



Office of the City Manager

CONSENT CALENDAR
June 17, 2025

To: Honorable Mayor and Members of the City Council
 From: Paul Buddenhagen, City Manager
 Submitted by: Tess Mayer, Director of Library Services
 Henry Oyekanmi, Director of Finance
 Subject: FY 2026 Special Tax Rate: Fund the Provision of Library Services

RECOMMENDATION

Adopt the resolution to recommend that the Berkeley City Council set the FY 2026 tax rate for funding the provision of Library Services in the City of Berkeley at \$0.2980 (29.80 cents) per square foot for dwelling units and \$0.4506 (45.06 cents) per square foot for industrial, commercial, and institutional buildings.

FISCAL IMPACTS OF RECOMMENDATION

The tax levy of the recommended \$0.2980 for dwelling units and \$0.4506 for industrial, commercial, and institutional buildings will result in estimated collections of \$28,150,805 for the Library Tax Fund. The increase in the tax rate of \$0.0180 for dwelling units and \$0.0273 for industrial, commercial, and institutional buildings will result in an increase of \$34.20 for the citywide average 1900 square foot dwelling and \$51.87 for all other property of similar size.

CURRENT SITUATION AND ITS EFFECTS

The FY 2026 tax of \$0.2980 for dwelling units and \$0.4506 for all other property are being adjusted by the Personal Income Growth factor in the immediate San Francisco Bay Area of 6.440%, as the voters approved the greater of that or the Consumer Price Index in California of 1.300%. In addition, the Board of Library Trustees recommends that the City Council adjust the tax rate by 6.440%.

It is recommended that the City Council authorize the levy of a special tax of \$0.2980 per square foot for dwelling units and of \$0.4506 for all other property in the City of Berkeley. The tax will result in a cost to taxpayers in the following average amounts during FY 2026, as compared with amounts for FY 2025:

Square Feet	Annual Tax – Dwelling Units		Annual Tax – All Other Properties	
	FY26	FY25	FY26	FY25
1,200	\$357.60	\$335.96	\$540.72	\$508.00
1,500	447.00	419.95	675.90	635.00
1,900	566.20	531.94	856.14	804.33
3,000	894.00	839.91	1,351.80	1,270.00
3,900	1,162.20	1,091.88	1,757.34	1,65.00
10,000	2,979.99	2,799.69	4,506.00	4,233.33

BACKGROUND

The Central Library and neighborhood branch libraries received approximately 98% of their FY 2025 funding through a citywide special tax (referred to as the Library Relief Act of 1980) of \$0.2800 per square foot on all improvements to residential real property in the City of Berkeley, and \$0.4233 per square foot on all improvements to industrial, commercial, and institutional real property. The purpose of this voter-approved tax is to provide a stable revenue source to maintain the provision of library services at a consistent level, and which permits the purchase of library materials at levels which are commensurate with the libraries’ hours of service, staffing and patron needs.

On November 5, 2024, Berkeley voters approved Measure AA to re-authorize the City, for a period of four (4) years through FY 2028, to spend the Library Services tax as approved by the voters.

RATIONALE FOR RECOMMENDATION

Adopting the Personal Income Growth factor in California would contribute an incremental increase of approximately \$1,359,405 to projected FY 2026 revenue over that of the per capita April Consumer Price Index in the immediate San Francisco Bay Area.

ALTERNATIVE ACTIONS CONSIDERED

The fiscal impact on the Library Tax Fund of adopting the per capita April Consumer Price Index in the immediate San Francisco Bay Area of 1.300% instead of the Personal Income Growth factor in California of 6.440% would be a reduction of \$1,359,405 in projected FY 2026 library tax receipts.

The fiscal impact on the Library Tax Fund of forgoing an adjustment to the fiscal year’s library tax rate would be a reduction of \$1,703,224 in projected FY 2026 library tax receipts when compared to the recommendation.

CONTACT PERSON

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FY 2026 Special Tax Rate:
Fund the Provision of Library Services

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Attachments:
1: Ordinance

ORDINANCE NO. -N.S.

SETTING THE FISCAL YEAR 2026 SPECIAL TAX RATE TO FUND LIBRARY SERVICES TAX IN THE CITY OF BERKELEY

BE IT ORDAINED by the Council of the City of Berkeley as follows:

Section 1. The FY 2026 Tax Rate to support usual and current expenses of operating library services is set at \$0.2980 per square foot for dwelling units and \$0.4506 per square foot for industrial, commercial and institutional buildings.

Section 2. The cost to taxpayers during FY 2026 will be \$447.00 for a 1,500 square foot dwelling and \$675.90 for all other property of similar size.

Section 3. This tax rate will result in estimated total collections of \$28,150,804.

Section 4. The tax imposed by this ordinance does not apply to any property owner whose total personal income, from all sources for the previous calendar year, does not exceed that level which shall constitute a very low income, as established by resolution of City Council.

Section 5. Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way. Within 15 days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.