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Priority Report Spurs Question of Possible Tax

By Cathy Tyson

Responding to results from the recent Community Conversations that identified issues residents wanted to see the city accomplish over the long term, the Lafayette City Council wrestled with how to fund them. Open space conservation topped the list of chief concerns by residents who responded to the "willingness to pay for" question on the survey, followed by crime surveillance, a larger police force, a bike path, the Park Theater and a parking garage.

Council members noted at the July 14 meeting that parking and congestion are definitely hot topics around town and especially with the Chamber of Commerce, as merchants complain about lack of parking for customers. It's about to get even worse as the large KB Homes condominium project gets underway, located on the former parking lot behind Panda Express that held 100 spaces. In addition, construction crews working on the project will surely be driving into Lafayette.

It's unclear if voters are willing to tax themselves to chip away at this wish list, and the council wasn't sure either, but they indicated an interest in clarifying the situation.

"The public has expressed an interest in certain programs," said City Manager Steven Falk, who made it clear that "you can't afford (these programs) without an additional revenue source. These are choices you have to make."

He gave a concrete example: In a recent feasibility study, an expert drew up plans for a potential parking garage slated for the city-owned parcel at 949 Moraga Road. Construction is estimated to cost \$3.85 million for 80 parking spaces. Falk continued, "If parking is your highest priority, then the council needs to have a serious conversation on how you are going to fund it."

City Attorney Mala Subramanian outlined possible options if the City Council wanted to pursue putting a sales tax on a future ballot, possibly as soon as November 2016. Shoppers in Lafayette currently pay 8.5 percent sales tax; 7.5 percent is the state sales tax and 1 percent goes to voter-approved Contra Costa Transit Authority and BART measures. If the City Council wanted to put a general tax on the ballot, where revenue goes into the general fund to be used for public purposes, it would need a simple majority to pass. If they chose a special tax that can only be used for a specific purpose, two-thirds of voters would have to approve - a more challenging threshold. Complicating the issue is the current statewide cap on additional sales taxes, which is now at a maximum of 2 percent above the current statewide level of 7.5 percent. It is possible that CCTA and BART may take action to increase their current tax rate. If they do that before Lafayette imposes a tax, the city would be limited to an increase of 0.5 percent. Pending in the state legislature is measure AB 464 that would increase the cap from 2 percent to 3 percent. The measure has been approved by the state senate and is going to the assembly. Its "looking positive," said Subramanian. If Assembly Bill 464 passes, it would be possible for the city of Lafayette to potentially place a 1 percent sales tax on the ballot.

Another option for parking may be to partner with BART to expand its parking lot, although there are a couple of wrinkles to consider. The Happy Valley Improvement Association is clearly not in favor of a large parking lot in its neighborhood and there is a very "narrow window," as Falk explained, to chime in on BART's expenditure plan.

The biggest hurdle for Council Member Don Tatzin is having ample reason to ask voters to increase sales tax. Looking at the Community Conversations survey results, Council Member Mike Anderson focused on willingness to pay and concluded, "We're going to have to come up with a mechanism for funding," adding, "Now may not be time to do it, but we need information to make a decision." He wants to see if the business community is willing to support it.

Moraga, Orinda, Concord, Richmond and El Cerrito voters have additional voter-approved transaction and use taxes.

No decision was made, but the council agreed to continue the conversation at its Aug. 10 meeting to determine if a committee should be formed to explore the matter further.

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