



## Legislation Text

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**File #:** 22-666, **Version:** 1

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Report regarding receipt of an Impact Report on a Citizens Initiative Ordinance of an Annual Parcel Tax on Some Commercial Office Properties for Early Care and Education and Childcare and Development Programs and adoption of a Resolution Calling for the submission to South San Francisco voters of an Initiative Ordinance to Enact an Annual Parcel Tax on Some Commercial Office Properties for Early Care and Education and Childcare and Development Programs at the General Municipal Election of November 8, 2022, establishing the schedule for submission of Ballot Arguments, and Authorizing the County of San Mateo Elections Division to Conduct the election. (Mike Futrell, City Manager; Sharon Ranals, Assistant City Manager; Sky Woodruff, City Attorney)

### **RECOMMENDATION**

**Staff recommends the City Council 1.) Receive a report regarding the potential impacts of an Initiative Ordinance of an Annual Parcel Tax on Some Commercial Office Properties for Early Care and Education and Childcare and Development Programs, and 2.) Consider whether or not to adopt a Resolution Calling for the Submission to South San Francisco voters of an Initiative Ordinance to Enact an Annual Parcel Tax on Some Commercial Office Properties for Early Care and Education and Childcare and Development Programs, Establishing the Schedule for Submission of Ballot Arguments and Authorizing the County of San Mateo to Conduct the Election.**

### **BACKGROUND/DISCUSSION**

#### **Qualification and Election Process**

At the City Council meeting of July 13, 2022, Council received a report regarding adoption of Resolution #22-567 accepting a Certificate of Sufficiency of Signatures on a Petition for an Initiative Ordinance of an Annual Parcel Tax on Some Commercial Office Properties for Early Care and Education and Childcare and Development Programs. The Report provided a history of the number of signatures received, and the sequence of submittals and actions which were required for the Initiative to qualify for the Certificate of Sufficiency of Signatures. The Resolution was approved.

The Council deferred taking action calling for the initiative to be placed on the November 8, 2022, ballot to the meeting of August 10, 2022. Pursuant to Elections Code Section 9212, the Council requested that staff provide a 9212 Impact Report of the effects of the Initiative within 30 days, which is attached to this Staff Report and discussed briefly in the section below.

This Report also provides a resolution which authorizes placement of the Initiative on the ballot. The resolution does two additional things. First, it establishes the deadlines for submission of arguments for/against the Initiative, and the deadline for rebuttal arguments. If the election is called on November 8, 2022, arguments for and against the Initiative would be due by 5:00 pm on August 19. Per Elections Code Section 9285, a rebuttal argument of 250 words would be due by 5:00 pm on August 29. Finally, the resolution calls for the County to conduct the election.

The City Council has the option to authorize up to two members to file an argument against the Initiative and a rebuttal if an argument in favor of the Initiative is submitted. If more than one argument against the Initiative is submitted, the one submitted on behalf of the City Council will receive priority for inclusion in the voter information guide. Up to five people may sign the argument. None of the five is required to be a member of Council, the argument just needs to be filed on behalf of the Council. Up to five different people may sign the rebuttal. Council is not required to file an argument against the Initiative.

## **9212 Impact Report**

The City retained two economic consulting firms with specialized expertise to provide professional and neutral analysis of the implications of the Initiative should it pass.

- Strategic Economics, who specialize in market and development feasibility analysis, fiscal and economic impacts, and public finance, and has also worked on analysis for the Shape SSF General Plan, was asked to evaluate the revenues and business impacts of the parcel tax component. They were able to leverage some of the data that was gathered through research for the general plan update.
- Brion Economics, has expertise in child care planning and economic analysis and is currently working on the San Mateo County Child Care Needs Assessment. The firm was asked to utilize the revenue projections provided by Strategic Economics and estimate the number of children eligible for preschool and estimated number to be served; determine a weighted average tuition cost; estimate the cost of providing preschool at no cost, including the cost of prescribed preschool staff wage enhancements; consider administrative costs; and determine if available revenue would cover the cost of serving eligible children.

Both firms produced a report explaining their assumptions, methodology, and findings, each with an executive summary. The studies conducted by these consultants was informed and vetted by City staff from the City Manager's Office, Economic and Community Development, Finance, Human Resources, Parks and Recreation, and the City Attorney. Staff also utilized data and recommendations from the South San Francisco Child Care Master Plan, adopted by City Council on June 8, 2022. The Master Plan focuses on children aged 0 - 12, within a time frame of 2020-2030. The consultant reports have been compiled to provide the 9212 Impact Report, which is attached.

Several specific questions about the potential impact of the measure were submitted and by City Council members and researched by staff. This information has been attached to the 9212 Impact Report.

Representatives from these firms will attend the Council meeting to present their findings and respond to questions.

## **FISCAL IMPACT**

The budgeted cost of conducting the 2022 municipal election through the County of San Mateo is \$200,000, which includes the anticipated cost of a citizen initiative. This estimate is based upon the highly variable costs of the respective 2015, 2018, and 2020 elections. As with previous elections, the final cost of the election is not available until the County issues the invoice in February of the following year.

Financial implications of implementing the Initiative, should it pass, will depend on a host of variables that are not known at this time, including the actual number of children who enroll in funded preschool, provider participation in the program, administrative structure, legal and auditing expenses, etc. The attached Impact Report identifies assumptions and discusses estimated revenues and costs to help inform City Council and

voters.

#### RELATIONSHIP TO STRATEGIC PLAN

The City's Municipal Election will promote community participation and strengthen collaboration with County partners by contributing to the City's Strategic Plan Priority No. 6 - Community Connections.

#### CONCLUSION

Staff recommends the City Council 1.) Receive a report regarding the potential impacts of an Initiative Ordinance of an Annual Parcel Tax on Some Commercial Office Properties for Early Care and Education and Childcare and Development Programs, and 2.) Consider adopting a Resolution Calling for the Submission to South San Francisco voters of the Initiative Ordinance, Establishing the Schedule for Submission of Ballot Arguments and Authorizing the County of San Mateo to Conduct the Election.

#### Attachments:

1. 9212 Impact Report on the Proposed Early Learning and Care Parcel Tax Initiative
2. Strategic Economics Presentation, South San Francisco Parcel Tax Analysis
3. Brion Economics (BEI) Presentation, Financial Analysis of the Proposed Early Learning and Care Parcel Tax Initiative

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