



Office of the City Manager

ACTION CALENDAR
May 10, 2016

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, City Manager

Submitted by: Matthai Chakko, Assistant to the City Manager

Subject: Presentation and Discussion of Second Community Survey Results and Direction About Next Steps for Possible Ballot Measure Development

RECOMMENDATION

Discuss results of the second community survey and provide direction to the City Manager about the drafting of possible revenue measures for inclusion on the November 2016 ballot.

SUMMARY

At its April 5 meeting, the Council discussed possible ballot measures that were tested in a March community survey and that the Council sought to further test in a second community survey. The results of that second survey, conducted April 19-24 by Lake Research Partners, are summarized in this report. The full topline results and Cross Tabulation Report are available as Attachments 2 and 3. There is significant support for a \$100 million infrastructure bond, and that support grows significantly with additional information. There is also support for increasing the gross receipts tax on owners of five or more residential units. Though there is more support for a special tax of gross receipts on owners of five or more residential units, it is below the special tax threshold unless additional information is given. The public financing measure has some support unless additional information is given.

If the Council wishes to move forward with placing a revenue measure (or measures) on the ballot in the fall, staff will need direction on the specifics of the measure(s) to allow adequate time to draft final ballot measure language for Council consideration and to meet County Registrar of Voters deadlines for the November 2016 ballot.

FISCAL IMPACTS OF RECOMMENDATION

The cost of placing a measure on the ballot varies depending on the total number of measures and whether it is placed on the June or November ballot. The following graphic shows the costs associated with past elections.

ELECTION COSTS, INCLUDING NUMBER OF MEASURES AND CANDIDATES						
	Nov. 2006	Nov. 2008	June 2010	Nov. 2010	Nov. 2012**	Nov. 2014
Total Cost*	\$272,580	\$224,575	\$191,732	\$164,815	\$367,884	\$390,910
No. of Measures	6	7	1	3	10	7
No. of Candidates	23	25	0	31	26	21

* Excludes RCV-specific costs (RCV costs are candidate specific only)

**The high number of measures on the 2012 election required an additional ballot card.

CURRENT SITUATION AND ITS EFFECTS

The purpose of this report is to present the results of the April Community Survey and provide an opportunity for the Council to discuss the results and provide direction regarding next steps.

On February 9 and February 23, 2016 the City Council discussed possible ballot measures for the November 2016 ballot and provided direction about what to include in a community survey. An initial community survey was conducted March 13-17, 2016 and was designed to provide a broad picture of the community's general priorities and their willingness to support possible ballot measures to fund those priorities. Based on the [results of that survey](#) and Council's [subsequent discussion](#) at the April 5 Council meeting, a second community survey was planned. To further test the measures, respondents were asked about each of the measures and they were also asked about whether their support increased after additional language was provided.

The possible measures identified by the Council for further assessment on April 5 were: a \$100 million infrastructure bond with money spent on streets, parks, playgrounds and other key facilities; a tax on owners of five or more residential rental units – tested separately as a Special Tax and a General Tax; and a measure about public financing for the elections for mayor and council.

Survey Design

Lake Research Partners designed and administered a 17-minute community survey for the City of Berkeley which was conducted by telephone (April 19-24, 2016) using professional interviewers. The survey reached 500 voters who are likely to vote in the November 2016 election. Telephone numbers for the sample were drawn from the state voter file which includes both land lines and cellular phone lines. The margin of error for this poll is +/- 4.4%. The demographic data about respondents in this second survey almost identically matched the first survey.

Respondents were asked about each measure using language that modeled possible ballot language. Respondents were given follow-up questions with additional

information and asked whether the information made them more or less likely to vote yes.

Summary of Survey Results

Infrastructure Bond: streets, parks, playgrounds, sports facilities

The survey asked about support for a \$100 million bond to significantly improve the condition of city streets, parks, playgrounds, sports facilities, the Berkeley pier, and sports facilities across the city, in order to increase the accessibility and safety of these facilities, and also to upgrade and repair the city's recreation and senior centers so that they can be used as care and shelter facilities after a natural disaster. (Question 6.)

The language was substantially different from the first survey, which focused just on parks, senior centers and recreation centers. The significant support for a broad infrastructure bond reflects a general consensus among polls nationwide: voters tend to support upgrades and repairs of existing infrastructure rather than new projects.

Respondents were then given additional information that stated "the average homeowner has, on average, paid an annual total of 209 dollars for all City of Berkeley bonds, and if this bond were to pass, that amount would not increase." (Question 7a.)

Respondents were also given a follow up statement with additional information that stated, "the proposed bond measure would also fund street repaving, storm drain repairs, fixing seismically unsafe public buildings, and other unfunded capital needs." (Question 7b.)

The measure comes close to the 2/3 threshold with 18 percent undecided. With additional information, the measure easily surpasses the threshold.

\$100M Infrastructure Bond: Streets, Parks, Playgrounds					
	YES		NO		UNDECIDED
TOTALS	66		16		18
	42	24	8	8	
	Yes - strongly	Not so strongly/ lean yes	No - strongly	Not So Strongly/ Lean No	

Potential Yes, after information about no cost increase (Q. 7a)	74	18	8
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Potential Yes, after information about specific needs (Q. 7b)	78	18	5
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Gross Receipts Tax on Owners of Five or More Units

General Tax: In Question 8, respondents were asked about a General Tax that involved an increase in the gross receipts tax on owners of five or more units, with the Housing Advisory Commission being asked to make recommendations on funding and programs to increase affordable housing and protect Berkeley residents from homelessness. The proposed measure received support well above the 50 percent threshold required by the General Tax.

As a follow-up in Question 10, respondents were also given additional information to test support for exemptions and their costs, stating “now thinking again about this proposed tax on rental properties, would you be MORE or LESS likely to vote for this measure if certain properties were exempted from the new tax, including all units that pay rents that are subsidized, below-market, rent controlled prior to 1999 or built in the last 10 years, and if regulating these exemptions would cost an additional 175,000 dollars per year?”

As an additional follow-up in Question 11, respondents were also given a pair of rivaling messages to project what they might hear in a campaign.

Supporters of this statement say that this increase could not be passed on to 94 percent of tenants, would bring in about 6 million dollars every year, enough to create 450 affordable apartments over the next ten years and would also fund emergency rental assistance to help Berkeley families in financial trouble and include an exemption for hardship situations.

Opponents of this measure say that rental property in Berkeley is already heavily taxed and this extra burden makes it even harder for those who actually provide housing.

The measure surpasses the 50 percent threshold required of a General Tax. In addition, additional information boosts the potential yes vote even higher.

General Tax: Increase in Gross Receipts Tax on Owners of 5 or more residential rental units					
	YES		NO		UNDECIDED
TOTALS	58		21		21
Question 8	37	21	12	9	
	Yes - strongly	Not so strongly/ lean yes	No - strongly	Not So Strongly/ Lean No	

<i>Potential</i> Yes, after information about exemptions (Q. 10)	66	25	10
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<i>Potential</i> Yes, after possible campaign language (Q. 11)	67	26	7
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Special Tax: Alternatively, voters were asked about imposing an additional Special Tax on the gross receipts of owners of five or more residential rental units to fund the development and preservation of safe and affordable housing in Berkeley. (Question 9)

Using the additional information given in Questions 10 and 11, a potential yes vote can also be calculated regarding the Special Tax on owners of five or more residential rental units.

While a greater percentage of people support the special tax, it is initially below the 2/3 threshold required of the special tax. With additional information, the measure surpasses the 2/3 threshold. The margin is close, given the +/- 4.4% percentage point margin of error.

Special Tax: Gross Receipts Tax on owners of five or more residential rental units and with funding dedicated					
	YES		NO		UNDECIDED
TOTALS	61		20		19
	37	21	12	9	
	Yes - strongly	Not so strongly/ lean yes	No - strongly	Not So Strongly/ Lean No	

<i>Potential</i> Yes, after information about exemptions (Q. 10)	68	23	9
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<i>Potential</i> Yes, after possible campaign language (Q. 11)	69	23	8
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Public Financing for the Offices of Mayor and Council

The survey tested a possible measure involving public financing for the offices of mayor and council through the creation of a Fair Elections Fund. (Question 3).

Respondents were given rivaling statements to see how that affected support. (Question 4.)

Supporters of this measure say that in Berkeley, seven of the last eight City Council races went to the candidate who raised the most money, as did the last mayor’s race. They say that we need a system where qualified candidates can successfully run for office even if they don’t have connections to wealth.

Opponents of this measure say that it competes for scarce resources by cutting at least 500,000 dollars a year in public money from essential services like police and parks, and would have little impact since candidates not participating can still

raise unlimited money and corporations can still have unlimited independent expenditures.

Respondents were also given an alternate pairing of campaign arguments: (Question 5)

Supporters of the measure say that by breaking down financial barriers to running for office, this measure would encourage a more diverse, grassroots-oriented pool of candidates for Mayor and City Council, limit the influence of special interests, and help ensure that the issues that matter most to Berkeley voters are at the forefront of the debate.

Opponents of this measure say that making this part of the City Charter makes future changes only possible by future voters, or in the case of a fiscal emergency, makes it difficult to amend or fix any problems it may have, while adding another layer of bureaucracy for inexperienced candidates to comply with.

The results are below. The measure surpasses the 50 percent threshold when given additional information. The margin is close, given the +/- 4.4% percentage point margin of error.

Public Financing for the offices of Mayor and Council					
	YES		NO		UNDECIDED
TOTALS	39		26		35
	23	16	15	10	
	Yes - strongly	Not so strongly/ lean yes	No - strongly	Not So Strongly/ Lean No	

Potential Support for Public Financing after campaign language (Q. 4)	52	35	13
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Potential Support for Public Financing after campaign language (Q. 5)	55	33	13
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The 2016 Ballot Measure Schedule

In order to meet the deadlines set by the Alameda County Registrar of Voters to place items on the November ballot, the following timeline has been developed for the Council’s consideration:

May 31: Action Calendar	Provide direction on ballot language
June 28: Action Calendar	Review final ballot measure language
July 12: Action Calendar	Final action on ballot measure(s) for Nov. 2016

BACKGROUND

The City Council and Staff have closed substantial budget gaps in recent years while also minimizing service cuts important to constituents in Berkeley. Nonetheless, several areas of City services or infrastructure could be significantly strengthened by the passage of voter-approved revenue measures.

On February 9, February 23 and April 5, the Council discussed various funding measures, including funding for parks, streets and other infrastructure measures that would address various issues throughout the City. A community survey was conducted in April, the results of which are included with this report.

ENVIRONMENTAL SUSTAINABILITY

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

RATIONALE FOR RECOMMENDATION

To maintain timelines for putting measures on the ballot, Council should provide further direction about which measures they are interested in so staff can begin drafting ballot language.

ALTERNATIVE ACTIONS CONSIDERED

Council could decide to not pursue ballot measures in November 2016.

CONTACT PERSON

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Attachments:

- 1. General Election Calendar
- 2. Topline Results for April 2016 Community Survey
- 3. Cross tabulation results from April 2016 Community Survey

CITY OF BERKELEY – November 8, 2016 GENERAL ELECTION CALENDAR
Offices to be Elected: Mayor, Council Districts 2, 3, 5, 6; Rent Board (4 seats); School Board (2 seats)

<u>DAYS PRIOR TO ELECTION</u>	<u>DATE</u>	<u>ACTION TAKEN</u>
180	May 12, 2016	Suggested Last Day to file petitions for initiative or charter amendment ballot measure. Petitions received after this date will be accepted, but may not be on the November ballot.
158 103	June 3, 2016 July 28, 2016	Signature In-Lieu of Filing Fee Period - Candidates may collect signatures to offset the \$150 filing fee. Charter Art. III, Sec. 6.5
113 88	July 18, 2016 August 12, 2016	FILING PERIOD - CANDIDATE NOMINATION PAPERS EC 10220 et seq., Charter Art. III, Sec. 6.5
	August 1, 2016	Semi-Annual Campaign Statement Due
90	August 10, 2016	Independent Expenditure Disclosure Period Begins (\$1,000 or more)
90	August 10, 2016	Late Contribution Disclosure Period Begins (\$1,000 or more)
88	August 12, 2016	Deadline to deliver resolution calling ballot measure election to Registrar and request election consolidation. Tax Rate Statement due for bonds. EC 12001, 10002, 1405, 9241; EC 9400-9401
87 83	August 13, 2016 August 17, 2016	Extended candidate filing period. Filing is extended if an incumbent eligible for re-election does not file by 5pm on Aug 12. Incumbents are not eligible to file during the extended period. EC 10225
81	August 19, 2016	Last day to file primary arguments for ballot measures - Deadline is 12:00pm. EC 9280-9287
74	August 26, 2016	Last day to file rebuttal arguments for ballot measures - Deadline is 12:00pm. Impartial Analysis due. EC 9280-9287
74 63	August 26, 2016 September 6, 2016	Public review period for ballot arguments and Impartial Analysis. EC 9295
57 14	September 12, 2016 October 25, 2016	Filing Period for Write in Candidates. EC 8601
40 21	September 29, 2016 October 18, 2016	Voter Information & Sample Ballot Pamphlet mailing period. EC §13303-04, 13306
29 7	October 10, 2016 November 1, 2016	Period to obtain Vote-by-Mail Ballots. After November 1, VBM ballots may be obtained at the Registrar's office. EC §3001
-	September 29, 2016	First Pre-Election Campaign Statement due. GC §84200.7
15	October 24, 2016	Last Day to Register to Vote. EC §§2102, 2107
	October 27, 2016	Second Pre-Election Campaign Statement due. GC §84200.7
0	November 8, 2016	Election Day - EC §1000; Charter Art. III, Section 4
30	December 8, 2016	Last day for County to certify election results to city. EC §15372
35	December 13, 2016	Council to adopt and certify election results. EC §9217, 10262-10263; Charter Art. III, Sec. 10
	January 31, 2017	Semi-Annual Campaign Statement due. GC 84200