

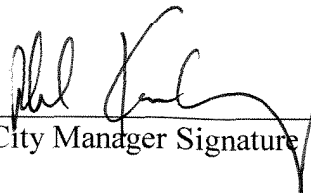
Office of the City Manager

TO BE DELIVERED AGENDA MATERIAL

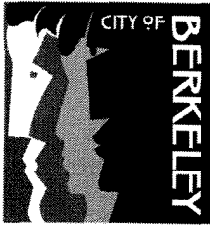
Meeting Date: June 22, 2004

Item Number: 31

Item Description: BALLOT MEASURES: REVENUE MEASURES




City Manager Signature



Office of the City Manager

ACTION CALENDAR
June 22, 2004

To: Honorable Mayor and
Members of the City Council
From:  Phil Kamlarz, City Manager
Subject: Ballot Measures: Revenue Measures

RECOMMENDATION

Provide comments to the City Attorney on the text, title and City Attorney's analysis for the following ballot measures for the November 2004 ballot: 1) Increase to Emergency Medical Services Tax; 2) Increase to Library Tax; 3) Increase to Utility Users' Tax; and 4) Increase to Property Transfer Tax.

SUMMARY

The City Council asked that staff prepare updated ballot measure language for four potential tax measures: an increase to the existing emergency medical services tax, library tax, utility users' tax, and the property transfer tax.

FISCAL IMPACTS OF RECOMMENDATION

Currently, the options being developed per Council's June 15 direction would generate a total of approximately \$8 million of additional funding from increased taxes to compensate for General Fund and Special Fund deficits, as well as add new priority programs.

Fund	Possible Raised Revenue	Estimated New Annual Cost to Average Homeowner (1,900 Sq. Ft.)	Increase Per Sq. Ft.
Emergency Medical Services Tax	\$1.0-\$1.2 million	\$25-\$30/year	1.28¢-1.54¢/sq. ft.
Library Tax (split rate)	\$1.9 million	\$41/year*	2.18¢/sq. ft
Utility Users' Tax	\$2.7 million	\$45/year*	N/A
Youth Programs * Tax	\$2.2 million	Transfer tax increase in some property sales transactions	N/A

*A split rate results in lower cost to residential taxpayers.

**Based on a \$250/month bill.

CURRENT SITUATION AND ITS EFFECTS

The City Council must address the \$10—14 million budget deficit the City faces for FY05 in the General Fund and Special funds and another \$5 million deficit in FY06. Council's approach to reduce the gap by balancing program cuts with savings from administrative improvements and limited new revenue is reflected in the proposed budget for the upcoming year.

The measures discussed here total upwards of \$8 million, including additional revenue to cover fund deficits and projected program cuts. Most of this new revenue, if approved by the voters, will not be received until FY06. The fiscal analysis for the proposed tax measures is described below. The proposed revenue level for each tax was discussed at the June 15 Council meeting.

Increased Emergency Medical Services Tax

The Council seeks to raise an additional \$ 1 million or \$1.2 million annually for the emergency medical services provided by the City's paramedic staff. The EMS Fund now has a deficit of \$1 million of unrecovered costs for emergency medical services. One option for a proposed increase could provide \$200,000 in funding for FRALS (First Responder Advanced Life Support) services. Currently, the City's emergency medical services tax pays for roughly 40% of the costs for ambulance and paramedic services for Berkeley residents. Either option of the proposed tax increase will provide the paramedic fund to cover the projected FY05 deficit of \$1 million; the higher proposed amount would provide an additional \$200,000 to expand paramedic service to BFD response units.

Increased Library Tax

The Library Fund has an existing deficit of \$1.2 million in FY05, and approximately \$400,000 in FY06. At the June 15 meeting, the Council directed staff to develop a measure to close that gap with \$1.9 million in potential new tax revenues with a cost of about \$41 annually for the average homeowner. This would accommodate the need to cover the existing and forecast deficits, and provide funds for the expanded literacy program. The annual inflator for the tax will be up to 5%.

Increase in the Utility Users' Tax

This potential increase in the City's Utility Users Tax (UUT) is a tax on gas, electricity, cell phone, telephone and cable use in the City. The current UUT tax rate is 7.5%. In order to raise an additional \$2.7 million annually, the tax rate would have to be increased by 1.5% to 9%. The general tax would require a 50%+ voter approval rate in the November election and would be allocated to the General Fund. We propose that this increase be rolled back in four years with anticipated improvement in the City's budget in the coming years. As the economy recovers and anticipated deficits are addressed through budget recovery efforts, the tax rate will drop back to 7.5%.

Increased Property Transfer Tax for Youth Services Funding

Currently, the City provides various youth services and youth safety programs, including, but not limited to, recreation programs, summer camps, literacy programs, after school programs, school break and summer programs, crossing guards, school-based police officers, violence prevention efforts and grants

to community-based agencies that provide services to at-risk youth. Current cuts are proposed for youth programs that have been funded primarily out of the City's general fund. This proposed tax could raise \$2.2 million annually to restore funding cuts for youth services, and provide for evaluation and coordination efforts.

This ordinance would authorize raising funds through a 0.5% increase to the real property transfer taxes on the sale of all properties over \$600,000 and a 1% increase to the real property transfer taxes on the sale of all properties over \$1 million. Based on the City's historical data, this approach would raise approximately \$2.2 million and could potentially affect about 250 properties annually.

RATIONALE FOR RECOMMENDATION

Council indicated at the June 15 meeting that the funding measures included here are those they wish to pursue. The Council must adopt a resolution by July 20, 2004 to place its sponsored measures on the November ballot. Staff will respond to Council direction for completion of the ballot titles, analysis by the City Attorney, and the draft ordinance language.

CONTACT PERSON

Manuela Albuquerque, City Attorney 981-6950

Attachments:

1. Ordinance Increasing Tax Rate and Amending Inflation Adjustment for Emergency Medical Services Tax
 - 1A: Option 1
 - 1B: Option 2
2. Ordinance Increasing Tax Rate and Amending Inflation Adjustment in Library Relief Act of 1980
3. Ordinance Authorizing Increase in Rates of Utility Users Taxes
4. Ordinance Authorizing Special Tax to Fund Youth Services and Youth Safety Program

ORDINANCE INCREASING RATE OF EMERGENCY MEDICAL SERVICES TAX,
AMENDING INFLATION ADJUSTMENT, AND AUTHORIZING EXPENDITURE
OF ADDITIONAL TAX PROCEEDS

BALLOT TITLE:

Shall the special tax for paramedic services be amended to: increase the tax rate from \$0.02626 to \$0.03908 per square foot; add personal income growth as an alternative inflation adjustment; and authorize the expenditure of the additional proceeds?

Financial Implications

The annual cost in fiscal year 2005-06 would be \$74.25 for a 1,900 square foot home, \$117.24 for a 3,000 square foot home and \$390.80 for a 10,000 square foot building.

ORDINANCE INCREASING RATE OF EMERGENCY MEDICAL SERVICES TAX,
AMENDING INFLATION ADJUSTMENT, AND AUTHORIZING EXPENDITURE
OF ADDITIONAL TAX PROCEEDS

CITY ATTORNEY'S ANALYSIS:

Ambulance-based paramedic service, which is also referred to as Advanced Life Support (ALS), is provided by three fire department ambulance transport units. Approximately 40% of the cost of this service is funded by a special tax of \$0.02626 per square foot on all improvements to real property in the City of Berkeley, which raised approximately \$1,965,000 in FY 2004. This tax, if approved, will increase the paramedic special tax to a rate of \$0.03908 to cover the projected FY 2005 deficit in the ALS program of \$1 million. At present, this tax may be increased annually by the cost of living in the immediate San Francisco Bay Area. This measure would allow it to be increased by the greater of the increase in the cost of living or per capita personal income growth in the California. This measure would also authorize the expenditure of the additional tax proceeds resulting from the rate increase through fiscal year 2008-09.

Financial Implications

The proposed tax rate would limit the annual cost for an average 1,900 square foot home to \$74.25 in Fiscal Year 2005-06. It is estimated that the tax will cost residential taxpayers no more than the following average amounts during FY 2005-06:

<u>Square Feet</u>	<u>Annual Tax</u>
1,200	\$ 46.90
1,500	\$ 58.62
1,900	\$ 74.25
3,000	\$ 117.24
10,000	\$ 390.80

ORDINANCE INCREASING RATE OF EMERGENCY MEDICAL SERVICES TAX,
AMENDING INFLATION ADJUSTMENT, AND AUTHORIZING EXPENDITURE
OF ADDITIONAL TAX PROCEEDS

ORDINANCE NO. N.S.

INCREASING RATE OF EMERGENCY MEDICAL SERVICES TAX, ALLOWING
ANNUAL ADJUSTMENT BASED ON INCREASE IN PER CAPITA PERSONAL
INCOME GROWTH AND AUTHORIZING EXPENDITURE OF ADDITIONAL TAX
PROCEEDS

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

Section 1. The City of Berkeley is currently experiencing financial difficulties due to statewide and national economic conditions. In order to remedy these difficulties, the City has made significant cuts in its expenditures. However, in order to be able to balance its budget while preserving the services desired by the people of Berkeley, the City also needs to raise additional revenues. In particular, Berkeley residents benefit from paramedic services provided by the Berkeley Fire Department, and desire to increase the existing special tax that funds these services to make up an anticipated deficit. ~~and to enable paramedic services to be expanded so that they are available from all of the city's fire stations.~~

Section 2. That Berkeley Municipal Code Section 7.90.020 is amended to read as follows:

7.90.020 Tax authorized--Tax rate--Indexing

A. The City Council is hereby authorized to impose a special tax of up to ~~\$0.0329~~ \$0.03908 per square foot of improvements in the City of Berkeley.

B. The tax imposed by this chapter shall be operative on July 1, ~~1997~~ 2005.

C. The City Council of the City of Berkeley is hereby authorized to increase the tax rate authorized by this Ordinance to the extent that the cost of living in the immediate San Francisco Bay Area or per capita personal income growth in the California has increased, whichever is greater.

Section 3. Pursuant to California Constitution Article XIII B, the appropriation limit for the City is increased by the aggregate sum authorized to be levied by this increase in the tax rate for each of the four fiscal years from 2005-06 through 2008-09.

ORDINANCE INCREASING RATE OF EMERGENCY MEDICAL SERVICES TAX;
AMENDING INFLATION ADJUSTMENT, AND AUTHORIZING EXPENDITURE
OF ADDITIONAL TAX PROCEEDS

BALLOT TITLE:

Shall the special tax for paramedic services be amended to: increase the tax rate from \$.02626 to \$0.041634 per square foot; add personal income growth as an alternative inflation adjustment; and authorize the expenditure of the additional proceeds?

Financial Implications

The annual cost in fiscal year 2005-06 would be \$79.10 for a 1,900 square foot home, \$124.90 for a 3,000 square foot home and \$416.34 for a 10,000 square foot building.

ORDINANCE INCREASING RATE OF EMERGENCY MEDICAL SERVICES TAX;
AMENDING INFLATION ADJUSTMENT, AND AUTHORIZING EXPENDITURE
OF ADDITIONAL TAX PROCEEDS

CITY ATTORNEY'S ANALYSIS:

Ambulance-based paramedic service, which is also referred to as Advanced Life Support (ALS), is provided by three fire department ambulance transport units. Approximately 40% of the cost of this service is funded by a special tax of \$.02626 per square foot on all improvements to real property in the City of Berkeley, which raised approximately \$1,965,000 in FY 2004. This tax, if approved, will increase the paramedic special tax to a rate of \$0. 041634 to cover the projected FY 2005 deficit in the ALS program of \$1 million, and provide an additional \$200,000 that can be used to expand paramedic service to all of the city's fire stations. Paramedics with the equipment, skills, and training to provide ALS intervention prior to the arrival of an ambulance would be assigned to each of the city's seven fire engines. At present, this tax may be increased annually by the cost of living in the immediate San Francisco Bay Area. This measure would allow it to be increased by the greater of the increase in the cost of living or per capita personal income growth in the California. This measure would also authorize the expenditure of the additional tax proceeds resulting from the rate increase through fiscal year 2008-09.

Financial Implications

The proposed tax rate would limit the annual cost for an average 1,900 square foot home to \$79.10 in Fiscal Year 2005-06. It is estimated that the tax will cost residential taxpayers no more than the following average amounts during FY 2005-06:

<u>Square Feet</u>	<u>Annual Tax</u>
1,200	\$ 49.96
1,500	\$ 62.45
1,900	\$ 79.10
3,000	\$ 124.90
10,000	\$ 416.34

ORDINANCE INCREASING RATE OF EMERGENCY MEDICAL SERVICES TAX;
AMENDING INFLATION ADJUSTMENT, AND AUTHORIZING EXPENDITURE
OF ADDITIONAL TAX PROCEEDS

ORDINANCE NO. N.S.

INCREASING RATE OF EMERGENCY MEDICAL SERVICES TAX, ALLOWING
ANNUAL ADJUSTMENT BASED ON INCREASE IN PER CAPITA PERSONAL
INCOME GROWTH AND AUTHORIZING EXPENDITURE OF ADDITIONAL TAX
PROCEEDS

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

Section 1. The City of Berkeley is currently experiencing financial difficulties due to statewide and national economic conditions. In order to remedy these difficulties, the City has made significant cuts in its expenditures. However, in order to be able to balance its budget while preserving the services desired by the people of Berkeley, the City also needs to raise additional revenues. In particular, Berkeley residents benefit from paramedic services provided by the Berkeley Fire Department, and desire to increase the existing special tax that funds these services to make up an anticipated deficit, and to enable paramedic services to be expanded so that they are available from all of the city's fire stations.

Section 2. That Berkeley Municipal Code Section 7.90.020 is amended to read as follows:

7.90.020 Tax authorized--Tax rate--Indexing

A. The City Council is hereby authorized to impose a special tax of up to ~~\$0.0329~~ \$.041634 per square foot of improvements in the City of Berkeley.

B. The tax imposed by this chapter shall be operative on July 1, ~~1997~~ 2005.

C. The City Council of the City of Berkeley is hereby authorized to increase the tax rate authorized by this Ordinance to the extent that the cost of living in the immediate San Francisco Bay Area or per capita personal income growth in the California has increased, whichever is greater.

Section 3. Pursuant to California Constitution Article XIII B, the appropriation limit for the City is increased by the aggregate sum authorized to be levied by this increase in the tax rate for each of the four fiscal years from 2005-06 through 2008-09.

ORDINANCE INCREASING TAX RATE, AMENDING INFLATION ADJUSTMENT
AND INCREASING EXPENDITURE AUTHORITY IN LIBRARY RELIEF ACT OF
1980

BALLOT TITLE:

Shall the special tax for the Berkeley Public Library be amended to: increase the per foot tax rate from \$ 0.132172 to \$0.1540 for residential property and \$0.2001 to \$0.2331 for other property; change the annual inflation adjustment to 5%; increase the expenditure limitation through FY 2008?

Financial Implications

The annual cost in FY 2005 would be \$292.60 for a 1,900 square foot home and \$2,331.00 for a 10,000 square foot building.

ORDINANCE INCREASING TAX RATE, AMENDING INFLATION ADJUSTMENT AND INCREASING EXPENDITURE AUTHORITY IN LIBRARY RELIEF ACT OF 1980

CITY ATTORNEY'S ANALYSIS:

The City's main library and branch libraries are almost entirely funded by a citywide special tax of \$0.132172 per square foot on all improvements to residential real property in the City of Berkeley, and \$0.2001 per square foot on all improvements to commercial, industrial and institutional real property. In fiscal year 2004, the library tax raised approximately \$11,272,200. The tax is indexed to the greater of the cost of living in the immediate San Francisco Bay Area or per capita personal income growth in California. If approved, this measure would increase the tax rates on residential property from \$0.132172 to \$0.1540 per square foot, and on other property from \$0.2001 to \$0.2331 square foot, to pay for existing library costs such as facilities, personnel, books and supplies, as well as expansion of the literacy program. It would also change the annual inflation factor from the greater of the cost of living in the immediate San Francisco Bay Area or per capita personal income growth in California to a maximum of 5%. Finally, if approved this measure would increase the City's authority to expend the proceeds of this tax to equal the amount collected.

Financial Implications

The proposed tax rate would limit the annual cost for an average 1,900 square foot home to \$292.60 in fiscal year 2005-06. It is estimated that the tax will cost residential taxpayers no more than the following average amounts during FY 2005-06:

<u>Square Feet</u>	<u>Annual Tax</u>
1,200	\$ 184.80
1,500	\$ 231.00
1,900	\$ 292.60
3,000	\$ 462.00
10,000	\$2,331.00

ORDINANCE INCREASING TAX RATE, AMENDING INFLATION ADJUSTMENT
AND INCREASING EXPENDITURE AUTHORITY IN LIBRARY RELIEF ACT OF
1980

ORDINANCE NO. - N.S.

AUTHORIZING INCREASE IN TAX RATE OF LIBRARY RELIEF ACT OF 1980,
AMENDING INFLATION ADJUSTMENT AND INCREASE EXPENDITURE
AUTHORITY

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

Section 1. That Berkeley Municipal Code Section 7.56.030 is amended to read as follows:

7.56.030 Imposition of tax.

There is hereby imposed a tax on the square footage of all improvements in the City of Berkeley, except where the improvements are otherwise exempt from taxation by Section 7.56.100 and/or Section 7.56.035 of this chapter.

The rate of tax for the fiscal year ~~1989-90~~ 2005-06 to support the usual and current expenses of operating the City of Berkeley Library Services ~~shall be , is increased 5.7 percent over last year's rate, and is hereby fixed and apportioned upon the square feet of improvements, as defined below:~~

A. ~~\$0.1540~~ For all dwelling units, the tax shall be imposed at the rate of \$0.0761 per square foot of all dwelling units; and:

B. ~~\$0.2331~~ For all industrial, commercial and institutional buildings, the tax shall be imposed at the rate of \$0.1151 per square foot of all other taxable buildings.

Section 2. That Berkeley Municipal Code Section 7.56.040 is amended to read as follows:

7.56.040 Limited authority of City Council to annually increase the tax hereby imposed to reflect cost of living and personal income growth increases.

~~A.—The City Council of the City of Berkeley is hereby authorized to increase the tax rate authorized by this Ordinance by up to 5% annually. Subject to the conditions of subsection B below, the City Council of the City of Berkeley is hereby authorized to increase the tax rates imposed by this chapter.~~

~~—B. The City Council may increase the taxes imposed hereby only upon a finding that the cost of living in the immediate San Francisco Bay Area, or personal income growth in the state of California, as verified by official United States economic reports has increased; and the increase of the taxes imposed hereby shall not exceed this verified increase in the cost of living in the immediate San Francisco Bay Area, or personal income growth in California, whichever is greater.~~

ORDINANCE INCREASING TAX RATE, AMENDING INFLATION ADJUSTMENT
AND INCREASING EXPENDITURE AUTHORITY IN LIBRARY RELIEF ACT OF
1980

Section 3. That Berkeley Municipal Code Section 7.56.120 is amended to
read as follows:

7.56.120 Increase appropriations limit.

Pursuant to California Constitution Article XIII B, the appropriation limit for the City
of Berkeley is hereby increased by the aggregate sum authorized to be levied by this
special tax for each of the four fiscal years from ~~2000-01~~ 2004-05 through ~~2003-04~~ 2007-
08.

AMENDMENT TO UTILITY USERS TAX TO TEMPORARILY INCREASE TAX
RATES AND AUTHORIZING EXPENDITURE OF PROCEEDS OF TAX

BALLOT TITLE:

Shall the utility users tax be temporarily increased from 7.5% to 9.0% for the years 2005-2008, expenditure of the additional proceeds be authorized, and prior amendments to the tax be ratified?

Financial Implications

The estimated cost in fiscal year 2005-06 for a Berkeley resident with combined monthly utility (gas, electricity, cable, telephone and cell phone) bills of \$300 currently would be approximately \$27 per month versus \$22.50 per month.

AMENDMENT TO UTILITY USERS TAX TO TEMPORARILY INCREASE TAX RATES AND AUTHORIZING EXPENDITURE OF PROCEEDS OF TAX

CITY ATTORNEY'S ANALYSIS:

Currently, the City's existing utility users tax raises \$13,900,000 for general governmental purposes such as police, fire, health and human services, recreation, and city administrative services, through a 7.5% tax on gas, electric, telephone, and video service bills. This amendment would increase that tax rate temporarily, beginning 2005 through 2010, to make up for existing and projected decreases in other sources of revenue. The increase in the tax would expire December 31, 2008, after which the tax would revert to the current rate of 7.5%. However, the Council could repeal the tax increase at any time. This measure would also authorize the expenditure of the additional tax proceeds resulting from the rate increase through calendar year 2008; and ratify various technical changes to the utility users taxes (Berkeley Municipal Code chapter 7.70) that have been adopted by the City Council.

Financial Implications

The proposed tax increase would increase the annual cost for a Berkeley resident with combined utility (gas, electricity, cable, telephone and cell phone) bills currently totaling \$300 per month (or \$3,600 annually) from \$270 per year to \$324 per year.

AMENDMENT TO UTILITY USERS TAX TO TEMPORARILY INCREASE TAX RATES AND AUTHORIZING EXPENDITURE OF PROCEEDS OF TAX

ORDINANCE NO. - N.S.

AUTHORIZING INCREASE IN RATES OF UTILITY USERS TAXES AND AUTHORIZING EXPENDITURE OF PROCEEDS OF TAX

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

Section 1. This ordinance shall be known as the Temporary Economic Recovery Act of 2004.

Section 2. The City of Berkeley is currently experiencing financial difficulties due to statewide and national economic conditions. In order to remedy these difficulties, the City has made significant cuts in its expenditures. However, in order to be able to balance its budget while preserving the services desired by the people of Berkeley, the City also needs to raise additional revenues for a limited period of time, until economic conditions change.

Section 3. That Berkeley Municipal Code Section 7.70.076 is added to read as follows:

7.70.076 Temporary increase in taxes.

A. For the calendar years 2005 through 2010, the tax rate in Sections 7.70.050, 7.70.060, 7.70.070, and 7.70.075 shall be increased from 7.5% to 9.0%.

B. This Section shall be deemed automatically repealed and of no further force and effect as of midnight on December 31, 2008, and as of January 1, 2009, the tax rates in Sections 7.70.050, 7.70.060, 7.70.070, and 7.70.075 shall revert to 7.5%.

C. The City Council may at any time reduce or eliminate the tax increase imposed by this Section.

Section 4. Pursuant to California Constitution Article XIII B, the appropriation limit for the City is increased by the aggregate sum authorized to be levied by this increase in the tax rate for each of the four calendar years from 2005 through 2008.

Section 5. The voters of the City of Berkeley hereby ratify all amendments to Chapter 7.70 of the Berkeley Municipal Code (Utility Users Tax) adopted prior to November 2, 2004.

AMENDMENT TO BERKELEY MUNICIPAL CODE CHAPTER 7.52 TO ADD A
SPECIAL TAX TO FUND YOUTH SERVICES AND YOUTH SAFETY PROGRAMS
AND AUTHORIZING EXPENDITURE OF PROCEEDS OF TAX

BALLOT TITLE:

Shall a special tax to fund youth services and youth safety programs, be authorized on real property transfers through December 31, 2010, at the rate of 0.5% on transfers for \$600,000 or more, and 1% on transfers for \$1,000,000 or more,

Financial Implications

Adds 0.5% to existing 1.5% transfer tax on transfers \$600,000 and over and 1% to existing tax on transfers \$1,000,000 and over. Additional tax is \$500 for every \$100,000 in sales price.

AMENDMENT TO BERKELEY MUNICIPAL CODE CHAPTER 7.52 TO ADD A SPECIAL TAX TO FUND YOUTH SERVICES AND YOUTH SAFETY PROGRAMS AND AUTHORIZING EXPENDITURE OF PROCEEDS OF TAX

CITY ATTORNEY'S ANALYSIS:

The City provides various affordable youth services and youth safety programs, including, but not limited to, recreation programs, summer camps, literacy programs, after school, school and summer programs, crossing guards, school-based police officers, violence prevention efforts, grants to community-based agencies that provide services to at-risk youth, and program evaluation and coordination. The current budget identifies significant cuts to these programs. These programs have been funded primarily out of the City's General Fund. This ordinance would authorize a supplemental real property transfer special tax on specified sales of real property. The current real property transfer tax is 1.5% of sales price regardless of the price of the sale. If approved, this amendment would increase the total rate of the City's real property transfer tax on sales of \$600,000 or more to 2.0% of the sales price, and on sales of \$1,000,000 or more to 2.5% of the sales price, in order to pay for these and other similar programs. The tax would be subject to the same exemptions as the existing transfer tax, but not the 1/3 seismic retrofit rebate. Finally, the tax would expire on December 31, 2010. This measure would also authorize the expenditure of the additional tax proceeds resulting from the tax beginning calendar year 2005 through 2008.

Financial Implications

This special tax would be imposed upon all real property with a transfer price of \$600,000 or more. It would add 0.5% to the amount of the existing transfer tax on sales of \$600,000 or more, and 1% to the existing transfer tax on sales of \$1,000,000 or more. The current rate is 1.5% of the sales price on all property regardless of transfer price. The additional transfer tax would cost \$500 for every 100,000 in sales price of property.

AMENDMENT TO BERKELEY MUNICIPAL CODE CHAPTER 7.52 TO ADD A SPECIAL TAX TO FUND YOUTH SERVICES AND YOUTH SAFETY PROGRAMS AND AUTHORIZING EXPENDITURE OF PROCEEDS OF TAX

ORDINANCE NO. N.S.

AMENDING BERKELEY MUNICIPAL CODE CHAPTER 7.52 TO ADD A SPECIAL TAX TO FUND YOUTH SERVICES AND YOUTH SAFETY PROGRAMS AND AUTHORIZING EXPENDITURE OF PROCEEDS OF TAX

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

Section 1. That Berkeley Municipal Code Section 7.52.041 is added to read as follows:

7.52.041 Additional special tax imposed to fund youth services and youth safety programs

A. In addition to the general tax imposed under section 7.52.040, there is hereby imposed on transfers of lands, tenements, or other interests in real property located in the City of Berkeley, an additional real property transfer special tax:

1. at the rate of 0.5% of the value of consideration when the sale price is \$600,000 or more; and
2. at the rate of 1% of the value of consideration when the sale price is \$1,000,000 or more.

Except as set forth in section 7.52.060, this special tax applies regardless of the method by which the transfer is accomplished or the relationship of the parties to the transfer.

B. The supplemental special tax imposed by this section shall be used solely to fund youth services and youth safety programs.

C. "Youth services and youth safety programs" means recreation programs, summer camps and other summer programs, school break programs, after school programs, literacy programs, academic mentoring, cultural enrichment, crossing guards, school-based police officers, violence prevention efforts and other similar services and programs, grants to community-based agencies that provide such affordable services and programs for at-risk youth, and program evaluation and coordination.

D. The supplemental tax imposed by this Section shall expire at midnight on December 31, 2010.

Section 2. That Berkeley Municipal Code Section 7.52.060.K.1 is amended to read as follows:

K. 1. Up to one-third of the tax imposed by Section 7.52.040 of this chapter shall be reduced, on a dollar for dollar basis, for all expenses incurred on or after October 17, 1989 to "seismically retrofit" either any structure which is used exclusively for residential purposes, or any mixed use structure which contains two or more dwelling units.

AMENDMENT TO BERKELEY MUNICIPAL CODE CHAPTER 7.52 TO ADD A
SPECIAL TAX TO FUND YOUTH SERVICES AND YOUTH SAFETY PROGRAMS
AND AUTHORIZING EXPENDITURE OF PROCEEDS OF TAX

Section 3. Pursuant to California Constitution Article XIIB, the appropriation limit for the City is increased by the aggregate sum authorized to be levied by this increase in the tax rate for each of the four fiscal years beginning calendar 2005 through 2008.