



Office of the City Manager

CONSENT CALENDAR

June 27, 2023

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Tess Mayer, Director of Library Services
 Henry Oyekanmi, Director of Finance
 Subject: FY 2024 Special Tax Rate: Fund the Provision of Library Services

RECOMMENDATION

Adopt first reading of an Ordinance setting the FY 2024 tax rate for funding the provision of Library Services in the City of Berkeley at \$0.2698 (26.98 cents) per square foot for dwelling units and \$0.4080 (40.80 cents) per square foot for industrial, commercial, and institutional buildings.

FISCAL IMPACTS OF RECOMMENDATION

The tax levy of the recommended \$0.2698 for dwelling units and \$0.4080 for industrial, commercial, and institutional buildings will result in estimated collections of \$25,050,748 for the Library Tax Fund. The increase in the tax rate of \$0.0115 for dwelling units and \$0.0173 for industrial, commercial, and institutional buildings will result in an increase of \$21.68 for the citywide average 1900 square foot dwelling and \$32.88 for all other property of similar size.

CURRENT SITUATION AND ITS EFFECTS

The FY 2024 tax of \$0.2698 for dwelling units and \$0.4080 for all other property are being adjusted by the per capita Personal Income Growth factor in California of 4.44%, as the voters approved the greater of that or the Consumer Price Index in the immediate San Francisco Bay Area of 4.192%. In addition, the Board of Library Trustees recommends that the City Council adjust the tax rate by 4.44%.

It is recommended that the City Council authorize the levy of a special tax of \$0.2698 per square foot for dwelling units and of \$0.4080 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 2024, as compared with amounts for FY 2023:

Square Feet	Annual Tax – Dwelling Units		Annual Tax – All Other Properties	
	FY24	FY23	FY24	FY23
1,200	\$323.77	\$310.07	\$489.56	\$468.79
1,500	404.71	387.59	611.95	585.98
1,900	512.63	490.95	775.13	742.25
3,000	809.42	775.19	1,223.90	1,171.97
3,900	1,052.24	1,007.74	1,591.06	1,523.56
10,000	2,698.05	2,583.96	4,079.65	3,906.56

BACKGROUND

The Central Library and neighborhood branch libraries received approximately 98% of their FY 2023 funding through a citywide special tax (referred to as the Library Relief Act of 1980) of \$0.2272 per square foot on all improvements to residential real property in the City of Berkeley, and \$0.3435 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 assure the provision of library services at the level which permits library operations six days a week at branch libraries, seven days a week at the Central Library, 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 3, 2020, over 81% of Berkeley voters approved Measure LL to re-authorize the City, for a period of four (4) years through FY 2024, to spend the Library Services tax as approved by the voters.

RATIONALE FOR RECOMMENDATION

Adopting the per capita Personal Income Growth factor in California would contribute an incremental increase of approximately \$59,485 to projected FY 2024 revenue over that of the 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 April Consumer Price Index in the immediate San Francisco Bay Area of 4.192% instead of the per capita Personal Income Growth factor in California of 4.440% would be a reduction of \$59,485 in projected FY 2024 library tax receipts.

The fiscal impact on the Library Tax Fund of forgoing an adjustment to the fiscal year’s library tax rate instead of the per capita Personal Income Growth factor in California of 4.44% would be a reduction of \$1,064,969 in projected FY 2024 library tax receipts.

CONTACT PERSON

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Attachments:

- 1: Ordinance

ORDINANCE NO. -N.S.

SETTING THE FISCAL YEAR 2024 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 2024 Tax Rate to support usual and current expenses of operating library services is set at \$0.2698 per square foot for dwelling units and \$0.4080 per square foot for industrial, commercial and institutional buildings.

Section 2. The cost to taxpayers during FY 2024 will be \$404.71 for a 1,500 square foot dwelling and \$611.95 for all other property of similar size.

Section 3. This tax rate will result in estimated total collections of \$25,050,748.

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 Old City Hall, 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.

