



# COUNCIL REPORT

**DATE:** September 23, 2025

**CATEGORY:** Consent

**DEPT.:** City Manager’s Office

**TITLE:** **2026 Revenue Measure Ad Hoc Sub-Committee**

## RECOMMENDATION


It is recommended that the Council convene a 2026 Revenue Measure Ad Hoc Sub-Committee and assign the members of the Council Finance Committee (CFC) to the Sub-Committee.

## BACKGROUND

At the February 25, 2025, Council meeting, the Council reaffirmed the Strategic Priorities and identified 16 potential work plan projects to refer for staff analysis and feedback from the Council advisory bodies. The potential projects included nine existing projects and seven new projects.

On April 22, 2025, the Council deliberated on the 16 projects and confirmed through unanimous support for the adoption of Project 9, “2026 Revenue Measure”.

**Figure 1: FY 2025-26 and FY 2026-27 Strategic Priority Project 9**

<div>NEW PROJECT</div> <div>9. 2026 Revenue Measure</div> <div>Develop a revenue measure and place it on the 2026 ballot.</div>	<div>Organizational Strength &amp; Good Governance</div> <div>Supports the City's fiscal health to allow for enhanced services.</div>	<div>Cost:</div> <div>\$250,000</div> <div>\$</div>	<div>Lead Dept.:</div> <div>City Manager's Office</div> <div></div> <div>Supporting:</div> <div>City Clerk's Office, Finance</div>	<div>None.</div>	<div>12-18 Months</div> <div><div><div>← 2025-26 →</div><div>← 2026-27 →</div></div><div><div>Q3</div><div>Q4</div><div>Q1</div><div>Q2</div><div>Q3</div><div>Q4</div><div>Q1</div><div>Q2</div></div></div> <div>This project timeline would coincide with 2026 election deadlines.</div>
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## ANALYSIS

Council has directed staff to develop a revenue measure and place it on the 2026 ballot. Building on the process used for the successful 2024 revenue measure, Measure G, staff recommends that Council convene a 2026 Revenue Measure Ad Hoc Sub-Committee for initial revenue measure deliberations.

Following is a summary of the 2024 Revenue Measure Ad Hoc Sub-Committee deliberations:

On December 6, 2023, the Revenue Measure Ad Hoc Sub-Committee convened its initial meeting. Discussion included an update from staff on the revenue measure process and projections since the Study Session, an anticipated timeline for the measure, and an update from the polling and strategy consultants.

On January 17, 2024, the Revenue Measure Ad Hoc Sub-Committee reviewed the types of potential revenue measures, a discussion of the draft survey instrument that would go to likely voters, and a discussion of potential communication and outreach strategies. The recommendation was to poll for a Transient Occupancy Tax (TOT) and Property Transfer Tax (PTT).

On January 30, 2024, the Revenue Measure Ad Hoc Sub-Committee reviewed various data points and directed staff to develop a draft survey instrument and ballot questions for both a potential TOT and PPT revenue measures, as potentially running concurrently.

On March 6, 2024, the Revenue Measure Ad Hoc Sub-Committee performed a final review of the recommended ballot questions and other components of the survey instrument. At the conclusion of the meeting, the Ad Hoc Committee recommended the polling language in the survey instrument.

On April 19, 2024, the Revenue Measure Ad Hoc Sub-Committee received a presentation of polling results and recommendations based on the polling data. The Ad Hoc Revenue Measure Sub-Committee recommended that the full Council consider proceeding with a single property transfer tax ballot initiative for community consideration.

Staff anticipates a similar 2026 Revenue Measure Ad Hoc Sub-Committee cadence, with likely fewer meetings given the City's more recent experience deliberating potential revenue measures.

The CFC consists of Chair Clark, Vice Mayor Ramos, and Councilmember Ramirez.

### **FISCAL IMPACT**

There is no fiscal impact for the creation of the Ad Hoc Sub-Committee. However, funding of \$250,000 related to a 2026 potential revenue measure is included in the FY 2025-26 Adopted Budget.

**LEVINE ACT**

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: [www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html](http://www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html)

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

**EXEMPT FROM THE LEVINE ACT**

☒ General policy and legislative actions

**ALTERNATIVES**

1. Take no action and do not appoint an Ad Hoc Sub-Committee.
2. Appoint different Ad Hoc Sub-Committee members.

**PUBLIC NOTICING**

Agenda posting.

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