



CITY COUNCIL REGULAR MEETING

Clearlake City Hall Council Chambers
14050 Olympic Dr, Clearlake, CA

Thursday, March 02, 2023

Police Department Leadership Reception

5:00 PM

Regular Meeting 6:00 PM

The City Council meetings are viewable in person in the Council Chambers, via livestreaming on the City's YouTube Channel (https://www.youtube.com/channel/UCTyifT_nKS-3woxEu1ilBXA) or "Lake County PEG TV Live Stream" at <https://www.youtube.com/user/LakeCountyPegTV/featured> and the public may participate through Zoom at the link listed below. The public can submit comments and questions in writing for City Council consideration by sending them to the Administrative Services Director/City Clerk at mswanson@clearlake.ca.us. To give the City Council adequate time to review your questions and comments, please submit your written comments prior to 4:00 p.m. on the day of the meeting.

AGENDA

MEETING PROCEDURES: *All items on agenda will be open for public comments before final action is taken. Citizens wishing to introduce written material into the record at the public meeting on any item are requested to provide a copy of the written material to the Administrative Services Director/City Clerk prior to the meeting date so that the material may be distributed to the City Council prior to the meeting. Speakers must restrict comments to the item as it appears on the agenda and stay within a three minutes time limit. The Mayor has the discretion of limiting the total discussion time for an item.*

AMERICANS WITH DISABILITY ACT (ADA) REQUESTS

If you need disability related modification, including auxiliary aids or services, to participate in this meeting, please contact Melissa Swanson, Administrative Services Director/City Clerk at the Clearlake City Hall, 14050 Olympic Drive, Clearlake, California 95422, phone (707) 994-8201, ext 106, or via email at mswanson@clearlake.ca.us at least 72 hours prior to the meeting, to allow time to provide for special accommodations.

AGENDA REPORTS

Staff reports for each agenda item are available for review at www.clearlake.ca.us. Any writings or documents pertaining to an open session item provided to a majority of the City Council less than 72 hours prior to the meeting, shall be made available for public inspection on the City's website at www.clearlake.ca.us.

5:00 PM

A. POLICE DEPARTMENT LEADERSHIP RECEPTION

6:00 PM REGULAR MEETING

Zoom Link: <https://clearlakeca.zoom.us/j/89612108380>

B. ROLL CALL**C. PLEDGE OF ALLEGIANCE**

D. INVOCATION/MOMENT OF SILENCE: *The City Council invites members of the clergy, as well as interested members of the public in the City of Clearlake, to voluntarily offer an invocation before the beginning of its meetings for the benefit and blessing of the City Council. This opportunity is voluntary and invocations are to be less than three minutes, offered in a solemn and respectful tone, and directed at the City Council. Invocational speakers who do not abide by these simple rules of respect and brevity shall be given a warning and/or not invited back to provide a subsequent invocation for a reasonable period of time, as determined appropriate by the City. This policy is not intended, and shall not be implemented or construed in any way, to affiliate the City Council with, nor express the City Council's preference for, any faith or religious denomination. Rather, this policy is intended to acknowledge and express the City Council's respect for the diversity of religious denominations and faith represented and practiced among the citizens of Clearlake. If a scheduled invocational speaker does not appear at the scheduled meeting, the Mayor will ask that the City Council observe a moment of silence in lieu of the invocation. More information about the City's invocation policy is available upon request by contacting the Administrative Services Director/City Clerk at (707) 994-8201x106 or via email at mswanson@clearlake.ca.us.*

E. ADOPTION OF THE AGENDA *(This is the time for agenda modifications.)*

F. PRESENTATIONS

1. Swearing In of Police Chief Tim Hobbs and Lieutenant Ryan Peterson
- [2.](#) Presentation of a Proclamation Declaring March 2023 as March for Meals Month

G. PUBLIC COMMENT: *This is the time for any member of the public to address the City Council on any matter not on the agenda that is within the subject matter jurisdiction of the City. **The Brown Act, with limited exceptions, does not allow the Council or staff to discuss issues brought forth under Public Comment.** The Council cannot take action on non-agenda items. Concerns may be referred to staff or placed on the next available agenda. Please note that comments from the public will also be taken on each agenda item. Comments shall be limited to three (3) minutes per person.*

H. CONSENT AGENDA: *All items listed under the Consent Agenda are considered to be routine in nature and will be approved by one motion. There will be no separate discussion of these items unless a member of the Council requests otherwise, or if staff has requested a change under Adoption of the Agenda, in which case the item will be removed for separate consideration. Any item so removed will be taken up following the motion to approve the Consent Agenda.*

- [3.](#) Authorization for payment of connection fees for a water tie-in related to the Burns Valley Development and Public Works Yard

Recommended Action: Move to approve the payment of connection fees to Highlands Mutual Water Company in the amount of \$35,221.25

4. Second Reading Ordinance No. 268-2023 Amending Chapter X, Section 10-1.12 of the Clearlake Municipal Code Relating to Method of Service for Property Maintenance, Nuisance and Vehicle Abatement

Recommended Action: Hold second reading, read by title only, waive further reading and adopt ordinance

5. Warrants

Recommended Action: Receive and file

I. BUSINESS

6. Consideration of Appointment of Two Planning Commissioners to Fill Terms Ending in March 2027

7. Consideration of Resolution 2023-14 Opposing voter initiative 21-0042A1 proposed by the California Business Roundtable

Recommended Action: Adopt Resolution

J. CITY MANAGER AND COUNCILMEMBER REPORTS

K. FUTURE AGENDA ITEMS

L. CLOSED SESSION

- (8)** Conference with Real Property Negotiators: Pursuant to Government Code Section 54956.8. Property Address: 6860 Old Highway 53, Clearlake; Agency Negotiation: City Manager Alan Flora; Negotiating Parties: Donald & Renee Hunt; Under Negotiation: Price and terms of payment.
- (9)** Conference with Real Property Negotiators: Pursuant to Government Code Section 54956.8. Property Address: 6820 & 6840 Old Highway 53, Clearlake; Agency Negotiation: City Manager Alan Flora; Negotiating Parties: Lower Lake Leasing, Inc.; Under Negotiation: Price and terms of payment.
- (10)** Conference with Legal Counsel- Existing Litigation: Pursuant to Government Code Section 54956.9(d)(1): Case No. CV-421697; Name of Case: City of Clearlake v. Testate & Intestate Successors of Bailey Lumbers Co., et al., Lake County Superior Court
- (11)** Conference with Legal Counsel: Anticipated Litigation Pursuant to Government Code Section 54956.9(b): One (1) Potential Case

M. ANNOUNCEMENT OF ACTION FROM CLOSED SESSION

N. ADJOURNMENT

POSTED: February 27, 2023

BY:



Melissa Swanson, Administrative Services Director/City Clerk



March For Meals Month

WHEREAS, on March 22, 1972, President Richard Nixon signed into law a measure that amended the Older Americans Act of 1965 and established a national nutrition program for seniors 60 years and older;

WHEREAS, the Meals On Wheels Association of America established the National March For Meals Campaign in March 2002 to recognize the historic month, the importance of Older Americans Act Senior Nutrition Programs and raise awareness about senior hunger in America;

WHEREAS, the 2023 observance of the March For Meals campaign provides an opportunity to support Senior Nutrition Programs that deliver vital and critical services by donating, volunteering and raising awareness about senior hunger;

WHEREAS, volunteer drivers for Meals On Wheels programs in Clearlake are the backbone of the program and they not only deliver nutritious meals to homebound seniors and individuals with disabilities, but also caring concern and attention to their welfare; and

WHEREAS, Senior Nutrition Programs provide nutritious meals to seniors throughout the city and help them to avoid premature or unnecessary institutionalization;

WHEREAS, Senior Nutrition Programs also provide a powerful socialization opportunity for millions of seniors to help combat loneliness and isolation;

WHEREAS, Senior Nutrition Programs in Clearlake deserve recognition for the contributions they have made and will continue to make to our local community.

NOW THEREFORE, the City Council of the City of Clearlake does hereby proclaim March 2023 as March For Meals Month and urges every citizen to take time this month to honor our Senior Nutrition Programs, the seniors they serve and the volunteers who care for them. Our recognition and involvement of the national 2023 March For Meals campaign can enrich our entire community and help end senior hunger in America—*so no senior goes hungry*[®].

Dated this 2nd day of March, 2023

Russell Perdock, Mayor

CITY OF CLEARLAKE

City Council



STAFF REPORT	
SUBJECT: Authorization for payment of connection fees for a water tie-in related to the Burns Valley Development and Public Works Yard	MEETING DATE: March 2, 2023
SUBMITTED BY: Adeline Brown, Public Works Director	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to approve the payment of meter sets and connection fees to tie into an existing valve box for new service at two locations in the amount of \$35,221.25.

BACKGROUND/DISCUSSION:

The City has completed construction of the Burns Valley Development Project and has a need to tie into an existing valve for a new service meter that is related to the Public Works Yard. Also, the Mudslingers Coffee Shop construction is near completion and will also need a meter set and connection.

The cost of the meter set and connection fees is \$35,221.25 both locations.

OPTIONS:

- 1. Move to approve the payment of fees in the amount of \$35,221.25
- 2. Other direction

FISCAL IMPACT:

None \$35,221.25 Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other: 240-4202-850-887

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City

Goal #6: Update Policies and Procedures to Current Government Standards

Goal #7: Support Economic Development

SUGGESTED MOTIONS:

Move to approve the payment of connection fees to Highlands Mutual Water Company in the amount of \$35,221.25

Attachments:

CITY OF CLEARLAKE

City Council



STAFF REPORT	
SUBJECT: Second reading Ordinance No. 268-2023 Amending Chapter X, Section 10-1.12 of the Clearlake Municipal Code Relating to Method of Service for Property Maintenance, Nuisance and Vehicle Abatement	MEETING DATE: March 2, 2023
SUBMITTED BY: Alan Flora, City Manager, Tim Hobbs, Chief of Police, and Ryan Jones, City Attorney	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

City Council is being asked to consider holding a second reading of an ordinance amending the Method of Service section of the City’s Municipal Code as it relates to Property Maintenance, Nuisance and Vehicle Abatement.

From the February 16th staff report:

BACKGROUND/DISCUSSION:

Staff commonly audits the Clearlake Municipal Code and looks for provisions that are in need of updating based on best practices and compliance with the current law. Section 10-1.12 has not been updated since 2012, and should be modified so as to align with current and best practices in the City, and to be consistent with other section of the municipal code.

In conjunction with the Clearlake Police Department, staff reviewed the administrative citation appeal process and related municipal code sections and discovered some inconsistencies in 10-1.12 (Method of Service) as compared to the City’s more recently adopted Method of Service for administrative citations in 1-9 of the Municipal Code. The language in Section 10-1.12 provides for additional noticing that is not consistent with best practices and is not practical. For example, the Code currently provides that all notices are sent via certified mail. Staff recommends the City only send final abatement notices via certified mail. Such action will not impede due process and still provides the person receiving the notices with adequate and appropriate notice of the proposed actions. Moreover, the attached revisions sync with the provisions outlined in Section 1-9 of the Clearlake Municipal Code.

Environmental Considerations: Adoption of this ordinance is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

OPTIONS:

- 1. Hold the second reading, and adopt ordinance
- 2. Give direction to staff

FISCAL IMPACT:

None Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other:

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

SUGGESTED MOTIONS:

Hold second reading of Ordinance No. 268-2023: AN ORDINANCE AMENDING CHAPTER X, SECTION 10-1.12 OF THE CLEARLAKE MUNICIPAL CODE RELATED TO METHOD OF SERVICE for Property Maintenance, Nuisance and Vehicle Abatement, read by title only adopt ordinance.

ATTACHMENT:

- 1. Ordinance No. 268-2023

10-1.12 Method of Service.

a. All notices, ~~citations~~ and orders provided for in this Chapter shall be served upon the violator or property owners by an officer or employee of the city using one of the following methods:

1. ~~Personal Service. The Code Enforcement Officer may p~~ersonally serve the notice, ~~citation~~ or order on the person responsible for the violation. The notice, ~~citation~~ or order shall be deemed given on the date of personal service.

2. ~~Mail. The Code Enforcement Officer may m~~ail the notice, ~~citation~~ or order by certified first class mail. Service shall be deemed effective on the date of mailing.

(a) If the notice or order is being mailed to the property owner, the notice or order shall be sent, return receipt requested, to the person responsible for the violation at the last known business or residential address for such party as shown on the county's last property tax assessment roll or to or to any other address known for the owner. The notice, citation or order shall be deemed given on the fifth day following the date of deposit in the mail as provided above.

(b) If the violator is the tenant or other possessor of property, the notice or order shall be mailed to the property address or any other address known for the party,

~~3. If the violator is someone other than the person who owns, occupies, leases, rents or is in charge of the property where the violation occurred, the Code Enforcement Officer shall, in addition to serving the violator with the notice, citation or order, mail a copy of the notice, citation or order to the property owner of the property where the violation occurred at the address shown on the County's last property tax assessment roll or to any other address known for the owner, including a business address, and either leave a copy of the notice, citation or order with a responsible person over the age of eighteen (18) at the property where the violation occurred, or conspicuously post a copy of the notice, citation or order at the property where the violation occurred. The notice, citation or order shall be deemed given on the fifth day following the date of deposit in the mail as provided above.~~

~~34. Posting. If the City is unable to serve the violator or the person who owns, occupies, leases, rents or is in charge of the property where the violation occurred, after having attempted to use one of the methods of service set forth in subsection (d+ d+.d+)([a-z]), 1-a, 3 above, the P-Code Enforcement Officer may post a copy of the notice, citation or order in a conspicuous place on the property where the violation occurred. The City shall additionally mail a copy of the notice or order by first class mail to the property owner pursuant to paragraph 2 above. The notice, citation or order shall be deemed given on the date it is posted on the property.~~

b. The failure of any person to receive actual notice required under this Chapter shall not affect the validity of any proceedings taken under this Chapter.

c. Proof of giving any notice may be made by the certificate of any officer or employee of the City, or by the affidavit or declaration of any person over the age of eighteen (18) years, which shows service in conformity with this Code or other provisions of law applicable to the subject matter concerned.

ORDINANCE NO. 268-2023

**AN ORDINANCE AMENDING CHAPTER X, SECTION 10-1.12 OF THE CLEARLAKE MUNICIPAL CODE
RELATED TO METHOD OF SERVICE FOR PROPERTY MAINTENANCE, NUISANCE AND VEHICLE
ABATEMENT**

WHEREAS, the City strives to continually update its municipal code in order to align with best practices and to be internally consistent;

WHEREAS, staff determined there were procedural inconsistencies with the City’s Method Service as outlined in Sections 1-9 and 10-1.12, primarily related to servicing notices via certified mail. The modification would provide that only the final abatement notice is sent certified mail; and

NOW, THEREFORE, the City Council of the City of Clearlake, State of California does ordain as follows:

SECTION 1. Findings.

- A. The above recitals are declared to be true and correct findings of the City Council of the City of Clearlake.

SECTION 10-1.12.

Chapter X, Section 10-1.12, is hereby repealed as replaced as follows:

Section 10-1.12 – Method of Service

a. All notices and orders provided for in this Chapter shall be served upon the violator or property owners by an officer or employee of the city using one of the following methods:

1. *Personal Service.* Personally serve the notice or order on the person responsible for the violation. The notice or order shall be deemed given on the date of personal service.

2. *Mail.* Mail the notice or order by first class mail. Service shall be deemed effective on the date of mailing.

(a) If the notice or order is being mailed to the property owner, the notice or order shall be sent to the last known business or residential address for such party as shown on the county’s last property tax assessment roll or to or to any other address known for the owner. The notice or order shall be deemed given on the date of deposit in the mail.

(b) If the violator is the tenant or other possessor of property, the notice or order shall be mailed to the property address or any other address known for the party,

3. *Posting.* Post a copy of the notice or order in a conspicuous place on the property where the violation occurred. The City shall additionally mail a copy of the notice or order by first class mail to the property owner pursuant to paragraph 2 above. The notice or order shall be deemed given on the date it is posted on the property.

b. The failure of any person to receive actual notice required under this Chapter shall not affect the validity of any proceedings taken under this Chapter.

c. Proof of giving any notice may be made by the certificate of any officer or employee of the City, or by the affidavit or declaration of any person over the age of eighteen (18) years, which shows service in conformity with this Code or other provisions of law applicable to the subject matter concerned.

SECTION 2. Severability. Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance and, to that end, the provisions hereof are severable.

SECTION 3. CEQA. The adoption of this Ordinance is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 4. Effective Date. This ordinance shall take effect thirty (30) days after adoption as provided by Government Code section 36937.

SECTION 5. Certification. The City Clerk shall certify to the passage and adoption of this Ordinance and shall give notice of its adoption as required by law. Pursuant to Government Code section 36933, a summary of this Ordinance may be published and posted in lieu of publication and posting the entire text.

INTRODUCED and first read at a regular meeting of the City Council on the 16th day of February, 2023, by the following vote:

AYES: Mayor Perdock, Vice Mayor Claffey, Councilmembers Overton, Cremer and Slooten

NOES: None

ABSTAIN: None

ABSENT: None

FINAL PASSAGE AND ADOPTION by the City Council of Clearlake occurred at a meeting thereof held on the ___ day of _____, 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Russell Perdock, Mayor

ATTEST:

Melissa Swanson, City Clerk
City of Clearlake



Clearlake, CA

Section H, Item 5.

Check Register

Packet: APPKT01952 - 2/16/23 AP CHECK RUN AA

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP-Accounts Payable						
001138	ADVENTIST HEALTH	02/16/2023	Regular	0.00	207.52	14216
001423	ALLIANT INSURANCE SERVICES, IN	02/16/2023	Regular	0.00	2,314.00	14217
000101	AMERIGAS	02/16/2023	Regular	0.00	2,322.58	14218
000085	ARAMARK UNIFORM SERVICES	02/16/2023	Regular	0.00	49.31	14219
001397	AT&T CALNET 3	02/16/2023	Regular	0.00	24.80	14220
001397	AT&T CALNET 3	02/16/2023	Regular	0.00	24.96	14221
001397	AT&T CALNET 3	02/16/2023	Regular	0.00	24.80	14222
VEN01153	CELEBRITY TALENT INTERNATIONAL, L	02/16/2023	Regular	0.00	2,550.00	14223
000572	COUNTY OF LAKE AUDITOR	02/16/2023	Regular	0.00	57.00	14224
000194	DEPARTMENT OF TRANSPORTATION	02/16/2023	Regular	0.00	3,180.17	14225
001199	EUREKA OXYGEN CO	02/16/2023	Regular	0.00	147.23	14226
000120	FED EX	02/16/2023	Regular	0.00	109.62	14227
000684	LORMAN EDUCATION SERVICES	02/16/2023	Regular	0.00	2,764.00	14228
VEN01329	MCGRATH RENTCORP AND SUBSIDIAR	02/16/2023	Regular	0.00	1,124.03	14229
VEN01344	MICHAEL PESONEN - COMFORTABLE L	02/16/2023	Regular	0.00	125.00	14230
001489	NAPA AUTO PARTS	02/16/2023	Regular	0.00	183.15	14231
001392	OFFICE DEPOT	02/16/2023	Regular	0.00	61.75	14232
001843	PG&E CFM	02/16/2023	Regular	0.00	23.82	14233
001843	PG&E CFM	02/16/2023	Regular	0.00	5,927.79	14234
	Void	02/16/2023	Regular	0.00	0.00	14235
	Void	02/16/2023	Regular	0.00	0.00	14236
002031	REDWOOD COAST PETROLEUM & NO	02/16/2023	Regular	0.00	2,360.14	14237
VEN01381	RODNEY D. SANFORD - ROD SANFORD	02/16/2023	Regular	0.00	1,154.00	14238
VEN01336	SSA LANDSCAPE ARCHITECTS, INC.	02/16/2023	Regular	0.00	4,465.25	14239
VEN01369	STEPHEN J FOGEL - SJF ELECTRIC	02/16/2023	Regular	0.00	390.00	14240
VEN01378	STUDIO W ASSOCIATES, INC - STUDIO	02/16/2023	Regular	0.00	15,809.16	14241
VEN01372	TALL TREE ENGINEERING, INC	02/16/2023	Regular	0.00	8,368.18	14242
000309	UCC RENTAL	02/16/2023	Regular	0.00	900.00	14243
VEN01092	US BANK CORPORATE TRUST SERVICE	02/16/2023	Regular	0.00	2,450.00	14244
000375	VULCAN MATERIALS CO	02/16/2023	Regular	0.00	1,990.27	14245

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	41	28	0.00	59,108.53
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	41	30	0.00	59,108.53

Fund Summary

Fund	Name	Period	Amount
999	Pooled Cash	2/2023	59,108.53
			<hr/>
			59,108.53

CITY OF CLEARLAKE

City Council



STAFF REPORT

SUBJECT: Consideration of Appointment of Two Planning Commissioners to Fill Terms Ending in March 2027

MEETING DATE:
March 2, 2023

SUBMITTED BY: Melissa Swanson, Administrative Services Director/City Clerk

PURPOSE OF REPORT: Information only Discussion Action Item

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to hold interviews of applicants and by motion, appoint two Planning Commissioners for the term ending March 2027

BACKGROUND/DISCUSSION:

Planning Commissioners Lisa Wilson's and Erin McCarrick's terms expire on March 11, 2023. Chair Wilson has indicated she will not be renewing her term on the Planning Commission. Additionally, according to the City Council Norms and Procedures, if a Planning Commissioner has served only one term and wishes to serve a second term, that Commissioner may submit a letter of interest no later than 30 days before the end of their term for consideration of reappointment. Staff received notice from Commissioner McCarrick on Monday, February 27th of her interest to be reappointed.

Staff advertised and accepted applications, including contacting prior applicants on file. Administrative Services Director/City Clerk Swanson received five timely applications.

It is staff's recommendation to interview all applicants. The Council would then appoint by motion and majority vote of the Council.

OPTIONS:

1. Move to appoint two Planning Commissioners to the vacant planning commission terms ending March 2027.
2. Other direction

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other:

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

SUGGESTED MOTIONS:

Move to appoint _____ and _____ to the Planning Commission for the terms ending March 2027.

- Attachments:** 1) Applications for Planning Commission



City of Clearlake

14050 Olympic Drive, Clearlake, California 95422
(707) 994-8201 Fax (707) 995-2653

RECEIVED

Section 1, Item 6.

FEB 21 2023

CITY OF CLEARLAKE

Committee/Commission Member Application

Please return the completed application to the City Clerk at the above address

Please be advised that the information on this form is a public record subject to disclosure upon request under the California Public Records Act.

Name: JAMIE DeWALT

Telephone: (Home) (707) 533-0704 (Work) 707 995-4140 (Cell) _____

Email: Jmdwlt@gmail.com

Street Address: 3329 BROWN ST Clearlake Ca 95422

Mailing Address: SAME

Occupation: Platform Branch Service Officer

Employer: WESTAMERICA BANK

Registered Voter? Yes No

Please provide a brief statement regarding what skills you would bring to the Committee if appointed:

Professionalism and Strong work ethic.

Please provide a brief summary of your education and work experience:

Current: WestAmerica Bank Platform
Branch service officer 2003 - current
Acting manager 2014 - current.

Clearlake Chamber of Commerce
Board of Directors 2012 (3 yr term)

CMAA Founding member Board of Directors.

RECEIVED

Name of City Commissions/Committees
On Which You Have Served

No. of Years

Position(s) Held

Clearlake Chamber 2012

3

Board Member

CMAA

Founding Year

Board Member

Name of County Commissions/Committees
On Which You Have Served

No. of Years

Position(s) Held

Can you attend daytime meetings (8:00 A.M. – 5:00 P.M.)

Yes No

Can you attend evening meetings (After 5:00 P.M.)

Yes No

A résumé reflecting experience, community activities, or other qualifications not listed above may be attached in order to assist the Council in evaluating your application (OPTIONAL).

For further information contact Melissa Swanson, City Clerk at 994-8201 Ext. 106 or mswanson@clearlake.ca.us.

I HEREBY CERTIFY UNDER PENALTY OF DISQUALIFICATION AND TERMINATION THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Signature:

Date:

2-20-23

FOR OFFICE USE ONLY

Received

By:



City of Clearlake

14050 Olympic Drive, Clearlake, California 95422
(707) 994-8201 Fax (707) 995-2653

Committee/Commission Member Application

Please return the completed application to the City Clerk at the above address

Please be advised that the information on this form is a public record subject to disclosure upon request under the California Public Records Act.

Chris Jennings

Name: _____ 707-339-1447

Telephone: (Home) _____ (Work) _____ (Cell) _____
chriswjennings@gmail.com

Email: _____
16520 Dam Road Clearlake CA 95422

Street Address: _____
16520 Dam Road Clearlake CA 95422

Mailing Address: _____
Entrepreneur

Occupation: _____
Self

Employer: _____

Registered Voter? Yes No

Please provide a brief statement regarding what skills you would bring to the Committee if appointed:
please see attached

Please provide a brief summary of your education and work experience:
Please see attached

Name of City Commissions/Committees
On Which You Have Served

No. of Years Position(s) Held

Clearlake cannabis committee

2

Clearlake cannabis committee

Name of County Commissions/Committees
On Which You Have Served

No. of Years Position(s) Held

Lake county cannabis committee

2

Can you attend daytime meetings (8:00 A.M. – 5:00 P.M.)

Yes No

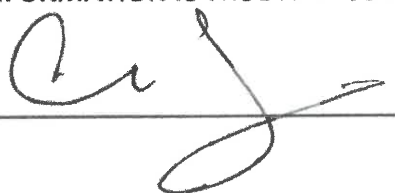
Can you attend evening meetings (After 5:00 P.M.)

Yes No

A résumé reflecting experience, community activities, or other qualifications not listed above may be attached in order to assist the Council in evaluating your application (OPTIONAL).

For further information contact Melissa Swanson, City Clerk at 994-8201 Ext. 106 or mswanson@clearlake.ca.us.

I HEREBY CERTIFY UNDER PENALTY OF DISQUALIFICATION AND TERMINATION THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Signature: 

02/22/2023

Date: _____

FOR OFFICE USE ONLY

Received

By:

RECEIVED

FEB 22 2023

CITY OF CLEARLAKE 

Please provide a brief statement regarding what skills you would bring to the Committee if appointed:

If appointed I would bring my knowledge of development within the county and specifically within the City. I have learned over the past several years as an entrepreneur a lot about building code, business development, and CEQA specifically. I believe one of my best skills is being able to look at a “matter” in a non biased opinion and receive all information prior to making an assessment which leads to being able to separate personal from business.

Please provide a brief summary of your education and work experience:

My education is minimal as I choose a different path in life, and wanted to achieve the American dream as an entrepreneur. Being in cannabis has ultimately turned me into a developer with one of the hardest tasks of building my businesses on CA building code and commercial guidelines on rural type land. Along with every state agency wanting a say in how I did so. This has taught me a lot when it comes to building code, fire code, fish and game code, and CEQA. I have handled all my development on my own with using consultants at a minimal. I have also learned from this that you have to do the research to find the answers.



City of Clearlake

Section 1, Item 6.

14050 Olympic Drive, Clearlake, California 95422
(707) 994-8201 Fax (707) 995-2653

Committee/Commission Member Application

Please return the completed application to the City Clerk at the above address

Please be advised that the information on this form is a public record subject to disclosure upon request under the California Public Records Act.

Name: Christopher W. Inglis

Telephone: (Home) _____ (Work) _____ (Cell) (650) 575-7383

Email: cwinglis@gmail.com

Street Address: 3896 Oak Dr.

Mailing Address: "

Occupation: Financial Advisor

Employer: UBS Financial Inc.

Registered Voter? Yes No

Please provide a brief statement regarding what skills you would bring to the Committee if appointed:

- Deep financial knowledge, education, experience
- Involved in dozens of real estate/building transactions
- Experience in both ownership and development in land deals
- 30 years of Lake Co. life, including 20 years as a homeowner in the City of Clearlake

Please provide a brief summary of your education and work experience:

B.A. Economics from U.C. Davis (also political science)
Graduate work at the state Capitol w/ Ass'yman Robert Naylor
C.F.P. Designation, American College, Bryn Mawr, Pennsylvania
CEPA Designation (Certified Exit Planning Advisor)
40 years as a financial advisor, specializing in Municipal Financing
(last 15 years with UBS Financial (a Swiss bank))

Name of City Commissions/Committees
On Which You Have Served

No. of Years

Position(s) Held

Menlo Park Friends of the Library

2

Member, book fair prep. work

West Bay Sanitary District

1

Employee Consultant w/ staff

Name of County Commissions/Committees
On Which You Have Served

No. of Years

Position(s) Held

San Mateo Co Historical Assoc.

4

member, V-P

Can you attend daytime meetings (8:00 A.M. – 5:00 P.M.)

Yes No

Can you attend evening meetings (After 5:00 P.M.)

Yes No

A résumé reflecting experience, community activities, or other qualifications not listed above may be attached in order to assist the Council in evaluating your application (OPTIONAL).

For further information contact Melissa Swanson, City Clerk at 994-8201 Ext. 106 or mswanson@clearlake.ca.us.

I HEREBY CERTIFY UNDER PENALTY OF DISQUALIFICATION AND TERMINATION THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Signature: 

Date: 2/6/2023

FOR OFFICE USE ONLY

Received

RECEIVED

By:

Melissa Swanson

FEB 07 2023

Christopher W. Inglis

(Applicant to City of Clearlake Planning Commission)

3896 Oak Drive
Clearlake Ca 95422
cwinglis@gmail.com
650.575.7383

I am a CFP®, a CEPA, and licensed Life, Annuities, Health, LTHC agent in California, and several other states. I have passed and/or hold FINRA series 3, 7, 9, 10, 24, 31, 63, 65, SIE.

Work Experience

Vice President – Wealth Management
UBS Financial Services - San Mateo, CA
November 2007 to Present
Multi-million dollar team leader
Mentor to trainees and new CFPs
Muni finance, fixed-income and annuity expertise

Vice President, Branch Manager
AG Edwards and Co. Inc. - Redwood Shores, CA
November 2001 to November 2007
AGE was bought by Wachovia so we moved to UBS.
Branch Manager
Chairman's Club, President's Club
Team Leader for multi-million dollar team

Education

American College at Bryn Mawr
Certified Financial Planning
September 2000 to June 2001

California Teaching Credential Program in Education
San Francisco State University - San Francisco, CA
September 1990 to June 1991

Bachelor's in Economics, Political Science
UC Davis - Davis, CA
September 1976 to December 1980



City of Clearlake

14050 Olympic Drive, Clearlake, California 95422
(707) 994-8201 Fax (707) 995-2653

Committee/Commission Member Application

Please return the completed application to the City Clerk at the above address

Please be advised that the information on this form is a public record subject to disclosure upon request under the California Public Records Act.

Name: Carlos Eduardo Ramos

Telephone: (Home) 7079727449 (Work) _____ (Cell) _____

Email: charless.ed@icloud.com

Street Address: 3820 Baylis Avenue, Clearlake CA 95422

Mailing Address: 3820 Baylis Avenue, Clearlake CA 95422

Occupation: Stocks Trader / Handyman

Employer: Self-Employed

Registered Voter? Yes No

Please provide a brief statement regarding what skills you would bring to the Committee if appointed:

I would bring an unique perspective regarding the mantienance of roads and streets within the city, as well as developing a plan to improve them with efficient features for the community, lastly I would focus on a budget friendlay way to plan our future's city infrastructure.

Please provide a brief summary of your education and work experience:

I am 22 years old, I have my general education degree I'm planning to become an architect since I invest and work on the field. I think I could bring a good set of ideas since I've lived in 5 different cities in Mexico, where I've seen how public works maintain a good look for the neighborhoods and the cities in order to be more attractive to investments. I am eager to share my perspectives and I am hungry to get this opportunity to show concepts of what could be implemented here on the city.



City of Clearlake

14050 Olympic Drive, Clearlake, California 95422
(707) 994-8201 Fax (707) 995-2653

Committee/Commission Member Application

Please return the completed application to the City Clerk at the above address

Please be advised that the information on this form is a public record subject to disclosure upon request under the California Public Records Act.

Name: Jack Smalley

Telephone: (Home) 707-510-5241 (Work) 707-263-2221 (Cell) _____

Email: smalleyco@gmail.com

Street Address: 3828 Oakland Ave.

Mailing Address: P.O.Box 1527 Clearlake CA

Occupation: Plans Examiner II

Employer: County of Lake

Registered Voter? Yes No

Please provide a brief statement regarding what skills you would bring to the Committee if appointed:

I was a licensed contractor for a number of years
and built many homes in Lake County
been a resident of Lake County for over 25 years and a contractor
in 3 states

Please provide a brief summary of your education and work experience:

I am currently the plans examiner for the county I have multiple trainings for Emergency
Management as well as Flood Zone training I have been the Chief Building Official for
for the County I have the ICC residential (R3) and the building (B3) plans examiner
certification, I am working on a Human Resources cert as well as other certs.

Name of City Commissions/Committees
On Which You Have Served

No. of Years

Position(s) Held

Name of County Commissions/Committees
On Which You Have Served

No. of Years

Position(s) Held

Can you attend daytime meetings (8:00 A.M. – 5:00 P.M.)

Yes No

Can you attend evening meetings (After 5:00 P.M.)

Yes No

A résumé reflecting experience, community activities, or other qualifications not listed above may be attached in order to assist the Council in evaluating your application (OPTIONAL).

For further information contact Melissa Swanson, City Clerk at 994-8201 Ext. 106 or mswanson@clearlake.ca.us.

I HEREBY CERTIFY UNDER PENALTY OF DISQUALIFICATION AND TERMINATION THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Signature: Jack Smalley

Date: 02/06/2023

FOR OFFICE USE ONLY

Received Feb. 6, 2023

By:

Melissa Swanson

CITY OF CLEARLAKE

City Council



STAFF REPORT

SUBJECT: Consideration of Resolution 2023-14 Opposing Voter Initiative 21-0042A1 Proposed by the California Business Roundtable

MEETING DATE: Mar. 2, 2023

SUBMITTED BY: Alan Flora, City Manager

PURPOSE OF REPORT: Information only Discussion Action Item

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

Adopt Resolution Opposing this voter initiative.

BACKGROUND/DISCUSSION:

The Taxpayer Protection and Government Accountability Act would amend the California Constitution with provisions that limit voters' authority and input, adopt new and stricter rules for raising taxes and fees, and may make it more difficult to impose fines and penalties for violation of state and local laws.

The measure puts billions of local government tax and fee revenues at risk statewide with related core public service impacts.

The measure would have significant negative impacts on City of Clearlake operations and core service delivery. The proposed constitutional initiative is sponsored by the California Business Roundtable.

[Full text of Ballot Initiative](#)

I. MAJOR PROVISIONSFees and Charges¹:

- Except for licensing and other regulatory fees, fees and charges may not exceed the "actual cost" of providing the product or service for which the fee is charged. "Actual cost" is the "minimum amount necessary." The burden to prove the fee or charge does not exceed "actual cost" is changed to "clear and convincing" evidence.
- Requires fees and charges paid for the use of local and state government property and the amount paid to purchase or rent government property to be "reasonable." These fees and charges are currently allowed to be market-based. Whether the amount is "reasonable" (introducing a new legal standard aiming to force below market fee and charge amounts) must be proved by "clear and convincing

¹ Initiative No. 21-0042A1 (pgs.4-6; Section 1 (a)-(j))

evidence.”² The standard may significantly reduce the amount large companies (e.g., oil, utility, railroads, garbage/refuse, cable, and other corporations) will pay for the use of local public property.

- Prohibits fees on new development based on vehicle miles traveled.

Taxes³:

- Taxes and fees adopted after Jan. 1, 2022, that do not comply with the new rules, are void unless reenacted⁴.
- Invalidates *Upland* decision that allows a majority of local voters to pass special taxes. The measure specifies that taxes proposed by the initiative are subject to the same rules as taxes placed on the ballot by a city council.
- Expressly prohibits local advisory measures which allow local voters to express a preference for how local general tax dollars should be spent.⁵
- Requires voter approval to expand existing taxes (e.g., Utility, Transient Occupancy) to new territory (e.g., annexations) or to expand the tax base (e.g., new utility service)
- New taxes can only be imposed for a specific time period.
- City charters may not be amended to include a tax or fee.
- All state taxes require majority voter approval.

Fines and Penalties⁶:

- May require voter approval of fines, penalties, and levies for corporations and property owners that violate state and local laws unless a new, undefined adjudicatory process is used to impose the fines and penalties.

II. DISCUSSION/ADDITIONAL BACKGROUND

On Jan. 4, 2022, the California Business Roundtable filed the “Taxpayer Protection and Government Accountability Act” or AG# 21-0042A1. On Feb. 1, 2023, the measure qualified for the November 2024 ballot. The League of California Cities, along with a broad coalition of local governments, labor and public safety leaders, infrastructure advocates, and businesses, strongly opposes this initiative. Local government revenue-raising authority is currently substantially restricted by state statute and constitutional provisions, including the voter approved provisions of Proposition 13 of 1978, Proposition 218 of 1996, and Proposition 26 of 2010. The Taxpayer Protection and Government Accountability Act adds and expands restrictions on voters and local government tax and fee authority.

Fees and Taxes

Local governments levy a variety of fees and other charges to provide core public services.

Major examples of affected fees and charges are:

- Nuisance abatement charges, such as for weed, rubbish, and general nuisance abatement to fund community safety, code enforcement, and neighborhood cleanup programs.
- Commercial franchise fees.

² Initiative No. 21-0042A1 (pg.5; (3))

³ Initiative No. 21-0042A1 (pgs.4-6; Section 1 (a)-(j))

⁴ Initiative No. 21-0042A1 (pg.7; Section 6 (Sec. 2)(g))

⁵ Initiative No. 21-0042A1 (pg.6 (3))

⁶ Initiative No. 21-0042A1 (pg. 5 (4))

- Emergency response fees, such as in connection with DUI.
- Advanced Life Support (ALS) transport charges.
- Document processing and duplication fees.
- Transit fees, tolls, parking fees, and public airport and harbor use fees.
- Facility use charges, fees for parks and recreation services, garbage disposal tipping fees.

Virtually every city, county, and special district must regularly (e.g., annually) adopt increases to fee rates and charges and revise rate schedules to accommodate new users and activities. Most of these would be subject to new standards and limitations under threat of legal challenge. Based on the current volume of fees and charges imposed by local agencies, including council-adopted increases to simply accommodate inflation, Cal Cities estimates the amount of local government fee and charge revenue at risk is approximately \$2 billion per year including those adopted since Jan. 1, 2022. Over ten years, \$20 billion of local government fee and charge revenues will be at heightened legal peril.

Hundreds of local tax measures were approved in 2022⁷ that likely do not comply with the provisions of the initiative. Nearly \$2 billion of annual revenues from these voter-approved measures will cease a year after the effective date of the measure, reducing the local public services funded by these measures, unless the tax is re-submitted for voter approval.

Reductions on local government tax revenues have impacts on core services and infrastructure including fire and emergency response, law enforcement, streets and roads, drinking water, sewer sanitation, parks, libraries, public schools, affordable housing, homelessness prevention, and mental health services.

The City of Clearlake's Measure P & Measure V would be impacted, as well as various other discretionary revenue streams.

Fines and Penalties

Under existing law, cities are required to provide due process before imposing a penalty or fine for violation of its municipal code:

1. A local agency must adopt administrative procedures that govern imposing fines and penalties, including providing a reasonable period of time for a person responsible for a continuing violation to correct or remedy the violation [Gov't Code 53069.4].
2. Notice must be given to the violating party before imposing the penalty; and give the party an opportunity to be heard and present any facts or arguments [*Merco Construction Engineers v. Los Angeles Unified School District* (1969) 274 CA 2d 154, 166].
3. The fine may not be "excessive" [U.S. Constitution amendments VIII and XIV].

The initiative converts administratively-imposed fines and penalties into taxes unless a new, undefined, and ambiguous "adjudicatory due process" is followed. This provision may put at risk authority to impose fines and penalties for violations of state and local law.

The City of Clearlake has utilized administrative citations and penalties as a lynchpin of the on-going blight cleanup efforts throughout the City. These efforts would be stymied by the proposed initiative.

III. FISCAL IMPACT

⁷ <http://www.californiacityfinance.com/Votes2211final.pdf>

The Taxpayer Protection and Government Accountability Act will take billions of dollars away from local government services statewide.

OPTIONS:

- 1. Authorize the City Manager to submit an application for direct sale of various tax defaulted properties for up to \$150,000.
- 2. Other direction

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other:

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

- Attachments:**
 - 1. Resolution 2023-14
 - 2. CBRT Summary Outline
 - 3. CBRT Fiscal Analysis
 - 4. Examples of Fees & Charges
 - 5. CBRT Board Members

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLEARLAKE OPPOSING VOTOR INITIATIVE 21-0042A1
PROPOSED BY THE CALIFORNIA BUSINESS ROUNDTABLE**

WHEREAS, an association representing California’s wealthiest corporations and developers is spending millions to push a deceptive proposition aimed for the November 2024 statewide ballot; and

WHEREAS, the measure includes undemocratic provisions that would make it more difficult for local voters to pass measures needed to fund local services and infrastructure, and would limit voter input by prohibiting local advisory measures where voters provide direction on how they want their local tax dollars spent; and

WHEREAS, the measure creates new constitutional loopholes that allow corporations to pay far less than their fair share for the impacts they have on our communities, including local infrastructure and our environment; and

WHEREAS, the measure may make it much more difficult for state and local regulators to issue fines and levies on corporations that violate laws intended to protect our environment, public health and safety, and our neighborhoods; and

WHEREAS, the measure puts billions of dollars currently dedicated to local services at risk and could force cuts to fire and emergency response, law enforcement, public health, parks, libraries, affordable housing, services to support homeless residents, mental health services, and more; and

THEREFORE, BE IT RESOLVED that the City of Clearlake opposes Initiative 21-0042A1;

BE IT FURTHER RESOLVED, that the City of Clearlake will join the No on Initiative 21-0042A1 coalition, a growing coalition of public safety, education, labor, local government, and infrastructure groups throughout the state.

We direct staff to email a copy of this adopted resolution to the League of California Cities at BallotMeasures@calcities.org.

PASSED AND ADOPTED by the City Council of the City of Clearlake, County of Lake, State of California, on this 2nd day of March, 2023, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

ATTEST: _____
City Clerk

Mayor

The Taxpayer Protection and Government Accountability Act Initiative No. 21-0042A1¹

Feb. 1, 2023

Effective date: Any new or increased tax or fee adopted by the Legislature, a city council, or the local voters after **January 1, 2022**, must comply with the Act's new rules.

Voters

- Local advisory measures are prohibited. No measure may appear on the ballot asking for approval of a general tax that would allow the voters to express a preference for how the revenue from the general tax will, could, or should be used.
- Overturns *Upland* decision which upheld a special tax that had been placed on the ballot by the voters to be approved by a majority vote. Taxes proposed by initiative will be subject to the same rules as taxes placed on the ballot by a city council.
- Voters may not amend a city charter to impose, extend, or increase a tax or fee.

Local taxes

- Requires voter approval in order to apply an existing tax:
 - to territory that is annexed.
 - to a new service or product, for example when a utility user tax is applied to a new service.
- All new or increased taxes adopted after Jan. 1, 2022, must include a sunset date.

State taxes

- All new or increased state taxes require statewide voter approval.
- Prohibits a property tax "surcharge" (increase). Prohibits any allocation of property tax to the state.

¹ This is a summary of some of the more significant provisions of the Act. Please review the Act for a complete understanding of the changes it makes to the Constitution.

Fees and charges

- Fees and charges for services and permits may not exceed the “actual cost” of providing the product or service for which the fee is charged. “Actual cost” is the “minimum amount necessary.” Examples include planning services, excavation and encroachment permits, preparation of candidate statement, and permit parking.
- State and cities have the burden of proving by “clear and convincing evidence” that a fee/charge is not a tax, that the amount is reasonable, and that it does not exceed “actual cost.”
- Franchise fees — historically considered fees, not taxes — will more likely be considered taxes due to the elimination of an existing category of “fee” and the requirement that charges to entrance, purchase, rental, or lease of government property be “reasonable.” The state and cities issue franchises to oil companies, utilities, gas companies, railroads, garbage companies, cable companies, and other corporations.
- No fee or charge or exaction regulating vehicle miles traveled can be imposed as a condition of property development or occupancy.

Fines and penalties (administrative enforcement of state law and municipal codes)

- May require voter approval of fines and penalties for corporations and property owners that violate state and local laws unless a new, undefined adjudicatory process is used to impose the fines and penalties. Examples include nuisance abatement, organic waste reduction requirements, and failure to maintain a vacant property.

Fiscal and Program Effects of Initiative 21-0042A1 on Local Governments

If Initiative 21-0042A1 is placed on the ballot and passed by voters, it will result in:

- Over \$20 billion of local government fee and charge revenues over 10 years placed at heightened **legal peril**. Related public service reductions across virtually every aspect of city, county, special district, and school services especially for drinking water, sewer sanitation, and public health and safety.
- About \$2 billion of revenues each year from fees and charges adopted after January 1, 2021 **subject to legal peril**.¹
- Over \$2 billion dollars of annual revenues from dozens of tax measures approved by voters between January 1, 2022 and the effective date of the act² subject to additional voter approval if not in compliance with the initiative.
- Indeterminable legal and administrative burdens and costs on local government from new and more empowered legal challenges, and bureaucratic cost tracking requirements.
- The delay and deterrence of municipal annexations.
- Substantially higher legal and administrative cost of public infrastructure financing which will delay and deter new residential and commercial development.
- Service and infrastructure declines including in fire and emergency response, law enforcement, public health, drinking water, sewer sanitation, parks, libraries, public schools, affordable housing, homelessness prevention and mental health services.

1. Local Government Taxes and Services Threatened

With regard to taxes, Initiative 21-0042A1:

- Prohibits advisory, non-binding measures as to use of tax proceeds on the same ballot.
 - Voters may be less informed and more likely to vote against measures.
- Eliminates the ability of special tax measures proposed by citizen initiative to be enacted by majority voter approval (*Upland*).³
 - Because the case law regarding citizen initiative special taxes approved by majority vote (Upland) is so recent, it is unknown how common these sorts of measures might be in the future. This initiative would prohibit such measures after the effective date of the initiative. Any such measures adopted after January 1, 2022 through the effective date of the Act should it pass would be void a year after the effective date of the initiative.
- Requires that tax measures include a specific duration of time that the tax will be imposed. This seems to require that all tax increases or extensions contain a sunset (end date).
 - This would require additional tax measures to extend previously approved taxes.
- A city charter may not be amended to impose, extend, or increase a tax might interfere with the ability of cities that do not already have such authority in their charters to adopt Property Transfer Taxes.
 - There are no more than a few of these every few years, but it is a valuable tax for those that adopt it.

¹ Assumes fee increases since January 1, 2022 would be subject to possible legal challenge if not adopted in compliance with the Initiative.

² The effective date of the initiative would be sometime in December 2024, the date the California Secretary of State certifies the election results of the November 5, 2024 election.

³ Unlike the initiative 17-0050, this initiative **does not** eliminate that ability of cities and counties to adopt general taxes by majority voter approval.

- Requires that a tax measure adopted after January 1, 2022 and before the effective date of the initiative that was not adopted in accordance with the measure be readopted in compliance with the measure or will be void twelve months after the effective date of the initiative.
 - If past election patterns and elections in 2022 are an indication, over 200 tax measures approving more than \$2 billion annual revenues to support local public services would not be in compliance and would be subject to reenactment. Most will be taxes without a specific end date and special taxes (including parcel taxes). Because there is no regularly scheduled election within the 12 months following the effective date of the initiative, the measures would each require declaration of emergency and unanimous vote of the governing board to be placed on a special election ballot within a year for approval or the tax will be void after that date. I would expect most to succeed, but some will not, in particular citizen initiative majority vote special taxes which would have to meet a higher voter approval threshold to continue.
- Requires voter approval to expand an existing tax to new territory (annexations). This would require additional tax measures and would deter annexations and land development in cities.
 - If a tax is "extended" to an annexed area without a vote after January 1, 2022, it will be void 12 months later until brought into compliance. Because there is no regularly scheduled election within the 12 months following the effective date of the initiative, such extensions would each require unanimous vote of the agency board to be placed on a special election ballot or would be void a year later.

1.a. Number of Measures and Value of Local Taxes at Risk⁴

Over a hundred local measures were approved in 2022 that likely do not comply with the provisions of Initiative 21-0042A1. Nearly \$2 billion of annual revenues from these voter approved measures will cease a year after the effective date of the measure, reducing the local public services funded by these measures. We can expect a similar volume of measures in 2024 and a similar volume of non-compliance. So the combined total of annual local funding directly affected by Initiative 21-0042A1 due to its retroactivity provision is about \$4 billion.

Citizen Initiative Special Taxes in 2022.

Special taxes placed on the ballot by citizen initiative and approved after January 1, 2022 by a majority but less than two-thirds of the voters are out of compliance with Initiative 21-0042A1.

On June 7, 2022, there were three local special tax measures placed on the ballot by citizen initiative. Two failed to get majority voter approval. A one percent transactions and use tax (sales tax) for the John C. Fremont Healthcare District in Mariposa County received 69.6 percent approval, over the two thirds needed for any special tax under California Constitution Article XIII C. So this measure was passed in compliance with Initiative 21-0042A1.

June 2022 Initiative Special Taxes - majority voter approval

<u>Agency Name</u>	<u>County</u>	<u>Tax/Fee</u>	<u>Rate</u>	<u>Estimated Annual Revenue</u>	<u>Use</u>	<u>Sunset</u>	<u>YES%</u>	
John C. Fremont Healthcare District	Mariposa	Measure N Transactions & Use Tax	1 cent	\$ 150,000	hospital	40yrs	69.6%	PASS
County of Kings	Kings	Measure F Transactions & Use Tax	1/2 cent	\$ 11,700,000	fire	none	37.6%	FAIL
Manhattan Beach USD	Los Angeles	Measure A School Parcel Tax	\$1095/yr	\$ 12,000,000	schools	12yrs	31.2%	FAIL

On November 8, 2022, there were 14 local special taxes placed on the ballot by citizen initiative. Seven of these

⁴ Source: Compilation and summary of data from County elections offices.

measures failed with less than majority voter approval. The other seven measures received majority, but less than two-thirds, voter approval. These measures passed under current law but are out of compliance with Initiative 21-0042A1. Taken together these seven taxes will provide estimated annual revenues of **from \$900,000 to \$1.4 billion** in support of parks and recreation, zoo, library, affordable housing, transportation, homelessness prevention, and schools in these communities.

November 2022 Initiative Special Taxes - majority voter approval

<u>Agency Name</u>	<u>County</u>	<u>Tax/Fee</u>	<u>Rate</u>	<u>Estimated Annual Revenue</u>	<u>Use</u>	<u>Sunset</u>	<u>YES%</u>
Crockett Community Services District	Contra Costa	Measure L Parcel Tax	\$50/parcel	\$ 60,000	parks/recre	none	62.8% PASS
Oakland	Alameda	Measure Y Parcel Tax	\$68/parcel	\$ 12,000,000	zoo	20yrs	62.5% PASS
County of Mendocino		Measure O Transactions & Use Tax	1/8 cent then 1/4 cent in 2027	\$ 4,000,000	library	none	60.8% PASS
Los Angeles	Los Angeles	Measure ULA Property Transfer Tax	4% if >\$5m, 5.5% if >\$10m	\$600 m to \$1.1 b	affordable housing	none	57.3% PASS
County of Sacramento		Measure A Transactions & Use Tax	same 1/2 cent	\$ 212,512,500	transportati	40yrs	55.3% PASS
San Francisco		Proposition M Business Operations Tax	\$2500-\$5000/ vacant resid unit	\$ 20,000,000	housing	30yrs	54.5% PASS
Santa Monica	Los Angeles	Measure GS Property Transfer Tax	\$56/\$1000 if >\$8m	\$ 50,000,000	schools, homelessnes, afford. housing	none	53.3% PASS
				Total \$900,000 to \$1.4 billion			

<u>Agency Name</u>	<u>County</u>	<u>Tax/Fee</u>	<u>Rate</u>	<u>Estimated Annual Revenue</u>	<u>Use</u>	<u>Sunset</u>	<u>YES%</u>
County of Calaveras		Measure A Transactions & Use Tax	1 cent	\$ 5,000,000	fire	none	49.4% FAIL
South San Francisco (for Schools)	San Mateo	Measure DD School Parcel Tax	\$2.50/sf	\$ 55,900,000	schools	none	47.2% FAIL
County of Fresno (for CSU)		Measure E Transactions & Use Tax	1/5 ct, 1/40 ct (Reedley)	\$ 36,000,000	Calif State Univ	20yrs	46.9% FAIL
Santa Cruz	Santa Cruz	Measure N Parcel Tax	\$6k/vacant SFU	xxx	vacant property	xxx	44.2% FAIL
County of Monterey		Measure Q Parcel Tax	\$49/parcel	\$ 5,500,000	childcare	10yrs	41.1% FAIL
San Francisco City College	San Francisco	Measure O School Parcel Tax	\$150/sfu	\$ 37,000,000	schools	10yrs	36.7% FAIL
Morro Bay	San Luis Obispo	Measure B Parcel Tax	\$120+/parcel	\$ 680,000	harbor	none	36.0% FAIL
Inverness Public Utility District	Marin	Measure O Parcel Tax	\$0.20/sf, \$150/vacant	\$ 276,000	fire	none	27.0% FAIL

Non-Specific Tax Durations in 2022

Voters approved 106 measures in June 2022 (10) and November 2022 (96) that do not provide a specific duration of time that the tax will be imposed (end date). Typically, the ballot titles for these measures state that the tax would be imposed “until ended by voters.” Four of these measures also did not include any estimate of the annual revenues that the tax would generate, another violation of initiative 21-0042A1. Taken together, these approved local measures generate **\$561 million per year** that will expire a year after the effective date of the initiative if Initiative 21-0042A1 passes.

Measures in 2022 with Non-Specific Durations

<u>Agency Name</u>	<u>County</u>	<u>Tax/Fee</u>	<u>Rate</u>	<u>Annual Revenue</u>	<u>Use</u>	<u>Sunset</u>	<u>YES%</u>	
Oakland	Alameda	Measure T Business Tax General	various	\$ 20,900,000		none	71.4%	PASS
Culver City	Los Angeles	Measure BL Business Tax General	various	\$ 10,000,000		none	60.5%	PASS
El Segundo	Los Angeles	Measure BT Business Tax General	various	\$ 3,000,000		none	51.2%	PASS
Pico Rivera	Los Angeles	Measure AB Business Tax General	various	\$ 5,800,000		none	75.5%	PASS
Santa Ana	Orange	Measure W Business Tax General	various	neutral		none	64.8%	PASS
Tracy	San Joaquin	Measure B Business Tax General	various	\$ 3,200,000		none	72.6%	PASS
Burlingame	San Mateo	Measure X Business Tax General	various	\$ 2,500,000		none	75.1%	PASS
Los Gatos	Santa Clara	Measure J Business Tax General	various	\$ 1,100,000		none	53.4%	PASS
Santa Clara	Santa Clara	Measure H Business Tax General	\$45/employee, \$15/rental unit	\$ 6,000,000		none	59.5%	PASS
Brisbane	San Mateo	Measure O Business Tax lodging busn	\$2.50/rm/day	\$ 250,000		none	69.2%	PASS
East Palo Alto	San Mateo	Measure L Business Tax resid. rentals	2.5% gross Rcpts	\$ 1,480,000		none	69.9%	PASS
County of Santa Cruz Unincorporated		Measure C Busn Tax-disp cups	12.5cents/cup	\$ 700,000		none	68.2%	PASS
South Lake Tahoe	El Dorado	Measure G Busn Tax Cannabis	6% retail, manufacturing	\$ 950,000		none	62.9%	PASS
McFarland	Kern	Measure O Busn Tax Cannabis	8% of gross receipts retail,	\$ 1,800,000		none	63.5%	PASS
Avenal	Kings	Measure C Busn Tax Cannabis	\$25+/s for 15% gr rcpts	\$ 600,000		none	61.8%	PASS
Baldwin Park	Los Angeles	Measure CB Busn Tax Cannabis	4% gross Rcpts	\$ 300,000		none	51.3%	PASS
Claremont	Los Angeles	Measure CT Busn Tax Cannabis	4%-7% gr rcpts, \$1-	\$ 500,000		none	61.1%	PASS
County of Los Angeles Unincorporated		Measure C Busn Tax Cannabis	4% gross receipts retail,	\$ 15,170,000		none	60.1%	PASS
Cudahy	Los Angeles	Measure BA Busn Tax Cannabis	15% gross Rcpts	\$ 3,600,000		none	54.0%	PASS
El Segundo	Los Angeles	Measure Y Busn Tax Cannabis	10% Gross Rcpt,	\$ 1,500,000		none	72.8%	PASS
Hermosa Beach	Los Angeles	Measure T Busn Tax Cannabis	10% Gross Rcpt,	\$ 1,500,000		none	67.6%	PASS
Lynwood	Los Angeles	Measure TR Busn Tax Cannabis	5%to 10%	\$ 3,000,000		none	66.4%	PASS
Santa Monica	Los Angeles	Measure HM Busn Tax Cannabis	10% gross Rcpts	\$ 5,000,000		none	66.4%	PASS
South El Monte	Los Angeles	Measure CM Busn Tax Cannabis	6% special excise tax on	\$ 126,000		none	53.7%	PASS
Monterey	Monterey	Measure J Busn Tax Cannabis	6% gross Rcpt	\$ 1,300,000		none	65.2%	PASS
Pacific Grove	Monterey	Measure N Busn Tax Cannabis	6% gross Rcpt	\$ 300,000		none	70.8%	PASS
Huntington Beach	Orange	Measure O Busn Tax Cannabis	6% retail, 1% other	\$ 600,000		none	54.7%	PASS

Measures in 2022 with Non-Specific Durations

<u>Agency Name</u>	<u>County</u>		<u>Tax/Fee</u>	<u>Rate</u>	<u>Annual Revenue</u>	<u>Use</u>	<u>Sunset</u>	<u>YES%</u>
Laguna Woods	Orange	Measure T	Busn Tax Cannabis	4%-10% of gross receipts	\$ 750,000		none	61.1% PASS
Corona	Riverside	Measure G	Busn Tax Cannabis	9% of gross receipts for	\$ 5,000,000		none	61.6% PASS
Montclair	San Bernardino	Measure R	Busn Tax Cannabis	7% gross Rcpts	\$ 3,500,000		none	70.3% PASS
County of San Diego Unincorporated		Measure A	Busn Tax Cannabis	6% retail, 3% distribution,	\$ 5,600,000		none	57.4% PASS
Encinitas	San Diego	Measure L	Busn Tax Cannabis	4% to 7% of gross receipts	\$ 1,400,000		none	65.1% PASS
Healdsburg	Sonoma	Measure M	Busn Tax Cannabis	8% gross Rcpt	\$ 500,000		none	72.7% PASS
Exeter	Tulare	Measure B	Busn Tax Cannabis	10% retail and other, \$10/sf	?		none	66.5% PASS
Tulare	Tulare	Measure Y	Busn Tax Cannabis	10% retail and other, \$10/sf	?		none	65.2% PASS
Woodland	Yolo	Measure K	Busn Tax Cannabis	10% gross Rcpts	?		none	66.2% PASS
Redlands	San Bernardino	Measure J	Busn Tax Distrib centers	from \$0.047/sf to \$0.105/sf	\$ 530,000		none	53.5% PASS
Arcadia	Los Angeles	Measure SW	Busn Tax Sports Betting	5% gross Rcpts	n/a*		none	63.9% PASS
Albany	Alameda	Measure K	ParcelTax	\$0.074+/sf	\$ 1,950,000	fire/EMS	none	76.0% PASS
Cameron Park Airport District	El Dorado	Measure J	ParcelTax	by \$600 to \$900/parcel	\$ 117,900	airport/streets	none	78.2% PASS
Highlands Village Lighting Benefit Zone	El Dorado	Measure L	ParcelTax	\$140+/parcel	\$ 10,920	streets	none	86.3% PASS
Knolls Property Owners CSD	El Dorado	Measure P	ParcelTax	by \$300+ to \$600+/parcel	\$ 8,400	streets	none	75.5% PASS
Sundance Trail Zone of Benefit	El Dorado	Measure C	ParcelTax	\$600+/yr	\$ 24,000	roads	none	73.2% PASS
South Pasadena	Los Angeles	Measure LL	ParcelTax	xxx	?	library	none	86.2% PASS
River Delta Fire District	Sacramento	Measure H	ParcelTax	\$90/yr	\$ 130,000	fire	none	72.1% PASS
Emeryville	Alameda	Measure O	PropTransfTax	\$15/\$1000 if \$1m-\$2m,	\$ 5,000,000		none	71.6% PASS
San Mateo	San Mateo	Measure CC	PropTransfTax	by 1% to 1.5% if >\$10m	\$ 4,800,000		none	71.8% PASS
Alameda	Alameda	Measure F	TOT	by 4% to 14%	\$ 910,000		none	59.2% PASS
Clovis	Fresno	Measure B	TOT	by 2% to 12%	\$ 500,000		none	69.7% PASS
Kerman	Fresno	Measure G	TOT	10%	\$ 40,000		none	62.3% PASS
Trinidad	Humboldt	Measure P	TOT	by 4% to 12%	\$ 65,000		none	77.6% PASS
Imperial	Imperial	Measure G	TOT	by 4% to 12%	\$ 600,000		none	56.2% PASS
Arcadia	Los Angeles	Measure HT	TOT	by 2% to 12%	\$ 730,000		none	54.1% PASS
Santa Monica	Los Angeles	Measure CS	TOT	by 1%, 3% home shares	\$ 4,100,000		none	73.7% PASS

Notes

?= Ballot measure title did not include an estimate of annual revenues, also not in compliance with Initiative 21-0042A1.

n/a*= Arcadia Measure SW passed but sports betting remains illegal after the failure of Propositions 26 and 27 on the November statewide ballot.

Measures in 2022 with Non-Specific Durations

<u>Agency Name</u>	<u>County</u>	<u>Tax/Fee</u>	<u>Rate</u>	<u>Annual Revenue</u>	<u>Use</u>	<u>Sunset</u>	<u>YES%</u>
Anaheim	Orange	Measure J	TOT	online travel companies	\$ 3,000,000	none	59.2% PASS
La Palma	Orange	Measure P	TOT	by 4% to 12%	\$ 200,000	none	71.1% PASS
Colfax	Placer	Measure B	TOT	by 2% to 10%	\$ 29,000	none	73.5% PASS
Rocklin	Placer	Measure F	TOT	by 2% to 10%	\$ 300,000	none	59.8% PASS
Roseville	Placer	Measure C	TOT	by 4% to 10%	\$ 3,000,000	none	73.0% PASS
Big Bear Lake	San Bernardino	Measure P	TOT	by 2% to 10%	\$ 1,300,000	none	54.4% PASS
Grand Terrace	San Bernardino	Measure M	TOT	new 10%	\$ 250,000	none	51.9% PASS
Yucca Valley	San Bernardino	Measure K	TOT	by 5% to 12%	\$ 1,300,000	none	71.9% PASS
Imperial Beach	San Diego	Measure R	TOT	by 4% to 14%	\$ 400,000	none	67.4% PASS
El Paso de Robles	San Luis Obispo	Measure F	TOT	by 1% to 11%	\$ 750,000	none	61.2% PASS
Belmont	San Mateo	Measure K	TOT	by 2% to 14%	\$ 600,000	none	79.3% PASS
Millbrae	San Mateo	Measure N	TOT	by 2% to 14%	\$ 1,500,000	none	75.8% PASS
County of Humboldt Unincorporated		Measure J	TOT	by 2% to 12%	\$ 3,080,000	none	63.3% PASS
County of Placer - North Tahoe TOT Area		Measure A	TOT	by 2% to 10%	\$ 4,000,000	none	90.0% PASS
County of Santa Cruz Unincorporated		Measure B	TOT	by 1% to 12%	\$ 2,300,000	none	69.2% PASS
County of El Dorado - East Slope Tahoe		Measure S	TOT 2/3	by 4% to 14%	\$ 2,500,000	none	81.8% PASS
Chico	Butte	Measure H	TrUT	1 cent	\$ 24,000,000	none	52.4% PASS
Mendota	Fresno	Measure H	TrUT	1.25 cent	\$ 493,498	none	57.2% PASS
Blue Lake	Humboldt	Measure R	TrUT	1 cent	\$ 30,000	none	55.4% PASS
Rio Dell	Humboldt	Measure O	TrUT	3/4cent	\$ 400,000	none	53.3% PASS
County of Kern unincorporated areas		Measure K	TrUT	1 cent	\$ 54,000,000	none	50.8% PASS
McFarland	Kern	Measure M	TrUT	1 cent	\$ 579,662	none	62.2% PASS
Tehachapi	Kern	Measure S	TrUT	1 cent	\$ 4,000,000	none	57.2% PASS
Avenal	Kings	Measure A	TrUT	1 cent	\$ 500,000	none	72.5% PASS
Susanville	Lassen	Measure P	TrUT	1 cent	\$ 1,750,000	none	54.7% PASS
Baldwin Park	Los Angeles	Measure BP	TrUT	3/4 cent	\$ 6,000,000	none	58.1% PASS
Malibu	Los Angeles	Measure MC	TrUT	1/2 cent	\$ 3,000,000	none	52.6% PASS
Monterey Park	Los Angeles	Measure MP	TrUT	3/4 cent	\$ 6,000,000	none	58.5% PASS
Torrance	Los Angeles	Measure SS1	TrUT	1/2 cent	\$ 18,000,000	none	55.0% PASS
Larkspur	Marin	Measure G	TrUT	1/4 cent	\$ 700,000	none	59.4% PASS
Sand City	Monterey	Measure L	TrUT	by 1/2cent to 1.5cents	\$ 1,400,000	none	68.7% PASS
Hemet	Riverside	Measure H	TrUT	same 1 cent	\$ 15,000,000	none	58.0% PASS
Elk Grove	Sacramento	Measure E	TrUT	1 cent	\$ 21,000,000	none	54.1% PASS
Galt	Sacramento	Measure Q	TrUT	1 cent	\$ 3,600,000	none	52.4% PASS
Colton	San Bernardino	Measure S	TrUT	1 cent	\$ 9,500,000	none	66.8% PASS
Ontario	San Bernardino	Measure Q	TrUT	1 cent	\$ 95,000,000	none	53.2% PASS
Solana Beach	San Diego	Measure S	TrUT	1 cent	\$ 3,000,000	none	66.7% PASS
Brisbane	San Mateo	Measure U	TrUT	1/2 cent	\$ 2,000,000	none	63.9% PASS
Goleta	Santa Barbara	Measure B	TrUT	1 cent	\$ 10,600,000	none	64.7% PASS
Solvang	Santa Barbara	Measure U	TrUT	1 cent	\$ 1,600,000	none	63.1% PASS

Measures in 2022 with Non-Specific Durations

<u>Agency Name</u>	<u>County</u>	<u>Tax/Fee</u>	<u>Rate</u>	<u>Annual Revenue</u>	<u>Use</u>	<u>Sunset</u>	<u>YES%</u>
Watsonville	Santa Cruz	Measure R	TrUT	1/2 cent	\$ 5,000,000	none	64.4% PASS
Vallejo	Solano	Measure P	TrUT	7/8 cent	\$ 18,000,000	none	54.7% PASS
Modesto	Stanislaus	Measure H	TrUT	1 cent	\$ 39,000,000	none	62.8% PASS
County of Colusa		Measure A	TrUT 2/3	1/2 cent	\$ 2,400,000	EMS	none 69.4% PASS
Atwater	Merced	Measure B	TrUT 2/3	same 1 cent	\$ 4,000,000	police/fire	none 73.7% PASS
Truckee	Nevada	Measure U	TrUT 2/3	by 1/4 cent to 1/2 cent	\$ 3,000,000	open space / trails	none 76.4% PASS
Palo Alto	Santa Clara	Measure L	Utility Transfer	18% gas	\$ 7,000,000	none	77.7% PASS
Santa Clara	Santa Clara	Measure G	Utility Transfer	5 %	\$ 30,000,000	none	84.2% PASS
Hercules	Contra Costa	Measure N	UUT	8%	\$ 3,600,000	none	69.3% PASS
Carson	Los Angeles	Measure UU	UUT	2% electr, gas	\$ 8,000,000	none	78.4% PASS
Sebastopol	Sonoma	Measure N	UUT	3.75% (same)	\$ 700,000	none	83.5% PASS

Co-temporal Advisory Measures in 2022

At the November 2022 election, there was just one local general tax measure that was accompanied by an advisory measure as to the use of funds. The City of Santa Monica’s Measure DT property transfer tax failed with just 34 percent approval as voters instead chose the citizen initiative Measure GS.

There was also just one such tax use advisory measure on the June 2022 election. Susanville’s voters passed Measure P, a 1 percent transactions and use (sales) tax that generates \$1.75 million per year⁵ for general city services. The measure was accompanied by advisory Measure Q, accompanied the city’s It asked, “If Measure P passes, should the revenues be used to balance the budget to maintain and enhance existing public safety services (police and fire), and provide funding to support street infrastructure improvements and provide funding to support economic development efforts designed to increase businesses, jobs and visitors to Susanville?” Both measures passed. Under Initiative 21-0042A1, the tax will expire a year after the effective date of the initiative (i.e., in December 2025).

1.b. Additional Costs and Public Service Effects of the Tax Provisions

Assuming a similar volume of local measures through 2024 as we saw in 2022, there will be over 200 local measures that will need to be redrafted to comply with the Initiative and placed back on the ballot for the taxes to continue after December 2025. The costs of re-drafting, re-placing and re-voting on these measures, previously legally approved by voters, will be in the tens of millions in total statewide.

2. “Exempt Charges” (fees and charges that are not taxes) and Services Threatened

With regard to fees and charges adopted after January 1, 2022, Initiative 21-0042A1:

- Subjects new fees and charges for a product or service to a new "actual and reasonable test."
- Subjects fees and charges for entrance to local government property; and rental and sale of local government property to a new, undefined, “reasonable” test.
- Allows legal challenge to any tax adopted before the effective date of the initiative and after January 1,

⁵ The Susanville measure also did not include a specific end date and so is included in the list and totals of those measures.

2022. Such a lawsuit could enjoin (stop) the enactment of the tax pending the outcome of the legal challenge.

- Subjects a challenged fee to new, higher burdens of proof if legally challenged.

2.a. Value on New Local Government Fees and Charges at Risk⁶

Virtually every city, county, and special district must regularly (e.g., annually) adopt increases to fee rates and charges and revise rate schedules to accommodate new users and activities. Most of these would be subject to new standards and limitations under threat of legal challenge. Based on the current volume of fees and charges imposed by local agencies and increases in those fees simply to accommodate inflation, the amount of local government fee and charge revenue placed at risk is about **\$2 billion per year including those adopted since January 1, 2022. Of \$2 billion, about \$900 million (45 percent) is for special districts, \$800 million (40 percent) is cities, and \$300 million (15 percent) is counties.**⁷

Major examples of affected fees and charges are:

1. Certain water, sanitary sewer, wastewater, garbage, electric, gas service fees.
2. Nuisance abatement charges - such as for weed, rubbish and general nuisance abatement to fund community safety, code enforcement, and neighborhood cleanup programs.
3. Emergency response fees - such as in connection with DUI.
4. Advanced Life Support (ALS) transport charges.
5. Business improvement district charges.
6. Fees for processing of land use and development applications such as plan check fees, use permits, design review, environmental assessment, plan amendment, subdivision map changes.
7. Document processing and duplication fees.
8. Facility use charges, parking fees, tolls.
9. Fines, penalties.
10. Fees for parks and recreation services.

2.b. Additional Costs and Public Service Effects of the Fee/Charge Provisions

In addition to service delays and disruptions due to fee and charge revenues placed at greater legal risk, there would be substantial additional costs for legal defense. The risk to fees and charges will make infrastructure financing more difficult and will deter new residential and commercial development.

mc

⁶ Source: California State Controller Annual Reports of Financial Transactions concerning cities, counties and special districts, summarized with an assumed growth due to fee rate increases (not population) of 2 percent annually.

⁷ School fees are also affected but the amount is negligible by comparison.

Examples of fees and charges that are impacted by CBRT

- Category #1 (Products and Services). Examples¹:
 - Property development application processing fees
 - Plan Review
 - Gas and electricity service charges
 - Parks and Recreation classes and lessons
 - Child care services
 - Jail booking fees
 - Copies of police reports
 - Emergency services fees
- Category #2 (Regulatory and Licensing Activity). Examples:
 - Building permit fees
 - Sales tax audits
 - Abatement of weeds on private property
 - Conducting inspections of rental housing
 - Fire inspections
- Category #3 (Entrance to or use of local government property, or the purchase, rental or lease of local government property. Examples²:
 - Lease of city museum to non-profit organization
 - Use of Council Chambers by private groups
 - Use/lease of city-owned convention center
 - Use/lease of city-owned park or other recreation area
- Category #4 (Fines and penalties for administrative Code enforcement)³
- Category #5 (Charges imposed as a condition of property development)⁴
- Category #6 (Charges covered by Proposition 218 – SEE BELOW)
- Category #7 (Charges for specific health care services)

¹ Amount must be “reasonable” and may not exceed “actual” (minimum) cost.

² Amount must be “reasonable”

³ Adds requirement for undefined adjudicatory process

⁴ No fee based upon vehicle miles traveled (VMT)

Proposition 218 fees, charges, and assessments: Exception #6 (examples)

- Water rates
- Sanitary sewer rates
- Flood protection/water run-off charges
- Refuse rates

- Landscape and lighting assessments
- Downtown Business Improvement District assessments
- Parking District assessments
- Flood control assessments

Business Roundtable Board

<p>Aera Energy Albertsons Altria (tobacco) Anthem Blue Cross Automobile Club of Southern California Bittle Enterprises (Enterprise Rent-a-car) Blackstone Caruso Management (Rick Caruso) Chevron C.J. Segerstrom & Sons Dart Container DLA Piper (Law Firm) Douglas Emmett Eli Lilly & Company Exxon Farmers Group (Insurance) Fivepoint (Developer) Global Medical Response Solution Grimmway Farms Irvine Company KB Homes</p>	<p>Kilroy Realty LevatoLaw Majestic Realty Marathon Petroleum Corp. McKinsey & Company National CORE PepsiCo PhRMA Sempra State Farm Sutter Health Union Pacific Railroad United Airlines UPS Valero Western National Group Wells Fargo Wellpoint (insurance) Western National Group</p>
--	--