



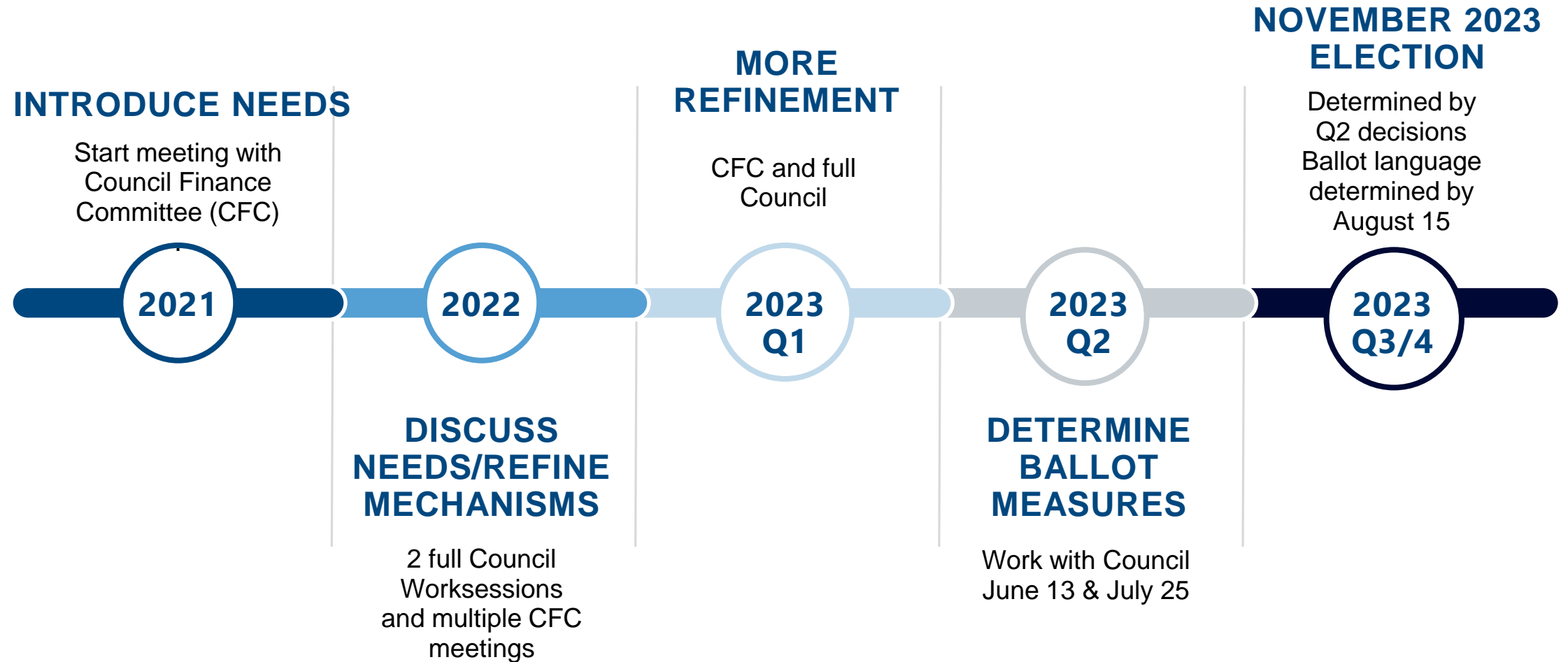
City Council Regular Meeting

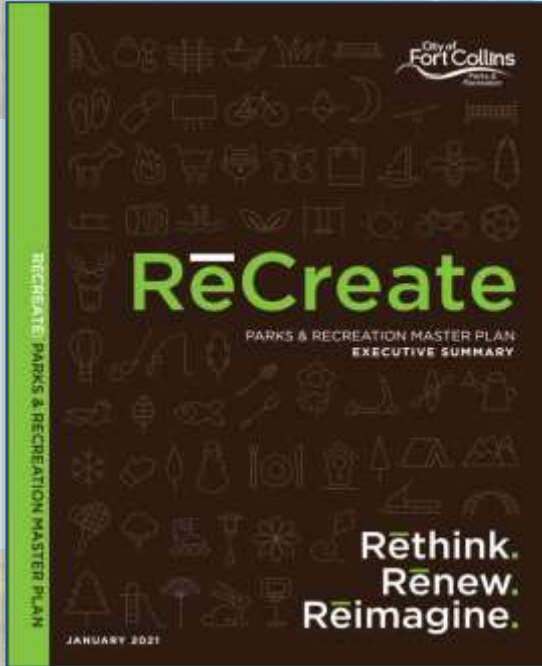
Consideration of Ballot Measures to Address Sustainable Funding Initiative



Travis Storin, Chief Financial Officer

August 15, 2023





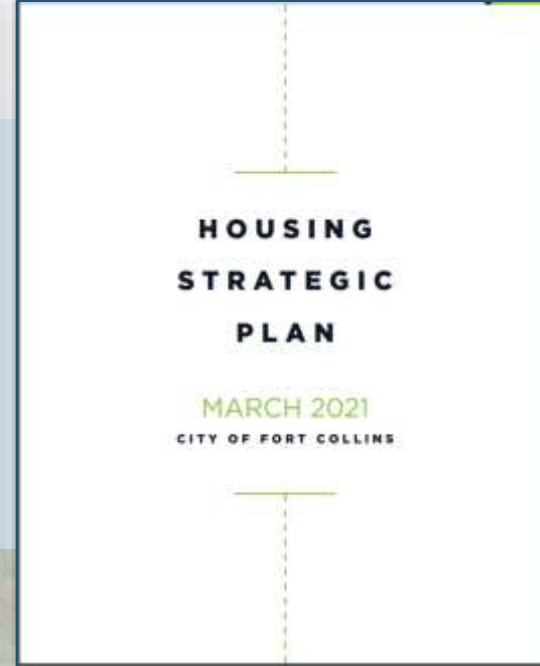
\$8-12M Annual Gap

Replacements & Masterplan Projects



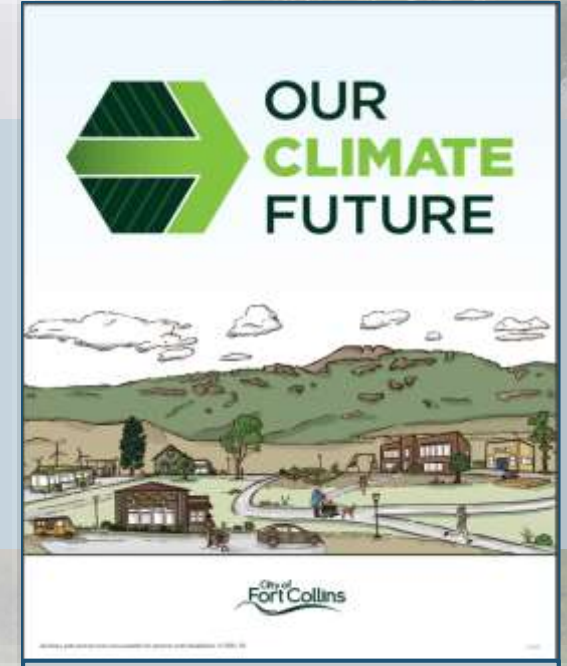
\$14.7M Annual Need

Masterplan to Build Out Projects



\$8-9.5+ Annual Need

To Increase Affordable Housing Stock



\$9.5M+ Annual Need

To Accelerate Community Transition From Fossil Fuels

ANNUAL REVENUE NEEDS = \$40M TO \$46M+

- Early work with Council Finance Committee considering over 12 variations of taxes/fee
- Initial Direction:
 - Clearly define and articulate revenue needs and level of service considerations.
 - Thoroughly research funding options including impacts and the context of existing and potential new tax measures (local and regionally.)
 - Work to keep overall resident impact and tax burden as low as possible.
 - Consider existing dedicated tax renewals and associated election timelines in a strategic manner.
- Most feasible options to emerge:
 - Property Tax
 - Dedicated Sales Tax

Current Package

| Category | Funding Mechanism | Timing | Use | Annual Revenue Estimate | Resident Annual Impact |
|--------------|---------------------------------|--------|---------------------------------------|-------------------------|--|
| Property Tax | 3 Mills | 2023 | Housing | \$11M | <ul style="list-style-type: none"> Residential increase of \$86 on \$400K home Residential increase of \$107 on \$500K home Residential increase of \$161 on \$750K home Residential increase of \$215 on \$1M home Commercial increase of \$376 on \$432K biz |
| Sales Tax | Additional ½ Cent Dedicated Tax | 2023 | Parks, Recreation, Transit, & Climate | \$20M | <ul style="list-style-type: none"> \$62 per resident/ \$156* per household Sales tax on food would remain at 2.25% Visitors also impacted |
| Total | | | | \$32M+ | <ul style="list-style-type: none"> \$256 net annual increase per household |

*Assumes a household size of 2.5 (American Community Survey 2021 1-year estimates, table DP04)

Ballot Option-3 Mills in Perpetuity for Housing

Option A: State and define “Affordable Housing”

“Used for the **exclusive purpose of funding “affordable housing”, as defined by city council**, to include:”

Option B: Focus on “Strategic Housing” and reference tactics in the Housing Strategic Plan

“Used for the **exclusive purpose of advancing the city’s housing goals under the City’s 2021 housing strategic plan, as later amended or replaced by city council**, to include funding for:”

Both Options:

- The City’s development, construction, acquisition, operation, and maintenance of affordable housing;
- Grants and incentives for the development, construction, acquisition, operation, and maintenance of affordable housing by private and other public entities; and
- Programs and services provided by the City, other public entities, and non-profit organizations to subsidize affordable housing and provide housing support for it;

Ballot Option- .50-cent Dedicated Tax, Sunset in 2050



Option A: Even Split of Revenue

- 34% Parks facilities and replacement and construction of indoor and outdoor recreation and pool facilities
- 33% Programs and projects advancing green house gas reduction
- 33% Expanding the transit system

Option B: Greater percentage for Parks, Recreation, & Pools

- 50% Parks facilities and replacement and construction of indoor and outdoor recreation and pool facilities
- 25% Programs and projects advancing green house gas reduction
- 25% Expanding the transit system

Both Options:

- XX% for the replacement, upgrade, maintenance, and accessibility of parks facilities and for the replacement and construction of indoor and outdoor recreation and pool facilities,
- XX% for programs and projects advancing greenhouse gas and air pollution reduction, the city's 2030 goal of 100% renewable energy, and the city's 2050 goal of community-wide carbon neutrality, and
- XX% for expansion of the city's transit system, including construction of infrastructure, purchase of equipment, and expanded services;

