



**Berkson
Associates**

Urban Economics
Policy Forensics & Forecasting
Planning & Policy Analysis



ALAMEDA
LOCAL AGENCY FORMATION COMMISSION

Incorporation Initial Feasibility Analysis

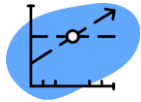
ALAMEDA UNINCORPORATED COMMUNITIES

Presentation to Alameda LAFCO
July 13, 2023

2023-05-24



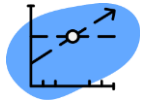
ABOUT BERKSON ASSOCIATES



Extensive Urban Economics & Governance Experience

- **30+ years** preparing budget forecasts, fiscal analysis, reorganizations, incorporations
- **CALAFCO presentations** on fiscal, governance and incorporation topics
- **Projects with Alameda LAFCO** (MSRs/Special Studies, reorganization, incorporation)
- **Prepared 2002 Comprehensive Fiscal Analysis (CFA)** for the proposed incorporation of Castro Valley

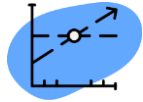
OBJECTIVES OF THE IFA



IFA ORGANIZES INFORMATION FOR PUBLIC DECISIONS & ACTION

- **Inform residents** and decision-makers about the pro's and cons of incorporation
- Provide a "**Fatal Flaw**" analysis of cityhood
- Indicate **options to improve feasibility**
- Identify **issues** requiring further research
- Create a **framework** for a more detailed Comprehensive Fiscal Analysis (CFA)

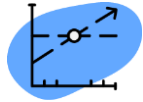
PROCESS



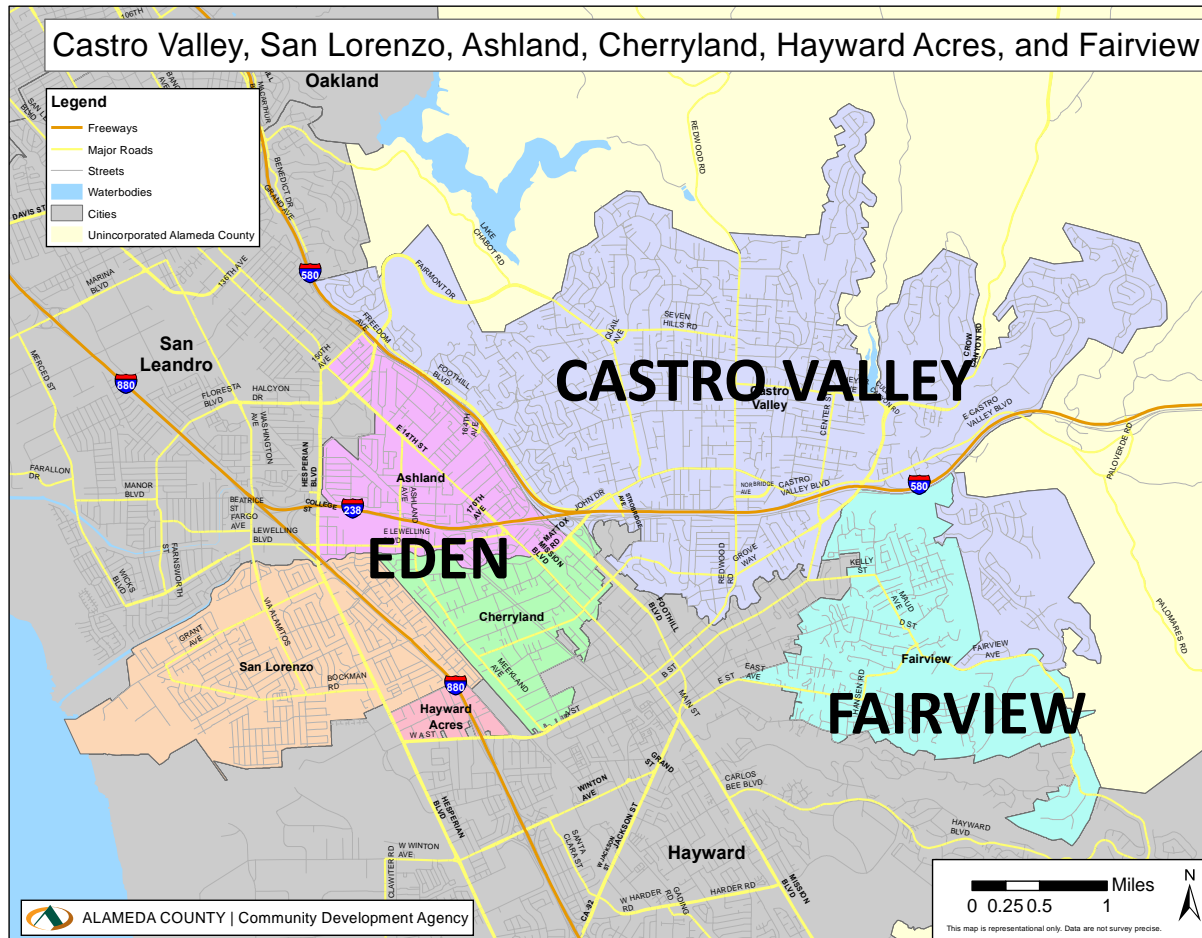
Thorough Preparation of IFA

- **Data requests & communications with County Dpts.**
- **Reference to County Budget**, other cities, other incorporation feasibility studies, and State statutes
- **Reviewed preliminary drafts** w/Alameda LAFCO staff
- **Distributed Administrative Draft** to Departments
- **Public Review Draft** for comments/**Final Report**

BOUNDARIES EVALUATED



THREE ALTERNATIVES INCLUDE SIX UNINCORPORATED AREAS



Castro Valley

Eden

Ashland

Cherryland

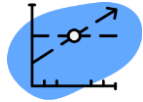
Hayward Acres

San Lorenzo

Fairview



BOUNDARY CHARACTERISTICS



THREE ALTERNATIVES INCLUDE SIX UNINCORPORATED AREAS

Castro Valley

Eden

Ashland

Cherryland

Hayward Acres

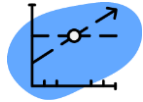
San Lorenzo

Fairview

Item	Castro Valley Only	Castro Valley & Fairview + Eden	Fairview + Eden
Area (sq.mi.)	10.77	19.66	8.89
Population	66,441	151,260	84,819
Jobs	12,647	23,324	10,677
Assessed Value (mill.\$)	\$11,679	\$19,792	\$8,113
Sales Tax	\$4,880,000	\$10,590,000	\$5,710,000

6/26/23

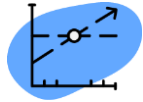
SUMMARY OF FINDINGS



ADDITIONAL MEASURES REQUIRED

- **Feasibility requires additional revenue** (IFA does not assume new taxes)
- **New cities will not receive PTVLF** (Property Tax in lieu of Vehicle License Fees)
- **PTVLF contributes to feasibility**
- **Commercial uses** are important to success

SUMMARY OF FINDINGS (CONT'D)



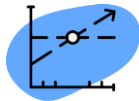
ESTIMATED COSTS AND REVENUES RESULT IN A SHORTFALL

Item	Castro Valley Only	Castro Valley & Fairview+Eden	Fairview+Eden
<u>REVENUES</u>			
Subtotal, Revenues	\$35,908,710	\$77,723,843	\$41,815,133
<u>EXPENDITURES</u>			
Subtotal, Expenditures	\$43,148,163	\$92,457,289	\$54,103,749
NET	(\$7,239,454)	(\$14,733,446)	(\$12,288,616)
VLF if Transferred (1)	<u>\$7,020,786</u>	<u>\$15,719,777</u>	<u>\$8,698,991</u>
NET with VLF Transfer	(\$218,668)	\$986,332	(\$3,589,625)

(1) Estimated Property Tax in lieu of Vehicle License Fees if transferred from County as part of property tax exchange (requires legislation).

6/25/23

SUMMARY OF FINDINGS (CONT'D)



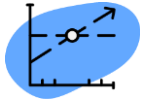
Potential Impacts on the County (before PTVLF)

Item	Castro Valley Only	Castro Valley & Eden/Fairview	Only Eden/Fairview
Revenue Reductions			
Property Tax	\$15,077,231	\$33,758,429	\$18,681,198
Sales and Use Tax	4,881,101	10,588,703	5,707,603
Transient Occupancy Tax	537,010	627,417	90,407
Utility Users Tax	4,491,457	10,056,524	5,565,067
Business License Tax	1,645,262	3,683,797	2,038,535
Other Revenues (1)	<u>7,439,358</u>	<u>14,895,217</u>	<u>7,455,858</u>
Total Revenue Reductions	\$34,071,419	\$73,610,087	\$39,538,668
Net Expenditure Reductions (1)	\$30,629,812	\$68,581,183	\$37,951,371
Net Gain (or loss) to County General Fund	(\$3,441,607)	(\$5,028,904)	(\$1,587,296)

(1) Net of Charges for Services.

6/26/23

NEXT STEPS



ADDITIONAL MEASURES REQUIRED

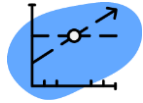
- **Legislation** to address State funding to new cities
- **IFA Update**
- **Community Outreach**
- **Application to LAFCO**
- **LAFCO Review of Application**
- **Election** (if determined feasible by LAFCO)

QUESTIONS?

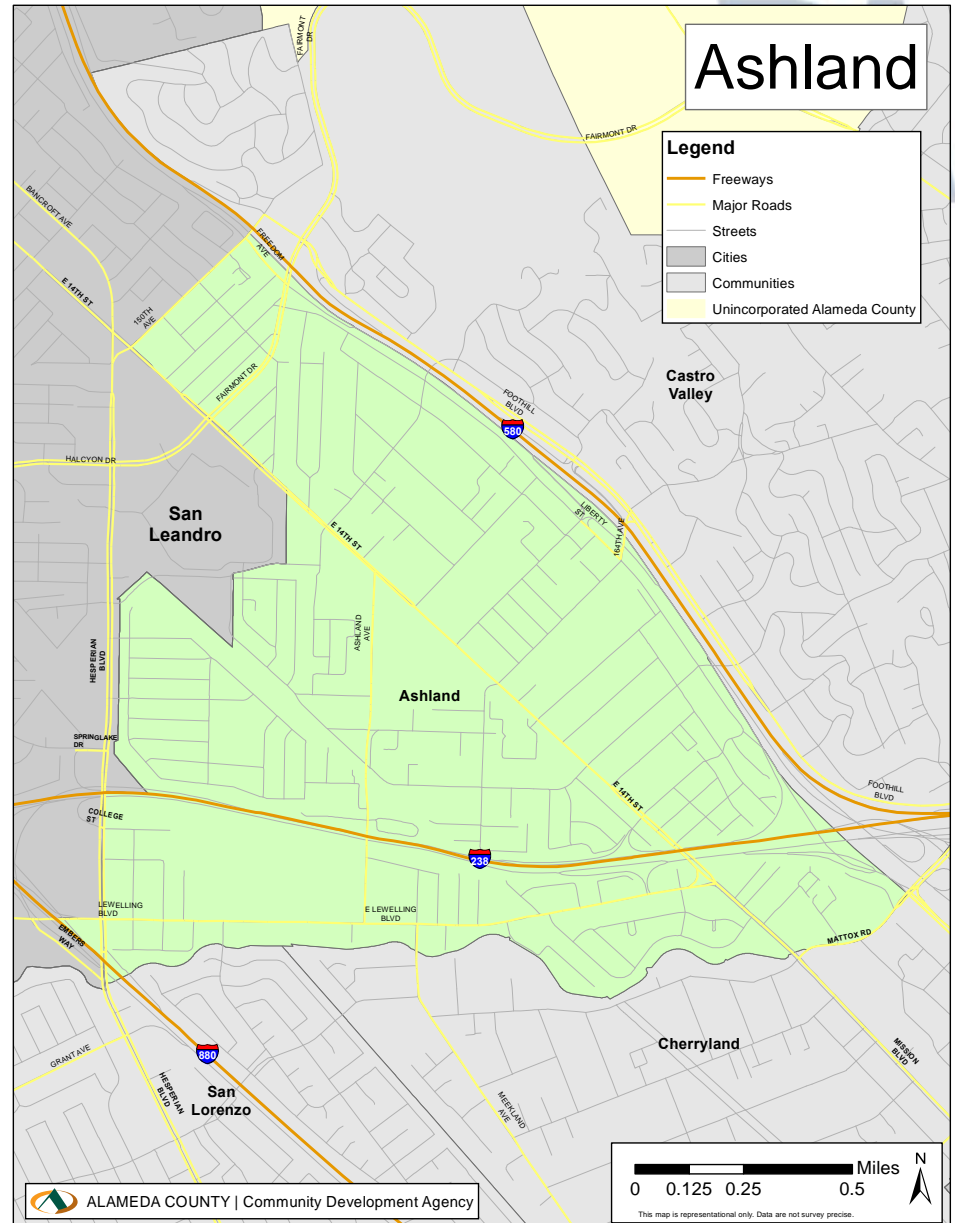




COMMUNITIES



ASHLAND



Cherryland

Legend

- Freeways
- Major Roads
- Streets
- Cities
- Communities

Cherryland

Ashland

Castro Valley

San Lorenzo

Hayward Acres

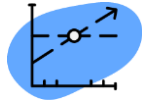
Hayward

Scale: 0 0.125 0.25 0.5 Miles

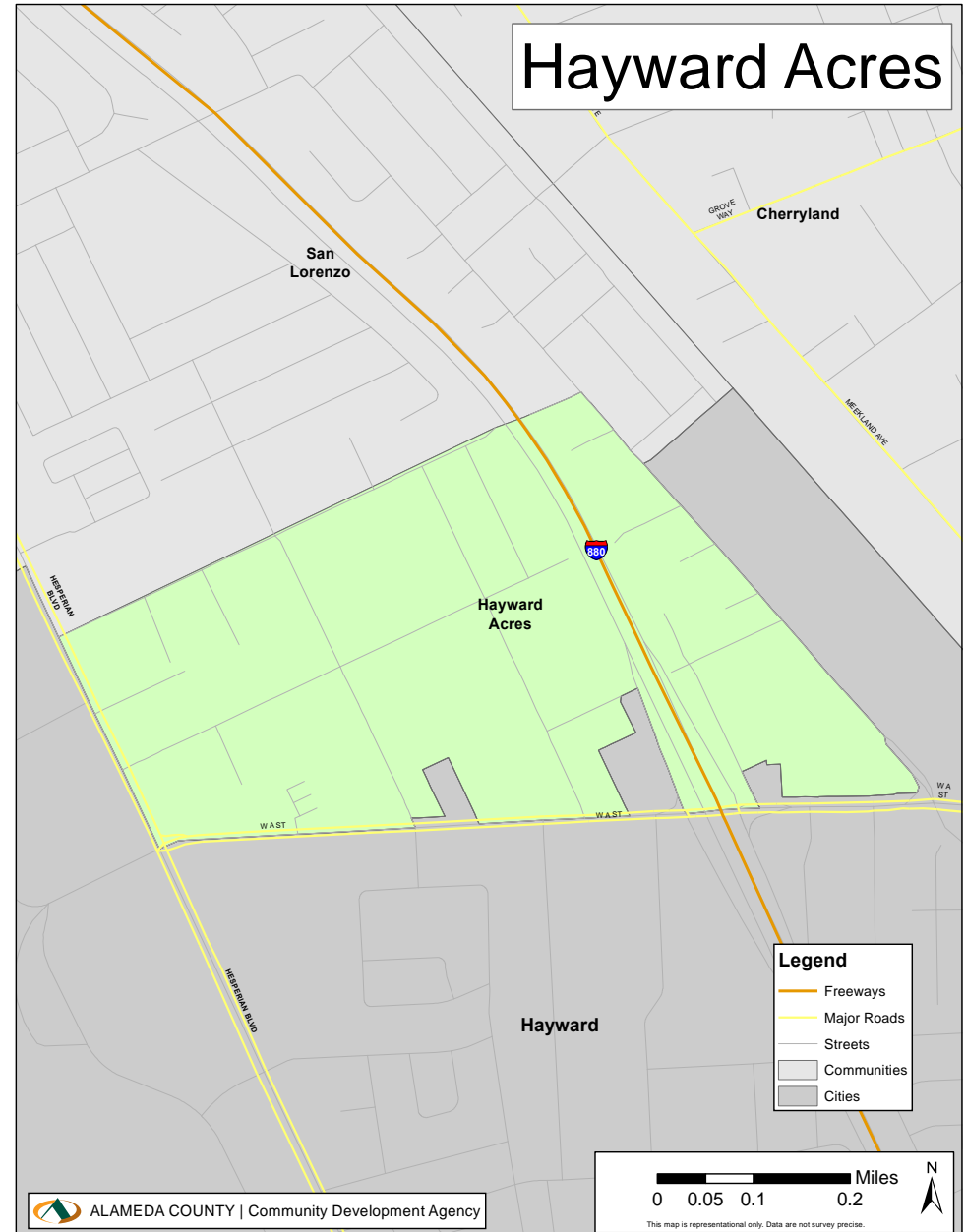
ALAMEDA COUNTY | Community Development Agency

This map is representational only. Data are not survey precise.

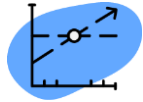
COMMUNITIES



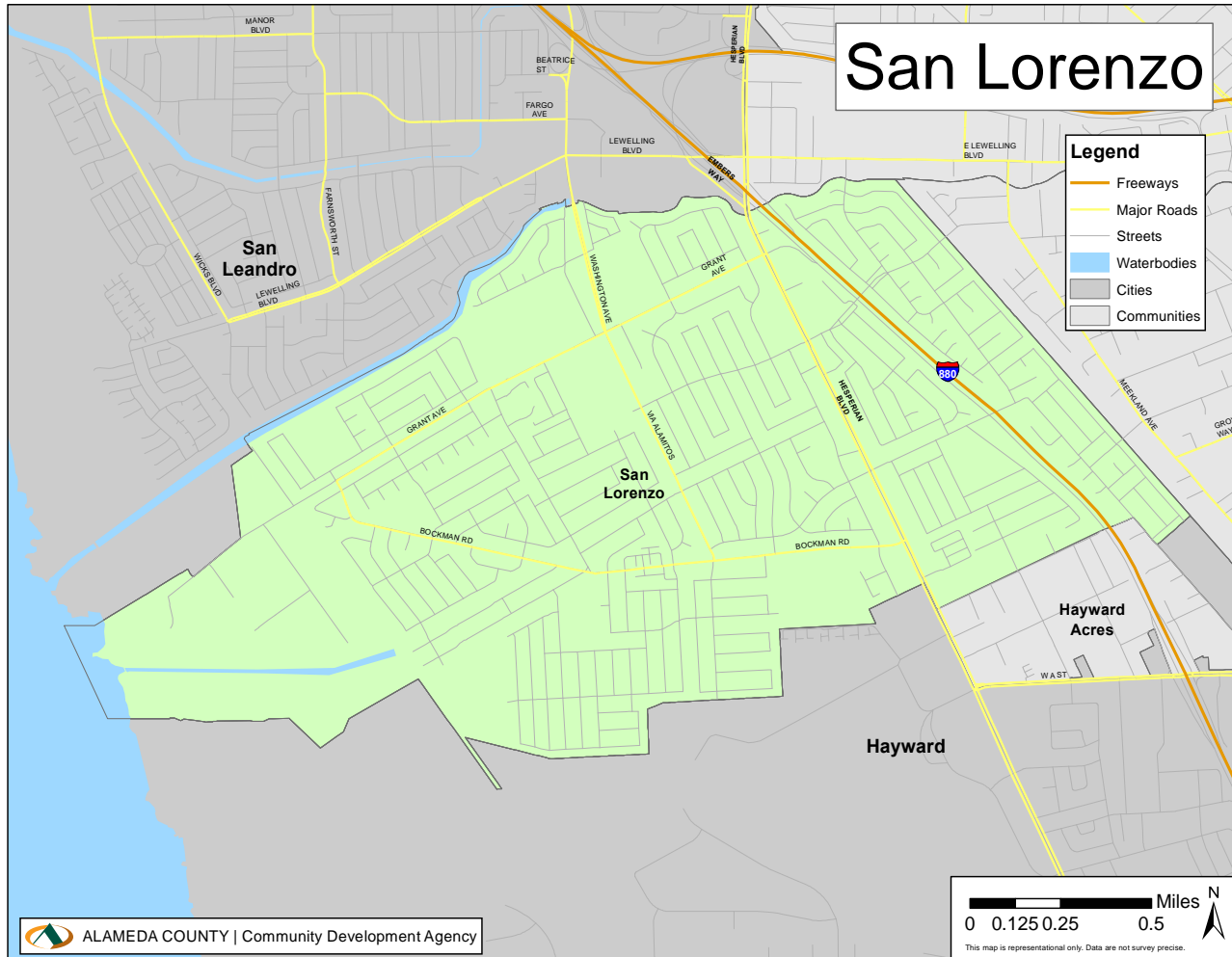
HAYWARD ACRES



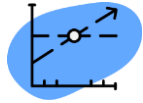
COMMUNITIES



SAN LORENZO



COMMUNITIES



FAIRVIEW

