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SUPPLEMENTAL AGENDA MATERIAL for Supplemental Packet 2

Meeting Date: July 30, 2024

Item Number: 6d

Item Description: **Ballot Measure Amending Chapter 7.52 of the Berkeley Municipal Code to Increase and Extend the General Real Property Transfer Tax**

Submitted by: **Mayor Jesse Arreguín and Councilmember Sophie Hahn**

In lieu of the thresholds proposed in page 2 of the staff report, set the formula for the renewed/extended measure at the following:

- Currently, real estate transactions falling below the 67th percentile or 1.5M, whichever is higher, are not covered by the Measure P transfer tax. This would continue going forward, except that the 1.5M threshold would be adjusted up to 1.6M, the current 67th percentile threshold in effect for 2024 transactions.
- From the 67th to the 80th percentiles, recalculated every year using the existing formula for recalculation, the renewed tax would apply an additional 1% over the base 1.5% Transfer Tax, for a total of 2.5%.
(Same as current Measure P)
- From the 80th percentile to the 95th, recalculated every year, the renewed tax would add another .5%, for a total of 3.0%. ($0.5\% + 1\% + 1.5\% = 3\%$)
(Adding .5% over current measure P)
- From the 95th percentile to the 100th, recalculated every year, the renewed tax would add another .5%, for a total of 3.5%. ($0.5\% + 0.5\% + 1\% + 1.5\% = 3.5\%$)
(Adding 1.0% over current Measure P)

As proposed by staff, the measure would also remove the January 1, 2029 sunset provision such that the new tiered tax would not expire.