



TO: North County Library Authority (NCLA) Commission

FROM: Claire Lai, Commission Attorney

DATE: June 20, 2023

SUBJECT: Discussions regarding expenditures for general and specific purposes under Measure L

Summary

The Futures Library Commission Subcommittee has submitted a correspondence to NCLA requesting clarification on certain questions relating to use of Measure L tax revenue towards “general purpose” items. This correspondence, included with this report as [Attachment 1](#), asks several questions regarding whether the tax revenues collected may be used towards maintaining services, renovations, structural expansions, or new building construction. The Commission expressed desire for legal counsel to respond to these inquiries. This report provides an overview of the issue and responds to specific questions.

Background

In 2010, voters in the City of Los Altos and the Town of Los Altos Hills approved Measure L to levy a \$76 special parcel tax for 20 consecutive fiscal years. NCLA was formed through a joint powers agreement between the City of Los Altos and the Town of Los Altos Hills. As described in the joint power agreement, the purpose of the NCLA is to create an agency which will plan, support, acquire, maintain and operate programs and facilities for the extension of public library services for the benefit of the inhabitants within the collective boundaries of the City of Los Altos and Town of Los Altos Hills.

Under California law, the revenue collected from Measure L parcel tax is a “special tax” and thus may only be spent for specific purposes. Thus, NCLA’s expenditure of Measure L funds is subject to the parameters set forth by the ballot measure. The Statement of Purposes under Measure L (included as [Attachment 2](#)) summarizes the services provided by the Los Altos and Woodland library branches (collectively referred to hereinafter as “library” for ease of reference). In addition, the document also outlines the specific purposes for which tax proceeds may be used, as follows:

- (1) **Maintain library hours.** Funds may be spent on maintaining specified number of hours at Los Altos and Woodland library locations.
- (2) **Purchase books and materials.** Funds may be used to supplement the Santa County Library system to purchase books and materials tailored to specific community needs and interests.

- (3) **Support library programs.** Funds may also be used to support and maintain the level of programs that is currently provided for all age groups.
- (4) **General purposes.** Funds may be used for any other expenditure necessary to uphold the level of service, including expenses related to a future election when the parcel tax expires.

Responses to Specific Questions Relating to “General Purposes” Expenditures

The Futures Library Commission Subcommittee requested NCLA to clarify the following questions. The questions are provided in summary here with further details shown in Attachment 1. Per the Commission’s request, our review and responses are shown below.

1. ***Does the term “uphold the level of service” enable NCLA to spend funds to maintain or enhance services in 2023 to maintain services in place at the time the measure was passed? This question also asks how “level of service” is defined and whether that term includes meeting new governmental requirements that are mandatory to continue operations.***

Measure L allows NCLA to spend tax revenue funds to maintain services that were in place in 2010. In reviewing the purposes of the measure, we think this expenditure does include responding to changes in 2023 and subsequent years in order to maintain service levels. Although the term “level of service” is not defined under the ballot measure, it is reasonable to interpret this term to encompass the types of services that were in place in 2010 which the tax measure sought to fund. To illustrate on the contrary, if funds were to be spent to expand the scope of activities and programs significantly, or beyond the library’s existing purposes and functions, then such expenditure likely would not be “upholding level of services” and would not serve the general and specific purposes under Measure L.

Based on the description outlined in Measure L’s Statement of Purpose, it is reasonable to conclude that service items to be maintained would include: operating hours, books and materials for circulation, library programs, and associated operational needs to maintain these library functions for the general public. In order to continue providing these services, therefore, it also reasonably follows that the library and NCLA will have to respond to certain changes in circumstances so that the level of service provided to the general public does not decline or disappear. This interpretation is further supported by the fact that the ballot measure contemplates the need to hold a future election when this parcel tax expires as the need for funding will likely increase or change. It is worth noting that, although not required by the ballot measure, as mentioned in a part of this question NCLA may consider evaluating service levels based on “per capita” assessment as one method to calculate the efforts needed to maintain service to the community.

In response to the specific questions raised here, we think that compliance with mandatory governmental regulations is an appropriate use of funds because it is responding to changes in circumstances that are necessary to operate the library and maintain services. Similarly, the change in population would also result in increased service needs, to which the NCLA may spend funds to meet in order to keep the same level of service it has been providing. Finally,



another example where NCLA may spend funds to maintain services is to respond to changes in technology and accessibility. In our view, these examples are appropriate responses to changes in circumstances and operational needs for the purposes of continuing to provide the level of services that the public has received.

- 2. *May the NCLA spend funds on interior renovation aligned with the County's Strategic Initiatives?*** *The question also specifically asks about Open+ Access, a comprehensive system designed to improve library services and efficiency, as well as alterations to the library building to provide visibility and access.*

Probably yes. Based on the foregoing analysis, we think NCLA may also spend funds towards aligning with the County's strategic plan as long as the action being taken under the plan is consistent with preventing services from being reduced or eliminated, or responding to a change in circumstances and/or operational need that is necessary to continue the same level of services.

For instance, improving the library building in order to ensure ADA compliance is necessary to continue library operations. Implementing accessibility/technology systems to streamline library services also appears to be within the scope of maintaining the public's ability to receive the same level of services. As another example, providing additional space for library patrons based on the increase in service population likewise would make library services adequate and consistent for the public, and thus also appear to meet the purposes of the tax measure. On the other hand, if the proposed action under the strategic plan is to fundamentally alter or expand the types of services provided by the library system, then it is less likely that such action can be supported by spending Measure L funds.

- 3. *May the NCLA spend funds on an expansion of the building to address additional space and service needs?***

Likely yes but consistent with above, any proposed expansion must be for the purpose of restoring the reduction in space and services that were previously available to library patrons and staff. Otherwise, constructing new spaces unrelated to such purposes would probably be difficult to justify as "upholding" the level of services as their purpose is not to maintain the status quo as intended by the measure based on our reading of that language. If NCLA desires to proceed with the project through utilization of Measure L funds, such limitations should be clearly described in the project's scope of work.

- 4. *May the NCLA spend funds to replace the current structure and build a new library?***

Probably not, unless the current library building is determined to be non-compliant with state building code requirements as described in the question. As discussed above, expanding

library infrastructure, facilities and services likely would not be considered consistent with the stated purposes under Measure L as they do not “uphold services” and do not meet any of the specified purposes. However, meeting building code standards is most likely considered as meeting operational needs to continue library services at existing levels and would thus be appropriate. As noted above, such limitations should also be clearly described in the project’s scope of work if NCLA desires to proceed with such construction through utilization of Measure L funds.

Recommendation

It is recommended the Commission review the information presented in this report and provide direction to staff regarding next steps.

Attachments:

- 1- Use of Funds Correspondence
- 2- Parcel Tax Measure Language

5391063.1



TO: North County Library Authority (NCLA), Angelo Rodriguez
FROM: Futures Library Commission Subcommittee
CC: Los Altos / Town of Lost Altos Library Commission
SUBJECT: Questions for NCLA Counsel

Introduction

In 2010, voters in the City of Los Altos and the Town of Los Altos Hills approved Measure L to levy a \$76 special parcel tax for twenty (20) consecutive fiscal years (“Parcel Tax”). The Parcel Tax passed by the City of Los Altos and Town of Los Altos Hills voters in 2010 is a special tax because the ballot measure language sets forth specific purposes for which the funds are to be spent.

The North County Library Authority (NCLA) has the fiduciary responsibility for overseeing the Parcel Tax through 2030. The NCLA mission is “To plan, support, acquire, maintain and operate programs and facilities for the extension of public library services for the benefit of the inhabitants within the collective boundaries of the Member Entities (defined as City of Los Altos and City of Los Altos Hills).”

The NCLA has the authority to levy the Parcel Tax pursuant to Government Code Section 61121. Sections 50075 et seq. of the Government Code sets forth the requirements for how the Parcel Tax may be spent by NCLA.

The specific purposes for which the funds are to be spent are outlined in Measure L as follows:

1. **Maintain library hours.** Funds may be spent on maintaining specified number of hours at Los Altos and Woodland library locations.
2. **Purchase books and materials.** Funds may be used to supplement the Santa Clara County Library system to purchase books and materials tailored to specific community needs and interests.

3. **Support library programs.** Money may also be used to support and maintain the level of programs that is currently provided for all age groups.
4. **General purposes.** Funds may be used for any other expenditure necessary to uphold the level of service, including expenses related to a future election when the parcel tax expires.

Questions for Consideration on General Purposes

We ask that the NCLA request clarification of on the meaning of Item 4, the General purposes. What is the definition of “General Purposes” and the phrase “any other expenditure necessary to uphold the level of service.” Specifically:

1. **Does the term “uphold the level of service” enable NCLA to spend funds to maintain or enhance services in 2023 to maintain services in place at the time the measure was passed?**

The ballot initiative for Measure L explained that in the twenty (20) years since the parcel tax of 1990, library circulation more than doubled, the library offered more than 500 programs for children, teens, and families, along with a significant collection, technology, books, computers, and Wi-Fi access. “The annual \$76 parcel tax - fixed for the next 20 years - will make certain that these services continue by covering current and future costs for library operating hours, staffing, programs, and book collections tailored to community needs.” Today, the library population has ballooned to 54,000 (from 42,000 in 2010), hours have expanded ¹, the collection has grown by 15,000 volumes, and virtual access to online resources has scaled. How is level of service defined (e.g., per capita), and how does this term encompass new government requirements which must be met to continue operations?

2. **May the NCLA spend funds on interior renovation aligned with the County’s Strategic Initiatives?**

In early 2023, the Santa Clara Library District rolled a five-year strategic plan. Our libraries have always supported these initiatives, especially in the area of Innovation. Woodland Library has successfully rolled out Open Access and we

¹ Woodland Library is now open 7 days a week.

need to continue to innovate, this time at the Main Library. We also owe our clients, especially families with a safe environment. Today, the doors to the children's section of the Los Altos Library are propped open to ensure ADA compliance. We need to revise our existing lobby and children's area to maximize visibility; minimize or eliminate spaces where children and youth cannot be seen; establish policies and procedures for access to and use of the space and make any required adjustments to the facility to provide for Open Access.

To improve services and ensure safety, the Community Librarian proposes to renovate the lobby area, install a family restroom adjacent to the children's area, enhance the community room to provide more program space, and introduce Open Access². The population of Los Altos and Los Altos Hills has increased by over 2,600 people from 2010 to 2020 with a corresponding increase in the number of children. The growth in our teen population also provides us with the need to provide adequate space for studying and tutoring. The increase in population, especially that of children, means that we are no longer providing the same level of service to children that we did in 2010.

3. May the NCLA spend funds on an expansion of the building to address additional space and service needs?

COVID has changed how we view and use library space and services. The Community's needs are evolving. The demand for certain services, such as rooms for private and small-group meetings, and roomy program areas to ensure air circulation and attendee spacing, is growing to pre-pandemic levels. Suggested sizing for adult program space is 14-15 net square feet per occupant, exclusive of support spaces (such as A/V closets and kitchen facilities) and storage for all furniture³. The current meeting room nominally accommodates about 100

² Open+ access is a comprehensive system designed to complement staffed library hours that allows libraries to provide more flexible hours, making them more accessible to the community. To ensure success, shelving needs to be reduced to ensure line of sight within the building. The reduction of shelving displaces parts of the current collection.

³ From April 10, 2018 letter from Group 4 to the Library Redevelopment Task Force titled, "Los Altos Main Library Needs Assessment Update."

occupants sitting auditorium-style unless the programs involve special equipment (such as a piano) or movement (such as cultural performances). Staff areas also need upgrading. They lack the space to accommodate all the bins and carts needed for the volume of returns our library experiences.

4. May the NCLA spend funds to replace the current structure and build a new library?

Further study is required to determine if the current library building complies with the building code. Remodeling could trigger the need to upgrade the facility just to meet current codes. If rebuilding the library is deemed to be the only way to restore services to the level expected by the citizens of the Member Entities, may NCLA funds be used for these purposes? Funds are carved out for funding of a bond measure, but could NCLA funds be used replace either of our two libraries?

Julie Crane, Nelvin Gee, Pierre Bedard

Library Commission Futures Subcommittee

EXHIBIT A

BALLOT MEASURE
FULL TEXT OF MEASURE

To maintain Los Altos and Woodland library hours, purchase books and materials, support library programs, and for general purposes, shall the North County Library Authority, a joint powers authority between Los Altos and Los Altos Hills, continue a tax for 20 years, with annual oversight, at the fixed rate of \$76 per year on each developed parcel of land within Los Altos and Los Altos Hills and allowing an exemption for low-income senior households, and establish an appropriations limit?

PARCEL TAX AUTHORIZATION

By approval of this proposition by at least two-thirds of the registered voters voting on the proposition, the Authority will be authorized to levy a qualified special tax of \$76 per parcel per year, subject to all the accountability requirements specified below. If approved, the special tax will be levied for 20 consecutive fiscal years, starting in the fiscal year that begins on July 1, 2010, and ending in the fiscal year that begins on July 1, 2029.

EXEMPTIONS FROM PARCEL TAX

The Authority has provided an exemption from the special tax will be available to households made up of low-income persons who are 65 years or older and own and occupy a parcel as their principal residence, and who apply to the Authority for such exemption pursuant to guidelines established by the Authority.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the Authority may be assured that their money will be spent wisely. As required by the laws of the State of California, the proceeds of the qualified special tax will be deposited into a special account established by the Authority and will be applied only to the specific purposes identified below. The Authority has covenanted to have on file with its governing board no later than January 1 of each year a report stating the amount of the funds collected and expended and the status of any project authorized to be funded.

APPROPRIATIONS LIMIT

The California Constitution restricts governmental spending by setting an annual appropriations limit, which is the maximum amount a public entity may spend in a given fiscal year. The Constitution authorizes a public entity to establish or change its appropriations limit upon approval of a majority of voters voting on the measure. This ballot measure establishes

the appropriations limit for the Authority at \$2 million for the fiscal year that begins on July 1, 2010, as it may be adjusted annually thereafter in accordance with California law.

STATEMENT OF PURPOSES

The statement shown below is a part of the ballot proposition and must be reproduced in any official document required to contain the full statement of the proposition.

The current parcel tax of \$52 was established in 1990 to finance an expansion of the library and supplement the operating hours and book budget. In time, and with inflation taking its toll, the parcel tax has come to pay for a significant portion of the operating hours. Since the current parcel tax is scheduled to expire in tax year 2011-2012, a new parcel tax is necessary if the Los Altos Library is to continue the current level of service. Successful passage of the new parcel tax will require the Authority to terminate the current existing tax.

Maintain Library hours. The Main Library in Los Altos is currently open **7 days a week** for a total of 66 hours. Funding from the Santa Clara County Library system pays for 53 hours. The NCLA parcel tax pays for the additional 13 hours which currently cover all day Monday and Tuesday morning.

The Woodland Branch is currently open 6 days a week. Funding from the Santa Clara Library system pays for 20 hours of the 39 hours that the Branch is open. Absent the renewal of this parcel tax, Woodland Branch hours will be reduced by approximately 49%.

Purchase Books and Materials. The proceeds of the parcel tax will also be used to supplement the ability of the Santa Clara County Library system to purchase books and materials tailored to our Community's specific interests, such as its Science and Technology Collection.

Support Library Programs. Last fiscal year, our Library presented a total of 501 programs for all age groups: Toddler and Pre-School, Elementary and Middle School, Teens, Adults and Family. Programs were well attended and the number of participants increased by 9% over the prior fiscal year. While NCLA does not currently pay for programs directly, a reduction of service hours would negatively impact the Library's capability to deliver the current level of programs.

General Purposes. Any other expenditure necessary to uphold the level of service, including expenses related to a future election when the new parcel tax expires.