The background of the slide is a grayscale photograph of the City of Berkeley Civic Center building. The building is a multi-story structure with classical architectural features, including tall columns and a prominent entrance. A sign above the entrance reads "CIVIC CENTER". The image is slightly faded and serves as a backdrop for the text.

CITY OF BERKELEY

Community Survey for Potential November 2024 Ballot Measures

May 24, 2024

OVERVIEW

- Recommendation
- Parks Tax
- Measure P
- Community Survey & Options
- Discussion of potential other ballot measures for November 2024
- Timeline
- Next Steps

AGENDA

- Receive the presentation regarding the community survey
 - Including background on the Parks Tax and Measure P
 - Potential scenarios for increase of Parks Tax and Measure P, as well as extension of Measure P
- Provide direction on the upcoming community survey, as well as any other proposed measures for November 2024
- No Council action needed at this time

PARKS TAX

- Established in 1997, replacing the Landscape Maintenance Tax
- Amended in 2014 with 75% voter approval
 - Increased the per square foot tax rate from \$0.1256 to \$0.1466
 - Added an inflation escalator
 - Funded 4 FTE's, minor maintenance, CIP
- Allowable expenditures include acquisition and maintenance of improvements to City parks, trees and landscaping
- The Parks Tax is generally healthy, but increased operational costs and capital improvement costs will lead to operating losses between \$1.2- 3.1M
 - The fund balance will be approximately 8.4%, less than \$1.6M, by the end of FY26

PARKS TAX

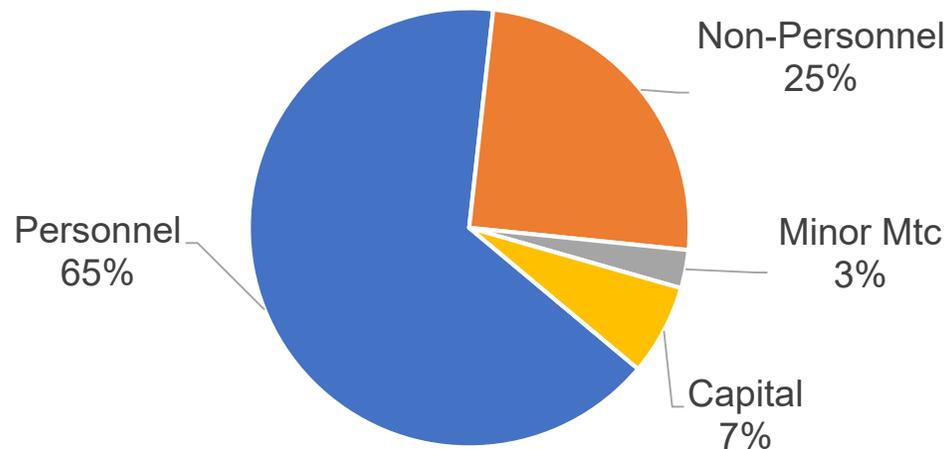
Revenue

FY24: \$17.9M (\$17.6M from parcel tax)

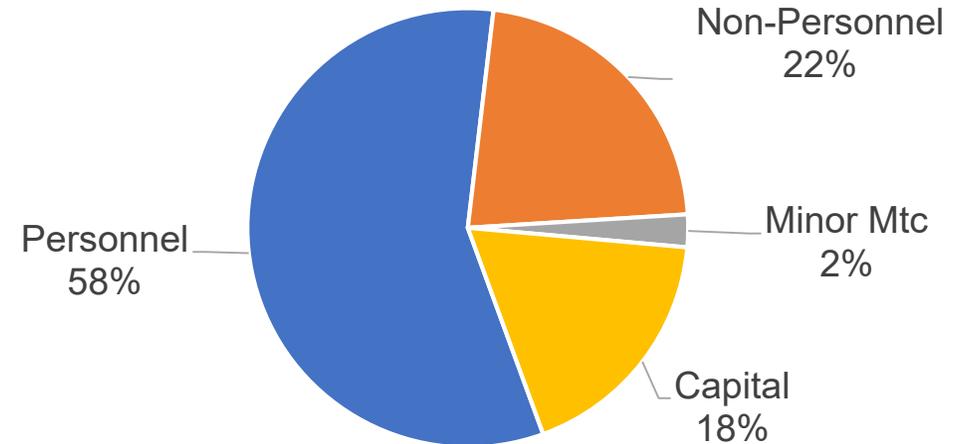
FY25: \$18.5M (\$18.3M from parcel tax)

Expenditures

FY24 Adopted Expenditures
\$15.96M

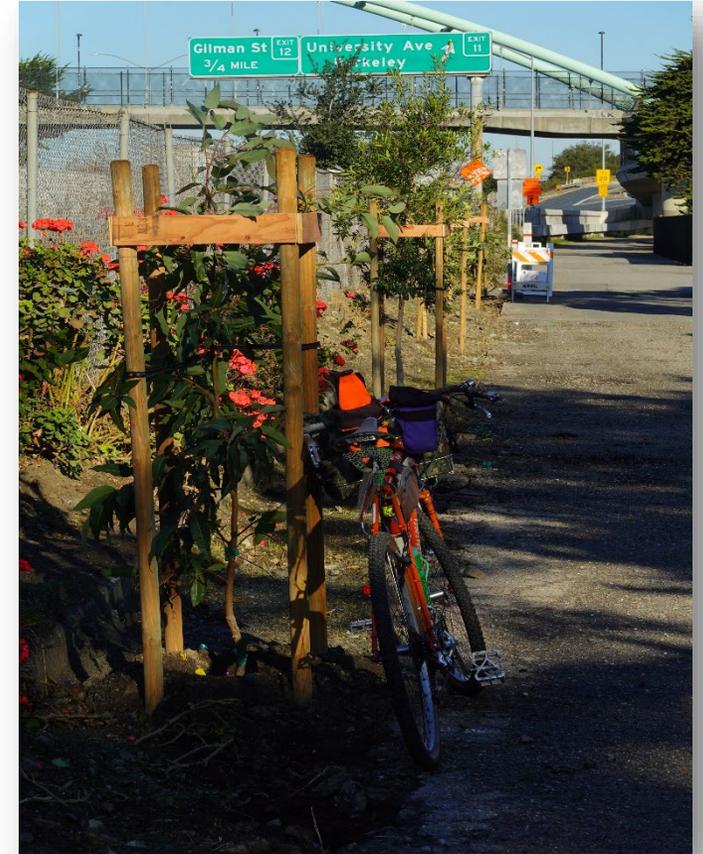


FY25 Proposed Expenditures
\$19.78M



PRW COMMISSION RECOMENDATION

- PRW Commission Chair, Claudia Kawczynska,
- PRW Commissioner, Gordon Wozniak
- November 8, 2023 – Commission recommended to Council
 - Increase the Parks Tax by 4cts/SF or ~20%
 - Tree Planting
 - Annual CIP
 - Parks and Landscape Areas in the Waterfront
 - Include in community survey for possible 2024 measure.
- City Council approved recommendation in December 2023

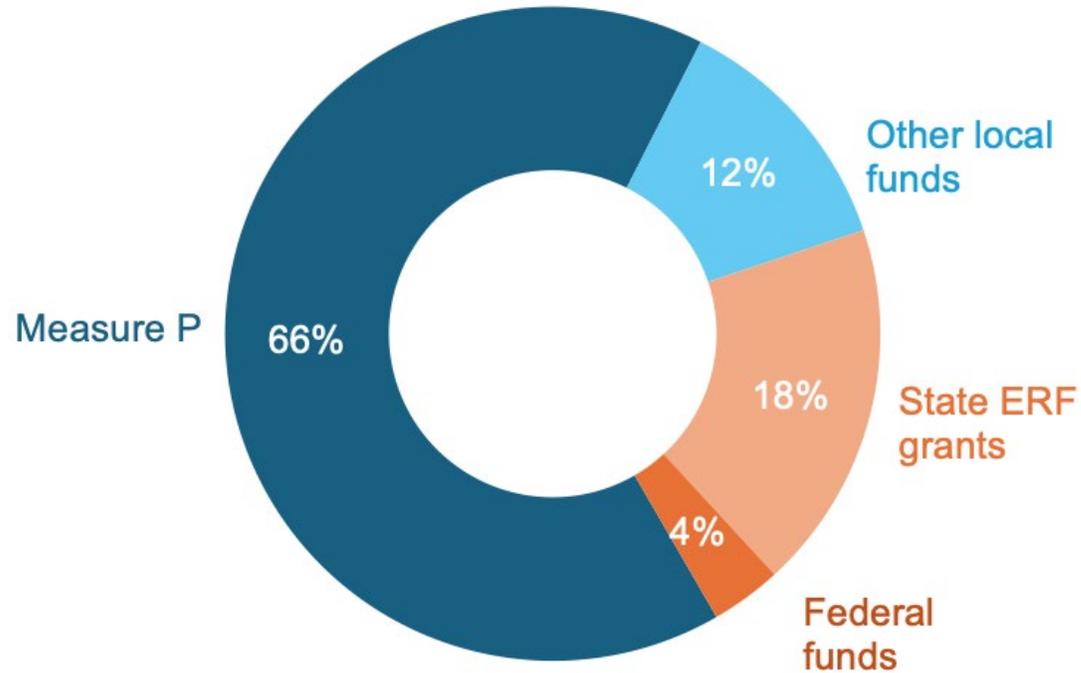


MEASURE P

- Measure P provides annual funding from real property transfer taxes, used largely to pay for homeless services.
- Revenues, ranging from ~\$6M to ~\$20M, fluctuate greatly with market conditions.
- Berkeley voters passed Measure P in November 2018 with 72.4% approval.
- Increase to real property transfer tax for ten years from 1.5% to 2.5% for property sales and transfers over \$1,500,000, adjusted annually to capture the top approximately 33% of transfers
- Measure P went into effect on January 1, 2019 and, absent an extension, will sunset on January 1, 2029
- The City is currently using funding from Measure P for a wide variety of homeless programming

MEASURE P

Measure P made up by far the largest part (66%) of the more than \$35 million the City allocated to homelessness 2023–24 fiscal year:



MEASURE P

Funding disbursed to programs since 2019:

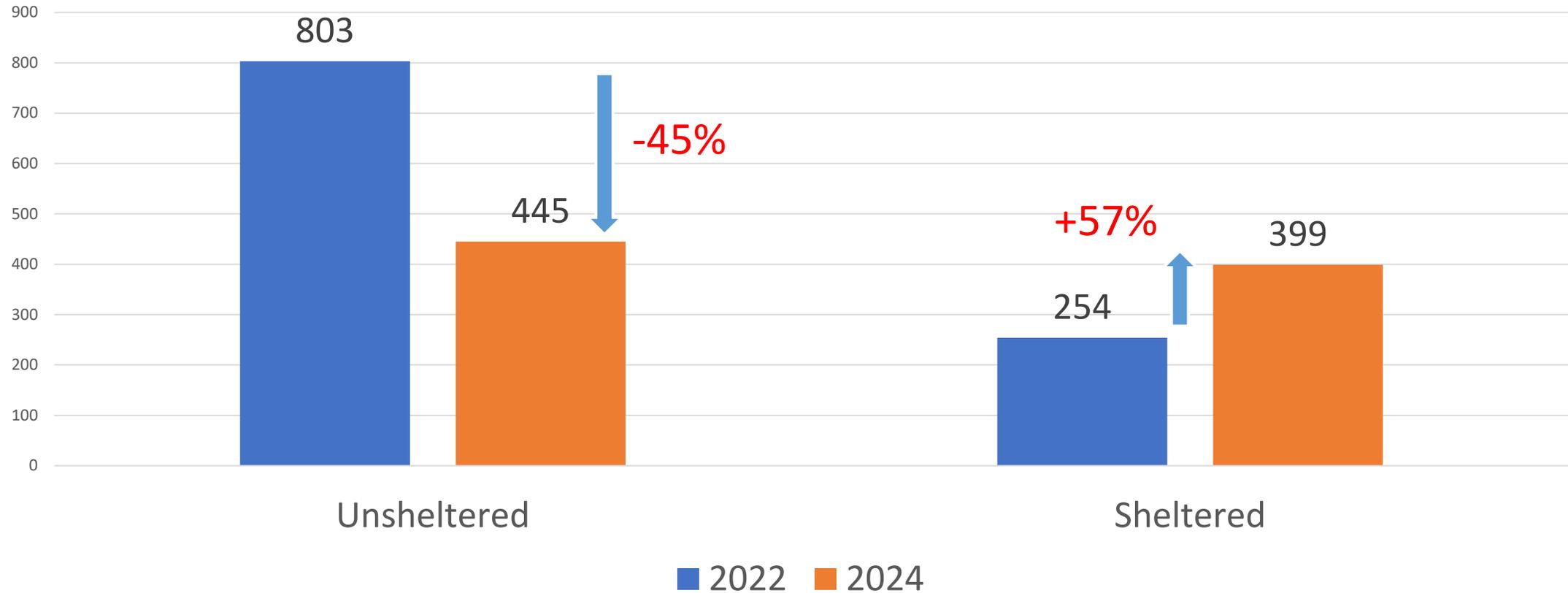
- \$56M+ across 32 programs

External funding leveraged:

- \$10M in Encampment Resolution Fund grants
- \$30M in Homekey funding
- Together, has created 177 units of noncongregate interim and permanent housing in 3 years

MEASURE P

2024 Point-in-Time Count



Should Measure P be extended/increased, the City will be better positioned to continue these efforts

COMMUNITY SURVEY

FY2024 Budget Process

City Council allocated \$100,000 in the FY2024 Budget for the “Vision 2050 Complete Streets Parcel Tax Community Engagement and Program Plan” to do a community survey for a potential ballot measure

March 12, 2024

City Council authorized the City Manager to expand the scope of the Vision 2050 Complete Streets Parcel Tax Community Engagement and Program Plan in the FY 2024 Budget to consider additional revenue sources: (1) potential ballot referenda for an increase to Berkeley’s Parks Tax and/or (2) renewing the Measure P Real Property Transfer Tax beyond 2028

PARKS TAX OPTIONS

- 15% increase equates to approximately \$2.7M of new funding
 - Tree Planting Crew Establishment: \$660K
 - Additional Annual CIP \$530,000 – From \$1.065M to \$1.585M
 - Landscape and Park Maintenance in Waterfront \$1.55M
- 20% increase equates to approximately \$3.6M of new funding
(PRW Commission Recommendation)
 - Tree Planting Crew Establishment: \$660K
 - Additional Annual CIP \$1.45M – From \$1.065M to \$3.10M
 - Landscape and Park Maintenance in Waterfront \$1.55M

MEASURE P OPTIONS

Below are the anticipated outcomes from the following changes to the real property transfer tax, which is the source of **Measure P** funding:

- 0.5% increase in real property transfer tax from 2.5% to 3% for property sales transfers over \$1.5M with a 10-year extension
 - This results in a 50% increase in the annual Measure P revenues, which have been between \$6.5M and \$20.6M over the last 5 years
- 1.0% increase in real property transfer tax from 2.5% to 3.5% for property sales transfers over \$1.5M with a 10-year extension
 - This results in a 100% increase in annual Measure P revenues, which have been \$6.5M and \$20.6M over the last 5 years
- A 10-year extension, with no increase, of the real property transfer tax from 1.5% to 2.5% for property sales transfers over \$1.5M
 - This results in no increase in revenues, but extends the tax by 10 years

MEASURE P OPTIONS

Below are other considerations for potential changes to Measure P:

- Removing or extending the sunset
- Changing the initial threshold for Measure P-eligible transactions (currently it is the highest 1/3)
- Adding additional brackets for higher-value transactions (e.g., higher marginal rates for property transactions above \$5M or \$10M)

TIMELINE

Date	Actions
May 24	Direction on Survey
May 28 – June 4	Conduct Survey of 500 Voters
June 14	Special Meeting to present survey results; Council to provide direction on which ballot measures will be placed on the November 2024 ballot.
June 17 – July 10	Staff has 16 business days to research, draft, review, and finalize the full text, ballot question, and council resolution for each measure to be placed on the ballot. The agenda packet for the July 23 meeting publishes on July 11.
July 23	Regular Meeting to adopt resolutions placing the measures on the ballot.
July 25	Publishing date for a July 30 revised agenda packet. For any changes to the ballot measure items on July 23, staff has one day to submit the revised items.
July 30	Last regular meeting before the summer recess.
August 9 at 5:00pm	Deadline to deliver adopted resolutions, with final text, to the County Registrar

POTENTIAL BALLOT MEASURES

- The November 2024 ballot is expected to have quite a few initiatives, 8 of which could be potential revenue measures
- Additionally, the window for surveying regarding receptivity to additional measures is rapidly closing
- To the extent the council wishes to explore additional options, related questions should be included in the upcoming community survey
- Such additions would delay the administration of the community survey
- The City must deliver adopted resolutions, with final measure text, to the County by 5:00pm on **August 9, 2024**

POTENTIAL REVENUE MEASURES

- Library Tax
- Parks Tax
- Measure P Tax
- Streets Initiative Tax #1
- Streets Initiative Tax #2
- Fossil Fuels Initiative Tax

Recently Proposed Measures:

- *Soda Tax Extension*
- *Tax for the Arts*

NEXT STEPS

- Provide direction on the upcoming community survey, as well as any other proposed measures for November 2024
- Staff will poll the Council for a special meeting on Friday, June 14 to present the results of the community survey

QUESTIONS?