



Office of the City Manager

CONSENT CALENDAR  
June 16, 2020

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Elliot Warren, Acting Director of Library Services  
Henry Oyekanmi, Director, Finance Department

Subject: FY 2021 Special Tax Rate: Fund the Provision of Library Services

RECOMMENDATION

Adopt first reading of an Ordinance setting the FY 2021 tax rate for funding the provision of Library Services in the City of Berkeley at the FY 2020 tax rate adopted by Ordinance No. 7,665-N.S. on June 11, 2019 at \$0.2272 (22.72 cents) per square foot for dwelling units and \$0.3435 (34.35 cents) per square foot for industrial, commercial, and institutional buildings.

FISCAL IMPACTS OF RECOMMENDATION

The tax levy of the recommended \$0.2272 per square foot for dwelling units and \$0.3435 per square foot for industrial, commercial, and institutional buildings will result in estimated collections of \$20,342,539 for the Library Tax Fund. The FY 2021 tax rate of \$0.2272 per square foot for dwelling units and \$0.3435 per square for industrial, commercial, and institutional buildings are unchanged from FY 2020 and will result in neither an increase, nor decrease, for the citywide average 1900 square foot dwelling and for all other property of similar size.

CURRENT SITUATION AND ITS EFFECTS

The FY 2021 tax of \$0.2272 for dwelling units and \$0.3435 for all other property are unchanged from the tax rates of FY 2020 by unanimous vote of the Board of Library Trustees. As authorized by the voters on May 8, 1988, the City Council of the City of Berkeley may increase the tax up to the greater of the Consumer Price Index in the immediate San Francisco Bay Area or the per capita Personal Income Growth factor in California. The Board of Library Trustees recommends that the City Council forgo an adjustment to the tax rate for FY 2021.

It is recommended that the City Council reauthorize the levy of a special tax of \$0.2272 per square foot for dwelling units and of \$0.3435 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 2021, as compared with amounts for FY 2020:

Square Feet	Annual Tax – Dwelling Units		Annual Tax – All Other Properties	
	FY21	FY20	FY21	FY20
1,200	\$272.68	\$272.68	\$412.26	\$412.26
1,500	340.85	340.85	515.32	515.32
1,900	431.75	431.75	652.74	652.74
3,000	681.71	681.71	1,030.64	1,030.64
3,900	886.22	886.22	1,339.83	1,339.83
10,000	2,272.36	2,272.36	3,435.47	3,435.47

**BACKGROUND**

The Central Library and neighborhood branch libraries received approximately 97% of their FY 2020 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.

**ENVIRONMENTAL SUSTAINABILITY**

There are no identifiable environmental opportunities or impacts associated with the subject of this report.

**RATIONALE FOR RECOMMENDATION**

Adopting the recommendation of the Board of Library Trustees to forgo an adjustment to the FY 2021 library tax rate from the prior fiscal year due to unprecedented levels of community hardship experienced across the City stemming from the Covid-19 pandemic would maintain projected FY 2021 tax revenues at the level of the FY 2020 Accepted Assessments for Alameda County in the amount of \$20,342,539 (net of Alameda County billing and collection fees).

**ALTERNATIVE ACTIONS CONSIDERED**

The fiscal impact on the Library Tax Fund of adopting the per capita Personal Income Growth factor in California of 3.73% instead of retaining the FY 2020 tax rate would be an increase of \$758,777 in projected FY 2021 library tax receipts.

The fiscal impact on the Library Tax Fund of adopting the Consumer Price Index in the immediate San Francisco Bay Area of 1.110% instead of retaining the FY 2020 tax rate would be an increase of \$225,802 in projected FY 2021 library tax receipts.

FY 2021 Special Tax Rate:  
Fund the Provision of Library Services

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CONTACT PERSON

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Elliot Warren, Acting Director of Library Services, 981-6109

Attachments:

1: Ordinance

ORDINANCE NO. -N.S.

SETTING THE FISCAL YEAR 2021 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 2021 Tax Rate to support usual and current expenses of operating library services is set at \$0.2272 per square foot for dwelling units and \$0.3435 per square foot for industrial, commercial and institutional buildings.

Section 2. The cost to taxpayers during FY 2021 will be \$340.85 for a 1,500 square foot dwelling and \$515.32 for all other property of similar size.

Section 3. This tax rate will result in estimated total collections of \$20,342,539.

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.