



Sophie Hahn  
Councilmember District 5

## **SUPPLEMENTAL AGENDA MATERIAL for Supplemental Packet 2**

**Meeting Date:** July 24, 2018

**Item Number:** 63

**Item Description:** Placing a Measure on the November 6, 2018 Ballot to Increase the Transfer Tax on Property Sales to Pay for General Municipal Services Including Funding Homeless Services

**Submitted by:** Mayor Arreguín and Councilmembers Hahn and Harrison

In light of conversations with community members, and with the City Attorney, City Staff and outside Counsel, the following possible changes to the Transfer Tax are proposed for consideration. The final language of the measure and ballot question would necessarily be reviewed at the July 31 meeting, based on Council discussion.

For consideration are the following ideas:

1. Require the tax to be reauthorized after 10 years (sunset clause)
2. Add a Panel of Experts modelled after the Sugary Beverage Tax
3. Raise the threshold of property transfers to which the tax applies from \$1M to \$1.5 Million (or a similar number equal to 1.25 times the median property sale/transfer value for the preceding calendar year), to exclude the average property transfer from the tax and capture only Berkeley's higher value transactions.
4. Adjust the threshold every two years to reflect changes in the median property sale/transfer value, with a floor of \$1.5M (no properties sold/transferred for under 1.5M would ever be subject to the tax)
  - a. Could be an automatic readjustment every two years to "1.25 times the median property sale/transfer for the preceding calendar year"
  - b. Could be a delegation of authority to Council to readjust every two years to an amount "between 1.2 and 1.5 times the median property sale/transfer for the preceding calendar year"