creation, sample ballot and voter information pamphlet preparation, vote-by-mail, polling places, poll workers, voter registration, voting machines, canvass operations, and any and all other services necessary for the conduct of the consolidated election.

BE IT FURTHER RESOLVED that the City proposes to issue and sell general obligation bonds of the City, in one or more series, in the maximum amount and for the objects and

purposes set forth above, payable from and secured by ad valorem taxes levied and collected in the manner prescribed by laws of the State of California, all equally and ratably secured, without priority, by the taxing power of the City, if two-thirds of all qualified voters voting on the Measure vote in favor thereof.

BE IT FURTHER RESOLVED that said proposed bond measure shall be placed on the ballot for the November 3, 2026 election with the statement of the measure to be printed in the ballot in the following form:

CITY OF BERKELEY GENERAL OBLIGATION BOND MEASURE	
Shall the measure authorizing issuance of \$300,000,000 in general obligation bonds to fund acquisition and improvement of fire stations, emergency response facilities, parks and recreation facilities, and other public infrastructure and facilities, and increase climate resiliency, subject to independent oversight and audits, be adopted?	BONDS YES
<u>Financial Implications:</u> Average annual taxpayer costs over projected 40 years bonds are outstanding are approximately \$22.14 per \$100,000 assessed property value; generating approximately \$15,200,000/year.	BONDS NO

BE IT FURTHER RESOLVED that at this time, the best estimate of the average and highest tax rates expected to be levied for debt service on the bonds is set forth in the Tax Rate Statement attached hereto as Exhibit B.

BE IT FURTHER RESOLVED that the Board of Supervisors of Alameda County is hereby requested to include on the ballots and sample ballots the measure enumerated above to be voted on by the voters of the qualified electors of the City of Berkeley, and that ballots for the election shall be provided in the form and in the number provided by law. Voters shall be provided an opportunity to vote for or against the Measure on the ballot, in accordance with procedures to be adopted by the authorized officers of the County.

BE IT FURTHER RESOLVED that the full text of the measure shall be printed in the Voter Information Pamphlet mailed to all voters in the City of Berkeley.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the posting, publication and printing of notices, pursuant to the requirements of the Charter of the City of Berkeley, the Government Code and the Elections Code of the State of California, and to file a certified copy of this Resolution, including all exhibits, no later than the close of business on August 7, 2026, with the County Registrar of Voters and the Clerk of the County Board of Supervisors.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to obtain printing, supplies and services as required.

BE IT FURTHER RESOLVED that the City Clerk is hereby authorized to enter into any contracts necessary for election consulting services, temporary employment services, printing services, and any such other supplies and services as may be required by the statutes of the State of California and the Charter of the City of Berkeley for the conduct of the November General Municipal Election.

BE IT FURTHER RESOLVED that the City will reimburse the Registrar of Voters for the costs associated with placing the measure on the ballot.

BE IT FURTHER RESOLVED that the Mayor, the City Manager, the Finance Director, the City Attorney and the City Clerk, and any of their designees, are hereby authorized to execute any documents and to perform all acts necessary to place the Measure on the ballot, and to make any changes to the text of the Measure, the statement of the measure or the Tax Rate Statement to conform to any legal requirements of the County Registrar, in order to cause the election to be held and conducted in the City.

BE IT FURTHER RESOLVED that the City Council directs the City Clerk to transmit a copy of the Measure to the City Attorney, who shall prepare an impartial analysis of the Measure showing the effect of the Measure on the existing law and the operation of the Measure. The impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments.

BE IT FURTHER RESOLVED that the filing of ballot arguments shall conform to the manner and schedule established by Resolution No. 72,236-N.S., adopted on April 21, 2026.

BE IT FURTHER RESOLVED that the City Council, having reviewed the Measure, hereby finds that this action is not subject to the California Environmental Quality Act ("CEQA") because it involves the establishment of a government financing mechanism that does not involve any commitment to specific projects to be constructed with proceeds of the Bonds. The use of the proceeds of the Bonds to finance any project or portion of any project will be subject to approval of the applicable decision-making body at that time, upon completion of planning and any further required environmental review under CEQA.

BE IT FURTHER RESOLVED that this Resolution shall take effect from and after the date of its passage and adoption.

BE IT FURTHER RESOLVED that the City Clerk shall certify to the passage and adoption thereof.

Exhibits

A: Text of Measure

B: Tax Rate Statement

EXHIBIT A

**FULL TEXT OF MEASURE TO BE SUBMITTED TO THE VOTERS
AUTHORIZING THE CITY OF BERKELEY TO ISSUE GENERAL
OBLIGATION BONDS TO FINANCE THE ACQUISITION OR IMPROVEMENT
OF REAL PROPERTY FOR PUBLIC INFRASTRUCTURE AND FACILITIES**

Be it ordained by the people of the City of Berkeley as follows:

Section 1. Findings.

WHEREAS, the City has undertaken a comprehensive review of its infrastructure and facilities needs, and as documented in the City's Adopted Capital Improvement Program for Fiscal Years 2025-2029, identified over \$1.5 billion in infrastructure and facilities needs, with the proposed Capital Improvement Program for Fiscal Years 2027-2031 identifying over \$2.1 billion in infrastructure and facilities needs (such Programs as updated from time to time and Capital Improvement Programs for subsequent time periods are referred to herein as the Capital Improvement Programs"); and

WHEREAS, the City's Vision 2050 Framework is a comprehensive plan to build, upgrade, and repair Berkeley's infrastructure and facilities to be more sustainable, safe, and resilient and to meet the needs of future generations, including addressing climate and environmental challenges; and

WHEREAS, existing funds and funding sources are inadequate for these infrastructure and facilities needs; and

WHEREAS, the City faces a projected \$31 million General Fund deficit in the 2027 fiscal year and \$29 million deficit in the 2028 fiscal year; and

WHEREAS, the City is authorized to issue general obligation bonds to finance municipal improvements pursuant to certain provisions of the California Government Code, including Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 or Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 (each, the "Bond Law"); and

WHEREAS, under the Bond Law and Chapter 7.64, the City intends to issue general obligation bonds ("Bonds") to finance the acquisition or improvement of real property for public infrastructure and facilities ("Improvements"), as further described in Section 2 below; and

WHEREAS, the issuance of the Bonds to finance the infrastructure and facilities needs documented in the City's Capital Improvement Programs and the City's Vision 2050 Framework is part of the City's comprehensive approach to identifying and addressing the City's infrastructure and facilities needs, and the Improvements are related as a result of such approach; and

WHEREAS, the Improvements may include any public art integrated into the Improvements consistent with Berkeley Municipal Code Chapter 6.13; and

WHEREAS, the City may have the opportunity to leverage Federal, State, regional and County of Alameda (“County”) funds allocated for these needs if it issues the Bonds to address these needs; and

WHEREAS, fiscal accountability protections including public disclosure of all spending and regular audits help ensure funds will be spent as promised; and

WHEREAS, funding from the Bonds should be guided by the City’s non-exhaustive list of proposed projects identified through the public input process carried out by the City in 2026 for the purpose of identifying potential projects to be funded by bond revenues, provided that projects not identified in that process shall also be eligible provided they consist of the acquisition or improvement of real property for public infrastructure and facilities; and

WHEREAS, by law, all funds must remain under local control in the City and cannot be taken away by the State or the County or used for other purposes; and

WHEREAS, the City Council recognizes the importance of ensuring adequate maintenance funding from existing sources for Improvements financed by the Bonds and not supplanting existing City infrastructure funding with proceeds of the Bonds; and

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

WHEREAS, it is in the public interest and for the public benefit that the City declares its official intent to reimburse certain of the proposed expenditures referenced herein; and

WHEREAS, proceeds from the sale of the Bonds will be used to finance the Improvements, and all expenditures will be subject to regular audits by the City Auditor.

Section 2. Object and Purpose of Bonds.

This measure (the “Measure”) authorizes the issuance of the Bonds, the object and purpose of which is to finance, by the City of Berkeley or a third party, as applicable, the acquisition or improvement of real property for the Improvements. The Improvements include, but are not limited to:

- Emergency (including Fire Department) response facilities;

- City's parks and recreation facilities and infrastructure;
- Accessibility improvements in the City;
- Seismic and climate resiliency upgrades;
- Facility modernization and reliability improvements; and
- Construction of or improvements to other City infrastructure, including renovation, replacement, or reconstruction for public benefit.

The Improvements (as defined above) will be completed as needed, and each is assumed to include its share of costs, including planning, program management and construction costs. The final cost of each Improvement will be determined as real property is purchased, plans are finalized, construction bids are awarded, or projects are completed. In addition, certain acquisition or improvement funds are expected from non-bond sources, including funds which have not yet been secured. Therefore, the City Council cannot guarantee that the Bonds will provide sufficient funds to allow completion of all needed Improvements.

Proceeds of the Bonds may be used to reimburse the City for expenditures on the Improvements that are paid before the date of execution, delivery or issuance of the Bonds.

Section 3. Estimated Cost of Improvements.

The estimated cost of the Improvements to be funded by the Bonds is \$300,000,000.

The estimated cost of the Improvements includes legal and other fees, the cost of printing the Bonds and other costs and expenses (including auditing costs), in each case incidental to or connected with the authorization, issuance or sale of the Bonds. The cost of the Improvements includes planning, program management and construction costs.

Section 4. Principal Amount of Bonds.

The aggregate principal amount of Bonds to be issued shall not exceed \$300,000,000.

Section 5. Maximum Interest Rate.

The maximum rate of interest to be paid on the Bonds shall not exceed the maximum interest rate permitted by law at the time the Bonds are issued.

Section 6. Accountability Requirements.

The following accountability measures apply to the issuance of Bonds pursuant to this Measure:

- A. The specific purpose of the Bonds is to finance the acquisition or improvement of real property for the Improvements; and
- B. The proceeds from the sale of the Bonds will be used only for the purposes specified in this Measure, and not for any other purpose; and
- C. The proceeds of the Bonds will be deposited into an account to be created and held by the City; and
- D. The proceeds from the sale of the Bonds may be used to reimburse the City for amounts advanced from the general fund or other funds or accounts for Improvements, when such purchases are made prior to the availability of Bond proceeds; and
- E. As part of the process to adopt a budget, the City Manager shall provide to the City Council a comprehensive annual report of funds received from any bonded indebtedness authorized by this Measure, funds expended, and the status of the Improvements.
- F. The following commissions or their successors shall provide oversight by reporting to the City Council on an annual basis regarding projects funded by the Bonds and Bond expenditures, whether those Bond expenditures are consistent with the purposes of the Bonds, and recommendations on projects proposed to be funded by the bond and bond expenditures:
 - 1. The Parks, Recreation, and Waterfront Commission shall provide oversight on Infrastructure Improvements related to properties and facilities identified in Municipal Code Section 3.26.040.A, including all parks, recreation, and waterfront improvements.
 - 2. The Transportation and Infrastructure Commission shall provide oversight on the Infrastructure Improvements related to transportation and other public infrastructure.
- G. All expenditures will be subject to an audit by the City Auditor at least once every three years to confirm that Bond expenditures are consistent with the intent of this Measure.

**EXHIBIT B
TAX RATE STATEMENT**

An election will be held in the City of Berkeley (the “City”) on November 3, 2026, to authorize the sale of up to \$300 million in general obligation bonds of the City to finance the specific projects identified in the measure. If such bonds are authorized, the City expects to sell \$100 million every five years commencing in 2027. Principal and interest on the bonds will be payable solely from the proceeds of ad valorem tax levies made upon the taxable property in the City. The following information is provided in compliance with Sections 9400-9404 of the California Elections Code. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the City, and other demonstrable factors.

Based upon the foregoing and projections of the City’s assessed valuation:

1. The best estimate of the average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement is 2.2 cents per \$100 (or \$22 per \$100,000) of assessed valuation of all property to be taxed. The best estimate of the final fiscal year in which the tax is anticipated to be collected is 2066/67. For purposes of this paragraph, the term “average annual tax rate” refers to the mean annual tax rate.
2. The best estimate of the highest tax rate that would be required to be levied to fund the bond issue, based on a projection of assessed valuations available at the time of filing this statement is 3.5 cents per \$100 (or \$35 per \$100,000) of assessed valuation of all property to be taxed. The best estimate of the first year in which the highest tax rate will apply is 2040/41.
3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$610,000,000.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by the City or any other overlapping public agency.

Voters should note that the estimated tax rate is based on the ASSESSED VALUE of taxable property on Alameda County’s official tax rolls, not on the property’s market value. In addition, taxpayers eligible for a property tax exemption, such as the

homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts or durations and are not binding upon the City. The actual debt service amounts, tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the City based on need for funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the City as determined by the Alameda County assessor in the annual assessment and the equalization process.

Dated: June 16, 2026

Paul Buddenhagen
City Manager, City of Berkeley

