EDITORIAL

Reject Berkeley’s poorly conceived $650M measure

Berkeley’s proposed bond measure that would commit property owners to higher taxes for a staggering 47 years is rushed and stunningly ill-conceived.

Voters should reject Measure L on the Nov. 8 ballot and insist that Berkeley leaders do their homework before seeking more levies in a city where property owners already pay high supplementary taxes.

Measure L would authorize the city to issue $650 million of bonds at interest rates of up to 12%. That’s right: 12%. The money would go toward affordable housing and infrastructure improvements related to street, sidewalk, traffic safety, public safety and climate resilience.

But, beyond those broad categories, there is no plan for how the money would be spent nor any requirements for how it would be apportioned among those categories. As the measure itself states, there is “not a commitment or guarantee that any specific amounts will be spent on particular projects or categories of projects.”

That little gem is buried deep in the legal text of the measure. It’s conveniently left out of the ballot language and out of City Attorney Farimah Faiz Brown’s “impartial analysis” of the measure that voters might rely on.

The City Council’s last-minute ploy in a special meeting on Oct. 11 to pass “guidelines” for spending the money was a desperate attempt to put lipstick on this pig. Nothing the council members do now could bind their or a future council’s spending of Measure L money. The guidelines are a meaningless promise.
The language of the measure itself is clear and controlling: Within those broad categories, the council can spend Measure L money any way it wants. This measure is recklessly irresponsible. And huge.

For comparison, the $650 million is nearing the size of Oakland’s similar $850 million measure on that city’s Nov. 8 ballot. But Oakland has 3.4 times as many people.

For Berkeley’s plan, there should have been a spending plan. And disparate categories such as housing, infrastructure, public safety and climate resilience should not have been lumped into one ballot measure. Voters should not be given a take-it-or-leave-it package.

Then there’s the problematic borrowing plan. Keep in mind that bonds are a form of borrowing. What’s unusual is how city officials plan to pay the money back, which directly affects taxes.

In the ballot material, voters are told that the average annual tax rate over the life of the bonds would be $39 per $100,000 of assessed value and the median would be $40.91 for every $100,000. The latter works out to $265 a year for a home with an average assessed value of $647,000.

For starters, those numbers are just estimates. They are not binding. And they’re based on a 4% interest rate, even though the measure allows a rate up to three times as large.

Moreover, the average and median numbers are artificially low because the city calculations we requested inexplicably include 12 years of very small payments at the end that seem to only serve to hold down the average and median. Certainly, in an academic town such as Berkeley, residents understand how averages are calculated and would understand this sleight of hand if they were provided the details.

What’s also not mentioned is that the planned payments are kept low for the first few years, with the highest payments coming from 2038-56. That indicates the city would unnecessarily rack up interest costs that taxpayers would bear or that the city doesn’t plan to issue most of the bonds for years — in which case there was no need to rush such an ill-conceived measure onto the ballot.