

Legislation Text

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DATE OF MEETING: 03/16/20

SUBJECT:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO SUPPORTING THE CALIFORNIA SCHOOLS AND LOCAL COMMUNITIES FUNDING ACT OF 2020 ON THE NOVEMBER 2020 STATE-WIDE BALLOT

CITY MANAGER RECOMMENDATION

1. Proceed with presentation of SUPPORT viewpoint (Max: 10 mins.); and
2. Proceed with presentation of OPPOSE viewpoint (Max: 10 mins.); and
3. Deliberate and consider adoption of said Resolution pursuant to majority vote direction of the City Council

COMPLIANCE STATEMENTS

FY 2019-21 City Council Priority Workplan Compliance Statement

Major Policy Goal: Build a Healthy Community; Policy 100.3: Foster college and career readiness, education, youth leadership; and City of San Pablo/Contra Costa College/WCCUSD Partnerships are adopted policies under the FY 2019-21 City Council Priority Workplan, effective March 1, 2019.

CEQA Compliance Statement

This is not a project as defined by the California Environmental Quality Act (CEQA).

BACKGROUND

On February 18, 2020, at the conclusion of the regular City Council meeting, on motion made by Councilmember Xavier, duly seconded, the City Council directed the City Manager by majority vote to schedule a future City Council policy discussion on the formal re-consideration of a Resolution of Support for the California Schools and Local Communities Funding Act of 2020 (Act) which has qualified for the November 2020 state-wide ballot.

Previous City Council Consideration (June 2019)

On June 17, 2019, the City Council previously reviewed a Resolution of Support for the proposed Act. The City Council deadlocked with a 2-2 vote, and was not able to proceed with formal adoption of a proposed Resolution of Support. However, following this policy discussion and deadlocked vote on June 17, 2019, the City Manager was directed by separate majority vote of the City Council on February 18, 2020 to proceed with scheduling both a support and opposition viewpoint of the proposed Act for City Council review and consideration of a Resolution of Support (see Attachment).

California Schools and Local Communities Funding Act of 2020 (November 2020 Ballot)

On October 15, 2018, the California Schools and Local Communities Funding Act of 2020 (Act) qualified for the state-wide November 2020 ballot making it the first commercial property tax reform initiative to qualify for the State-wide ballot in over 40 years. The California Schools and Local

Communities Funding Act of 2020 proposes a constitutional amendment that will:

- Require the regular reassessment of some commercial and industrial properties at fair market value for property tax purposes and keep the 1% cap on the property tax rate increase
- Maintain all Prop 13 protections for homeowners, rental properties and agricultural land.
- Protect small business property owners by excluding from reassessment properties under \$3 million in market value when these properties are owned independently.
- Provide relief from the business personal property tax for all businesses by exempting the first \$500,000 of fixtures and equipment.
- Direct at least \$4.5 billion for schools toward all students, with a focus on high-need students.
- Provide additional funding for cities and counties to spend on critical municipal services, including public safety, homeless services, parks and libraries, roads, infrastructure, and business improvements.

Support Viewpoint Presentation

As directed previously by the City Council on February 18, 2020, the City Manager requested a support viewpoint presentation on February 26, 2020 via email from a representative of Evolve, a community organization based in San Francisco, CA that advocates for the proposed Act for the March 16, 2020 regular meeting. The availability of this presentation was confirmed by the City Manager's Office prior to posting of the regular agenda.

Additionally, the following information has been forwarded by Evolve proponents of the proposed Act for City Council review and consideration, with copies attached hereto to this agenda report, as follows:

- 1) *Schools and Communities First Act of 2020 - Policy Fact Sheet*
- 2) *Schools and Communities First Act of 2020 - Small Business Impact Infographic*
- 3) *How to Raise Billions for Schools and Services by Reforming the Commercial Property Tax System - Policy Brief (November 2019)*
- 4) *USC Dornsife Program for Environmental and Regional Equality - Research Update: State and County-Level Estimates of Revenue Gains from Changes to California's System of Assessing Commercial Real Estate (February 2020)*

Additionally, proponents of the proposed Act report that over 115 local elected bodies from over 21 counties across the State of California have adopted a Resolution of Support calling for Proposition 13 (1978) reform by closing the commercial property loophole (see Attachment). More information can be found here: <https://www.evolve-ca.org/ballot-measure>.

Oppose Viewpoint Presentation

Two requests from the City Manager's Office were transmitted via email to the Northern California Chapter of the Howard Jarvis Taxpayers' Association (HJTPA) on February 26, 2020 and March 3, 2020 to inquire about the availability of presenting an opposing viewpoint for the proposed Act for the March 16, 2020 City Council meeting. At the time of the regular agenda posting, there has been no formal response from HJTPA representative(s) in response to the City Manager's requests. Additionally, no information has been forwarded to the City Manager's Office opposing the Act for City Council review and consideration this evening.

City Council Policy Consideration

Following both presentations of viewpoints to the City Council, the City Council may choose to deliberate on this policy discussion, and provide further direction to staff by majority vote. Additionally, since this is an adopted policy area in the FY 2019-21 City Council Priority Workplan, a Resolution of Support has been drafted for formal consideration and potential adoption by the City Council by majority vote. The proposed Resolution of Support is attached to this agenda report (see Attachment).

FISCAL IMPACT

None at this time.

ATTACHMENTS:

- 1) *Schools and Communities First Act of 2020 - Policy Fact Sheet*
- 2) *Schools and Communities First Act of 2020 - Small Business Impact Infographic*
- 3) *How to Raise Billions for Schools and Services by Reforming the Commercial Property Tax System - Policy Brief (November 2019)*
- 4) *USC Dornsife Program for Environmental and Regional Equality - Research Update: State and County-Level Estimates of Revenue Gains from Changes to California's System of Assessing Commercial Real Estate (February 2020)*
- 5) *List of Public Agencies Supporting the Schools and Communities First Funding Act of 2020*