CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE __

This measure was placed on the ballot by the City Council of the City of Berkeley.

If the measure is approved by a two-thirds majority, the City would be authorized to issue $300 million of general obligation bonds to finance the acquisition and improvement of real property for public infrastructure and facilities ("Improvements").

The bonds would be issued to finance the infrastructure and facilities projects documented in the City's Capital Improvement Programs and the City's Vision 2050 Framework as part of the City's comprehensive approach to identifying and addressing the City's infrastructure and facilities needs. Improvements include but are not limited to emergency response facilities, parks and recreation facilities and infrastructure, accessibility improvements, seismic and climate resiliency upgrades, facility modernization and reliability improvements, and construction or improvement to other City infrastructure, including renovation, replacement, or reconstruction for public benefit.

The Improvements would be required to incorporate all-electric new construction and replacement of existing natural gas infrastructure with electric systems, consistent with the City's All-Electric Standards for Municipal Projects, except in limited circumstances where the City Council may grant exceptions due to infeasibility.

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. The City may also have the opportunity to leverage federal, state, regional and county funds allocated for these needs if it issues the bonds. Funds may be used for public art integrated into the Improvements, consistent with existing City law permitting 1.75% of certain capital improvement project budgets to be used for this purpose.

All expenditures would 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 the measure. Additionally, the City manager would be required to provide the City Council a comprehensive annual report of funds received from any bonded indebtedness authorized by the measure, funds expended, and the status of the Improvements.

The City's Parks, Recreation and Waterfront Commission would provide oversight on any Improvements related to parks, open space, greenery, pools, recreation centers, the Waterfront, and the City's camps. The City's Transportation and Infrastructure Commission would provide oversight on Improvements related to transportation and other public infrastructure.

Financial Implications:

The bonds would be payable from ad valorem taxes levied on real property in the City of Berkeley. The City estimates that the average annual taxpayer costs over the projected 40 years that the bonds would be outstanding are approximately $22.14 per $100,000 of assessed property value; generating approximately $15,200,000 per year. The City estimates that the highest tax rate that would be required to be levied is approximately $35 per $100,000 of assessed value, which the City projects would begin to apply in 2040-41.

/s/ Farimah Faiz Brown
Berkeley City Attorney

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE __

This measure was placed on the ballot by the City Council of the City of Berkeley.

The measure would adopt the "2026 Transactions and Use Tax Ordinance." The Ordinance would impose a retail transactions and use tax (sales tax) increasing the sales tax rate in Berkeley by one-half of one percent (0.5%), or one half cent, on every dollar of taxable sales of goods in the City, and on the taxable storage, use or consumption in the City of goods purchased. The measure would bring the aggregate sales tax rate in Berkeley to 10.75%, subject to voter approval of any other sales tax increases applicable in the City.

This would be a general tax, meaning the revenue from the tax would be placed into the General Fund and could be spent on any valid municipal purpose.

If adopted, the tax would go into effect beginning April 1, 2027, and last until ended by the voters. The tax would be paid in addition to current sales taxes and would be collected at the same time and in the same manner as existing sales taxes by the California Department of Tax and Fee Administration, with the revenue then paid over to the City.

The City estimates the tax will generate $9 to $10 million annually. Proceeds from the tax would be subject to the same independent annual audit requirements as other general fund revenue.

A "Yes" vote is a vote in favor of the tax. A "No" vote is a vote against the tax. This measure will be approved if it receives a simple majority of "Yes" votes.

/s/ Farimah Faiz Brown
Berkeley City Attorney

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE __

This measure was placed on the ballot by the City Council of the City of Berkeley.

If approved, the measure would amend provisions of the Berkeley City Charter pertaining to election administration and procedures and requirements affecting candidates, initiatives, referenda, and recalls, and other changes.

The primary changes to the Charter are as follows:

1. Replace the current $150 candidate filing fee with the amount prescribed in the California Elections Code (currently $25).

2. Eliminate a provision providing that candidate statements include the candidate's place of residence, place of birth and whether the candidate is a taxpayer in the City.

3. Increase the maximum amount of public campaign financing funds which may be used for Berkeley Fair Campaign Practices Commission ("FCPC") and City staff administrative and enforcement costs related to the public campaign financing program from $250,000 to $400,000, which is subject to cost of living adjustments.

4. Clarify that the requirement that recall proceedings cannot be commenced against an officeholder until that person has held office for at least six months refers to the time in office since the beginning of the officeholder's current term.

5. Incorporate language regarding recall proponent's statement and officer's answer which, consistent with similar language in state law, clarifies that a person may seek a judicial remedy related to insufficiency, or false, slanderous, or libelous material in the statement or answer.

6. Require that a recall proponent's publication of the notice, statement and answer in a newspaper of general circulation must occur within thirty days of the officer's answer deadline, and provide that signed petitions must be filed within 90 days of the date of such publication.

7. Change the term "qualified elector" to "registered voter" where registered voter status is currently required by law.

8. Amend election timelines for filling Mayor and Councilmember vacancies.

9. Remove a provision requiring publication of the Charter and City ordinances in book form.

10. Amend provisions regarding processing of initiative petitions to create a deadline for the City Clerk to attach the certificate of sufficiency to a qualified petition, and amend timelines for City Council placement of qualified initiatives on the ballot.

11. Revise referenda provisions to incorporate and follow state law.

The measure would also make various non-substantive or clarifying changes to Charter sections affected by the above changes.

The Charter amendment will be adopted if the measure is approved by a simple majority of voters.

/s/ Farimah Faiz Brown
Berkeley City Attorney

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE __

This measure was placed on the ballot by the City Council of the City of Berkeley.

If approved, the measure would amend the Rent Stabilization and Eviction for Just Cause Ordinance (the "Ordinance") by:

1. Providing that certain exemptions from rent control and just-cause eviction, including the exemptions for certain Accessory Dwelling Units and certain owner-occupied duplexes, would apply only if the unit was exempt when the current tenancy began. If the measure is approved, a tenant who first moved into a unit that was not exempt would be covered under the Ordinance even if the unit would otherwise qualify for an exemption at a later date during the tenancy.

2. Prohibiting property owners from raising the lawful periodic rent by more than 10% in a one-year period.

3. Allowing the Rent Stabilization Board (the "Board") to adopt regulations to waive or reduce fees for government-subsidized rental units owned, leased or controlled by nonprofit organizations.

4. Allowing, to the extent permitted by state and local law, owners of single-family homes or new construction buildings to voluntarily agree to have their properties subject to the Ordinance in exchange for financial assistance.

5. Lowering from ten to five the number of rental units on a property for the tenants who live at that property to be eligible to form a tenant association. This change would apply to properties that are not managed by a property management company.

6. Providing that, once established, a tenant association in a property managed by a property management company remains authorized under the Ordinance even if the company later ceases to manage the rental units.

7. Clarifying that a property owner's failure to confer in good faith with a tenant association may support a petition for a rent reduction.

8. Removing the requirement for owners of partially covered rental units to re-register units with the Board within fifteen days of the commencement of a new tenancy.

9. Making certain administrative changes, including providing for paperless billing, clarifying the process for depositing and distributing relocation assistance payments during owner move-in evictions, and changing the annual registration fee deadline from July 1 to September 30 of each year.

The measure would also make various non-substantive changes such as improving readability, removing outdated language and fixing typographical errors.

The measure will be adopted if approved by a simple majority of voters.

/s/ Farimah Faiz Brown
Berkeley City Attorney

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE __

This measure was placed on the ballot by an initiative petition signed by the requisite number of registered voters in the City of Berkeley. It requires a majority vote for passage.

This measure would impose a special parcel tax to fund arts institutions and programs through grants. If adopted, the tax would be imposed starting January 1, 2027, at a rate of $0.07 per square foot of improvements on all properties, excluding properties (1) owned and occupied by low-income seniors or very low-income households; (2) owned by tax-exempt religious or educational organizations; (3) where at least 60% of units are designated affordable housing; or (4) that are transitional housing for people experiencing homelessness. The City estimates the tax would raise approximately $6,300,000 in the first year, and $84,800,000 over its 12-year duration.

Proceeds would be placed into a special fund and allocated as follows:

- 75% for performing arts organizations. Eligible organizations must demonstrate at least 3 consecutive years of providing live performances in Berkeley. The maximum grant would vary based on applicants' annual operating expenses, but no more than $1,250,000. Funds could be used for operational and programmatic expenses such as wages, supplies and materials, and venue and equipment rentals, but not for long-term capital projects, fundraising or debt reduction. Applicants applying for awards greater than $100,000 must provide community benefits such as discounted programming.
- 5% for individual artist projects or art organization operational and programmatic expenses. The maximum grant would be $7,500 for individual artists and $25,000 per year for organizations. Individual applicants must be at least 18 years old, Berkeley residents, and not applying as a partnership, group, or collective. Full-time students, City employees, or individuals producing a festival would be ineligible.
- 10% for capital projects for arts organizations. The maximum grant would be $200,000 per project. Applicants must show they plan to acquire or construct a new asset, or improve or repair existing assets. Funds could not be used for regular programming or administrative costs unrelated to the capital project.
- 5% for community festivals, including art fairs, cultural celebrations, or other limited-time events. The maximum grant would be $25,000 per festival.
- 5% for grant program administrative costs.

Requirements for eligibility and permissible uses of funds vary by program. Generally, organizational applicants must be Berkeley nonprofits. For-profit businesses and the City of Berkeley would be ineligible for grants and public or private school districts and organizations affiliated with the government or an educational institution such as the University of California would be ineligible for most grants.

The City's Civic Arts Commission would review and approve grant applications and adopt regulations to effectuate the purposes of the measure. Civic Arts Commission regulations and grant awards would be subject to City Council review and approval.

The City Council would not be able to amend the measure without voter approval, but could fix technical errors, clarify the calculation of the tax, or adopt regulations by majority vote.

/s/ Farimah Faiz Brown
Berkeley City Attorney

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE __

This measure was placed on the ballot by an initiative petition signed by the requisite number of registered voters in the City of Berkeley. It requires a majority vote for passage.

This measure would levy a special parcel tax to fund a public bank, defined as a nonprofit corporation organized under California law to engage in commercial or industrial banking business, that is wholly owned by one or more local agencies, or a joint powers authority of local agencies. California law authorizes a local agency to create a public bank subject to the conduct of a feasibility study, approval by the California Department of Financial Protection and Innovation, and a statewide cap of two per year and a total of no more than 10 public banks in California.

If adopted, the tax would be imposed starting January 1, 2027, at a rate of $0.06 per square foot of improvements for all residential property and $0.09 per square foot of improvements for all non-residential property. The City estimates the tax would raise approximately $9,200,000 in the first year, and $58,300,000 over its six-year duration.

Proceeds from the tax would be placed into a special fund to capitalize and support a public bank to fund long-term investments in affordable housing, green energy/infrastructure and small businesses.

"Affordable housing" means housing below 120% of Area Median Income.

"Green energy/infrastructure" means improvements to property, buildings and structures to further carbon and fossil fuel reduction, including energy savings, community resilience, zero-carbon energy generation, electrified transportation and industry, sustainable materials management, and waste reduction.

"Small businesses" means businesses, especially those run by minorities, women, and people of color, which meet any of the following:

1. Are growing businesses too small to receive adequate traditional bank support, or are expected to grow with loan support unavailable from traditional banks;
2. Need early-stage start-up support;
3. Have longer-term receivables and shorter-term payables; or
4. Are funds specializing in employee ownership transitions.

Returns earned from the special fund would be reinvested into the fund. If a public bank cannot secure authorization to conduct business by June 30, 2033, the special fund could be used to offer loans to support affordable housing, green energy/infrastructure, and small businesses until authorization is secured. During that time, tax proceeds could be used for City staff costs for performing work related to such loans.

All funds would be subject to review, allocation and approval by the City Council. The City Council would annually increase the tax rate based on inflation.

The City Manager would submit to the City Council an annual report of funds collected and expended, and performance metrics, outcomes and accomplishments reflecting the public bank's progress.

At least every three years, the City Auditor would audit all expenditures and the progress made toward achieving the parcel tax's purposes to confirm that expenditures and reports are accurate and consistent with the intent of the ordinance.

/s/ Farimah Faiz Brown
Berkeley City Attorney

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE __

This measure was placed on the ballot by an initiative petition signed by the requisite number of registered voters in the City of Berkeley. It requires a majority vote for passage.

This measure would replace Berkeley's existing $0.01 per fluid ounce general tax on the distribution of sugar-sweetened beverages (SSB) with a $0.02 per fluid ounce special tax. The tax is estimated to raise approximately $2,200,000 annually, an increase of approximately $1,000,000 over revenue from the City's current SSB tax.

Tax proceeds would be placed in a special fund and dedicated to specified public health, nutrition, and drinking water projects and programming. The measure provides a list of eligible project types. For example, funds could be used for chronic disease prevention efforts, community nutrition education, healthy food access programs, and initiatives aimed at reducing the availability and marketing of sugary drinks.

Funds would be allocated approximately as follows: (1) at least 42.5% for grants to community-based organizations or City departments to pursue authorized projects and programming; (2) at least 42.5% for grants to the Berkeley Unified School District to pursue authorized projects and programming; and (3) up to 15% for administration and implementation costs. No funds could be used to support lobbying activities or political campaigns. The City's Sugar-Sweetened Beverage Product Panel of Experts would be empowered to develop requests for proposals, review grant applications, and issue funding recommendations to the City Council, which would have ultimate responsibility for approving grant applications.

Like the current SSB tax, the proposed tax would apply to distributors of SSB products, with the tax base determined by the volume of beverages distributed or, for concentrates, the largest typical volume producible from them. The measure would retain the current exemptions for alcoholic beverages, beverages used for medical purposes, beverages used for weight loss, drinks where milk is the primary ingredient, infant formula, and distributions to small retailers with less than $100,000 in annual gross receipts. The tax would be levied once within the chain of distribution and would be adjusted annually for inflation beginning in 2028, with adjustments capped at 5% annually, though the tax rate would never fall below two cents per ounce.

Under the measure, the current SSB tax would be suspended for as long as the new special tax is in effect. The City Council would be authorized to repeal the current SSB tax if the proposed special SSB tax has been in effect and continuously collected for at least 10 years and no court proceeding is pending or has found the proposed special SSB tax invalid or unenforceable. The City Council could amend the proposed special SSB tax without a vote of the people if such amendments are technical, procedural or administrative in nature and further the measure's purposes.

If the measure passes, tax collection would begin April 1, 2027.

/s/ Farimah Faiz Brown
Berkeley City Attorney