

# RECLAMATION DISTRICT NO. 1000

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## *Rate Modeling Report Phase 2.1*

December 2021

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# 1. INTRODUCTION

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## 1.1 Purpose of this Report

This report is intended to provide a recommendation and preliminary rate modeling required to fund Reclamation District No. 1000's ("RD1000" or "District") annual operations, maintenance, and capital improvements as identified in the previously prepared Financial Plan Technical Memorandum dated January 7, 2021 (the "Phase I Report"). This rate modeling report also discusses the relative strengths and weaknesses of potential funding solutions together with an overview and limited analysis of the considerations to achieve successful revenue implementation.

In the Phase I Report NBS evaluated the District's revenue and expenses and created three funding alternatives. Those alternatives were:

- Alternative 1 - Full CIP with Bond Financing
- Alternative 2 - Full CIP with no Bond Financing
- Alternative 3 - Full CIP with no Bond Financing & Reserve Spend Down

The District instructed NBS to utilize Alternative 3 as the basis for this report.

## 1.2 Additional District Guidance

In addition to the District instructing NBS to model a new revenue instrument to satisfy funding Alternative 3 for this report, the District also instructed NBS to:

1. Assume the existing assessment district revenue would cease in FY2023/24 and be replaced by the proposed revenue instrument.
2. Disregard the proposed timing of the Capital Improvement Program (CIP) in order to allow the District to manage fund balances according to the new funding source's revenue stream. This is necessary to avoid issuance of debt and provides the greatest flexibility for the District with revenues from the new funding instrument.
3. Create a revenue structure that would allow for overall funding of the District's needs, which once established could escalate in perpetuity as required.

## 1.3 Property Data Sources

NBS used the District's FY2020/21 assessment levy data (from SCI Consultants) as the basis of property within the District. This allowed us to compare the proposed rate with the existing rate to understand the differences property owners might see in the two charges and to better evaluate support & resistance to the proposed fee. County assessor's rolls (Sacramento and Sutter Counties) for FY2020/21 were used to match the parcels and property information. Changes between the FY2020/21 and FY2021/22 assessor's property data were reviewed and determined to not materially affect the analysis in this report.

## 1.4 Property in the District

NBS determined there are 34,882 parcels within Sacramento County and 362 parcels within Sutter County totaling 35,184 parcels within the District's jurisdiction. This report provides the preliminary calculation for a proposed property related fee and examines the establishment of an assessment. Limited information related to a special tax authorized by the Mello-Roos Community Facilities Act of 1982<sup>1</sup> is supplied for perspective.

The basis upon which the property is charged, the legal requirements to establish the charge, and the advantages and disadvantages of each are further explored here for the District's consideration.

The composition of property (and its ownership) in the District is critical to understanding who the group is *approving* the fee, and who the group is *paying* the fee.

The following table outlines the approving group, the approval threshold, and the required findings for three types of ongoing charges.

FUNDING INSTRUMENT OVERVIEW			
Type	Approved by	Approval Threshold	Required Findings
<b>Tax<sup>1</sup></b>	Registered Voters	2/3 Ballots Cast	Based on any reasonable method. Not assessed value.
<b>Assessment</b>	Property Owners	Majority Protest of Ballots Cast, Weighted according to Assessment Amount	1. Identify all Benefits 2. Separate Special from General Benefits 3. Apportion costs to parcels based on Proportional Special Benefit per parcel
<b>Fee<sup>2</sup></b>			Proportional cost of providing service to each parcel
1 <sup>st</sup> Step	Property Owners	Majority Protest of <i>all</i> Property Owners	
2 <sup>nd</sup> Step	a) Property Owners, <b>or</b>	Majority Approval of Ballots Cast: 1 vote/parcel	
	b) Registered Voters	2/3 of Ballots Cast	

1. Mello-Roos Community Facilities District considered.

2. Property Related Fees require a two-step approval process unless the service funded by the fee is exempt (i.e., water/sewer/trash services). Storm Drainage services are not yet considered exempt, pending outcome of a SB 231 validation proceeding.

The above table shows:

- A **Tax** is approved by the registered voters
- An **Assessment** is approved by the property owners and
- A **Property Related Fee** is approved by either the property owners or the registered voters. The final, second step, approval of the property related fee is typically conducted as a property owner election.

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<sup>1</sup> Government Code §53311 et. seq.

## 1.5 Land Uses

Land Use Codes (“LUC”s) are assigned to property by the both the County of Sacramento and the County of Sutter Assessor’s Offices and describe the current utilization of a parcel. There are 628 unique LUCs assigned to property within the District’s boundary. These LUCs are grouped and assigned into the Customer Classes and the associated parcel counts are shown in the table below. The detailed listing of the County LUCs and the assigned Customer Class are provided in Attachment A.

LAND USE CODE CATEGORIES		
Assigned Customer Class <sup>1</sup>	Parcel Count	% of Parcels
SFR2	19,076	54.22%
SFR1	6,982	19.84%
MFR	3,504	9.96%
Vacant	1,725	4.90%
SFR3	1,093	3.11%
Common Area	412	1.17%
Public & Utilities	368	1.05%
Exempt	344	0.98%
Miscellaneous	339	0.96%
Park	314	0.89%
Retail /Commercial	252	0.72%
Office	232	0.66%
Industrial	231	0.66%
Agriculture	186	0.53%
SFR4	73	0.21%
Church & Welfare	21	0.06%
Personal Care & Health	13	0.04%
Golf	9	0.03%
Airport	8	0.02%
Recreational	2	0.01%
<b>Total</b>	<b>35,184</b>	<b>100.00%</b>

SFR1-4 Customer Classes are assigned to Single Family Residential (SFR) properties according to gross acreage.

The table above shows that a high percentage (87.34%) of parcels are designated as having a residential use<sup>2</sup>. This high percentage of residential use properties indicates the importance that proposed rates assigned to residential properties will have on the approval of a revenue measure. When it comes to who will be paying the exaction, the revenue instrument will dictate the methodology to calculate the amount due from any property. In the case of the property related fee, it is calculated according to the proportionate cost to provide the service to the parcel. NBS modeled an allocation of the cost to provide the service according to two criteria, gross and net acreage. The modeling is detailed in Section 30.

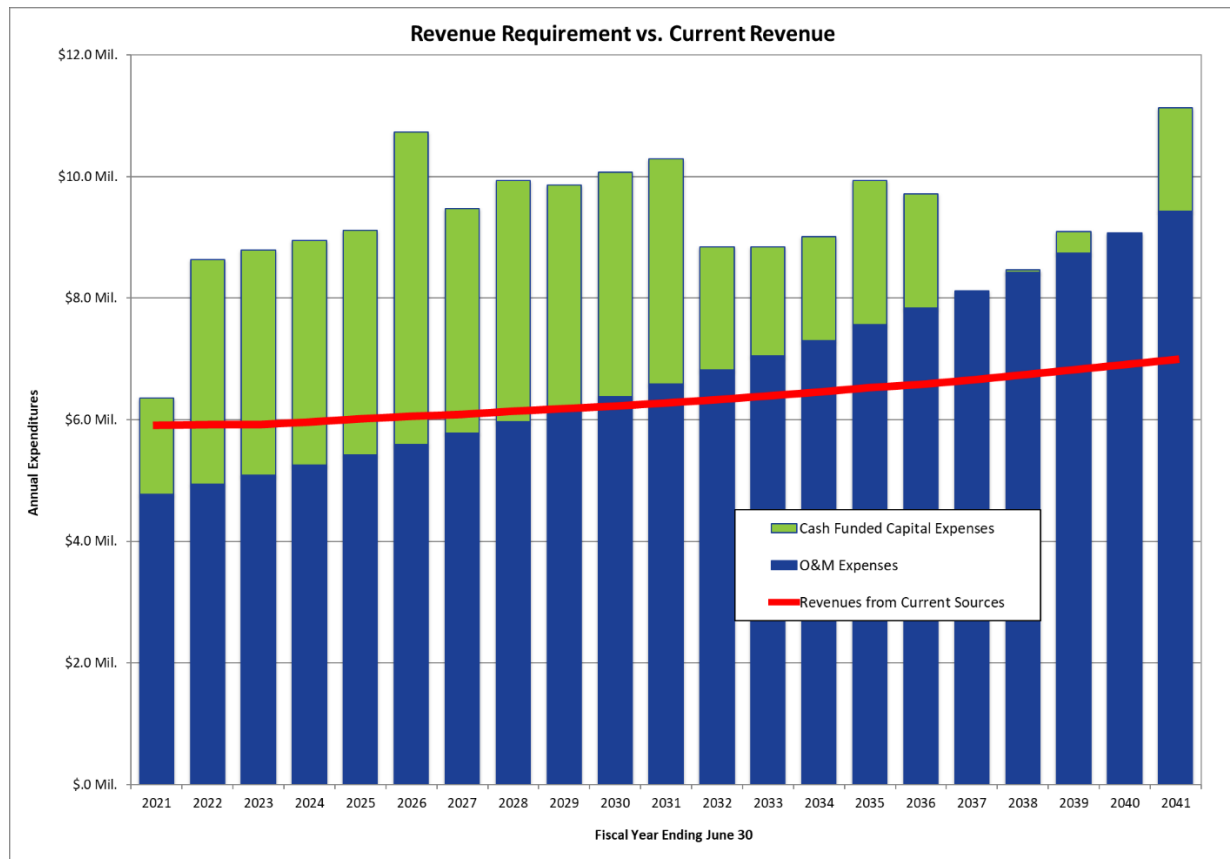
<sup>2</sup> Residential Use Customer Classes include MFR, SFR1, SFR2, SFR3 and SFR4

## 2. REVENUE REQUIREMENTS

The revenue requirements to fund the District’s annual operations, maintenance, and capital improvements were identified in the previously prepared Financial Plan Technical Memorandum dated January 7, 2021 (the “Phase I Report”). The District provided additional guidance as noted in Section 1.2.

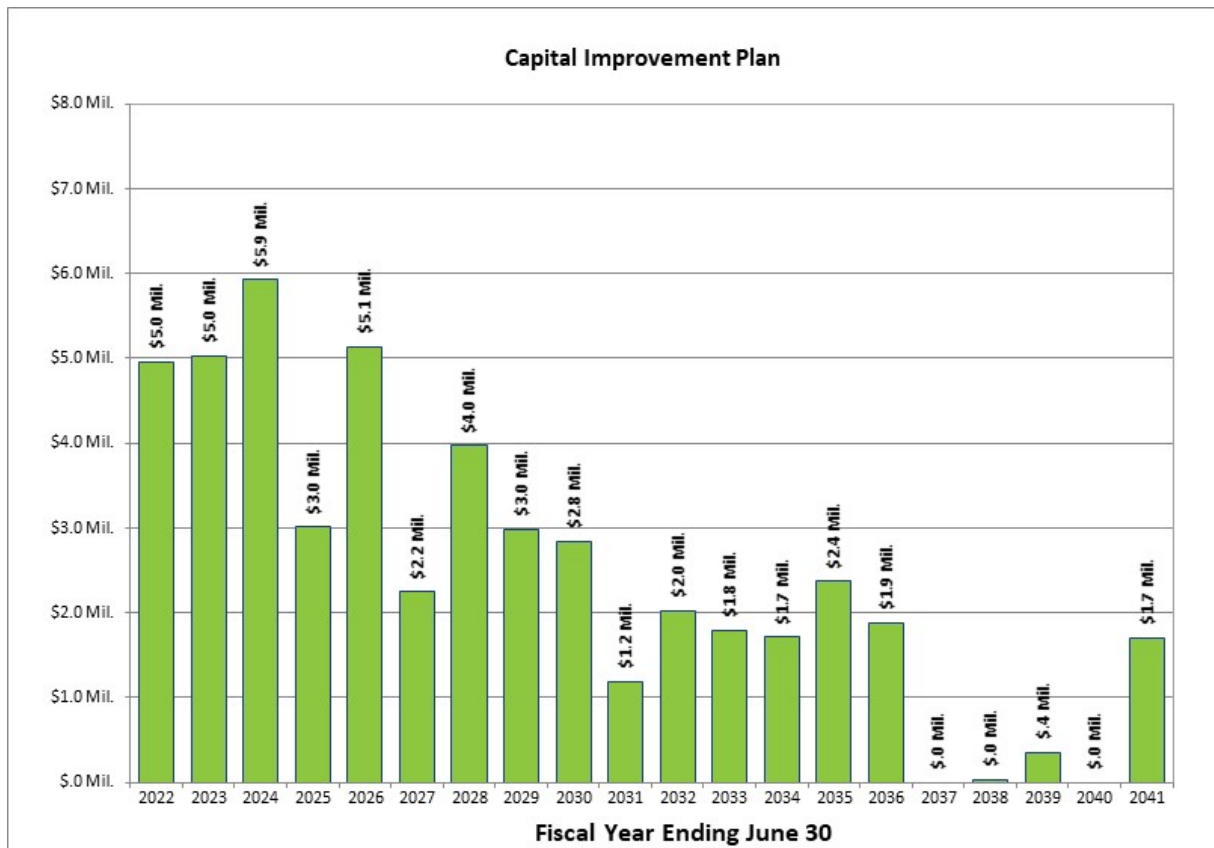
### 2.1 Current Funding

The chart below shows the identified revenues and revenue requirements through FY2040/41. This does not include the proposed property related fee revenue.



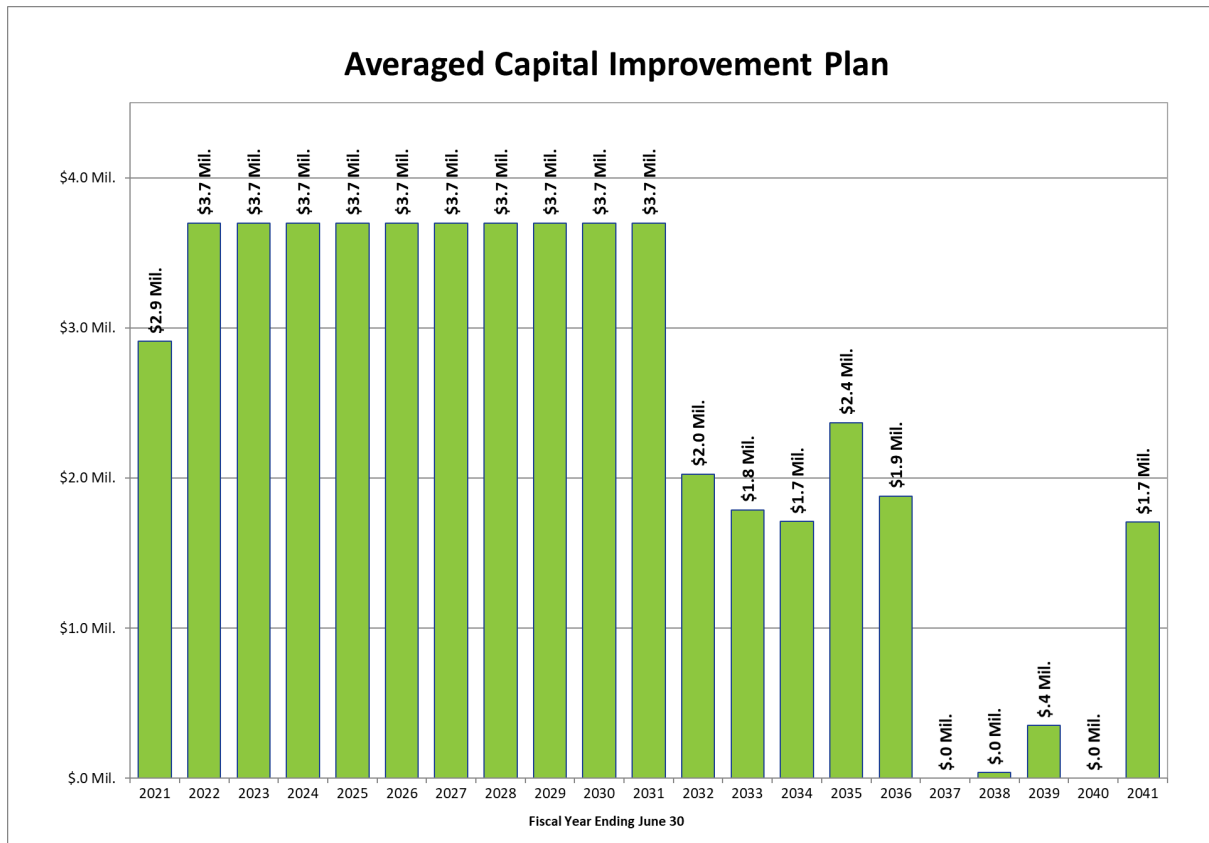
## 2.2 Existing CIP

The chart below shows the funding requirements of the long-term CIP. The total CIP costs through FY2040/41 are \$49,149,570 which average \$2,457,478 per year. \$37,280,575 of the costs are front loaded over the first 10 years and then decline.



The District has elected to not issue debt in order to flatten the annual obligations of these front-loaded costs. The District will manage the CIP and cash to fund projects on a pay-as-you-go basis. NBS averaged the first 10 years of CIP costs to arrive at an average annual CIP revenue requirement of approximately \$3.7M per year. This will allow the District to revisit the projects and costs after the first 10 years and determine if the fee may be reduced after the first 10 years or remain to fund additional required projects, or compensate for unforeseen construction cost increases, or new projects as they are identified in future CIP Updates.

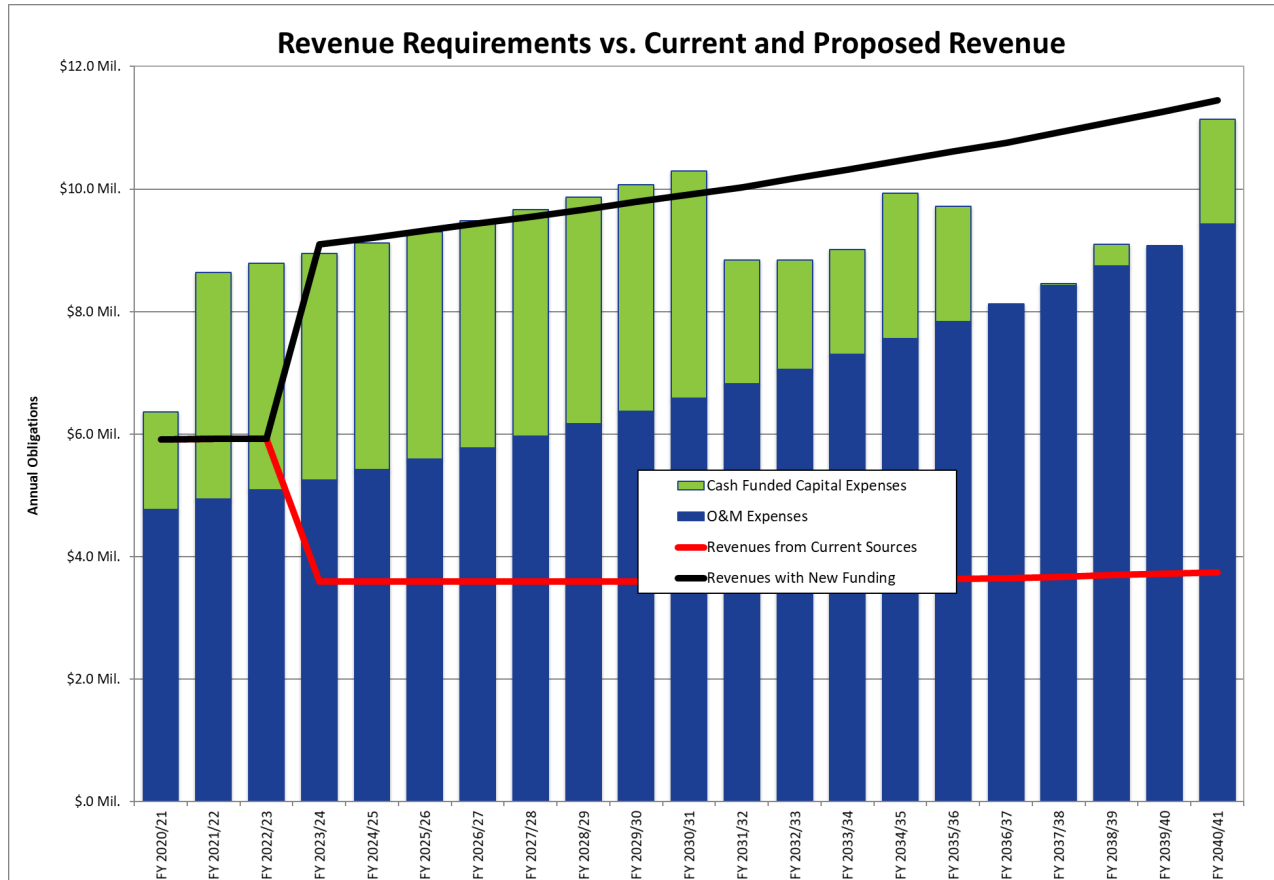
The Averaged CIP Cost Plan is shown in the table below.



This annual CIP requirement of \$3.7M is added to the existing O&M needs for the next 10 years to arrive at the total annual revenue requirement. The proposed property related fee is then sized to fund the revenue needs and maintain the level of recommended reserve fund balances.

## 2.3 Potential New Fee Sizing

The chart below models a proposed property related fee becoming effective for FY2023/24, initially sized at \$5,500,000 per year, and escalating at 2% per year together with the CIP averaged over the first 10 years at \$3.7M per year. The below chart compares total revenue and expense.



Cash Funded Capital Expenditures will not follow the amounts and timing shown in the table, as some projects will exceed the annual revenues received from the new funding instrument. The District intends to establish project specific reserve funds to save for larger projects which exceed the annual revenues.

## 3. PROPERTY RELATED FEE MODELING

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### 3.1 Background

Property related fees are authorized by the California Constitution in Article XIID (6) and defined as charges for a specific property related service. The service must be immediately available to the property and an analysis must be completed to show the fee does not exceed the proportional cost of service to each parcel. Property related fees are approved through a process that includes a public protest hearing followed by a second step of approval consisting of either a two-thirds vote of registered voters, or a majority approval of property owners. The variable proceedings required for the approval of a property related fee is considered one of the advantages of this tool.

It is noteworthy that property related fees are the authority under which most retail water rates are authorized (calculated based upon the proportional cost of service). Property related fees for water services are exempt from the second step approval requirements; however, the proposed property related fee may be subject to approval via the second step requirements as described in Section 1.4.

### 3.2 Project Costs

Section 2.3 showed the rationale to size the proposed fee at \$5,500,000. This amount provides funding to provide all Operations & Maintenance costs together with funding the CIP and will replace the existing assessment which will be discontinued if the proposed fee is authorized.

### 3.3 Fee Structure

The property related fee must be charged according to the proportional cost to provide service to each parcel. The District's Responsibility Statement, which follows below, highlights the District's primary duties.

*On behalf of and in communication with the residents of the Natomas Basin, the District meets its flood protection Mission by operating and maintaining:*

- *The perimeter levee system to prevent exterior floodwaters from entering the Natomas Basin*
- *The District's interior canal system to collect the stormwater runoff and agricultural drainage from within the Natomas Basin*
- *The District's pump stations to safely discharge interior stormwater and agricultural drainage out of the Natomas Basin*

The District provided an estimated breakdown of its total costs and allocated them 40% to Flood Protection (Levees) and 60% to Stormwater (Canals & Pumps). Since not all properties receive both services, each parcel must be evaluated to determine which services are received and the cost of each service must be examined independently to determine the proportionate cost to be allocated to each parcel.

The Total Project Costs of \$5,500,000 annually is allocated \$2,200,00 for Flood Protection and \$3,300,000 for Stormwater Services.

### 3.3.1 FLOOD PROTECTION

The District provides flood protection services through the maintenance of the levee system. This flood protection is provided to all parcels located within the District's boundary including parcels which are located upon and/or fronting the levees themselves. This flood protection is provided to all parcels within the District's boundary without respect to land use, development status or any other criteria. The total gross acreage of all parcels in the District is 48,077.62 acres<sup>3</sup>

NBS has allocated the cost to provide the flood protection service proportionately according to the gross area of each parcel protected. The formula below shows the calculation.

$$\text{Total Cost of Flood Protection} / \text{Total Acres Protected} = \$ \text{ per Acre for the Flood Protection Service}$$

$$\$2,200,00 / 48,077.62 \text{ Acres} = \$45.76 \text{ per Acre for the Flood Protection Service}$$

### 3.3.2 STORMWATER SERVICES

The capture and discharge of stormwater is a distinct service from exterior flood protection, and as such a different method to determine the proportionate cost to provide the service to each parcel must be developed. The proportional generation of stormwater flows for each parcel is an industry best practice and is proposed as the basis of allocating the proportional cost of the service.

Different properties will generate different amounts of stormwater runoff according to their land use. The calculation of estimated stormwater flows is proposed to be allocated according to the Net Impervious Area (NIA) of each parcel in the District's boundary. The NIA is calculated by multiplying the gross parcel area by an Impervious Surface Coefficient (ISC). The ISC considers land use and density of use to estimate the relative impervious surfaces for each property. The ISC is a factor used to discount the gross parcel area down to the NIA. For example, a single family residential parcel with a density of 4 dwelling units per acre is assigned an ISC of .46. This results in the parcel's gross area being multiplied by .46 to arrive at the NIA, such that a ¼ acre parcel (10,890 SqFt) is multiplied by .46 (which approximates building, driveway, patio, and other hardscapes) to arrive at approximately 5,000 SqFt of NIA.

The ISC factors were developed by the State of California Environmental Protection Agency, Office of Environmental Health Hazard Assessment<sup>4</sup>. The ISC factors used data from selected areas including Sacramento County which enhances the data's applicability to RD1000. For Customer Classes without a directly matching ISC, the ISC was estimated using comparable data.

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<sup>3</sup> Does not include exempt property such as parcels that are part of the levee and/or drainage system.

<sup>4</sup> <https://oehha.ca.gov/>

The listing of Customer Classes and the associated ISCs are shown in the table below.

CUSTOMER CLASS	ISC
AGRICULTURE	0.04
AIRPORT	0.30
CEMETARY	0.10
CHURCH & WELFARE	0.80
COMMON AREA	0.30
EXEMPT	0.00
GOLF	0.10
INDUSTRIAL	0.86
MFR	0.76
MISCELLANEOUS	0.10
OFFICE	0.80
PARK	0.10
PERSONAL CARE & HEALTH	0.80
PUBLIC & UTILITIES	0.44
RECREATIONAL	0.80
RETAIL /COMMERCIAL	0.86
SFR1	0.66
SFR2	0.54
SFR3	0.35
SFR4	0.14
VACANT	0.10

Certain parcels which receive stormwater service from other jurisdictions, or who do not drain into the capture and discharge system are not charged this portion of the proposed fee.

NBS has allocated the cost to provide the flood protection service proportionately according to the NIA of each parcel protected. The formula below shows the calculation.

*Total Cost of Stormwater Services / Total NIA Served (Acres) = \$ per NIA (Acre) for the Stormwater Service*

*\$3,300,00 / 9,707.88 NIA Acres Served = \$339.93 per NIA Acre for the Stormwater Service*

This calculation to arrive at the NIA per parcel serves as the reasonable and proportional allocation of costs to provide the service to each parcel.

### 3.4 Potential Rates

The basis of the rates is shown above and have been modeled to understand the effects on the parcels in the District for each service. The draft rates for each service and the average of the combined rates are shown in the following Sections.

### 3.4.1 FLOOD PROTECTION

The cost to provide Flood Protection Services was calculated to be \$45.76 per gross parcel acre. The average acreages and average Flood Protection costs per Customer Class are shown in the table below.

Customer Class	Parcel Count	Total Gross Acres	Average Gross Acres	Average Cost per Parcel
SFR2	19,076	2,746.66	0.14	\$6.59
SFR1	6,982	491.57	0.07	3.22
MFR	3,504	1,083.01	0.31	14.14
Vacant	1,725	20,343.89	11.79	539.67
SFR3	1,093	562.25	0.51	23.54
Common Area	412	213.94	0.52	23.76
Public & Utilities	368	4,552.57	12.37	566.09
Exempt	344	0	0	0
Miscellaneous	339	121.68	0.36	16.42
Park	314	1,330.33	4.24	193.87
Retail /Commercial	252	663.64	2.63	120.51
Office	232	603.10	2.60	118.95
Industrial	231	1,560.54	6.76	309.13
Agriculture	186	12,006.53	64.55	2,953.82
SFR4	73	1,085.44	14.87	680.40
Church & Welfare	21	63.09	3.00	137.47
Personal Care & Health	13	29.19	2.25	102.75
Golf	9	278.02	30.89	1,413.56
Airport	8	325.83	40.73	1,863.72
Recreational	2	16.34	8.17	373.85
<b>Totals</b>	<b>35,184</b>	<b>48,077.62</b>		

### 3.4.2 STORMWATER SERVICES

The cost to provide Stormwater Services was calculated to be \$339.93 per NIA (in acres). As discussed in Section 3.3.2, the determination of NIA requires the application of an ISC. The ISC is based upon a parcel's land use, and in the case of residential use, the density of development is also considered.

The residential Customer Classes contain four single-family categories based upon the Gross Parcel Area as shown below.

- SFR1 Gross Parcel Area < 4,356 SqFt.
- SFR2 Gross Parcel Area > = 4,356 SqFt. < 10,890 SqFt.
- SFR3 Gross Parcel Area > = 10,890 SqFt. < 87,120 SqFt.
- SFR4 Gross Parcel Area > = 87,120 SqFt.

The residential Customer Classes also contain a multi-family category based upon the density of dwelling units per Gross Parcel Area. For each of the Residential Customer Classes, the Gross Parcel Area is averaged for all parcels within the Customer Class, the appropriate ISC is applied and a rate per parcel, unit, or NIA is determined. The following table provides the potential annual rates per Customer Class type.

Customer Class	Description	Rate	Per
MFR	All Multi Family	\$9.62	Dwelling Unit
SFR1	Single Family Gross Lot < 1/10 Acre	15.84	Parcel
SFR2	1/10 Acre <= Single Family Gross Lot < ¼ Acre	26.31	Parcel
SFR3	¼ Acre <= Single Family Gross Lot < 2 Acres	54.73	Parcel
SFR4	Single Family Gross Lot >= 2 Acres	795.37	Parcel
NRP <sup>1</sup>	All Non Residential Property	339.9300	NIA (Acre)

The average NIA (Acres) and average Stormwater costs per Customer Class are shown in the table below.

Customer Class	Parcel Count	Total NIA Acres	Average NIA Acres	Average Cost per Parcel
SFR2	19,076	1,345.42	0.07	\$23.98
SFR1	6,982	298.97	0.04	14.56
MFR	3,504	716.22	0.20	69.48
Vacant	1,725	2,016.28	1.17	397.33
SFR3	1,093	90.62	0.08	28.18
Common Area	412	49.79	0.12	41.08
Public & Utilities	368	1,926.79	5.24	1,779.82
Exempt	344	0	0	0
Miscellaneous	339	11.49	0.03	11.52
Park	314	125.15	0.40	135.48
Retail /Commercial	252	531.83	2.11	717.41
Office	232	446.56	1.92	654.31
Industrial	231	1,329.71	5.76	1,956.75
Agriculture	186	480.26	2.58	877.72
SFR4	73	147.41	2.02	686.41
Church & Welfare	21	44.37	2.11	718.20
Personal Care & Health	13	21.45	1.65	560.98
Golf	9	27.80	3.09	1,050.08
Airport	8	97.75	12.22	4,153.48
Recreational	2	0	0	0
<b>Totals</b>	<b>35,184</b>	<b>9,707.88</b>		

### 3.4.3 COMBINED AVERAGES

The combined average costs for both the Flood Protection and Stormwater Services are shown in the table below.

Customer Class	Parcel Count	Flood Average Cost per Parcel	S. Water Average Cost per Parcel	Total Average Cost per Parcel
SFR2	19,076	\$6.59	\$23.98	\$30.57
SFR1	6,982	3.22	14.56	17.78
MFR	3,504	14.14	69.48	83.62
Vacant	1,725	539.67	397.33	937.00
SFR3	1,093	23.54	28.18	51.72
Common Area	412	23.76	41.08	64.84
Public & Utilities	368	566.09	1,779.82	2,345.91
Exempt	344	0	0	0
Miscellaneous	339	16.42	11.52	27.94
Park	314	193.87	135.48	329.35
Retail /Commercial	252	120.51	717.41	837.92
Office	232	118.95	654.31	773.26
Industrial	231	309.13	1,956.75	2,265.88
Agriculture	186	2,953.82	877.72	3,831.54
SFR4	73	680.40	686.41	1,366.81
Church & Welfare	21	137.47	718.20	855.67
Personal Care & Health	13	102.75	560.98	663.73
Golf	9	1,413.56	1,050.08	2,463.64
Airport	8	1,863.72	4,153.48	6,017.20
Recreational	2	373.85	0	373.85
<b>Totals</b>	<b>35,184</b>			

### 3.4.4 TOTAL COSTS

The table in Section 1.5 showed that 87.34% of parcels are designated as having a residential use and the below table shows those parcels will bear 21.03% of the financial burden. These calculations are based upon assumptions of the accuracy of the respective county assessor's data which has shown to be inaccurate in some instances and a further examination of outlying data points should be performed prior to the finalization of the fee.

Customer Class	Parcel Count	Total Cost per Cust Class <sup>1</sup>	% Total Cost per Cust Class
SFR2	19,076	\$583,214.93	10.60%
SFR1	6,982	124,169.66	2.26%
MFR	3,504	293,238.28	5.33%
Vacant	1,725	1,616,319.90	29.39%
SFR3	1,093	56,541.13	1.03%
Common Area	412	26,715.01	0.49%
Public & Utilities	368	863,297.84	15.70%
Exempt	344	0	0.00%
Miscellaneous	339	9,473.38	0.17%
Park	314	103,416.41	1.88%
Retail /Commercial	252	211,153.63	3.84%
Office	232	179,397.79	3.26%
Industrial	231	523,417.48	9.52%
Agriculture	186	712,666.27	12.96%
SFR4	73	99,777.35	1.81%
Church & Welfare	21	17,969.08	0.33%
Personal Care & Health	13	8,628.52	0.16%
Golf	9	22,172.72	0.40%
Airport	8	48,137.59	0.88%
Recreational	2	747.70	0.01%
<b>Totals</b>	<b>35,184</b>	<b>\$5,500,454.67</b>	

1. Total Variance Of \$454.67 due to rounding of acreages and rates across all parcels.

## **3.5 Timeline**

The establishment process consists of three main efforts: the calculation and justification of the fee, outreach and engagement, and the legislative body proceedings.

### **3.5.1 FINALIZATION OF THE FEE CALCULATION**

NBS estimates it will take approximately two months to complete a Final Fee Calculation and Justification Report.

### **3.5.2 OUTREACH & ENGAGEMENT**

Outreach and engagement efforts are highly recommended but entirely optional. They can run in advance of, or concurrently with, the fee calculation and legislative proceeding efforts. The scope of outreach and engagement efforts can vary broadly. For this type of project, we recommend a minimum six-month public process. Our experience finds that if the first time property owners become aware of a proposed fee by receiving a ballot, the fee will most likely fail.

### **3.5.3 LEGISLATIVE PROCEEDINGS**

The approval process generally consists of a public hearing and then a property owner protest election. Both require a minimum 45-day notice period. In total, the proceedings will take approximately 4 to 5 months.

The entire formation process can take as little as 6 months or longer according to the amount of public engagement or fee refinement the District desires. If the District desires to levy the fee on the property tax rolls, the FY2023/24 submittals are due August 10, 2023, which gives the District approximately 20 months to establish the new fee. If the District desires to levy the charge directly, or another schedule, or levy on the assessor's rolls in a succeeding year, the rate calculation may be modified.

## **3.6 Legal Risks**

The legal risks associated with a property related fee are moderate among all the potential revenue instruments. The key legal element is determining the proportional cost to provide the service to each parcel. The District must demonstrate it has the authority to provide the service and that costs are appropriately allocated. There is room for differences of opinion related to the classification and the allocation of costs which can become the subject of litigation.

The other material legal consideration is the enforceability of collection, or the foreclosure authority, of the fee upon tax exempt properties and especially other governmental properties. Properties owned by Federal and State Government may not be subject to local foreclosure proceedings and the District should seek legal counsel on this issue.

## 4. SPECIAL ASSESSMENT DISCUSSION

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### 4.1 Background

A Special Assessment may be established by establishing a particular boundary and then charging property for a special service, improvement, or other benefit. Special Assessments, also known as a Special Benefit Assessments, describes a family of charges levied against a parcel of land for the proportional special benefit that is conferred to property by the underlying public service or improvement project. Benefit assessments cannot be based on the value of property. Instead, each assessment district establishes a benefit formula and each parcel in the boundary being assessed according to the special benefit it receives from the services and/or improvements. A registered professional engineer, the governing body of the entity levying the assessment, and property owners approving the special assessment must make a finding of special benefit in order to validate this process. The assessment amount is limited to the proportional special benefit the improvement or service provided to each assessed property.

Special Assessments are approved by a protest ballot proceeding. Each property owner's ballot is weighted by the amount of the assessment assigned to that owner's property. Of the property owner ballots returned, if a majority of the weighted ballots oppose the assessment, a majority protest exists, and the assessment may not be imposed.

### 4.2 General & Special Benefit

It must be stated that an extensive general and special benefit analysis must be performed to identify and separate the general benefits from the special benefits, and then determine and calculate the proportional special benefits. Said analysis is beyond the scope of this report. This report is intended to examine, but not justify, assessment calculations. The general and special benefit analysis required to finance the improvements will be a significant undertaking.

The costs associated with general benefit must be funded from other sources and cannot be assessed to properties. The District may use any unencumbered funds or grant monies to fund the general benefit portion of the costs. The fact that RD1000 is a special purpose district with little to no unrestricted revenue to allocate toward the general benefit which must be funded from other sources makes this option seem impractical.

An additional, substantial consideration in utilizing a special assessment is that the burden of proof is placed upon the District to demonstrate the findings of special benefit. The public agency must demonstrate that the benefit analysis is appropriate, rather than a challenger having to prove it is wrong. Additionally, the courts have handed down various interpretations of Proposition 218 over the last 20+ years which have made compliance increasingly complicated. This complication creates opportunities to misstep, or to simply have a difference of opinion on how to properly comply with the assessment law. These differences of opinion among interested and informed parties (see the Opposition in Section 5.6) can often lead to litigation.

## 5. PUBLIC APPROVAL

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The District is proactively working to give the selected revenue instrument the best possible chance of success. This goal considers much more than the engineering and legal requirements. It introduces the “people” side of the equation beyond exaction rates and proceedings. The District recognizes that no matter which revenue instrument is selected it will require approval of “the people,” be they voters or property owners.

Generally speaking, when a revenue measure fails to gain the required threshold of support, there is little analysis performed to determine the reasons for the failure, and even less documentation is prepared on the issue. These failure analyses are generally only engaged for large, well-funded State or County-wide issues where the timeline horizon for implementation may span several years. Further, any failure analysis documentation that is prepared, is not usually publicly available.

NBS is not a social or political science firm, however we are seasoned professionals with multiple decades of experience establishing special revenue instruments in California. In NBS’ experience there are several common issues which contribute to the failure of a revenue measure. Failed measures may involve only one, or a combination of several issues discussed below.

### 5.1 The Project

Any proposed project (or service) must be clearly defined and understandable. People must understand what it is they are being asked to fund. This is the first fatal flaw to be mitigated. The District must be able to answer the below questions in terms understandable and relatable by the constituents.

1. What is the project/service?
2. What will it do?
3. What are the benefits?
4. Why are the benefits important?
  - a. To the community as a whole
  - b. To an individual person
  - c. To an individual property
5. What happens (or what is the risk) if the project is not approved?

Answering these questions will provide the foundational information necessary for a successful proceeding.

### 5.2 The Costs

The overall project costs must be reasonable and in line with other projects of a similar nature. The project costs must demonstrate value for the investment in the project or service.

The methodology upon which the costs for the project are apportioned to properties is a primary consideration and a predominant focus of this Phase II report. Careful consideration must be made to select the revenue instrument which allocates the costs in the most fair and supportable manner while mitigating potential opposition.

### 5.3 The Legislative Body

The legislative body is an often-overlooked factor when pursuing a revenue instrument. The legislative body is critical and must have the following qualities.

1. Be well informed regarding the project and the costs as discussed above
  - a. Use correct technical language to avoid creating confusion or unnecessary conflict
2. Be unified in support of the measure
3. Be clear and unified in the outcome should the measure fail

The legislative body is the first group, and the best group, to involve when developing the overall public communication strategy and message. They are closest to the constituents and are the primary message bearers. They must be able to understand, explain, discuss, and defend the proposal.

The value of a unified legislative body cannot be overstated. If you cannot sell the project and unify the legislative body, your chances are not very good with the general public who does not bear the burden of meeting the District's obligations under its charter as a legislative member does. We recognize a unified legislative body is not always possible, and when it is not, a number of difficulties arise depending on the nature of the dis-unity.

Lastly, clear consequences to a failed measure must be addressed and communicated by the legislative body. Most importantly those consequences must be addressed, otherwise future revenue measures may be viewed as unnecessary as there are no consequences to failed measures.

### 5.4 The Timing

Time is the primary element all the items discussed in this Section rely on: The most common mistake is not allowing enough time to involve, educate, discuss, and compromise to reach a best solution for all with stakeholders. It is critical to adjust the measure (if necessary) prior to asking for public approval. The timing estimated in the current proposed projects will allow the District to address the issues raised in this report.

There are also obvious timing issues such as matching the proceeding to the season when the service is most usually provided—do not try to put stormwater measures out in the winter during the rainy season or fire protection/prevention measures out in the summer. This timing can help nudge your issue into the public consciousness and give it the little additional support needed to get over the approval threshold.

### 5.5 The Approving Body

The first table in Section 1.4 of this report shows the approving body for each of the revenue instruments. There is clear legal distinction between property owners and voters regarding revenue instrument approval. There are also a number of practical issues related to the distinction. For our purposes, the primary issue is the perception of “fairness.” There are a number of different perspectives, the two most common concerns depending on which instrument is selected are:

1. Is it “fair” that voters decide to tax property owners?
2. Is it “fair” that one property owner (when casting a weighted ballot) has more or less “votes” than another property owner whose ballot is weighted differently?

The distinction between voters and property owners is an example of technical language mentioned in Section 5.3 regarding the legislative body. This is a case where officials should understand the distinction, the reasons for the distinction, and the proper use of language.

## 5.6 The Opposition

It must be mentioned that in addition to the actual participants, there are other groups with a potential interest in the revenue instrument. The Howard Jarvis Taxpayers Association<sup>5</sup> is a formidable group whose interest in this case may be that the revenue instrument is properly selected, and the rate methodology meets the legal requirements. Another group is the California Rental Housing Association<sup>6</sup> (“CRHA”) which contains a number of local associations. This group is very active, and their focus is specific to rental property. They have been known to regularly pose the “fairness” issue mentioned above, and when voters decide to tax property owners, they have mounted many legal battles to oppose legislation and exactions that are unfavorable to its members.

The CRHA is an example of how property owners can pool resources to oppose a measure. Even a single, large property owner can create significant opposition, especially if they are a large corporation or an organization that would otherwise be tax exempt (such as a hospital or college). These entities often carry political influence and have the finances to hire professionals to legally challenge and/or oppose the revenue instrument.

The District should identify potential opposing groups and consider their ability to organize, create, and distribute messages adverse to the District’s goals.

## 5.7 Public Communication

NBS has observed a common theme regarding public communication and the probable outcome of a revenue measure. The observation is that, if the ballot is the medium which is the first and only form of making the approving body aware of a revenue measure, the measure’s chances are greatly reduced. People generally do not have the capacity (time) to read and understand the issues and are left with deciding based on the few words provided in the immediate documentation. If the case to support the measure has not already been made in the elector’s mind, it is unlikely that it will be made in moment of ballot casting.

There are many types of public communication, and these various types should be examined to determine which one (or combination thereof) best suits the District’s needs. The communication formats lay out into two categories, one-way and two-way communications. One-way communications are media based, such as informational direct mailers, news coverage, or advertisements placed in radio and/or television spots. Two-way communications are interactive and allow an exchange of information such as legislative body meetings, surveys, stakeholder focus groups and community meetings. The District must understand its communication needs and what formats best serve those needs to be effective.

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<sup>5</sup> [Howard Jarvis Taxpayers Association \(hjta.org\)](http://hjta.org)

<sup>6</sup> [California Rental Housing Association | Cultivate. Advocate. Legislate. \(cal-rha.org\)](http://cal-rha.org)

The District has two significant challenges related to a successful revenue measure communication campaign.

The first challenge is that the District itself is nearly “invisible” from a public awareness perspective. This is generally true for many special purpose districts. You can measure the relative visibility of a special district by the frequency of its interactions with the general public. A parks and recreation district may be one of the most publicly visible as it directly interacts with the local community on a regular basis. It could be well argued the District has fewer customers than a cemetery district, making it one of the most unknown to exist at all, and especially unknown to exist locally. While some may consider anonymity a virtue, the District’s lack of “public presence” will not serve it well in the context of raising revenue for its essential public works obligations.

The second challenge is that which comes with each and every revenue measure: The project/proposal specific communications built upon the “public presence” discussed above. If an agency has a poor public presence, or in other words poor “credibility,” it often does not matter how great the project is or how little it costs. The project is not getting approved because the public does not trust the agency’s word (see Section 5.3 Item 3 above). In the District’s case, a well-executed communication strategy which addresses both the District’s identity in the community and the District’s projects value to the community should prove effective.

We have mentioned there are two primary formats of communication, being one-way and two-way interactions. There are also two primary types of two-way communications. They are the classic political consulting model and the public engagement model. Each of these models is discussed in more detail below.

### **5.7.1 PUBLIC ENGAGEMENT**

Simply put, public engagement is the purposeful two-way communication between an agency and its constituents. Traditionally this two-way communication has been limited to legislative body public meetings (regular meetings). Since most legislative body meetings are often overbooked with agency business, the public communication section of a meeting is often viewed as a task to endure rather than an important opportunity.

NBS developed the CivicMic<sup>7</sup> service to make this interaction more accessible and productive for everyone. NBS assists agencies create venues for public interaction which are in addition to the regular meetings which can be difficult to attend. Utilizing internet-based meetings is one way NBS lowers the barrier to public participation. Creating surveys, contests, workshops, and easy-access information portals are other ways NBS helps connect agencies to constituents. The topics addressed may be general in nature or specific to a particular project or service under consideration.

Public engagement and collaboration build trust between citizens and government; it does not steer an agenda but instead identifies problems and creates solutions. The goal is to develop a relationship with members of the community, especially those who have historically not been involved. It provides a platform to build a shared agency vision and build public support for projects and services that execute

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<sup>7</sup> [\*Community Outreach & Public Engagement - CivicMic Communities\*](#)

that vision. An engaged and supportive public is the ultimate goal of any agency, CivicMic provides a structured and efficient platform to bring all parties together for their mutual success.

### 5.7.2 POLITICAL CONSULTING

NBS defines political consulting to include the traditional efforts of making an argument for, or “selling,” a particular candidate, legislative change, or funding measure. The firms specializing in these activities are generally led by social and/or political science professionals and we see their work every election cycle.

In the context of revenue measures, these firms perform demographic research and analysis to understand the electors, and then through surveys and other inquiries work to ascertain the answers to three primary questions. What *words* resonate with the public, *how much* is the public willing to spend on those words, and what is the best way to *reach* the public with the agency’s message?

The wording of a measure is important. A recent example from a large county agency highlights this issue. The agency’s funding proposals had failed repeatedly while the project was characterized as “storm water” project. The work of a political consulting firm identified a wording change in the measure that highlighted the “safe and clean water” aspect of the project. The agency made the change in the measure’s wording which resonated with the electors and the measure passed.

Identifying the level of financial support electors are willing to provide a measure is another important function of a political consulting firm. Through carefully conducted surveys, these firms can identify the probable maximum charge people are willing to pay for a particular improvement or service. Exceeding these amounts lower the chances of the measure’s passage.

Reaching the electors with the message describing a favorable project at an acceptable price is the last step for this type of communication. Through demographic analysis, the best media formats are identified. These formats may include television, radio, print, social media, and other forms of communication. Many political consulting firms can provide (also via subcontract or referral) the actual production and distribution of the appropriate communications (such as a television ad).

NBS is not addressing the limits placed upon agencies related to advocacy. There are legal distinctions between the distribution of information and advocacy. Public funds may be used to distribute information but may not be used for efforts considered to be advocacy.

## 5.8 Next Steps

The District should consider a two-step approach related to any revenue measures. First, the District must establish its identity and ongoing value to the community in order to address the District’s public “invisibility” through public engagement, this will serve both the District and the community without respect to any revenue measures as it is simply a good management practice. Second, the District should consider the benefits of political consulting as it relates to a potential revenue instrument. The timing and composition of those potential engagements will vary depending on the instrument selected.

## 6. MEASURES BY OTHERS

A report prepared by Michael Coleman of CaliforniaCityFinance.com (the “California City Report”) is included as Attachment B to this report. The California City Report contains an aggregation and analysis of the results of revenue measures from the November 3, 2020, elections.

Pages 25-28 of the California City Report contain a sub-section prepared by FM3 Research (a well-respected political consulting firm). The sub-section provides observations on the results of the 2020 election cycle and implications for the 2021-2022 election cycle. NBS regards both organizations (CaliforniaCityFinance.com and FM3) and their respective analysis as applicable to the District’s ongoing evaluation of potential revenue instruments.

## 7. CONCLUSION

### 7.1 Key Legal Procedural Hurdles

The general legal procedures associated with each funding option are outlined in this report. The key legal considerations for each instrument are discussed in each respective section and summarized in the table below.

TABLE 27

LEGAL HURDLE SUMMARY	
Financing Instrument	Procedural Issues
Assessment	<ol style="list-style-type: none"><li>1. Confirm the District’s authority to provide service / project</li><li>2. Identify and Separate the general from the special benefits</li><li>3. Allocate costs according to the proportional special benefits</li><li>4. Conduct a valid property owner protest proceeding</li></ol>
Property Related Fee	<ol style="list-style-type: none"><li>1. Confirm the District’s authority to provide service / project</li><li>2. Allocate total costs according to the proportional cost to provide the service to each parcel</li><li>3. Conduct a noticed public hearing without majority protest</li><li>4. Conduct a valid property owner or registered voter election</li></ol>

### 7.2 Key Political Hurdles

Once the District is satisfied that the legal risk has been appropriately addressed, the next considerations are political. The key political hurdles revolve around two issues. The ability to establish “fairness” and the ability to communicate effectively.

The concept of fairness is broad and resides in the eye of each individual. The District must first establish the need for the project or service, and second demonstrate that the costs are being distributed fairly. The question of who is being levied and to what extent are they being levied must be considered. The perception of fairness relating to the exaction is directly proportional to the probability of success of the approval process.

Further study may be undertaken to refine the rate methodologies of the property related fee to address any perceived excessive exaction amounts. It may be especially productive to study the outliers (i.e., those with very high and very low rates) to determine if reasonable and supportable adjustments can be made to the proposed rate structures to create a more fair and legally defensible funding solution.

As discussed in Section 5.7, the District must communicate. It must establish its value to the community, and it then must establish the fairness of the proposed revenue measure. The key to any political endeavor is a fair proposal matched with effective, persuasive communication.

Until the District engages in communication with the community, it will not know where and why support and opposition exist. Once those elements are identified, the District will be able to leverage support and address opposition. The answer to the old question regarding “How should we communicate?” applies here, and that answer is, “Early and often.”

## ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sutter	
Land Use Code	Assigned Customer Class
050-000	PUBLIC & UTILITIES
050-810	PUBLIC & UTILITIES
070-000	MFR
070-830	MFR
100-000	VACANT
100-OIM	VACANT
100-PIO	VACANT
120-000	SFR
120-555	SFR
120-600	SFR
120-810	SFR
120-830	SFR
200-000	VACANT
201-000	SFR
202-000	SFR
202-830	SFR
203-000	SFR
220-000	VACANT
220-555	VACANT
220-600	VACANT
220-830	VACANT
221-000	SFR
260-000	AGRICULTURE
280-000	AGRICULTURE
300-000	VACANT
310-000	RETAIL /COMMERCIAL
375-000	INDUSTRIAL
380-PIO	RECREATIONAL
380-PIO	RECREATIONAL
410-000	INDUSTRIAL
410-700	INDUSTRIAL
410-IBO	INDUSTRIAL
420-000	AIRPORT
420-830	AIRPORT

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
A10002	SFR
A1000A	SFR
A1000P	SFR
A1A002	SFR
A1A003	SFR
A1A00A	SFR
A1A00B	SFR
A1A00C	SFR
A1A00D	SFR
A1A00E	SFR
A1A00P	SFR
A1A02A	SFR
A1A0AA	SFR
A1A0DA	SFR
A1B002	SFR
A1B00A	SFR
A1B00B	SFR
A1B00C	SFR
A1B00E	SFR
A1B0DA	SFR
A1C002	SFR
A1C00A	SFR
A1C00E	SFR
A1D00A	SFR
A1D00E	SFR
A1D0AA	SFR
A1E00A	SFR
A1E0HA	SFR
A1F00A	MFR
A1F00E	MFR
A1G00A	SFR
A1H00A	MFR
A1H00E	MFR
A1H0AA	MFR
A1J00A	MFR
A20002	MFR
A2A00A	MFR
A2A00E	MFR
A2A02A	MFR
A2A0MC	MFR

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
A2B00A	MFR
A2B00E	MFR
A3A00A	MFR
A3B00A	MFR
A3C00A	MFR
A4A00A	MFR
A4C00A	MFR
A4D00A	MFR
A4E00A	MFR
AD0002	MFR
AE0002	MFR
AE000E	MFR
AE000P	MFR
AE003A	MFR
AE005A	MFR
AE006A	MFR
AE008A	MFR
AE010A	MFR
AE012A	MFR
AE016A	MFR
AE026A	MFR
AE030A	MFR
AE040D	MFR
AE059A	MFR
AE064A	MFR
AE120D	MFR
AE124D	MFR
AE128D	MFR
AE135D	MFR
AE146A	MFR
AE152A	MFR
AE156D	MFR
AE160D	MFR
AE168A	MFR
AE168D	MFR
AE172A	MFR
AE180D	MFR
AE188D	MFR
AE200D	MFR
AE208D	MFR

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
AE212D	MFR
AE215A	MFR
AE216A	MFR
AE224A	MFR
AE224D	MFR
AE232A	MFR
AE248A	MFR
AE262A	MFR
AE264A	MFR
AE268A	MFR
AE272A	MFR
AE280A	MFR
AE296A	MFR
AE301A	MFR
AE337D	MFR
AE347A	MFR
AE368A	MFR
AE372E	MFR
AE384A	MFR
AE384D	MFR
AE39BE	MFR
AE450A	MFR
AE474A	MFR
AE500A	MFR
AE520A	MFR
AE714A	MFR
AE796A	MFR
AF293E	MFR
AG005A	MFR
AG006A	MFR
AG007A	MFR
AG008A	MFR
AH155A	MFR
AH174A	MFR
AJ095A	RETAIL /COMMERCIAL
AJ100A	RETAIL /COMMERCIAL
AJ114E	RETAIL /COMMERCIAL
AJ117A	RETAIL /COMMERCIAL
AJ119E	RETAIL /COMMERCIAL
AJ120A	RETAIL /COMMERCIAL

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
AJ123A	RETAIL /COMMERCIAL
AJ124A	RETAIL /COMMERCIAL
AJ144A	RETAIL /COMMERCIAL
AJ151A	RETAIL /COMMERCIAL
AN054A	RETAIL /COMMERCIAL
AN093A	RETAIL /COMMERCIAL
AN100A	RETAIL /COMMERCIAL
AN126A	RETAIL /COMMERCIAL
AN132A	RETAIL /COMMERCIAL
AN154A	RETAIL /COMMERCIAL
AQ0000	COMMON AREA
AQ0004	COMMON AREA
AQ000A	COMMON AREA
AQ000E	COMMON AREA
AQ001A	COMMON AREA
AQ00MA	COMMON AREA
ATB00A	MFR
ATF00A	MFR
ATF0HA	MFR
BAA003	RETAIL /COMMERCIAL
BAA00A	RETAIL /COMMERCIAL
BAA00B	RETAIL /COMMERCIAL
BAB00A	RETAIL /COMMERCIAL
BAB0AA	RETAIL /COMMERCIAL
BAC00A	RETAIL /COMMERCIAL
BBA00A	RETAIL /COMMERCIAL
BBB00A	RETAIL /COMMERCIAL
BCA00A	RETAIL /COMMERCIAL
BCA00E	RETAIL /COMMERCIAL
BCC00A	RETAIL /COMMERCIAL
BCE002	RETAIL /COMMERCIAL
BCE00A	RETAIL /COMMERCIAL
BCE0BA	RETAIL /COMMERCIAL
BCF002	RETAIL /COMMERCIAL
BCF00A	RETAIL /COMMERCIAL
BDA00A	RETAIL /COMMERCIAL
BDB00A	RETAIL /COMMERCIAL
BDC002	RETAIL /COMMERCIAL
BDC00A	RETAIL /COMMERCIAL
BDD00A	RETAIL /COMMERCIAL

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
BEA00A	RETAIL /COMMERCIAL
BEB002	RETAIL /COMMERCIAL
BEB00A	RETAIL /COMMERCIAL
BEB00E	RETAIL /COMMERCIAL
BEC00A	RETAIL /COMMERCIAL
BEC00E	RETAIL /COMMERCIAL
BFA00A	RETAIL /COMMERCIAL
BFA0BA	RETAIL /COMMERCIAL
BFA0BE	RETAIL /COMMERCIAL
BFB00A	RETAIL /COMMERCIAL
BFC004	RETAIL /COMMERCIAL
BFC00A	RETAIL /COMMERCIAL
BFC0BA	RETAIL /COMMERCIAL
BFE00A	RETAIL /COMMERCIAL
BFF00A	RETAIL /COMMERCIAL
BFH00A	RETAIL /COMMERCIAL
BQ000A	COMMON AREA
CAA00A	OFFICE
CAA00E	OFFICE
CAA0GA	OFFICE
CAB00A	OFFICE
CAB00E	OFFICE
CAC00A	OFFICE
CAC00E	OFFICE
CAX00A	OFFICE
CAX00E	OFFICE
CAY00A	OFFICE
CAY00E	OFFICE
CAY00P	OFFICE
CAY0GA	OFFICE
CBA00A	OFFICE
CBB00A	OFFICE
CBB00E	OFFICE
CBB0GA	OFFICE
CBC00E	OFFICE
CCA00A	OFFICE
CEAA0B	OFFICE
CEAB0A	OFFICE
CEBA0A	OFFICE
CGA00A	OFFICE

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
CGY00A	OFFICE
CHA00A	OFFICE
CQB00A	COMMON AREA
CQY00A	COMMON AREA
DA050P	PERSONAL CARE & HEALTH
DC048A	PERSONAL CARE & HEALTH
DC162A	PERSONAL CARE & HEALTH
DE000A	PERSONAL CARE & HEALTH
DE000E	PERSONAL CARE & HEALTH
EEA00A	CHURCH & WELFARE
EEA0AA	CHURCH & WELFARE
EEB00A	CHURCH & WELFARE
EFC00A	CHURCH & WELFARE
EKA00A	CHURCH & WELFARE
FAB00A	GOLF
FAB00B	GOLF
FAE0MB	GOLF
FE000A	PARK
FE000E	PARK
FE00A2	PARK
FE00BA	PARK
FE00MA	PARK
FFB00A	RETAIL /COMMERCIAL
FGA00A	RETAIL /COMMERCIAL
FGG00A	RETAIL /COMMERCIAL
FGK00A	RETAIL /COMMERCIAL
FH000A	RETAIL /COMMERCIAL
FH00MA	RETAIL /COMMERCIAL
GAAB0A	INDUSTRIAL
GAABAA	INDUSTRIAL
GABA0A	INDUSTRIAL
GABB0A	INDUSTRIAL
GABCOA	INDUSTRIAL
GACB0A	INDUSTRIAL
GACCOA	INDUSTRIAL
GADCOA	INDUSTRIAL
GAGX0A	INDUSTRIAL
GAHA0A	INDUSTRIAL
GAHB0A	INDUSTRIAL
GAHCBA	INDUSTRIAL

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
GAHX0A	INDUSTRIAL
GAJB0A	INDUSTRIAL
GAKC0A	INDUSTRIAL
GBAA0A	INDUSTRIAL
GCOA0A	INDUSTRIAL
GCOBCA	INDUSTRIAL
GCO0A	INDUSTRIAL
GCAB0A	INDUSTRIAL
GCDC0A	INDUSTRIAL
GCFA0A	INDUSTRIAL
GCFB0A	INDUSTRIAL
GCGA0A	INDUSTRIAL
GCGA0E	INDUSTRIAL
GCGB0A	INDUSTRIAL
GCGBCA	INDUSTRIAL
GCGC0A	INDUSTRIAL
GCGX0A	INDUSTRIAL
GCGY0A	INDUSTRIAL
GCH00A	INDUSTRIAL
GCHA0A	INDUSTRIAL
GCHA0E	INDUSTRIAL
GCHAAA	INDUSTRIAL
GCHB0A	INDUSTRIAL
GCHBCA	INDUSTRIAL
GCHX0A	INDUSTRIAL
GCHY0A	INDUSTRIAL
GCHY0A	INDUSTRIAL
GCJA0A	INDUSTRIAL
GCJACA	INDUSTRIAL
GCJB0A	INDUSTRIAL
GCJC0A	INDUSTRIAL
GCJY0A	INDUSTRIAL
GCKA0A	INDUSTRIAL
GCKB0A	INDUSTRIAL
GCKC0B	INDUSTRIAL
GDJC0A	INDUSTRIAL
GFJB0A	INDUSTRIAL
GFKACA	INDUSTRIAL
GGFB0A	INDUSTRIAL
GGGA0A	INDUSTRIAL

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
GGBCA	INDUSTRIAL
GGCOA	INDUSTRIAL
GI0COA	AIRPORT
GI0CMA	AIRPORT
GL000A	INDUSTRIAL
GL0COA	INDUSTRIAL
GMAA0A	INDUSTRIAL
GMCA0A	INDUSTRIAL
GMFA0A	INDUSTRIAL
GMFBOA	INDUSTRIAL
GMGA0A	INDUSTRIAL
GMHA0A	INDUSTRIAL
GMHB0A	INDUSTRIAL
GMHC0A	INDUSTRIAL
GMJA0A	INDUSTRIAL
GMJB0A	INDUSTRIAL
GMKCMB	INDUSTRIAL
GQ0B0A	COMMON AREA
GQ0C0A	COMMON AREA
GQ0Y0A	COMMON AREA
HACBAB	AGRICULTURE
HACBAG	AGRICULTURE
HAPBAA	AGRICULTURE
HAPBBA	AGRICULTURE
HBAAAB	AGRICULTURE
HBAAAF	AGRICULTURE
HBAACC	AGRICULTURE
HBABAA	AGRICULTURE
HBABAE	AGRICULTURE
HBABAG	AGRICULTURE
HBABBG	AGRICULTURE
HBABMC	AGRICULTURE
HBADAA	AGRICULTURE
HBADAB	AGRICULTURE
HBADAF	AGRICULTURE
HBADAG	AGRICULTURE
HBADBB	AGRICULTURE
HBAEAA	AGRICULTURE
HBAGAB	AGRICULTURE
HBAPAG	AGRICULTURE

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
HCAAAA	AGRICULTURE
HCAAAG	AGRICULTURE
HCAABB	AGRICULTURE
HCAABE	AGRICULTURE
HCABAF	AGRICULTURE
HCACAA	AGRICULTURE
HCACAB	AGRICULTURE
HCACAE	AGRICULTURE
HCACBA	AGRICULTURE
HCACBE	AGRICULTURE
HCADAA	AGRICULTURE
HCADAB	AGRICULTURE
HCADAC	AGRICULTURE
HCADAD	AGRICULTURE
HCADAE	AGRICULTURE
HCADAF	AGRICULTURE
HCADAG	AGRICULTURE
HCADBA	AGRICULTURE
HCADBE	AGRICULTURE
HCADCG	AGRICULTURE
HCADEE	AGRICULTURE
HCAGMA	AGRICULTURE
HCAIAG	AGRICULTURE
HCAPAE	AGRICULTURE
HCAPTG	AGRICULTURE
HFADAA	AGRICULTURE
HFADBF	AGRICULTURE
HFADCG	AGRICULTURE
HFAGAB	AGRICULTURE
HFAGBA	AGRICULTURE
HFAHAA	AGRICULTURE
HFAHAB	AGRICULTURE
HFAJAA	AGRICULTURE
HFAJAB	AGRICULTURE
HFAJAC	AGRICULTURE
HFAJAE	AGRICULTURE
HFAJAF	AGRICULTURE
HFAJAG	AGRICULTURE
HFAJBC	AGRICULTURE
HFAJMA	AGRICULTURE

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
HFAJMB	AGRICULTURE
HFAJMG	AGRICULTURE
HFAJTA	AGRICULTURE
HFALAA	AGRICULTURE
HFALMA	AGRICULTURE
HFAMBA	AGRICULTURE
HGAAAA	AGRICULTURE
HGADAA	AGRICULTURE
HGAEMG	AGRICULTURE
HJAAAA	AGRICULTURE
HJAJAG	AGRICULTURE
HMAJAG	AGRICULTURE
HNAHAG	AGRICULTURE
HNAJAG	AGRICULTURE
HNAJMG	AGRICULTURE
HPACAG	AGRICULTURE
HPADAG	AGRICULTURE
HPAJAG	AGRICULTURE
HPALMA	AGRICULTURE
HQAJAG	AGRICULTURE
HQAJBG	AGRICULTURE
IAAAAA	VACANT
IAAAAB	VACANT
IAAAAE	VACANT
IAAAFA	VACANT
IAAAMA	VACANT
IAABAA	VACANT
IAABAB	VACANT
IAABAE	VACANT
IAABGA	VACANT
IAACFA	VACANT
IAADFA	VACANT
IAAEBA	VACANT
IABAAA	VACANT
IABAAE	VACANT
IABBAA	VACANT
IABCD A	VACANT
IABDFA	VACANT
IABEAB	VACANT
IACAAA	VACANT

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
IACBAA	VACANT
IACBMA	VACANT
IADAAA	VACANT
IADBAA	VACANT
IAEAA2	VACANT
IAEAAA	VACANT
IAEAAB	VACANT
IAEAAE	VACANT
IAEAFA	VACANT
IAEAFE	VACANT
IAEAMA	VACANT
IAEBAA	VACANT
IAEBAB	VACANT
IAEBBA	VACANT
IAEBDA	VACANT
IAEBEA	VACANT
IAEBEB	VACANT
IAEBFA	VACANT
IAEBMA	VACANT
IAEBME	VACANT
IAECFA	VACANT
IAEDAA	VACANT
IAEDDA	VACANT
IAEDEA	VACANT
IAEDFA	VACANT
IAEDFB	VACANT
IAEEAB	VACANT
IAEEFA	VACANT
IAEEFB	VACANT
IAFAAA	VACANT
IAFAAB	VACANT
IAFAAE	VACANT
IAFABA	VACANT
IAFBAA	VACANT
IAFBAB	VACANT
IAFBAE	VACANT
IAFBBA	VACANT
IAFBEA	VACANT
IAFBFA	VACANT
IAFBFE	VACANT

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
IAFCFA	VACANT
IAFDFA	VACANT
IAFDFA	VACANT
IAFDFA	VACANT
IAGAAA	VACANT
IAGAAE	VACANT
IAGBAA	VACANT
IAGBFA	VACANT
IB0002	VACANT
IBAAAA	VACANT
IBAAAB	VACANT
IBABAA	VACANT
IBABFA	VACANT
IBABMA	VACANT
IBBAAB	VACANT
IBBAFA	VACANT
IBBBAA	VACANT
IBBBEA	VACANT
IBBDFA	VACANT
IBCBAA	VACANT
IBEAAA	VACANT
IBEABE	VACANT
IBEAFA	VACANT
IBECF2	VACANT
IBECFA	VACANT
IBEDAB	VACANT
IBEDF2	VACANT
IBEDFA	VACANT
IBEDFB	VACANT
IBEDMA	VACANT
IBEEAB	VACANT
IBEEFA	VACANT
IBFAAA	VACANT
IBFBFA	VACANT
IBFBMA	VACANT
IBFCFA	VACANT
IBFDF2	VACANT
IBFDFA	VACANT
IBGBEA	VACANT
IBGBF5	VACANT
IBGDFA	VACANT

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
ICAAAA	VACANT
ICAABA	VACANT
ICAAME	VACANT
ICABAA	VACANT
ICBAAA	VACANT
ICBAME	VACANT
ICBBAA	VACANT
ICBDFA	VACANT
ICEAAA	VACANT
ICEBAE	VACANT
ICEBFA	VACANT
ICECFA	VACANT
ICEDFA	VACANT
ICEDFE	VACANT
ICEDMA	VACANT
ICEDME	VACANT
ICFCFA	VACANT
ICFDFA	VACANT
ICFEEA	VACANT
ICGBDA	VACANT
ICGBFA	VACANT
ICGDFA	VACANT
IFFBMA	VACANT
IGAAAA	VACANT
IGAAMA	VACANT
IGAB A	VACANT
IGABAA	VACANT
IGABAE	VACANT
IGACFA	VACANT
IGBAAA	VACANT
IGBAMA	VACANT
IGBBAA	VACANT
IGBCFA	VACANT
IGCBAA	VACANT
IGDBAA	VACANT
IGE003	VACANT
IGEAAA	VACANT
IGEBAA	VACANT
IGEBAE	VACANT
IGECF4	VACANT

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
IGECFA	VACANT
IGEDFA	VACANT
IGEEAA	VACANT
IGFCF3	VACANT
IGFCFA	VACANT
IGFDFA	VACANT
IGFDMA	VACANT
IGGAAA	VACANT
IGGBAA	VACANT
IGGBDA	VACANT
IGGDFA	VACANT
IHAAAA	VACANT
IHABGA	VACANT
IHBAAA	VACANT
IHBAAE	VACANT
IHBAEA	VACANT
IHBBAA	VACANT
IHBBAB	VACANT
IHBEAA	VACANT
IHBEAB	VACANT
IHCAAA	VACANT
IHCAAB	VACANT
IHDAAA	VACANT
IHDBAB	VACANT
IHDBMA	VACANT
IHEAAA	VACANT
IHEAAB	VACANT
IHEBAB	VACANT
IHEBBA	VACANT
IHFAAB	VACANT
IHFBAB	VACANT
IHGAAA	VACANT
IHGACB	VACANT
IHGBAA	VACANT
IHGBMA	VACANT
MAWAYA	PARK
MBRIDA	PARK
MDITCA	EXEMPT
MDITCB	EXEMPT
MDITCE	EXEMPT

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
MDITCH	EXEMPT
MFLODA	EXEMPT
MFLODA	EXEMPT
MGATEA	EXEMPT
MLEVE2	EXEMPT
MLEVEA	EXEMPT
MPARKA	PARK
MPARKE	PARK
MROADA	EXEMPT
MROADE	EXEMPT
MSMALA	MISCELLANEOUS
MSMALE	MISCELLANEOUS
MUTILA	PUBLIC & UTILITIES
MWELLA	PUBLIC & UTILITIES
WBAC0A	PUBLIC & UTILITIES
WBAC0A	PUBLIC & UTILITIES
WCA00A	PUBLIC & UTILITIES
WCAA0A	PUBLIC & UTILITIES
WCAA0B	PUBLIC & UTILITIES
WCAC0A	PUBLIC & UTILITIES
WCAC0E	PUBLIC & UTILITIES
WCACA0	PUBLIC & UTILITIES
WCAC0A	PUBLIC & UTILITIES
WDA00A	PUBLIC & UTILITIES
WDAC0A	PUBLIC & UTILITIES
WDACAA	PUBLIC & UTILITIES
WDAC0A	PUBLIC & UTILITIES
WDCC0A	PUBLIC & UTILITIES
WFAC0A	PUBLIC & UTILITIES
WFAC0E	PUBLIC & UTILITIES
WFAC0A	PUBLIC & UTILITIES
WGAC0A	PUBLIC & UTILITIES
WGCC0A	PUBLIC & UTILITIES
WHAC0A	PUBLIC & UTILITIES
#N/A	BAD
(blank)	
Grand Total	
A10002	SFR
A1000A	SFR
A1000P	SFR

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
A1A002	SFR
A1A003	SFR
A1A00A	SFR
A1A00B	SFR
A1A00C	SFR
A1A00D	SFR
A1A00E	SFR
A1A00P	SFR
A1A02A	SFR
A1A0AA	SFR
A1A0DA	SFR
A1B002	SFR
A1B00A	SFR
A1B00B	SFR
A1B00C	SFR
A1B00E	SFR
A1B0DA	SFR
A1C002	SFR
A1C00A	SFR
A1C00E	SFR
A1D00A	SFR
A1D00E	SFR
A1D0AA	SFR
A1E00A	SFR
A1E0HA	SFR
A1F00A	MFR
A1F00E	MFR
A1G00A	SFR
A1H00A	MFR
A1H00E	MFR
A1H0AA	MFR
A1J00A	MFR
A20002	MFR
A2A00A	MFR
A2A00E	MFR
A2A02A	MFR
A2A0MC	MFR
A2B00A	MFR
A2B00E	MFR
A3A00A	MFR

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
A3B00A	MFR
A3C00A	MFR
A4A00A	MFR
A4C00A	MFR
A4D00A	MFR
A4E00A	MFR
AD0002	MFR
AE0002	MFR
AE000E	MFR
AE000P	MFR
AE003A	MFR
AE005A	MFR
AE006A	MFR
AE008A	MFR
AE010A	MFR
AE012A	MFR
AE016A	MFR
AE026A	MFR
AE030A	MFR
AE040D	MFR
AE059A	MFR
AE064A	MFR
AE120D	MFR
AE124D	MFR
AE128D	MFR
AE135D	MFR
AE146A	MFR
AE152A	MFR
AE156D	MFR
AE160D	MFR
AE168A	MFR
AE168D	MFR
AE172A	MFR
AE180D	MFR
AE188D	MFR
AE200D	MFR
AE208D	MFR
AE212D	MFR
AE215A	MFR
AE216A	MFR

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
AE224A	MFR
AE224D	MFR
AE232A	MFR
AE248A	MFR
AE262A	MFR
AE264A	MFR
AE268A	MFR
AE272A	MFR
AE280A	MFR
AE296A	MFR
AE301A	MFR
AE337D	MFR
AE347A	MFR
AE368A	MFR
AE372E	MFR
AE384A	MFR
AE384D	MFR
AE39BE	MFR
AE450A	MFR
AE474A	MFR
AE500A	MFR
AE520A	MFR
AE714A	MFR
AE796A	MFR
AF293E	MFR
AG005A	MFR
AG006A	MFR
AG007A	MFR
AG008A	MFR
AH155A	MFR
AH174A	MFR
AJ095A	RETAIL /COMMERCIAL
AJ100A	RETAIL /COMMERCIAL
AJ114E	RETAIL /COMMERCIAL
AJ117A	RETAIL /COMMERCIAL
AJ119E	RETAIL /COMMERCIAL
AJ120A	RETAIL /COMMERCIAL
AJ123A	RETAIL /COMMERCIAL
AJ124A	RETAIL /COMMERCIAL
AJ144A	RETAIL /COMMERCIAL

# ATTACHMENT A - County LUCS and Assignment into Customer Classes

County of Sacramento	
Land Use Code	Assigned Customer Class
AJ151A	RETAIL /COMMERCIAL
AN054A	RETAIL /COMMERCIAL
AN093A	RETAIL /COMMERCIAL
AN100A	RETAIL /COMMERCIAL
AN126A	RETAIL /COMMERCIAL
AN132A	RETAIL /COMMERCIAL
AN154A	RETAIL /COMMERCIAL
AQ0000	COMMON AREA
AQ0004	COMMON AREA
AQ000A	COMMON AREA
AQ000E	COMMON AREA
AQ00IA	COMMON AREA
AQ00MA	COMMON AREA
ATB00A	MFR
ATF00A	MFR
ATF0HA	MFR
BAA003	RETAIL /COMMERCIAL
BAA00A	RETAIL /COMMERCIAL
BAA00B	RETAIL /COMMERCIAL
BAB00A	RETAIL /COMMERCIAL
BAB0AA	RETAIL /COMMERCIAL
BAC00A	RETAIL /COMMERCIAL
BBA00A	RETAIL /COMMERCIAL
BBB00A	RETAIL /COMMERCIAL
BCA00A	RETAIL /COMMERCIAL
BCA00E	RETAIL /COMMERCIAL
BCC00A	RETAIL /COMMERCIAL
BCE002	RETAIL /COMMERCIAL
BCE00A	RETAIL /COMMERCIAL
BCE0BA	RETAIL /COMMERCIAL

## ATTACHMENT B

# Local Revenue Measure Results

## November 2020

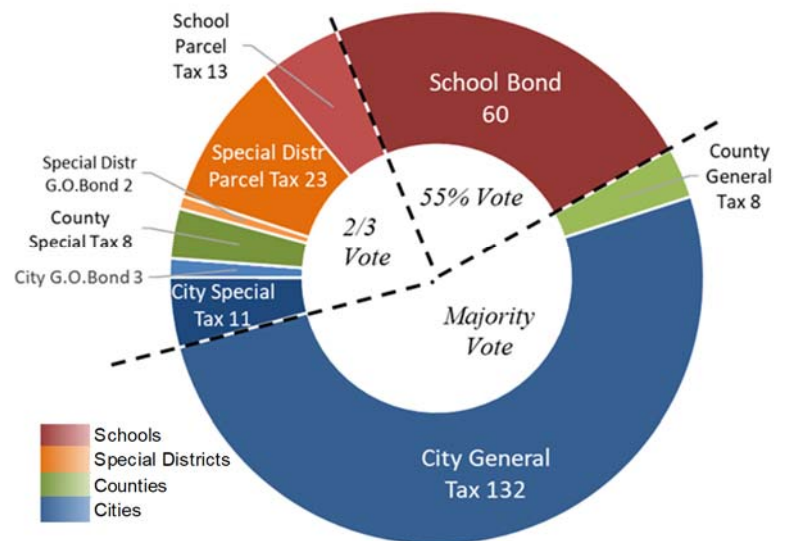
There were over 400 measures on local ballots in California for the November 3, 2020 election including 260 local tax and bond measures.

Over half of these measures (146) were proposed by or for cities. There were also 16 county, 25 special district and 73 school tax or bond measures. In prior elections, typically about one-third of measures were majority vote general taxes, one-third were special taxes, and one-third 55 percent school bonds. But in this election there was a notably higher proportion of majority vote general tax measures and most passed. These include a record 71 measures to increase local sales taxes, 20 lodging occupancy tax increases and 26 taxes on cannabis.

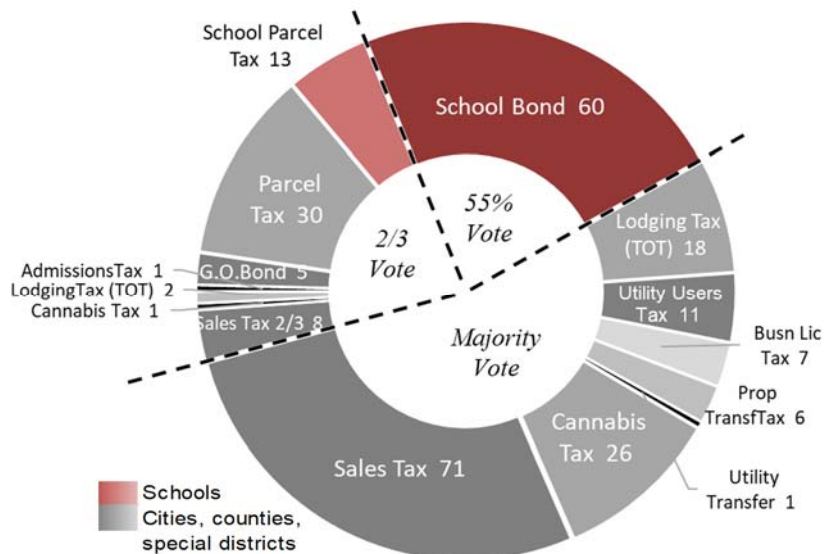
There were five city, county and special district general obligation bond measures seeking a total of \$1.9 billion in facility improvements for affordable housing, community pool improvements, a hospital, and fire stations. There were 30 city, county and special district parcel taxes, including 20 for fire/emergency medical response.

Among the school measures were 60 bond measures seeking a total of \$13.4 billion in school facility improvement funding, substantially fewer than in November 2018 (112) or November 2016 (184). There were 13 measures to increase or extend (renew) school parcel taxes compared to 14 in 2018 and 22 in 2016.

**Proposed Local Revenue Measures**  
**November 2020**



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## Overall Passage Rates

After tallying nearly 18 million ballots, 198 of the 260 tax and bond measures passed. Local tax measures passed in similar proportions to prior general presidential and gubernatorial elections in California, with the exception that majority vote general purpose taxes from cities and counties fared somewhat *better* than in past elections.

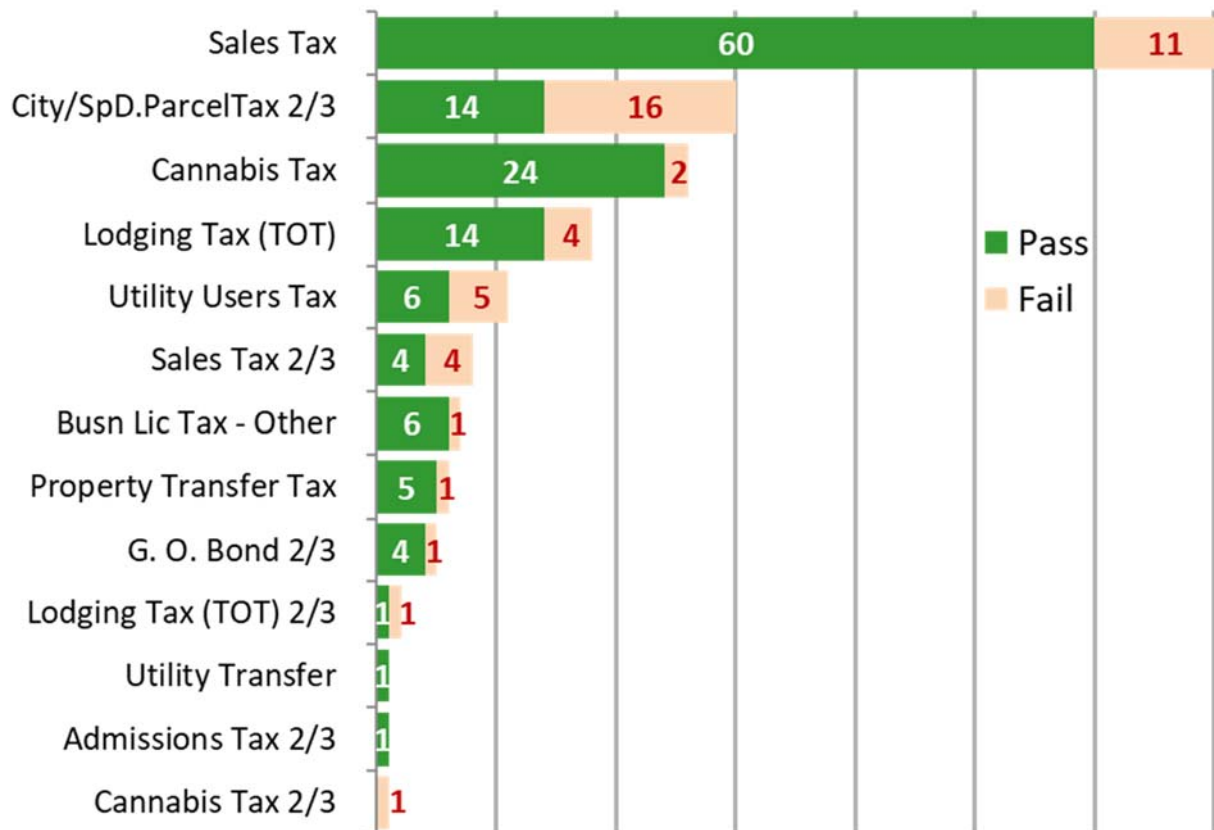
### **Local Revenue Measures November 2020**

	<u>Total</u>	<u>Pass</u>	<u>Passing%</u>
City General Tax (Majority Vote)	132	108	82%
County General Tax (Majority Vote)	8	8	100%
City SpecialTax or G.O.bond (2/3 Vote)	14	6	43%
County Spec.Tax, G.O.bond (2/3 Vote)	8	5	63%
Special District (2/3 vote)	25	13	52%
School ParcelTax 2/3	13	10	77%
School Bond 55%	60	48	80%
Total	260	198	76%

## **Measure Outcome by Category**

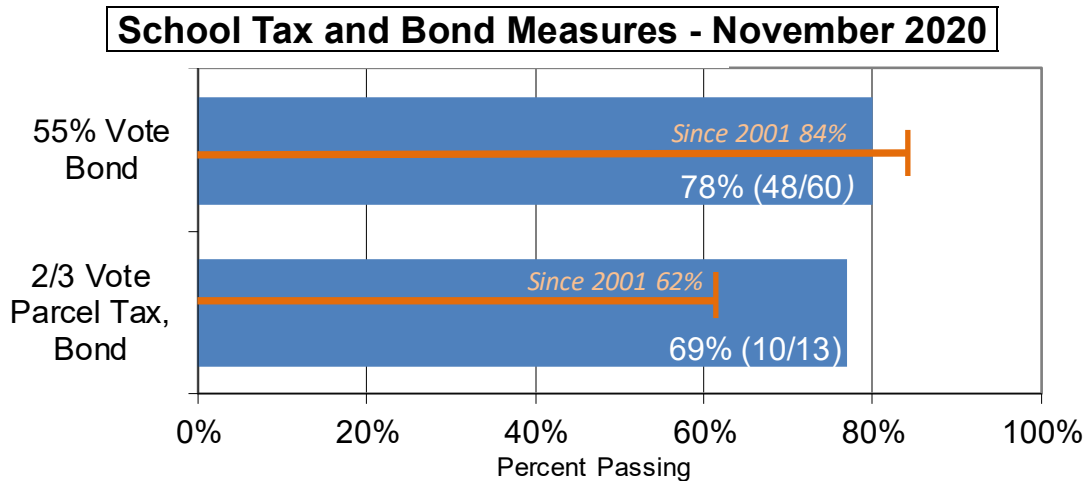
The common tax measure in this election was a majority vote general purpose transactions and use tax (sales tax) and there were more sales taxes approved than any other type. Sixty of the 71 general sales tax measures passed.

### **Passing and Failing Measures by Type November 2020**



## School Measures

There were 60 school bond measures this election, all requiring 55% voter approval. Overall, statewide, school bond measures succeeded similarly to the average passage rate since 2001: about 4 out of 5 pass. Voters this election approved \$12.168 billion of school bonds of the \$13.83 billion requested including a \$7 billion measure in the Los Angeles Unified School District.

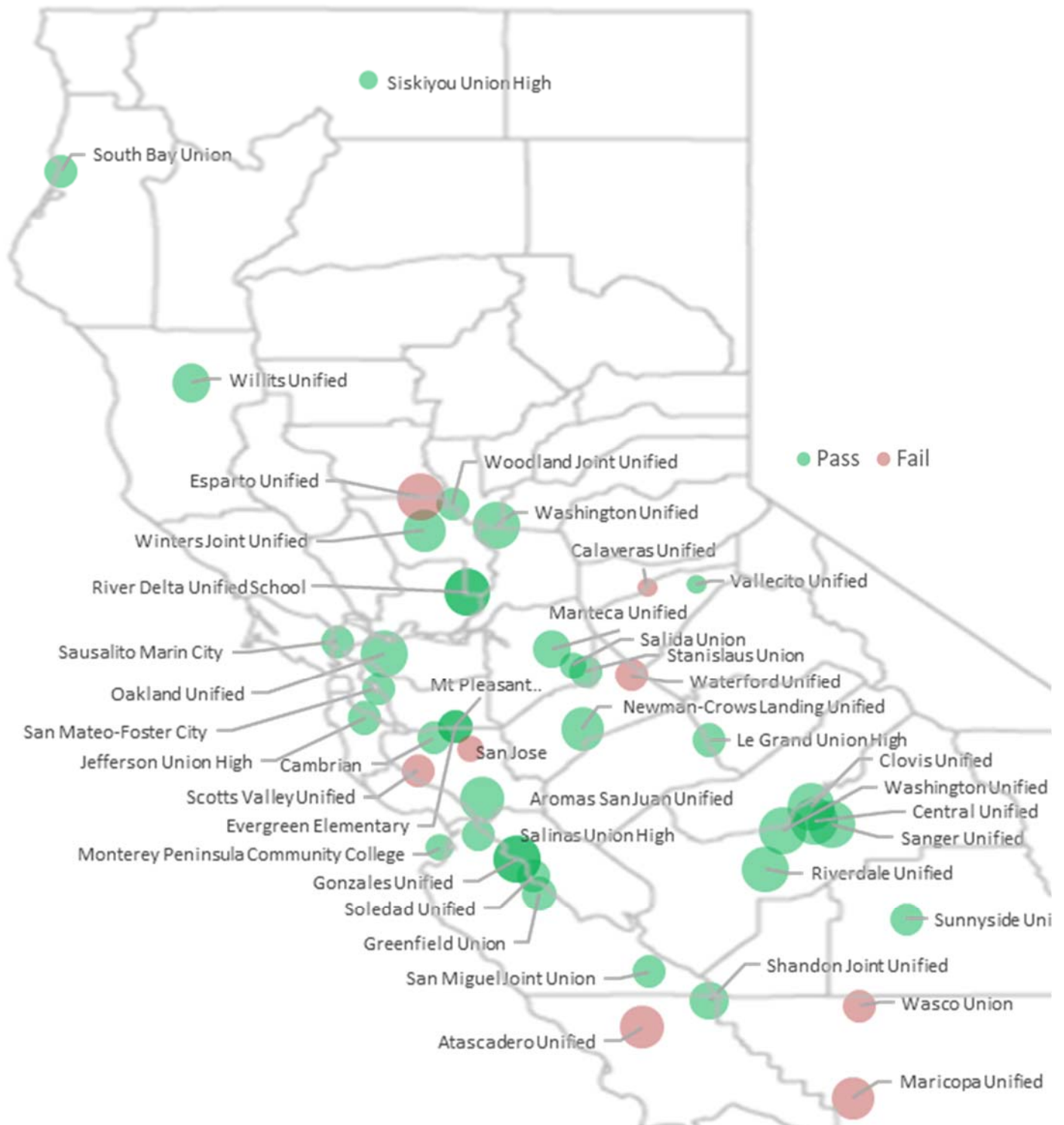


## School Bonds ✓

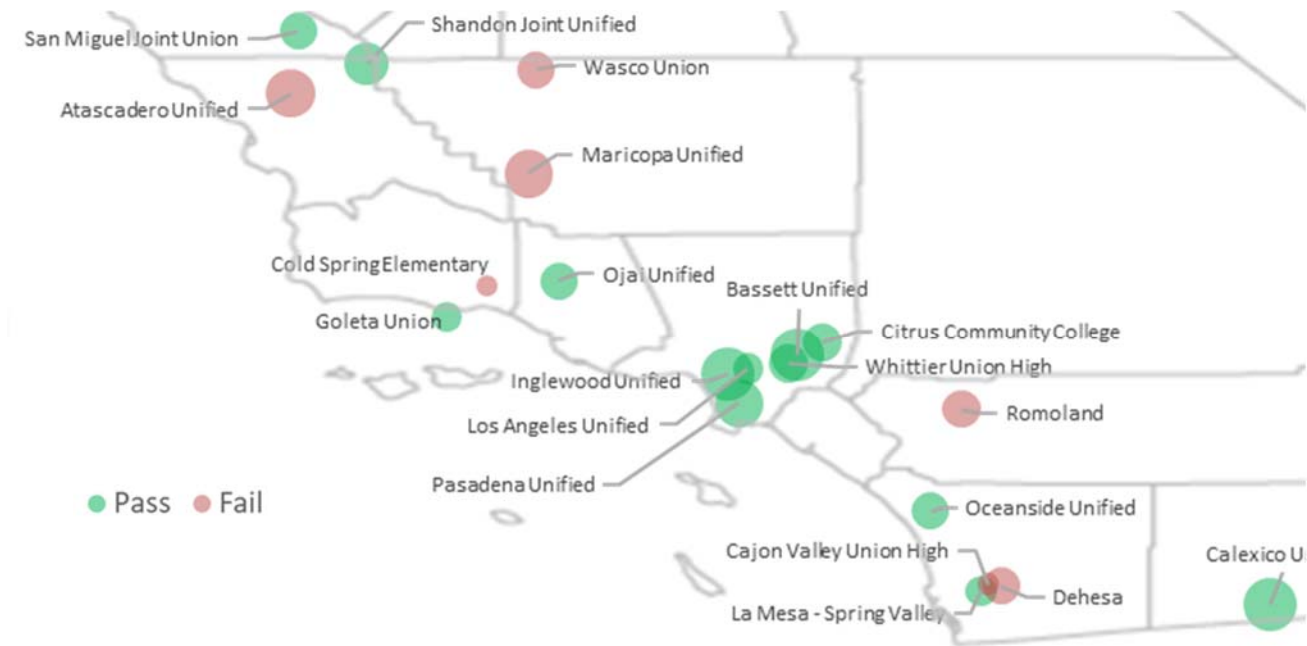
School District	County	Measure	Amount	Tax Rate	YES%	NO%	
Inglewood Unified School District	Los Angeles	Measure I	\$240m	\$60/\$100k	79.9%	20.1%	PASS
Oakland Unified School District	Alameda	Measure Y	\$735m	\$60/\$100k	77.7%	22.4%	PASS
Sausalito Marin City School District	Marin	Measure P	\$41.6m	\$30/\$100k	72.8%	27.3%	PASS
Calexico Unified School District	Imperial	Measure Q	\$47m	\$60/\$100k	71.5%	28.5%	PASS
Goleta Union School District	Santa Barbara	Measure M	\$80m	\$19/\$100k	71.5%	28.6%	PASS
Los Angeles Unified School District	Los Angeles	Measure RR	\$7billion	\$22/\$100k	71.2%	28.8%	PASS
Greenfield Union School District	Kern	Measure G	\$21m	\$30/\$100k	68.0%	32.0%	PASS
Bassett Unified School District	Los Angeles	Measure BB	\$50m	\$60/\$100k	66.9%	33.1%	PASS
Whittier Union High School District	Los Angeles	Measure AA	\$183.5m	\$30/\$100k	66.2%	33.8%	PASS
Riverdale Unified School District	Fresno / Kings	Measure J	\$25.9m	\$60/\$100k	65.3%	34.7%	PASS
Vallecito Unified School District	Calaveras	Measure I	\$2.8m	\$10/\$100k	65.2%	34.8%	PASS
Mt Pleasant Elementary School District	Santa Clara	Measure Q	\$12m	\$30/\$100k	64.8%	35.2%	PASS
Jefferson Union High School District	San Mateo	Measure Z	\$163m	\$30/\$100k	64.2%	35.8%	PASS
San Mateo-Foster City School District	San Mateo	Measure T	\$409m	\$30/\$100k	64.0%	36.0%	PASS
River Delta Unified School District SFID #1	Sacramento / Solano	Measure J	\$45.7m	\$60/\$100k	63.8%	36.2%	PASS
River Delta Unified School District SFID #2	Sacramento / Solano / Yolo	Measure K	\$14.6m	\$60/\$100k	63.6%	36.4%	PASS
Siskiyou Union High School District	Siskiyou	Measure K	\$3m	\$8/\$100k	63.5%	36.5%	PASS
La Mesa - Spring Valley School District	San Diego	Measure V	\$136m	\$24/\$100k	63.3%	36.7%	PASS
Monterey Peninsula Community College District	Monterey	Measure V	\$230m	\$18/\$100k	62.9%	37.1%	PASS
Pasadena Unified School District	Los Angeles	Measure O	\$516.3m	\$45/\$100k	62.9%	37.1%	PASS

<b>School Bond Measures</b>			<i>continued</i>			
<b>School District</b>	<b>County</b>	<b>Measure</b>	<b>Bond Amount</b>	<b>Tax Rate</b>	<b>YES%</b>	
Cambrian School District	Santa Clara	Measure R	\$88m	\$30/\$100k	<b>62.4%</b>	37.6% <b>PASS</b>
Shandon Joint Unified School	Monterey / SLO	Measure H	\$4m	\$40/\$100k	<b>62.2%</b>	37.8% <b>PASS</b>
Gonzales Unified School District (F	Monterey	Measure K	\$37m	\$60/\$100k	<b>61.5%</b>	38.5% <b>PASS</b>
Woodland Joint Unified School District	Yolo / Sutter	Measure Y	\$44.2m	\$24/\$100k	<b>61.3%</b>	38.7% <b>PASS</b>
Stanislaus Union School District	Stanislaus	Measure Y	\$21.4m	\$30/\$100k	<b>61.3%</b>	38.7% <b>PASS</b>
Oceanside Unified School District	San Diego	Measure W	\$160m	\$30/\$100k	<b>61.2%</b>	38.8% <b>PASS</b>
Winters Joint Unified School District	Yolo / Solano	Measure W	\$19m	\$49/\$100k	<b>61.1%</b>	38.9% <b>PASS</b>
Washington Unified School District	Yolo	Measure Z	\$150m	\$60/\$100k	<b>60.8%</b>	39.2% <b>PASS</b>
Salinas Union High School District	Monterey	Measure W	\$140m	\$30/\$100k	<b>60.7%</b>	39.3% <b>PASS</b>
Soledad Unified School District	Monterey	Measure N	\$13.75m	\$26/\$100k	<b>60.6%</b>	39.4% <b>PASS</b>
Ojai Unified School District	Ventura	Measure K	\$45m	\$27/\$100k	<b>60.5%</b>	39.5% <b>PASS</b>
South Bay Union School District	Humboldt	Measure D	\$5m	\$30/\$100k	<b>60.3%</b>	39.7% <b>PASS</b>
Clovis Unified School District	Fresno	Measure A	\$335m	\$60/\$100k	<b>60.3%</b>	39.7% <b>PASS</b>
Central Unified School District	Fresno	Measure D	\$120m	\$60/\$100k	<b>60.1%</b>	39.9% <b>PASS</b>
Willits Unified School District	Mendocino	Measure I	\$17m	\$40/\$100k	<b>60.0%</b>	40.0% <b>PASS</b>
Le Grand Union High School District	Merced	Measure S	\$6m	\$29/\$100k	<b>60.0%</b>	40.1% <b>PASS</b>
Newman-Crows Landing Unified School District	Stanislaus	Measure X	\$25.8m	\$48/\$100k	<b>59.9%</b>	40.1% <b>PASS</b>
Aromas San Juan Unified School District	Monterey / San Benito / S.Cruz	Measure O	\$30.5m	\$51/\$100k	<b>59.8%</b>	40.2% <b>PASS</b>
Washington Unified School District	Fresno	Measure K	\$46m	\$60/\$100k	<b>59.5%</b>	40.5% <b>PASS</b>
Sunnyside Union Elementary School District	Tulare	Measure O	\$2m	\$30/\$100k	<b>59.1%</b>	40.9% <b>PASS</b>
Gonzales Unified School District (F	Monterey	Measure J	\$24.5m	\$60/\$100k	<b>58.2%</b>	41.8% <b>PASS</b>
Sanger Unified School District	Fresno	Measure C	\$150m	\$60/\$100k	<b>57.9%</b>	42.1% <b>PASS</b>
Citrus Community College	Los Angeles	Measure Y	\$298m	\$25/\$100k	<b>57.4%</b>	42.6% <b>PASS</b>
Manteca Unified School District	San Joaquin	Measure A	\$260m	\$45/\$100k	<b>57.4%</b>	42.6% <b>PASS</b>
Duarte Unified School District	Los Angeles	Measure S	\$79m	\$50/\$100k	<b>57.1%</b>	42.9% <b>PASS</b>
Salida Union School District	Stanislaus	Measure U	\$9.24m	\$20/\$100k	<b>56.2%</b>	43.8% <b>PASS</b>
Evergreen Elementary School District	Santa Clara	Measure P	\$80m	\$30/\$100k	<b>56.2%</b>	43.8% <b>PASS</b>
San Miguel Joint Union School District	Monterey / SLO	Measure I	\$6.2m	\$30/\$100k	<b>55.1%</b>	44.9% <b>PASS</b>
Waterford Unified School District	Stanislaus	Measure T	\$5.35m	\$30/\$100k	55.0%	<b>45.0% FAIL</b>
Atascadero Unified School District	San Luis Obispo	Measure C	\$40m	\$50/\$100k	54.4%	<b>45.6% FAIL</b>
Romoland School District	Riverside	Measure P	\$39m	\$30/\$100k	53.5%	<b>46.5% FAIL</b>
Cajon Valley Union High School District	San Diego	Measure T	\$125m	\$13/\$100k	53.3%	<b>46.7% FAIL</b>
Scotts Valley Unified School District	Santa Cruz	Measure A	\$49m	\$32/\$100k	52.9%	<b>47.2% FAIL</b>
San Jose - Evergreen CCD	Santa Clara	Measure J	\$858m	\$17.5/\$100k	52.7%	<b>47.3% FAIL</b>
Esparto Unified School District	Yolo	Measure X	\$19.9m	\$60/\$100k	52.5%	<b>47.6% FAIL</b>
Cold Spring Elementary School District	Santa Barbara	Measure L	\$7.8m	\$13/\$100k	52.2%	<b>47.8% FAIL</b>
Calaveras Unified School District	Calaveras	Measure H	\$32.8m	\$10/\$100k	51.1%	<b>48.9% FAIL</b>
Wasco Union School District	Kern	Measure H	\$16m	\$30/\$100k	48.5%	<b>51.5% FAIL</b>
Maricopa Unified School District	Kern	Measure F	\$14m	\$50/\$100k	47.2%	<b>52.8% FAIL</b>
Dehesa School District	San Diego	Measure U	\$3.1m	\$30/\$100k	37.7%	<b>62.3% FAIL</b> *

\* Waterford Unified School District's Measure T failed by just 6 votes.

**School Bond Measures – November 2020**

### School Bond Measures – November 2020



### School Parcel Taxes ✓

There were just 13 school parcel tax measures. Parcel taxes require two-thirds voter approval and 10 passed. The Fort Ross School District measure pulled into the “pass” column with the ballots counted after election eve.

#### School Parcel Taxes (2/3 vote)

Agency Name	County		Rate	Sunset	YES%	NO%	
Shoreline Unified School District	Marin / Sonoma	Measure L	\$212+/parcel	8yrs	79.4%	20.6%	PASS
Palo Alto Unified School District	Santa Clara	Measure O	\$836+/parcel	6yrs	78.5%	21.5%	PASS
Sebastopol Union School District	Sonoma	Measure N	\$76/parcel	8yrs	74.8%	25.3%	PASS
San Francisco Unified School District	San Francisco	Proposition J	from \$320 per parcel to \$288 per parcel	17.5 yrs	75.0%	25.0%	PASS
Fremont Union High School District	Santa Clara	Measure M	\$98/parcel	8yrs	74.3%	25.7%	PASS
Tamalpais Union High School District	Marin	Measure M	\$469+/parcel	9yrs	73.6%	26.4%	PASS
Mammoth Unified School District	Mono	Measure G	\$59/parcel	5yrs	73.6%	26.4%	PASS
Ventura Unified School District	Ventura	Measure H	\$59/parcel	4yrs	73.2%	26.8%	PASS
Franklin-Mckinley School District	Santa Clara	Measure K	\$72/parcel	5yrs	70.9%	29.1%	PASS
Fort Ross School District	Sonoma	Measure M	\$48/parcel	8yrs	67.3%	32.7%	PASS
Loma Prieta Joint Union Elementary School District	Santa Clara / Santa Cruz	Measure N	\$164/parcel	7yrs	64.6%	35.4%	FAIL
Campbell Union High School District	Santa Clara	Measure L	\$85/parcel	none	63.6%	36.4%	FAIL
San Jose - Evergreen CCD	Santa Clara	Measure I	\$18/parcel	9yrs	61.5%	38.5%	FAIL

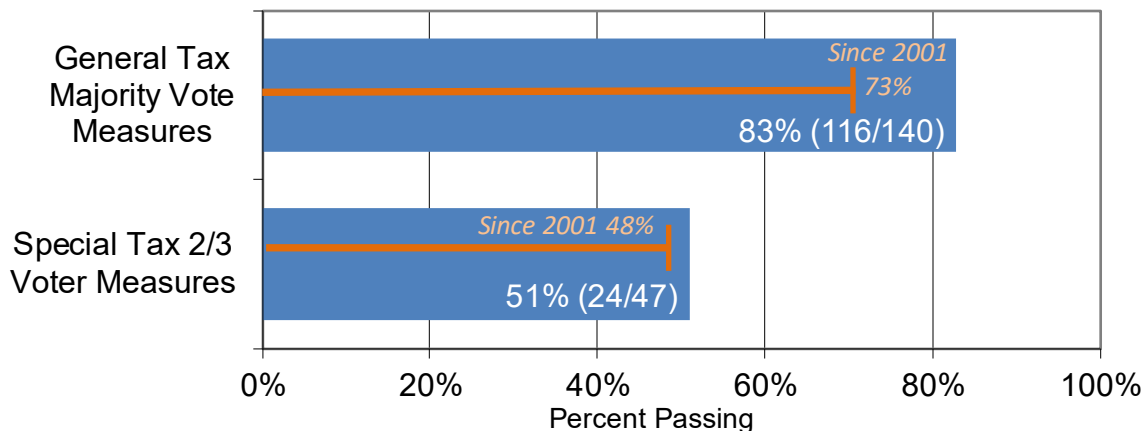
## School Parcel Taxes – November 2020



## City, County and Special District Measures

More non-school majority vote general tax measures passed than in prior years. Of the 140 majority vote tax measures, 116 (83%) passed. Most general purpose cannabis, sales, business license, property transfer and hotel occupancy taxes passed. The few utility user taxes did not fare as well. Among the two-thirds vote city, county and special district special tax and bond measures - about half - passed, similar to historic patterns.

### City, County, Special District Tax and Bond Measures – November 2020



### Local Add-On Sales Taxes (Transaction and Use Taxes) ✓

Voters in 68 cities and three counties considered general purpose majority vote add-on sales tax rates ranging from 1/4 percent to 1 1/2 percent. Sixty-one were approved including all those that extended without increase an existing sun-setting tax.

#### Transactions and Use Tax (Add-on Sales Tax) - General Tax - Majority Approval

City	County	Measure	Rate	incr/ex	Sunset	YES%	NO%	
1/2c for								
San Pablo	Contra Costa	Measure S	5yrs, then	extend	10yrs	79.2%	20.8%	PASS
5yrs at 1/4c								
Wheatland	Yuba	Measure O	1/2 cent	extend	10yrs	78.3%	21.7%	PASS
Cotati	Sonoma	Measure S	1 cent	extend	none	74.5%	25.5%	PASS
Beverly Hills	Los Angeles	Measure RP	3/4 cent*	increase	none	74.1%	25.9%	PASS
Trinidad	Humboldt	Measure E	3/4 cent	extend	4yrs	73.8%	26.2%	PASS
West Hollywood	Los Angeles	Measure E	3/4 cent	increase	none	73.6%	26.4%	PASS
Daly City	San Mateo	Measure Q	1/2 cent	increase	none	72.3%	27.7%	PASS
Bishop	Inyo	Measure P	1 cent	increase	none	72.3%	27.7%	PASS
Santa Rosa	Sonoma	Measure Q	1/2 cent	extend	10yrs	71.8%	28.2%	PASS
Guadalupe	Santa Barbara	Measure N	by 3/4c to 1c		none	70.9%	29.1%	PASS
South El Monte	Los Angeles	Measure ES	1/4 cent	increase	none	70.6%	29.4%	PASS
Imperial Beach	San Diego	Measure I	1 cent	increase	none	70.2%	29.8%	PASS
Exeter	Tulare	Measure P	1 cent	increase	none	69.8%	30.2%	PASS
Fortuna	Humboldt	Measure G	3/4 cent	extend	8yrs	69.7%	30.3%	PASS
Commerce	Los Angeles	Measure VS	1/4 cent	increase	none	69.5%	30.5%	PASS

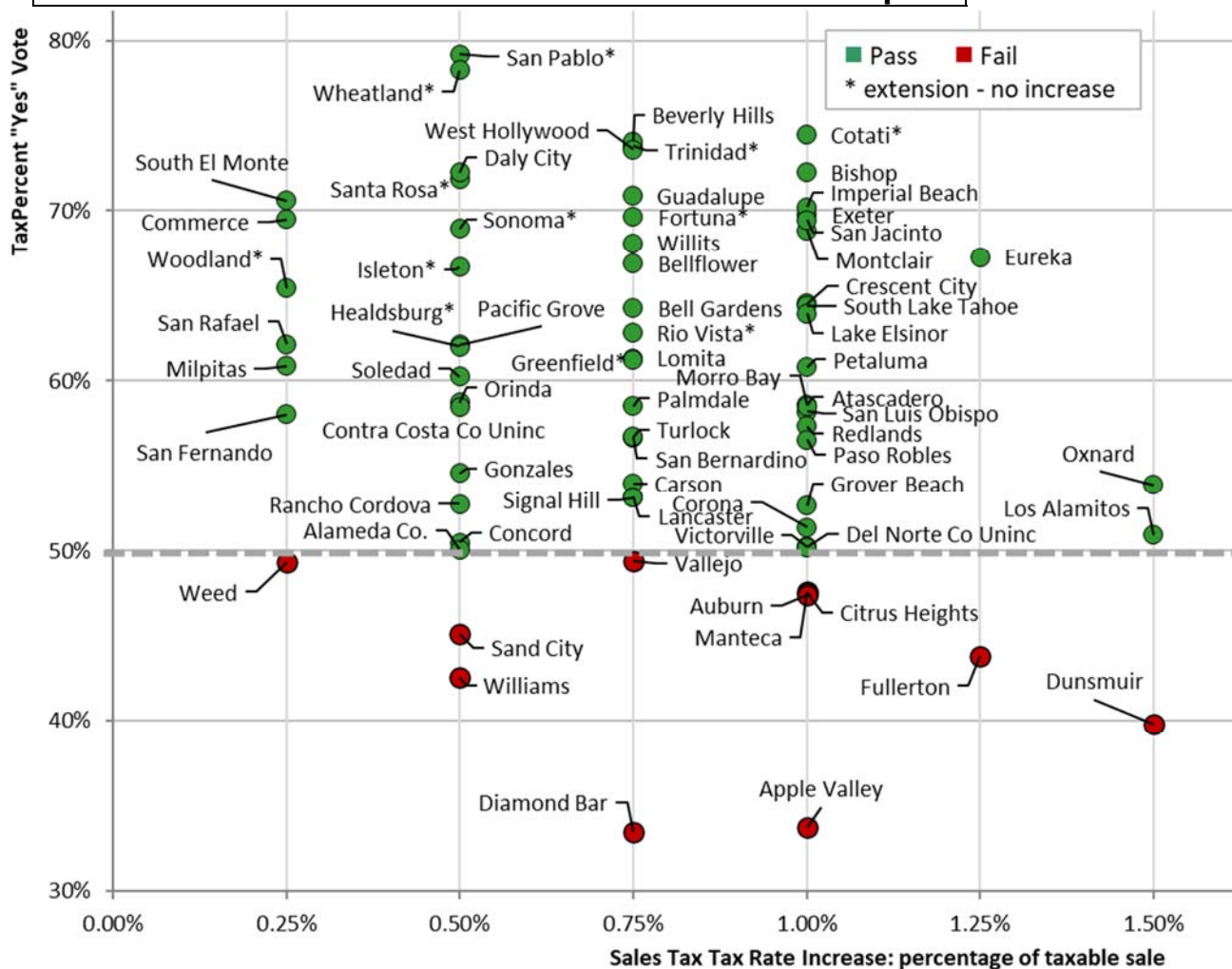
\*The city of Beverly Hills 3/4 rate may only take effect "if another local governmental entity seeks to increase the transaction and use tax (sales tax) in Beverly Hills."

**Transactions and Use Tax (Add-on Sales Tax) - General Tax - Majority Approval**

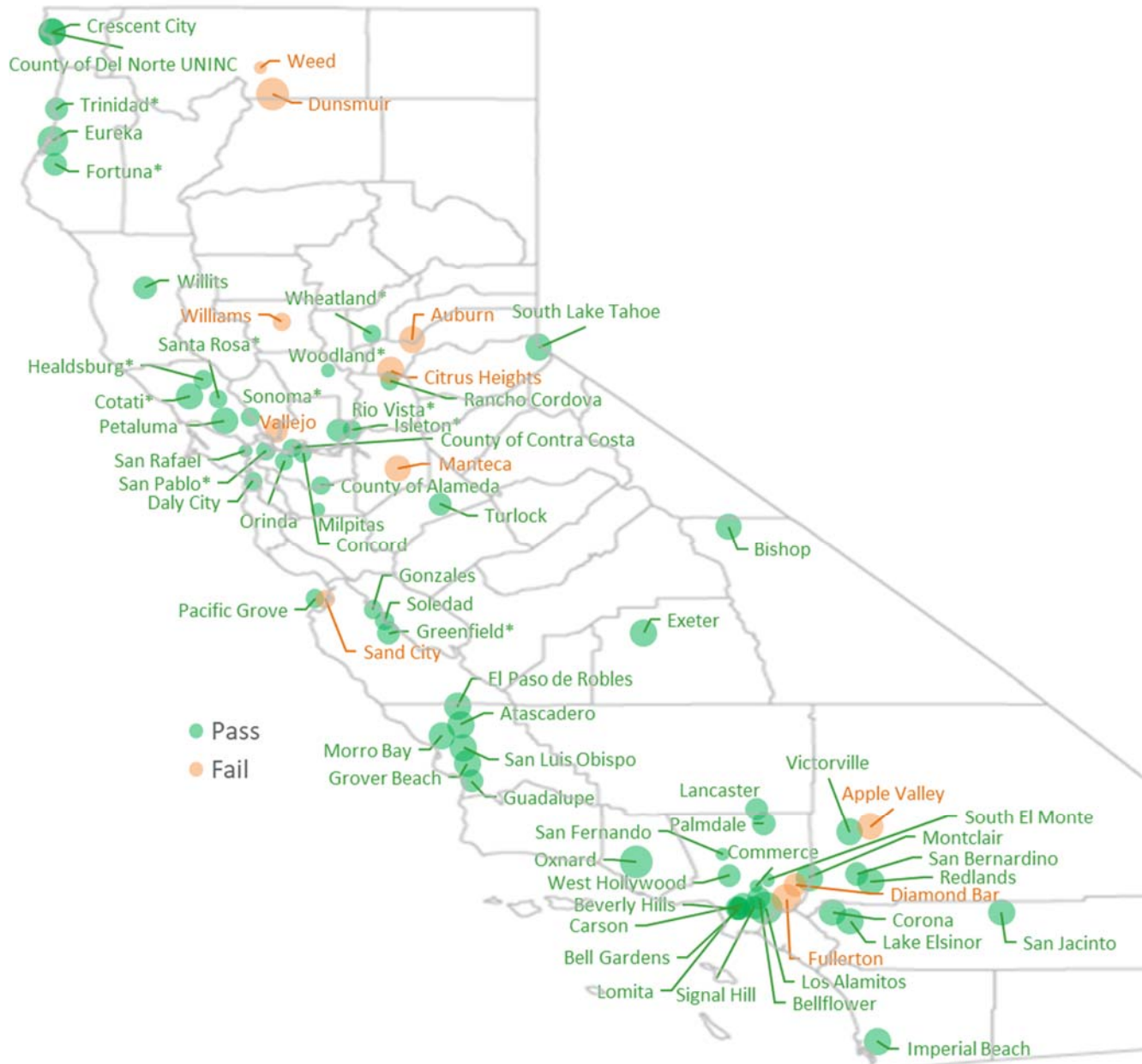
<u>City</u>	<u>County</u>	<u>Measure</u>	<u>Rate</u>	<u>incr/ex</u>	<u>Sunset</u>	<u>YES%</u>	<u>NO%</u>	
San Jacinto	Riverside	Measure V	1 cent	increase	none	69.5%	30.5%	PASS
Sonoma	Sonoma	Measure V	1/2 cent	extend	none	68.9%	31.1%	PASS
Montclair	San Bernardino	Measure L	1 cent	increase	none	68.8%	31.2%	PASS
Willits	Mendocino	Measure K	3/4 cent	increase	10yrs	68.1%	31.9%	PASS
Eureka	Humboldt	Measure H	1 1/4 cent	increase	none	67.3%	32.7%	PASS
Bellflower	Los Angeles	Measure M	3/4 cent	increase	none	66.9%	33.1%	PASS
Isleton	Sacramento	Measure L	1/2 cent	extend	5yrs	66.7%	33.3%	PASS
Woodland	Yolo	Measure R	1/4 cent	extend	10yrs	65.4%	34.6%	PASS
Crescent City	Del Norte	Measure S	1 cent	increase	none	64.5%	35.5%	PASS
South Lake Tahoe	El Dorado	Measure S	1 cent	increase	none	64.4%	35.6%	PASS
Bell Gardens	Los Angeles	Measure A	3/4 cent	increase	none	64.3%	35.7%	PASS
Lake Elsinor	Riverside	Measure Z	1 cent	increase	none	64.0%	36.0%	PASS
Rio Vista	Solano	Measure O	3/4 cent	extend	5yrs	62.8%	37.2%	PASS
San Rafael	Marin	Measure R	1/4 cent	increase	9yrs	62.2%	37.8%	PASS
Pacific Grove	Monterey	Measure L	by 1/2c to 1 1/2c	increase	none	62.1%	37.9%	PASS
Healdsburg	Sonoma	Measure T	1/2 cent	extend	none	62.0%	38.0%	PASS
Lomita	Los Angeles	Measure L	3/4 cent	increase	none	61.3%	38.7%	PASS
Greenfield	Monterey	Measure T	3/4 cent	extend	6yrs	61.2%	38.8%	PASS
Milpitas	Santa Clara	Measure F	1/4 cent	increase	8yrs	60.9%	39.1%	PASS
Petaluma	Sonoma	Measure U	1 cent	increase	none	60.8%	39.2%	PASS
Soledad	Monterey	Measure S	1/2 cent	increase	none	60.3%	39.7%	PASS
Orinda	Contra Costa	Measure R	by 1/2 cent to 1 c	increase	20yrs	58.7%	41.3%	PASS
Atascadero	San Luis Obispo	Measure D	1 cent	increase	none	58.6%	41.4%	PASS
Morro Bay	San Luis Obispo	Measure E	1 cent	increase	none	58.6%	41.5%	PASS
Palmdale	Los Angeles	Measure A V	3/4 cent	increase	none	58.5%	41.5%	PASS
County of Contra Costa		Measure X	1/2 cent	increase	20yrs	58.5%	41.6%	PASS
San Luis Obispo	San Luis Obispo	Measure G	by 1c to 1 1/2 c	increase	none	58.2%	41.8%	PASS
San Fernando	Los Angeles	Measure SF	by 1/4c to 3/4c	increase	none	58.0%	42.0%	PASS
Redlands	San Bernardino	Measure T	1 cent	increase	none	57.4%	42.7%	PASS
San Bernardino	San Bernardino	Measure S	by 3/4c to 1c	increase	none	56.7%	43.3%	PASS
Turlock	Stanislaus	Measure A	3/4 cent	increase	none	56.7%	43.3%	PASS
El Paso de Robles	San Luis Obispo	Measure J	1 cent	increase	12yrs	56.6%	43.4%	PASS
Gonzales	Monterey	Measure X	by 1/2c to 1 cent	increase	20yrs	54.6%	45.4%	PASS
Carson	Los Angeles	Measure K	3/4 cent	increase	none	54.0%	46.0%	PASS
Oxnard	Ventura	Measure E	1 1/2 cents	increase	none	53.9%	46.1%	PASS
Lancaster	Los Angeles	Measure LC	3/4 cent	increase	none	53.2%	46.8%	PASS
Signal Hill	Los Angeles	Measure R	3/4 cent	increase	none	53.2%	46.9%	PASS
Rancho Cordova	Sacramento	Measure R	1/2 cent	increase	none	52.8%	47.2%	PASS
Grover Beach	San Luis Obispo	Measure F	1 cent	increase	none	52.7%	47.3%	PASS
Corona	Riverside	Measure X	1 cent	increase	none	51.4%	48.6%	PASS
Los Alamitos	Orange	Measure Y	1 1/2 cent	increase	none	51.0%	49.1%	PASS
Concord	Contra Costa	Measure V	by 1/2 cent to 1 c	increase	none	50.5%	49.5%	PASS

**Transactions and Use Tax (Add-on Sales Tax) - General Tax - Majority Approval**

City	County	Measure	Rate	incr/ex	Sunset	YES%	NO%	
County of Del Norte UNINC		Measure R	1 cent	increase	none	50.2%	49.8%	PASS
Victorville	San Bernardino	Measure P	1 cent	increase	none	50.2%	49.8%	PASS
County of Alameda		Measure W	1/2 cent	increase	10yrs	50.1%	49.9%	PASS
Vallejo	Solano	Measure G	3/4 cent	increase	none	49.4%	50.6%	FAIL
Weed	Siskiyou	Measure M	1/4 cent	increase	none	49.3%	50.7%	FAIL
Manteca	San Joaquin	Measure Z	1 cent	increase	none	47.6%	52.4%	FAIL
Citrus Heights	Sacramento	Measure M	1 cent	increase	none	47.5%	52.5%	FAIL
Auburn	Placer	Measure S	1 cent	increase	7yrs	47.4%	52.6%	FAIL
Sand City	Monterey	Measure U	by 1/2c to 1 1/2c	increase	none	45.2%	54.8%	FAIL
Fullerton	Orange	Measure S	1 1/4 cent	increase	none	43.8%	56.2%	FAIL
Williams	Colusa	Measure B	by 1/2 cent to 1 c	increase	none	42.6%	57.5%	FAIL
Dunsmuir	Siskiyou	Measure H	1 1/2 cents	increase	none	39.8%	60.2%	FAIL
Apple Valley	San Bernardino	Measure O	1 cent	increase	none	33.7%	66.3%	FAIL
Diamond Bar	Los Angeles	Measure DB	3/4 cent	increase	none	33.5%	66.5%	FAIL

**Transactions and Use Tax Measures – General Purpose**

## Transactions and Use Tax Measures – General Purpose – November 2020

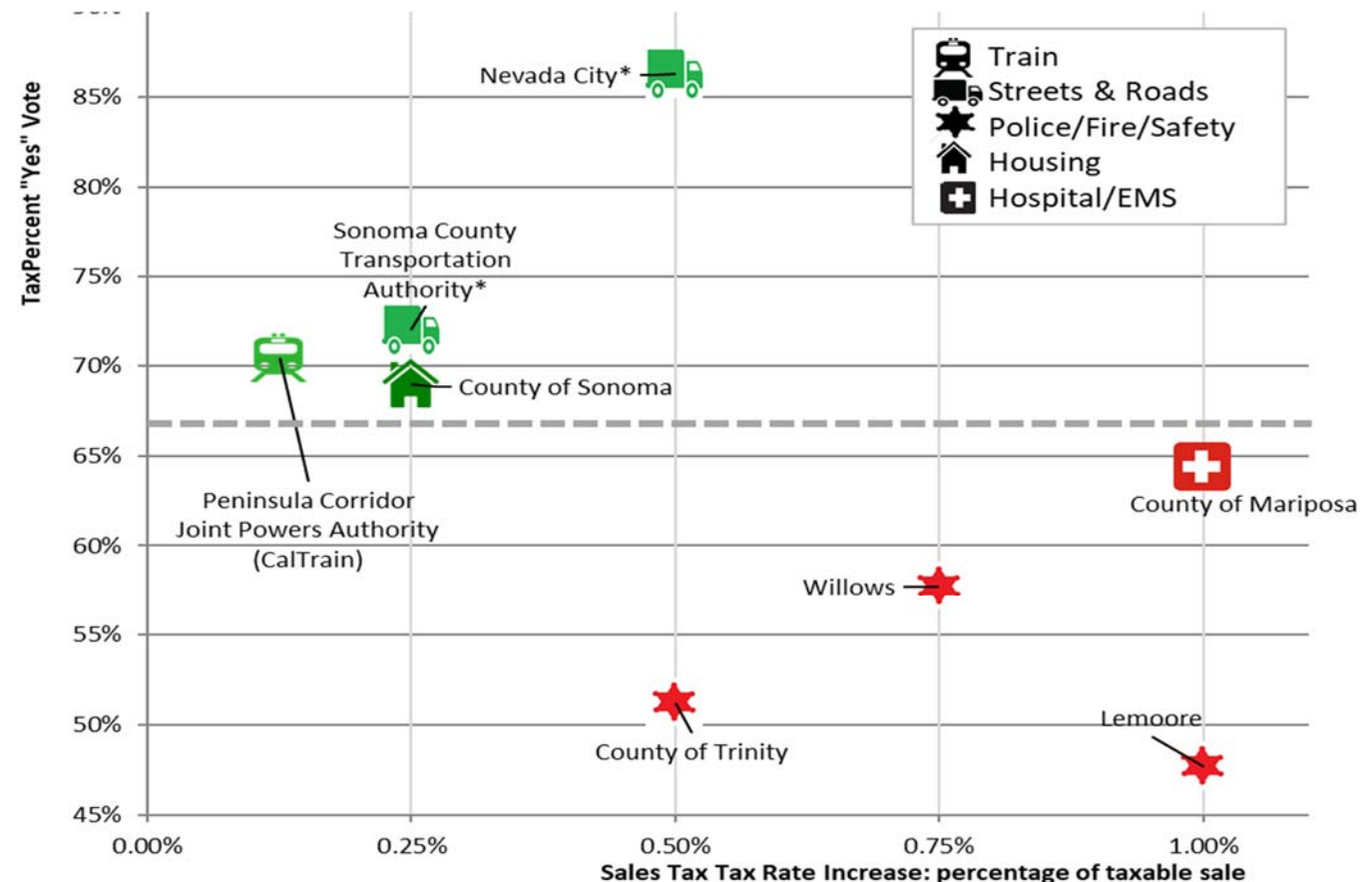


There were eight add-on sales tax measures earmarked for specific purposes including two extensions of previously approved rates three countywide measures for transportation improvements. Voters in San Francisco, San Mateo, and Santa Clara counties approved a 1/8 percent tax for CalTrain. Four measures, all in more rural locations, could not achieve the two-thirds vote threshold required for special tax increases.

### Transactions and Use Tax (Add-on Sales Tax) - Special Tax - Two-Thirds Approval

Agency Name	County	Measure	Rate	extend	Sunset	Use	YES%	NO%	
Nevada City	Nevada	Measure M	1/2 cent	extend	none	streets	88.1%	12.0%	PASS
Sonoma County Transportation	Sonoma	Measure DD	1/4 cent	extend	20yrs	transportation	72.0%	28.0%	PASS
Penninsula Corridor JPA (CalTrain)	San Francisco / San Mateo / Santa Clara	Measure RR	1/8 cent	increase	30 yr	rail	70.4%	29.6%	PASS
County of Sonoma		Measure O	1/4 cent	increase	10yrs	aff housing / homeless	68.1%	31.9%	PASS
County of Mariposa		Measure	1 cent	increase	none	hospital/ems	64.4%	35.6%	FAIL
Willows	Glenn	Measure H	3/4 cent	increase	none	fire/ems	57.7%	42.3%	FAIL
County of Trinity		Measure K	1/2 cent	increase		Sherriff/DA/Probation	51.2%	48.8%	FAIL
Lemoore	Kings	Measure K	1 cent	increase	7yrs	police/fire	47.7%	52.3%	FAIL

### Transactions and Use Tax Measures – Special Purpose



## Transient Occupancy (Lodging) Taxes ✓

There were 22 measures to increase Transient Occupancy (Lodging) Taxes (TOT), including 20 for general purposes (majority approval) and two two-thirds vote special taxes. The small central valley towns of Farmersville and Tulelake, among the few cities in California not to have a TOT, failed in their proposals for new taxes.

### **Transient Occupancy Tax Tax Measures - Majority Vote General Use**

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
Truckee	Nevada	Measure K	by 2% to 12%	84.5%	15.5%	PASS
Pismo Beach	San Luis Obispo	Measure B	by 1% to 11%	80.8%	19.2%	PASS
Novato	Marin	Measure Q	by 2% to 12%	77.1%	22.9%	PASS
San Mateo	San Mateo	Measure W	by 2% to 14%	76.1%	23.9%	PASS
Santa Clara	Santa Clara	Measure E	by 4% to 13.5%	75.1%	24.9%	PASS
Half Moon Bay	San Mateo	Measure U	by 3% to 15%	74.0%	26.0%	PASS
Monterey	Monterey	Measure Y	by 2% to 12%	73.2%	26.8%	PASS
San Bruno	San Mateo	Measure X	by 2% to 14%	72.6%	27.4%	PASS
Hayward	Alameda	Measure NN	by 5.5% to 14%	72.2%	27.8%	PASS
Chino Hills	San Bernardino	Measure M	by 2% to 12%	64.9%	35.1%	PASS
Malibu	Los Angeles	Measure T	by 3% to 15%	59.2%	40.8%	PASS
Sutter Creek	Amador	Measure B	by 2% to 12%	58.4%	41.6%	PASS
Sonora	Tuolumne	Measure T	by 2% to 12%	56.8%	43.2%	PASS
County of Tuolumne		Measure U	by 2% to 12%	54.2%	45.8%	PASS
Farmersville	Tulare	Measure Q	10% new	49.0%	51.0%	FAIL
Porterville	Tulare	Measure S	by 4% to 12%	47.5%	52.6%	FAIL
Pico Rivera	Los Angeles	Measure TT	by 5% to 15%	42.8%	57.2%	FAIL
Tulelake	Siskiyou	Measure O	8% new	34.5%	65.5%	FAIL

### **Transient Occupancy Tax Tax Measures: Two-thirds Vote Special Purpose**

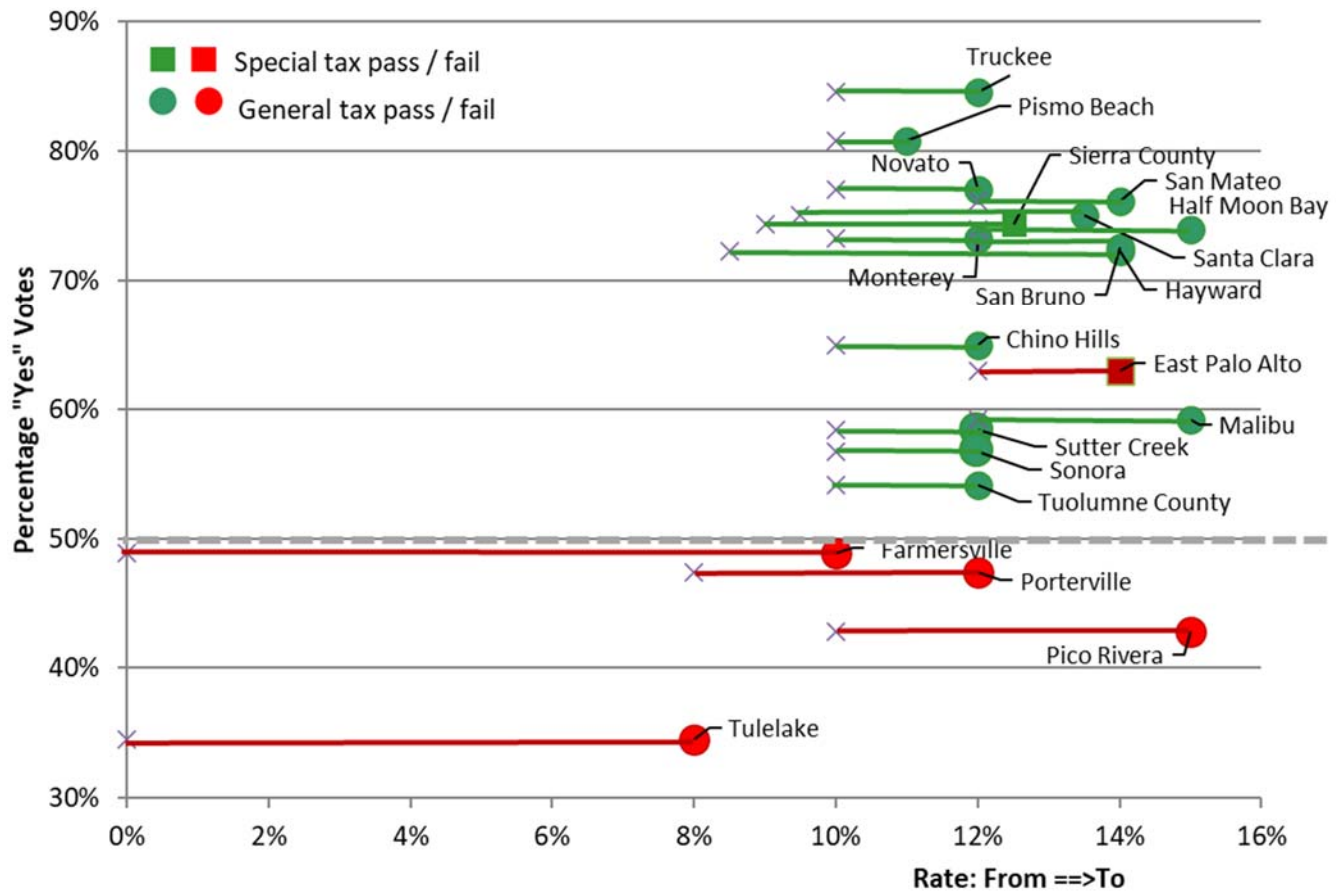
<u>City</u>	<u>County</u>	<u>Measure</u>	<u>Rate</u>	<u>Sunset Use</u>	<u>YES%</u>	<u>NO%</u>	<u>Pass/F</u>
County of Sierra	Sierra	Measure E	by 3.5% to 12.5%	none fire/ems	74.4%	25.6%	PASS
East Palo Alto	San Mateo	Measure V	by 2% to 14%	none affd housing	63.0%	37.0%	FAIL

## Admissions Tax ✓

Voters in the island city of Avalon approved a \$2 per passenger surcharge on visitors with the proceeds to go to their hospital.

### **Admissions Tax - Special - Two-thirds Approval**

<u>Agency</u>	<u>County</u>		<u>Rate</u>	<u>Sunset Use</u>	<u>YES%</u>	<u>NO%</u>	
Avalon	Los Angeles	Measure H	\$2/passenger	none Hospital	72.1%	27.9%	PASS

**Transient Occupancy (Lodging) Tax Measures- November 2020**

## **Cannabis – Local Excise Taxes ✓**

There were 27 measures taxing cannabis, all majority general purpose except in San Joaquin County where the tax increase was earmarked for “early childhood education and youth programs, including literacy, gang reduction, after-school programs, and drug prevention, with emphasis on children facing the greatest disparities, and promoting public health, homeless mitigation, and enforcing cannabis laws.” That measure is failing narrowly.

### **Cannabis Taxes - Majority Vote General Purpose**

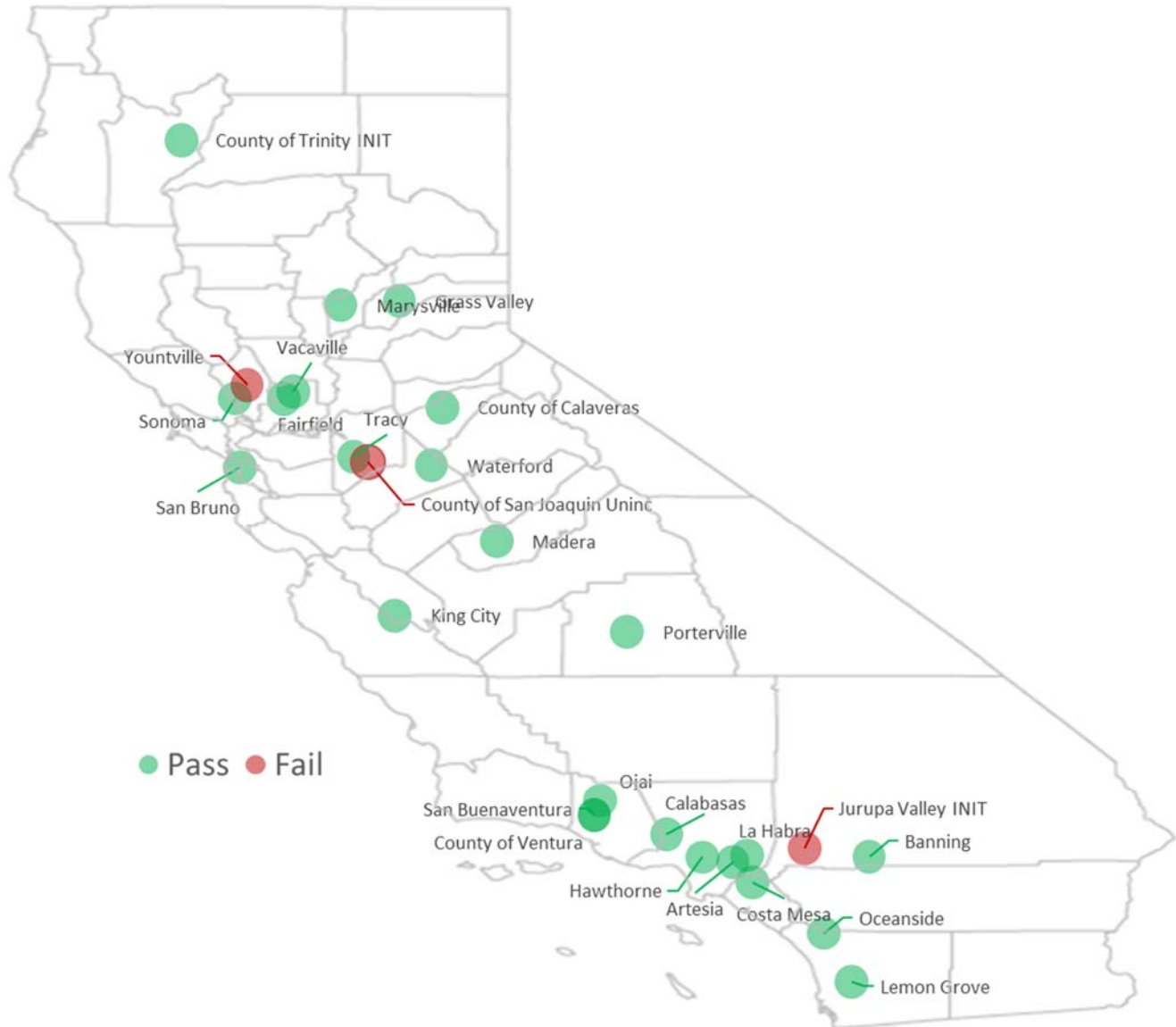
<b><u>Agency Name</u></b>	<b><u>County</u></b>		<b><u>Rate</u></b>	<b><u>YES%</u></b>	<b><u>NO%</u></b>	
Sonoma	Sonoma	Measure X	4%gross Rcpts	77.8%	22.2%	PASS
County of Trinity	INIT	Measure G	2.5%gross Rcpts	72.0%	28.0%	PASS
Lemon Grove	San Diego	Measure J	8%gross Rcpts	71.9%	28.1%	PASS
San Buenaventura	Ventura	Measure I	8%gross Rcpts	71.9%	28.2%	PASS
King City	Monterey	Measure P	5%gross Rcpts	71.4%	28.6%	PASS
La Habra	Orange	Measure W	to 6%gross Rcpts	70.5%	29.5%	PASS
Ojai	Ventura	Measure G	3%gross Rcpts	69.2%	30.8%	PASS
Banning	Riverside	Measure L	10%gross Rcpts	68.6%	31.4%	PASS
Artesia	Los Angeles	Measure Q	15%gross Rcpts	67.5%	32.5%	PASS
Madera	Madera	Measure R	6%gross Rcpts	67.0%	33.0%	PASS
Fairfield	Solano	Measure C	6%gross Rcpts	66.6%	33.4%	PASS
Costa Mesa	Orange	Measure Q	4%to 7%gross Rcp	66.0%	34.0%	PASS
Vacaville	Solano	Measure V	6%gross Rcpts	65.6%	34.4%	PASS
San Bruno	San Mateo	Measure S	10%gross Rcpts	64.1%	35.9%	PASS
County of Calaveras		Measure G	4%to 7%gross Rcp	64.1%	35.9%	PASS
Hawthorne	Los Angeles	Measure CC	5%gross Rcpts	63.7%	36.3%	PASS
Marysville	Yuba	Measure N	6%gross Rcpts	63.4%	36.6%	PASS
Tracy	San Joaquin	Measure W	6%gross Rcpts	63.3%	36.8%	PASS
Calabasas	Los Angeles	Measure C	10%gross Rcpts	63.0%	37.0%	PASS
Oceanside	San Diego	Measure M	6%gross Rcpts	61.8%	38.2%	PASS
Grass Valley	Nevada	Measure N	8%gross Rcpts	60.3%	39.7%	PASS
Porterville	Tulare	Measure R	10%gross Rcpts	59.1%	40.9%	PASS
Waterford	Stanislaus	Measure S	15%gross Rcpts	58.6%	41.4%	PASS
County of Ventura		Measure O	4%gross Rcpts	57.2%	42.8%	PASS
Jurupa Valley	INIT	Measure U	6%gross Rcpts	48.5%	51.5%	FAIL
Yountville	Napa	Measure T	3%gross Rcpts	32.8%	67.2%	FAIL

### **Cannabis Taxes - Two-Thirds Vote Special Purpose**

<b><u>Agency Name</u></b>	<b><u>County</u></b>		<b><u>Rate</u></b>	<b><u>YES%</u></b>	<b><u>NO%</u></b>	
County of San Joaquin	Uninc	Measure X	3.5to 8%gross Rcpt	64.6%	35.4%	FAIL

\*An initiative measure legalizing cannabis businesses in Solana Beach would have “authorized” a 1.5 percent “sales tax.” As structured in the citizen drafted initiative, the tax would have been illegal and could not have been implemented. It is not included here. The measure failed.

## Cannabis Tax Measures – November 2020



## **Business Operations Taxes ✓**

There were seven business operations tax measures other than the cannabis tax measures, all majority vote. All but Lynwood's unusual "for-profit hospital" tax passed.

### **Business Operations Tax Measures (other than on cannabis) - Majority Vote, General Use**

<b><u>Agency</u></b>	<b><u>County</u></b>	<b><u>YES%</u></b>	<b><u>NO%</u></b>	
San Jose	Santa Clara	Measure H	73.5% 26.5%	<b>PASS</b>
To fund general San José services, including fire protection, disaster preparedness, 911 emergency response, street repair, youth programs, addressing homelessness, and supporting vulnerable residents, shall an ordinance be adopted increasing the <b><u>cardroom tax rate from 15% to 16.5%</u></b> , applying the tax to third party providers at these rates: up to \$25,000,000 at 5%; \$25,000,001 to \$30,000,000 at 7.5%; and over \$30,000,000 at 10%, increasing card tables by 30, generating approximately \$15,000,000 annually, until repealed?				
Richmond	Contra Costa	Measure U	72.5% 27.5%	<b>PASS</b>
To maintain quality of life in Richmond by continuing certain City services, including 911 emergency response, pothole/street repair, homeless/youth services and other general services, shall an ordinance <b><u>amending the City's business tax to charge businesses 0.06% to 5.00% of gross receipts, and other rates as stated</u></b> , with the highest rates on cannabis, firearm and the biggest businesses, providing approximately \$9.5 million annually until ended by voters, be adopted?				
San Francisco		Proposition F	68.3% 31.7%	<b>PASS</b>
Shall the City <b><u>eliminate the payroll expense tax</u></b> ; permanently increase the registration fee for some businesses by \$230-460, decreasing it for others; permanently <b><u>increase gross receipts tax rates to 0.105-1.040%, exempting more small businesses</u></b> ; permanently <b><u>increase the administrative office tax rate to 1.61%</u></b> ; if the City loses certain lawsuits, increase gross receipts tax rates on some businesses by 0.175-0.690% and the administrative office tax rate by 1.5%, and place a new 1% or 3.5% tax on gross receipts from commercial leases, for 20 years; and make other <b><u>business tax changes</u></b> ; for estimated annual revenue of \$97 million?				
San Francisco		Proposition I	65.2% 34.8%	<b>PASS</b>
Shall the City place an additional tax permanently on some <b><u>businesses in San Francisco when their highest-paid managerial employee earns more than 100 times the median compensation paid to their employees</u></b> in San Francisco, where the <b><u>additional tax rate would be between 0.1%-0.6% of gross receipts or between 0.4%-2.4% of payroll expense</u></b> for those businesses in San Francisco, for an estimated revenue of between \$60-140 million a year?				
Berkeley	Alameda	Measure GG	58.8% 41.2%	<b>PASS</b>
Shall an ordinance enacting a <b><u>tax on users of Transportation Network Companies</u></b> for prearranged trips originating in Berkeley, at a rate of <b><u>50 cents per trip for private trips and 25 cents per trip for pooled trips</u></b> , regardless of the number of passengers on the trip, which is estimated to generate \$910,000 annually for general municipal services in the City of Berkeley until January 1, 2041, be adopted?				
Long Beach	Los Angeles	Measure US	58.5% 41.5%	<b>PASS</b>
To provide funding for community healthcare services; air/water quality and climate change programs; increase childhood education/ youth programs; expand job training opportunities; and maintain other general fund programs, shall a measure be adopted increasing Long Beach's general <b><u>oil production tax from 15¢ to maximum 30¢ per barrel</u></b> , subject to annual adjustments, generating approximately \$1,600,000 annually, until ended by voters, requiring audits/ local control of funds?				
Lynwood	Los Angeles	Measure LH	46.2% 53.8%	<b>FAIL</b>
To protect, maintain and enhance vital public safety services, infrastructure needs including streets, utility maintenance, park and recreation services including programs for youth and seniors, and other essential services, shall the City of Lynwood impose a <b><u>three percent (3%) privilege tax on the gross receipts of for-profit hospitals</u></b> operating within the City of Lynwood? All funds to be deposited in Lynwood general fund.				

## Property Transfer Taxes ✓

Voters in six charter cities considered increasing their taxes on transfers of real estate. Voters in the wealthy enclave of Piedmont turned down their Measure TT.

### Property Transfer Taxes

<u>City</u>	<u>County</u>	<u>Measure Na</u>	<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
Santa Monica	Los Angeles	Measure SM	by \$3 to \$6/\$1k AV if <\$5m AV	73.1%	26.9%	PASS
San Francisco	San Francisco	Proposition I	by 2.75%to5.5% for \$10m-\$25mAV, by 3%to6% for	58.0%	42.0%	PASS
Albany	Alameda	Measure CC	by\$3.50 to \$15/\$1000AV	57.9%	42.1%	PASS
San Leandro	Alameda	Measure VV	by\$5to \$11/\$1000AV	54.2%	45.8%	PASS
Culver City	Los Angeles	Measure RE	1.5% on \$1.5m+, 3% on \$3m+, 4% \$10m+	53.3%	46.7%	PASS
Piedmont	Alameda	Measure TT	by\$4.50 to \$17.50/\$1000AV	47.8%	52.3%	FAIL

## Utility User Taxes ✓

Voters in ten cities and one county unincorporated area considered measures to increase or continue utility user taxes for general purposes.

### Utility User Taxes

<u>City</u>	<u>County</u>		<u>Rate</u>	<u>Sunset</u>	<u>YES%</u>	<u>NO%</u>	
South Pasadena	Los Angeles	Measure U	7.5% tele,electr,gas,video,w	extend	none	77.3%	22.7% PASS
Newark	Alameda	Measure PP	3.25% tele,electr,gas,video	extend	9yrs	71.7%	28.3% PASS
County of Alameda UNINC		Measure V	6.5% tele, electr, gas	extend to 6/30/2033		69.1%	30.9% PASS
Albany	Alameda	Measure DD	by 2.5%to9.5% electr, gas, 7.5% on water	increase	none	58.0%	42.0% PASS
Union City	Alameda	Measure WW	5% tele,electr,gas,video	increase	8yrs	56.9%	43.1% PASS
Cloverdale	Sonoma	Measure R	3% tele, electr, gas, video	extend	none	53.4%	46.6% PASS
Hawthorne	Los Angeles	Measure UU	by 2.5%to7.5% tele,electr,gas,video,water	increase	none	47.8%	52.2% FAIL
Berkeley	Alameda	Measure HH	by 2.5%to10% electr,gas	increase	none	47.0%	53.0% FAIL
Brawley	Imperial	Measure R	4% to video*	expand		28.6%	71.4% FAIL
Calipatria	Imperial	Measure T	5% tele, electr, gas, water, trash, sewer, catv	increase	none	24.8%	75.2% FAIL
Pomona INIT	Los Angeles	Measure PA	by 0.75%to 9.75% tele,elect,gas,video,water	increase		14.6%	85.5% FAIL

## Utility Transfer Taxes ✓

Voters in Pasadena authorized the continued transfer of 12% of annual revenue from their electric utility to support general fund services such as police, fire, paramedics and parks.

### Utility Transfer Taxes

<u>City</u>	<u>County</u>		<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
Pasadena	Los Angeles	Measure P	12% of gross electric revenue	extend	84.6%	15.4% PASS

## General Obligation Bonds ✓

There were five non-school general obligation bond measures totaling \$1.9 billion. Four passed. In all, \$1.0 billion in local non-school general obligation bonds were approved. The largest, San Diego's \$900 million measure for affordable and homeless housing failed.

### City, County and Special District General Obligation Bond Measures (2/3 vote)

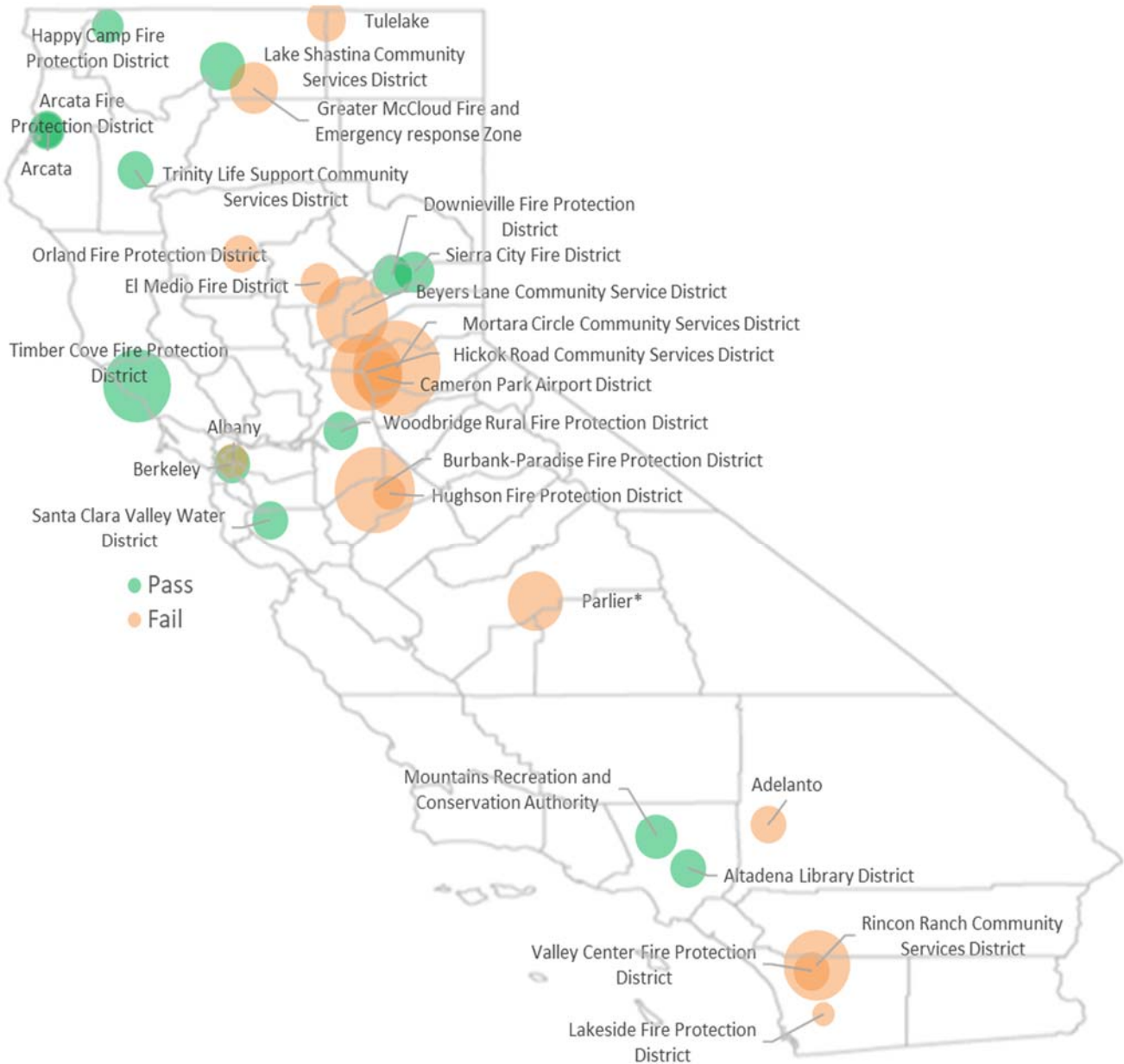
Agency Name	County	Amount	Use	Rate	YES%	NO%	
San Francisco		Proposition A \$487.5m	housing, homeless	\$14/\$100k	71.1%	28.9%	PASS
Piedmont	Alameda	Measure UU \$19.5m	community pool	\$26/\$100k	68.5%	31.5%	PASS
Alameda County Fire	Alameda	Measure X \$90m	fire/ems	\$16/\$100k	67.7%	32.3%	PASS
Washington Township Health Care District	Alameda	Measure XX \$425m	hospital	\$10/\$100k	67.2%	32.8%	PASS
San Diego	San Diego	Measure A \$900m	housing, homeless	\$21/\$100k	57.6%	42.5%	FAIL

## Parcel Taxes – Non-School ✓

There were 30 parcel tax measures for a variety of public services. Fourteen passed. The Beyers Lane tax received one “yes” among six votes counted on election eve.

### City, County and Special District Parcel Taxes (2/3 vote)

Agency Name	County	Amount	Purpose	sunse	YES%	NO%	
Mountains Recreation and Conservatio	Los Angeles	Measure HH \$68/parcel	fire	10yrs	83.1%	16.9%	PASS
Santa Clara Valley Open Space Authori	Santa Clara	Measure T \$24/parcel	parks/open spac	none	81.8%	18.2%	PASS
Arcata	Humboldt	Measure A \$37/parcel	park/wildlands	none	78.4%	21.6%	PASS
Arcata Fire Protection District	Humboldt	Measure F \$118/parcel	fire	6/30/30	77.1%	22.9%	PASS
Timber Cove Fire Protection District	Sonoma	Measure AA \$185/parcel	fire/ems	15yrs	76.5%	23.5%	PASS
Sierra City Fire District	Sierra	Measure H \$60/parcel	fire/ems	none	75.9%	24.1%	PASS
Santa Clara Valley Water District	Santa Clara	Measure S \$.006/sf	water	none	75.7%	24.3%	PASS
Berkeley	Alameda	Measure FF \$0.1047/sf	fire/ems	none	74.2%	25.8%	PASS
Altadena Library District	Los Angeles	Measure Z \$.10/sf	library	none	73.3%	26.7%	PASS
Woodbridge Rural Fire Protection Dist	San Joaquin	Measure U 8c/sf	fire	none	73.4%	26.6%	PASS
Trinity Life Support Community Servic	Trinity	Measure I \$45/parcel	ems	none	72.9%	27.1%	PASS
Lake Shastina Community Services Dis	Siskiyou	Measure J \$80/parcel	fire/ems	none	70.7%	29.3%	PASS
Downieville Fire Protection District	Sierra	Measure G \$60/parcel	fire/ems	none	70.1%	29.9%	PASS
Happy Camp Fire Protection District	Siskiyou	Measure D \$39/parcel	fire/ems	none	67.1%	32.9%	PASS
Parlier	Fresno	Measure G \$120/parcel*	police	none	66.2%	33.8%	FAIL
Adelanto	San Bernar	Measure R \$50+ to \$600+/acre	vacant property	20yrs	65.7%	34.3%	FAIL
Greater McCloud Fire and Emergency n	Siskiyou	Measure G \$94/parcel	fire/ems	none	65.5%	34.5%	FAIL
Cameron Park Airport District	El Dorado	Measure P by \$900 to \$1200/parcel	airport	none	62.7%	37.3%	FAIL
Albany	Alameda	Measure EE by \$44.34 to \$68	fire/ems	none	58.9%	41.1%	FAIL
Hughson Fire Protection District	Stanislaus	Measure W \$39.75/rdu	fire	12yrs	61.5%	38.5%	FAIL
Rincon Ranch Community Services Dis	San Diego	Measure Z \$170/parcel+\$6/acre	fire		60.6%	39.5%	FAIL
Orland Fire Protection District	Glenn	Measure G \$45+/parcel	fire	none	57.4%	42.6%	FAIL
Valley Center Fire Protection District	San Diego	Measure AA 6c/sf	fire	none	56.6%	43.4%	FAIL
Hickok Road Community Services Dist	El Dorado	Measure N by \$200 to \$400/parcel	streets/roads	none	52.2%	47.8%	FAIL
Burbank-Paradise Fire Protection Dist	Stanislaus	Measure Z \$250/parcel	fire	none	54.4%	45.6%	FAIL
El Medio Fire District	Butte	Measure D \$60+/parcel	fire/ems	none	50.8%	49.2%	FAIL
Lakeside Fire Protection District	San Diego	Measure Y by \$15 to \$25+/parcel	fire	none	39.7%	60.3%	FAIL
Mortara Circle Community Services Dis	El Dorado	Measure Q by \$600 to \$950/parcel	streets/roads	none	26.1%	73.9%	FAIL
Tulelake	Siskiyou	Measure N \$60+/parcel	police	none	24.9%	75.1%	FAIL
Beyers Lane Community Service Distric	Nevada	Measure O \$300/parcel	streets/roads		54.4%	45.6%	FAIL

**Parcel Taxes – Non-School – November 2020**

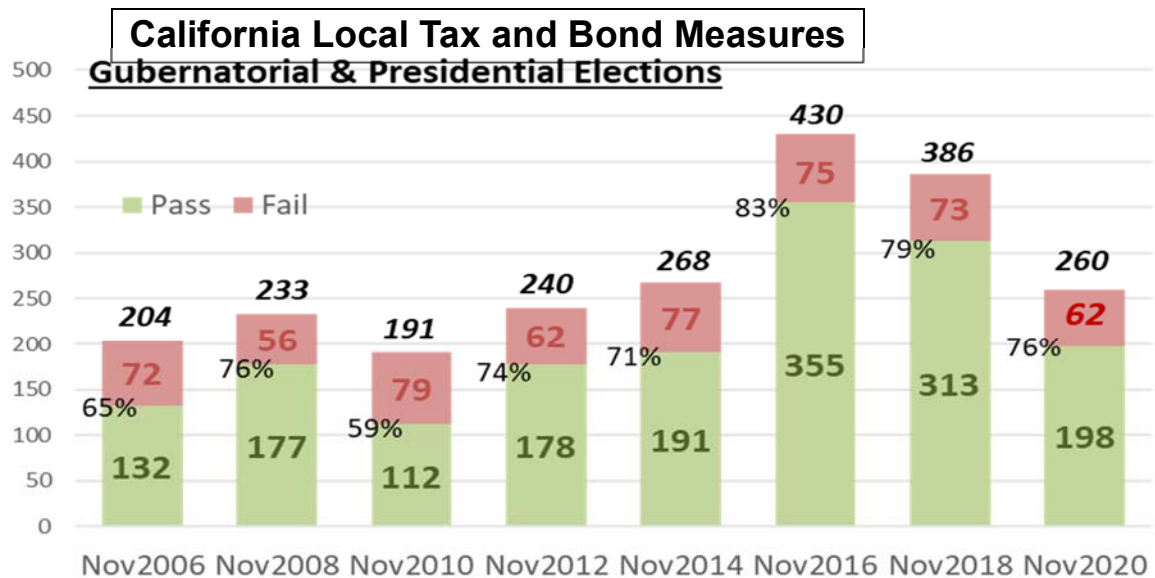
## Some Historical Context

The passage rates this election are in dramatic comparison to the anomalous March 2020 election. In March, 96 of the 239 local tax and bond measures passed (40%), a dramatically lower overall passage rate compared to prior elections. Just 44 of 121 school bond measures passed (37%). But the 121 was more than twice as many local school bond measures on a spring primary election ever in California. Interestingly, the *number* of approved measures (44) and the \$6.6 billion of bond authorization are the highest ever for a spring primary election.

### School Bonds in California - Fall General Elections

	Nov 2012	Nov 2014	Nov 2016	Nov 2018	Nov 2020
Approved	\$ 13.279	\$ 9.782	\$ 23.236	\$ 15.047	<b>\$ 12.168</b>
Requested	\$ 14.429	\$ 11.775	\$ 25.314	\$ 15.704	<b>\$ 13.383</b>

The unusual March results were, it appears, not so much due to a trend as to the pre-pandemic over-expectations of communities that March 2020 would be a favorable climate for such proposals. In the last presidential primary election, June 2016, 81% (72/89) of measures passed, including 91% of school bonds (42/46). But this perception led to a record number of attempts in March 2020, including many more chancy proposals that would likely not have made it to the ballot in another time.



### Local Revenue Measures in California Passed/Proposed

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#### Gubernatorial and Presidential Elections

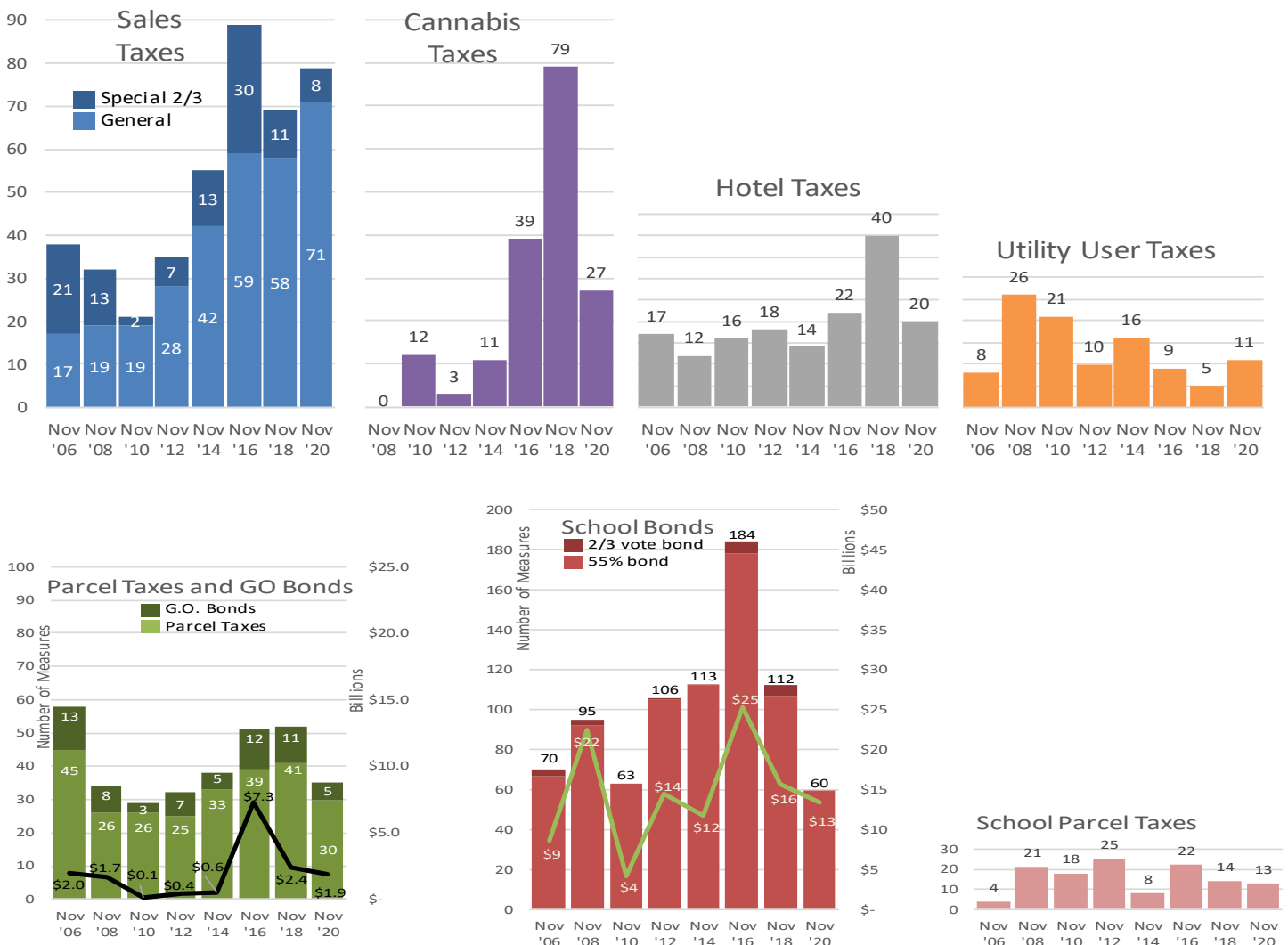
	Nov2006	Nov2008	Nov2010	Nov2012	Nov2014	Nov2016	Nov2018	Nov2020
City General Tax (Majority Vote)	31/43 72.1%	40/56 71.4%	44/67 65.7%	48/60 80.0%	62/88 70.5%	102/120 85.0%	153/167 91.6%	108/132 81.8%
County General Tax (Majority Vote)	2/5 40.0%	5/9 55.6%	6/12 50.0%	4/6 66.7%	2/6 33.3%	12/15 80.0%	14/19 73.7%	8/8 100.0%
City SpecialTax, GObond (2/3 Vote)	18/34 52.9%	11/21 52.4%	7/11 63.6%	5/15 33.3%	14/23 60.9%	19/33 57.6%	20/33 60.6%	6/14 42.9%
County SpecialTax, GObond (2/3 Vote)	5/13 38.5%	7/12 58.3%	0/3 0.0%	7/12 58.3%	4/9 44.4%	10/23 43.5%	6/9 66.7%	5/8 62.5%
Special District 2/3 vote	19/35 54.3%	10/19 52.6%	6/17 35.3%	7/16 43.8%	10/21 47.6%	21/33 63.6%	14/32 43.8%	13/25 52.0%
School ParcelTax 2/3 vote	2/4 50.0%	17/21 81.0%	2/18 11.1%	16/25 64.0%	8/8 100.0%	17/22 77.3%	11/14 78.6%	10/13 76.9%
School Bond 2/3 vote	0/3 0.0%	2/3 66.7%	0/0	1/1 100.0%	0/1 0.0%	2/6 33.3%	3/5 60.0%	0
School Bond 55% vote	55/67 82.1%	85/92 92.4%	47/63 74.6%	90/105 85.7%	91/112 81.3%	172/178 96.6%	92/107 86.0%	48/60 80.0%
Total	132/204 64.7%	177/233 76.0%	112/191 58.6%	178/240 74.2%	191/268 71.3%	355/430 82.6%	313/386 81.1%	198/260 76.2%

The numbers at this November general election appear more in line with historic trends both in number of proposals and passage rates. The volume and make-up of measures in this election was somewhat lower than the previous two presidential and gubernatorial general elections in 2018 and 2016, but comparable to years prior. The drop off in proposed measures was specific to certain types of measures: 1) those with higher vote thresholds, and 2) cannabis tax measures.

The 79 proposed sales tax measures is comparable to November 2018 (69) and November 2016 (89) and the 71 majority vote sales taxes is actually the highest of this type of tax proposal at any election, ever. Cannabis taxation has been hot for the last several years since legalization and the drop-off in those measures is essentially a function of this area of taxation and regulation running its course.

Other than cannabis tax measures, the most precipitous drop off in proposed measures from November 2016 and November 2018 is in school bonds. There were just 60 school bond measures this election, all 55 percent (i.e. no two-thirds vote school bond measures). This is about half as many as in 2018 and a third of the 184 proposed in 2016. It appears that school boards anticipated this election to be a more difficult one for the higher vote threshold parcel taxes and bonds.

Likewise, there were just 35 non-school parcel taxes and general obligation bonds on local ballots compared to 52 in November 2018 and 51 in November 2016.



## Other measures of Note

- There were twelve measures to convert elected city clerk or treasurer positions to appointed (by city council or manager) and one initiative (in Dixon) to revert to an elected city clerk. Seven passed.
- Voters in Sacramento turned down a proposal to move to a “strong mayor” form of governance from their current “council-manager” form, common in all but the largest cities in California.
- Oxnard voters rejected an initiative measure to cede major new powers to that city’s elected city treasurer, even as they re-elected him. Oxnard voters narrowly approved a “ballot box budgeting” measure dictating that a previously approved general purpose sales tax be used for streets and roads or repealed.
- Dixon voters approved an initiative repeal of a water rate increase.
- Menifee voters rejected an initiative to repeal a recently approved sales tax increases. Voters in the San Bernardino County Fire Protection District turned down an initiative to repeal a recently enacted (two-thirds voter approved) parcel tax.
- Albany and Eureka approved ranked choice voting.

### Appointed City Clerk / City Treasurer / etc.

<u>City</u>	<u>County</u>			<u>YES%</u>	<u>NO%</u>	
Sierra Madre	Los Angeles	Measure AC	appoint city clerk	67.5%	32.5%	PASS
Nevada City	Nevada	Measure L	appoint city clerk and city treasurer	65.6%	34.4%	PASS
Placerville	El Dorado	Measure R	appoint city treasurer	63.5%	36.5%	PASS
Coalinga	Fresno	Measure B	appoint city clerk	57.4%	42.7%	PASS
Yreka	Siskiyou	Measure E	appoint city clerk	55.6%	44.4%	PASS
Sonora	Tuolumne	Measure R	appoint city clerk	52.3%	47.7%	PASS
Sonora	Tuolumne	Measure S	appoint city treasurer	50.3%	49.7%	PASS
Suisun City	Solano	Measure R	appoint city clerk	47.1%	52.9%	FAIL
Plymouth	Amador	Measure D	appoint city treasurer	45.4%	54.6%	FAIL
Plymouth	Amador	Measure C	appoint city clerk	45.3%	54.7%	FAIL
Pittsburg	Contra Costa	Measure Q	appoint city clerk	36.9%	63.1%	FAIL
Brawley	Imperial	Measure S	appoint city clerk	34.7%	65.3%	FAIL

### Tax and Fee Initiative to Repeal or Revise

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
Dixon INIT	Solano	Measure S	repeal water rate increase	72.8%	27.2%	PASS
Oxnard INIT	Ventura	Measure N	use TrUT for streets or end	51.8%	48.2%	PASS
San Bernardino County Fire	San Bernardino	Measure U	repeal tax	48.0%	52.0%	FAIL
Menifee INIT	Riverside	Measure M	repeal TrUT	36.4%	63.6%	FAIL

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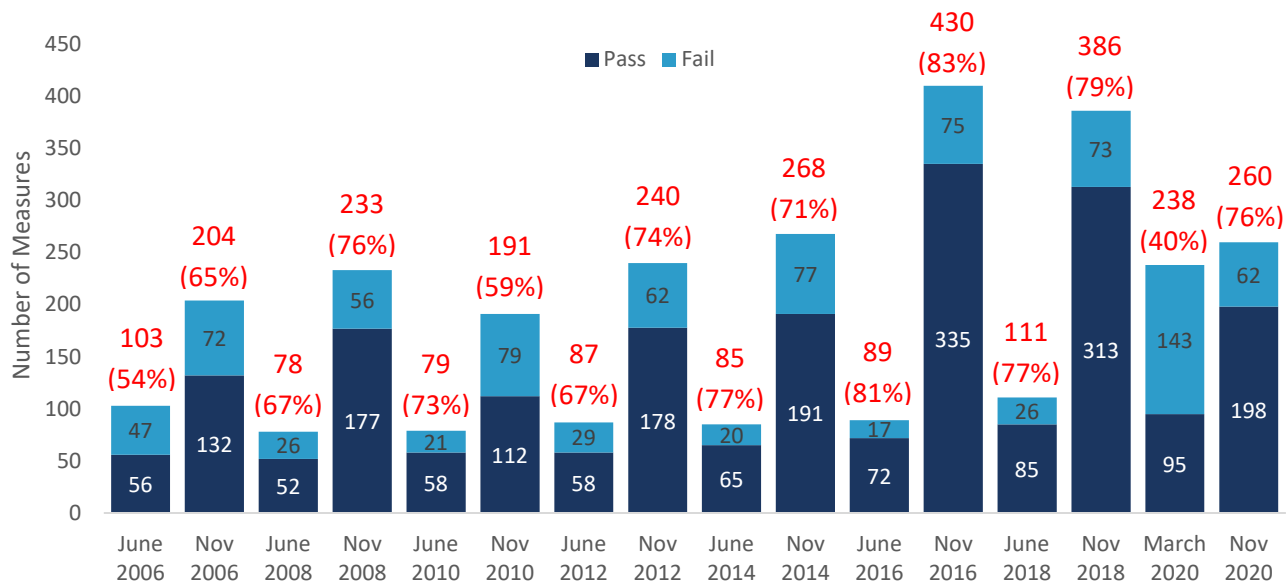
## NOVEMBER 2020 ELECTION OBSERVATIONS FROM FM3 RESEARCH

### This Election Represented a Return to Normalcy for Local Finance Measures

As noted in Michael Coleman's post-election summary, the passage rates of local finance measures in California rebounded from a disappointing March 2020 primary election. As of the publishing date of this summary, 76% of local finance measures passed in California this past November, a passage rate very comparable to the 2012 (74%) and 2008 (76%) presidential elections and a massive uptick from the abysmal March 2020 and its 40% passage rate.

To put this in a historical context, there were on average 227 local finance measures on the ballot in each November election from 2006-2014, meaning the 260 measures on this November's ballot were modestly on the high side, but definitely in that same range (Figure 1). The real outliers were November 2016 and 2018 with counts more around 400 measures. The same can be said for March 2020. From 2006-2018, there were on average 90 ballot measures for each primary election, but 238 in March 2020—a number much more comparable to a 2006-2014 November election.

**Figure 1: Numbers of Measures and Passage Rates (2006-2020)**



While voters seemed undaunted by the high number of ballot measures in the November 2016 and 2018 elections—passing local finance measures at roughly an 80% clip—that rubber band snapped back in brutal

fashion in March 2020 with only a 40% passage rate. Refreshingly, this November's estimated 77% passage rate looks much more similar to those of prior election cycles.

### Fewer Local Measures on the Ballot

As previously noted, the March 2020 election featured roughly double the usual number of local finance measures on a statewide primary election ballot, and the two preceding general elections in November of 2016 and 2018 saw 430 and 386 measures, respectively — while only 260 were on the ballot this November. Clearly, fewer agencies placed finance measures on the November 2020 ballot compared with recent years. However, a number of the measures on the ballot this November garnered support exceeding 70%, suggesting that agencies weren't shy about placing measures that had high probabilities of success on the ballot. If that was the case, why did the total number of local finance measures decline? A few of our theories include:

- **The March 2020 results made rolling the dice with "borderline" measures less appealing.** This year, FM3 worked with several clients on local finance measures that viability survey research had indicated were likely to receive levels of support at — or just above — the vote thresholds for passage. While many of our clients who faced similar situations during the 2016 or 2018 November elections opted to place those measures on the ballot, this year a meaningful proportion decided - particularly after seeing 60% of local finance measures fail this past March - that they weren't willing to take that risk.
- **Asking voters to support a tax measure in an evolving recession didn't feel like the right timing.** Many residents have been struggling financially since the first shelter-in-place order hit California this spring, and with federal and state aid packages expiring, many more face uncertainty this winter heading into 2021. We repeatedly heard concerns about raising taxes and/or fees in this economic climate. (This is clearly a point of tension given that local tax revenues are also decreasing significantly.)
- **Many agencies simply had other priorities.** For some agencies (e.g., school districts having to adopt distance learning protocols) pursuing a local finance measure was a luxury they didn't have the resources to pursue, even if one appeared to be viable. They simply didn't have the internal bandwidth to dedicate to the process.
- **There was reluctance to pursue property tax-related measures.** An enormous number of measures to raise local property taxes were on the ballot in March 2020—partly due to the great success of November 2018; partly due to an anticipated "blue wave" of tax-friendly voters; and partly due to the desire to avoid sharing the November ballot with the statewide initiative on property taxes that would become Prop. 15. Far fewer agencies were willing to put similar measures on the ballot this November, especially after the dismal passage rates for such measures in March and continuing concerns about sharing the ballot with Prop 15. Looking at local G.O. bond measures alone (just one type of local property tax measure), there were 126 such measures on the March 2020 ballot and only 65 on the November 2020 ballot — a decline of more than 48%. Further, while there were a handful of success stories of agencies with narrow defeats in March that came back and passed property tax-related measures in November (e.g., Clovis Unified School District and Manteca Unified

School District), many agencies that suffered election disappointments in March opted to hold back on asking their voters for additional funding until a future election cycle.

## Not Everything Was "Normal" this November

### Turnout was way, way up

This is a story where the details will matter and we won't be able access the final turnout figures until the official Statement of Vote is available from the Secretary of State, likely in early January. (The March 2020 Statement of Vote was released in early May.) That being said, it's clear that overall turnout was record-setting. In Figure 2, we combined the last official numbers from the Secretary of State on the total number of eligible and registered voters (as of 10/19/20) and the most recent online reporting status numbers from the Secretary of State's website. Based on the percentage of registered voters, it appears that November 2020 will reach or exceed the November 2008 high-water mark of 79.4% turnout, though still in the range of prior presidential elections. However, November 2020 will have roughly 10% more eligible voters participating than in November 2008, and nearly 20% more eligible voters than November 2000 — a clear break with past precedent.

**Figure 2: Estimated Statewide Turnout**

*(Eligible and Registered Totals as of 10/19/20 and Total Votes as of 12/3/20)*

Presidential Election	Eligible Voters	Registered Voters	% Registered	Total Votes	% of Registered	% of Eligible
Nov 2020	25,090,517	22,047,448	87.9%	17,783,784	80.7%	70.9%
Nov 2016	24,875,293	19,411,771	78.0%	14,610,509	75.3%	58.7%
Nov 2012	23,802,577	18,245,970	76.7%	13,202,158	72.4%	55.5%
Nov 2008	23,208,710	17,304,091	74.6%	13,743,177	79.4%	59.2%
Nov 2004	22,075,036	16,557,273	75.0%	12,589,683	76.0%	57.0%
Nov 2000	21,461,275	15,707,307	73.2%	11,142,843	70.9%	51.9%

### The Late Vote Didn't Break in Support of Local Finance Measures

Figure 3 shows the average change in the "Yes" vote share for local revenue measures (Column 2) as well as the change in the proportion of local revenue measures passing (Column 3) between Michael Coleman's preliminary results summaries (compiled from incomplete vote tallies available in the days immediately following each election) to his final results summaries for the past three November elections. In the 2016 and 2018 November elections, we saw the initial "Yes" vote share for local finance measures increase a little after all the votes were

counted, with shifts of +0.62% in November 2016 and +0.87% in November 2018. While there were always exceptions, this meant that measures flirting with their vote thresholds stood a good chance of ultimately passing once the tallying was complete. This was reflected by the fact that in both of these elections, between three and four percent of all local revenue measures on the ballot throughout the state appeared to fall short of passage in the preliminary results, only to secure approval with the required level of support in the final, certified results. This pattern was generally owed to the fact that Democratic-leaning and younger voters—who are frequently more supportive of finance measures—were less likely to vote by mail, and if they were, more likely to wait until the last minute to turn in their ballots.

**Figure 3: Change in "Yes" Vote from Preliminary to Final Results Reports for Local Revenue Measures**

(Column 1) Election	(Column 2) Change in "Yes" Vote Share for Local Revenue Measures in Preliminary vs. Final Results	(Column 3) Change in Proportion of Local Finance Measures Passing in Preliminary vs. Final Results
November 2020	-0.06%	+0.5%
November 2018	+0.87%	+3.6%
November 2016	+0.62%	+3.5%

This changed in the November 2020 election, when the average shift from late-counted ballots was essentially zero. At least two factors likely contributed to this discontinuity. First, the vast majority of Californians who participated in this year's November election did so by mail — meaning that many more finance measure supporters voted prior to election day than was the case in prior elections. Second, there were so many concerns about ballots being counted—or delivered by the Postal Service—that many voters who might otherwise have held on to their mail ballot until the very end instead sent them in early. Many Democratic campaigns also advised their supporters to cast their ballots early, with high-profile figures such as Nancy Pelosi stating that doing so was critical to preventing Trump from prematurely declaring victory based on unrepresentative early election returns. In California, with so much enthusiasm among Biden voters, that meant that many Democrats didn't want to risk waiting until the last moment.

All of this meant that as the vote has continued to be counted, agencies with measures 1-2 points above or below their vote thresholds were more likely to be disappointed than in prior years.

## Implications for the 2021-2022 Election Cycle

### There are probably a lot of potential measures in the queue

We know that there are dozens of agencies that had finance measures defeated in March 2020 and subsequently opted against putting them before voters again on the November 2020 ballot. We also know that numerous other

agencies that were planning finance measures for this November had to temporarily put them on the back burner and focus on their response to COVID-19. Many, if not most will presumably explore their viability once again during the 2021-2022 cycle. Does this mean 2022 will have more measures than is typical, or are we going back to a more conventional pattern of ~90 measures in the primary and ~230 in the general?

### **The turnout and election process going forward is currently uncertain**

Given the extraordinary increases in voter turnout for the November 2020 election, will the policy changes that likely contributed to this increase — such as automatic registration and universal vote-by-mail balloting — be further scaled up and made permanent? If so, should we regularly expect much higher participation rates, or was this election and set of circumstances truly unique? In either case, pollsters will need to take a wider range of turnout scenarios into consideration when assessing ballot measure viability in the future.

### **2022 could look a bit like 2010**

While not a perfect comparison, the Great Recession left nearly all of California's local government agencies facing budget shortfalls in 2009-2010 (if not beyond). Many agencies turned to their voters to pass local finance measures to stave off cuts and service reductions to the extent possible. The June 2010 election looked a lot like prior years in terms of total measures (79) and its passage rate (73%). However, the November 2010 election was on the low end of the range of prior November elections, with 59% of 191 measures passing — not an implosion like March 2020, but clearly a more challenging environment. It may therefore be a good baseline for setting expectations; on the other hand, it also seems possible that recent vaccine breakthroughs mean California's economy will rebound more quickly, leading to a better political environment for finance measures in 2022.

### **What will the mix of local finance measures look like in 2022?**

We see no reason to doubt that funding measures for school and community college districts will continue to be the most common category of local finance measures on the primary and general election ballots in 2022. The financial needs are still there—especially with the failure of Prop 15—and school bond measures (with their 55% vote threshold) are still generally attainable. The real question is likely to be what types of measures cities and counties will consider. Sales tax measures are likely to continue to be popular, but many communities are running up against their statutory sales tax caps. Coming out of the Great Recession, many municipalities turned to utility user taxes (UUTs) as a minimally volatile source of revenue in economically uncertain times, though a number of those measures were modernizations of outdated ordinances to reflect current communications technology. Looking at the entirety of 2020, cannabis tax measures will likely continue to be common in 2022, as may transient occupancy taxes (TOTs) if the state's hospitality industry recovers substantially during the coming year. That said, more communities may also consider other, less common types of general taxes such as business license taxes and property transfer taxes, as well as (potentially) establishing assessment districts, which can be enacted via a simple majority vote among property owners.

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