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San Francisco Metropolitics Part II

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Figure 24: Part I Crimes per 100,000 Persons by Municipality, 1995

Crimes per 100,000 Pop.
Regional Value: 5,620

- 841 to 2,330 (13)
- 2,450 to 3,620 (25)
- 3,730 to 4,440 (18)
- 4,570 to 5,613 (19)
- 5,620 to 7,270 (12)
- 8,000 or more (10)
- No data (4)

DATA SOURCES:
1995 Part I Crimes: State of California,
Criminal Justice Statistics Center,
Criminal Justice Profile, 1995.
Sacramento, California.
1995 Population Estimates: State of CA, Dept. of Finance,
*City and County Summary Report of January
Population and Housing, Report 96E-5.*
Sacramento, California, May 1996.

Note: Part I crimes, as defined by the FBI, include willful homicide, forcible rape, robbery, aggravated assault, burglary, motor vehicle theft, larceny-theft, and arson.

Note: Municipalities with "No data" either had no crime data or had no population estimates available.

LAH - Los Altos Hills
MV - Mountain View
RC - Redwood City
SSF - S. San Francisco

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Research Corporation

0   10   20
Miles

Pacific Ocean

San Francisco Bay

SONOMA

NAPA

SOLANO

MARIN

CONTRA COSTA

ALAMEDA

SAN MATEO

SANTA CLARA

Figure 25: Percentage Change in Part I Crimes per Capita by Municipality, 1985-1995

Percentage Change

Regional Average: -13.2%

■	-52.3 to -34.0%	(13)
■	-31.5 to -21.0%	(22)
■	-20.0 to -13.3%	(13)
■	-13.2 to -1.1%	(17)
■	0.6 to 7.3%	(10)
■	9.0% or more	(18)
■	No data	(8)

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DATA SOURCES:
1985 & 1995 Part I Crimes: State of California,
Criminal Justice Statistics Center, Sacramento, California,
Criminal Justice Profile, 1985 (1995).
1985 & 1995 Pop. Estimates: State of CA, Dept. of Finance,
*Population Estimates of California Cities & Counties, Jan. 1,
1981 to Jan. 1, 1990, Report 90E-4. City & County Summary
Report of January Population & Housing, Report 96E-5.*
Sacramento, California.

Note: Part I crimes, as defined by the FBI, include willful
homicide, forcible rape, robbery, aggravated assault,
burglary, motor vehicle theft, larceny-theft, and arson.

Note: Municipalities with "No data" either had no crime data
or no population estimates available for either or both years.

LAH - Los Altos Hills
MV - Mountain View
RC - Redwood City
SSF - S. San Francisco

(114.7 percent) and Pacifica, which went from 204 to 585 violent crimes per 100,000 persons (186.8 percent).

Within the central cities of, San Francisco, Oakland, and San Jose themselves, the crime rates in 1995 were highest in the downtown neighborhoods along the bay of both San Francisco and Oakland (Figures 26 and 27).[67] The central city police jurisdictions with the five highest rates of Part I crimes and the five highest rates of violent crimes were all located in San Francisco. District B in San Francisco led all neighborhoods of the three cities by a wide margin, recording rates of 53,534 Part I and 7,040 violent crime rates per 100,000 population. Districts B.1, E, and C in San Francisco had the next highest crime rates, all with Part I rates above 10,000 per 100,000 population and violent crime rates above 2,000 per 100,000 population in 1995. Other city neighborhoods that had high 1995 crime rates tended to correspond to those census tracts which had high poverty rates. Those neighborhoods included District A in San Francisco (11,857 Part I/ 1,284 violent), District D in San Francisco (9,266 Part I/ 2,025 violent), and Area 1 in Oakland (9,924 Part I/ 1,622 violent). The lowest crime rates of the three cities could be found in the southwest hills of San Jose, particularly in District Y (1,798 Part I/ 479 violent), District A (1,733 Part I/ 414 violent), and District T (1,633 Part I/ 414 violent).

G.   Infrastructure

Pundits say regionalism is impossible in America. But in terms of transportation spending, regionalism has been going on for at least twenty years. Money for highways comes from federal, state, and local coffers. Everyone contributes through their taxes and, theoretically, everyone shares this highway money in the form of highway improvements. But where is the money actually spent? In many regions, a majority of transportation dollars go to outer-ring developing communities, as they build new infrastructure to lure homebuilders and industries. This continual increase in highway capacity intensifies the mismatch between the location of jobs and workers, and exacerbates the overall socioeconomic polarization occurring between central and growing outer communities.[68] In many regions, homeowners who choose to buy in communities developing on the fringes of urbanized areas sometimes have very long commutes to their places of work in the city or in other growing suburbs, increasing the strain on the transportation system.

Meanwhile, for many people the opposite problem holds true: their place of work moves to the suburbs, but the community's restrictions on affordable housing development prevents them from moving there too. The urban planner Robert Cervero at Berkeley has shown that upwards of forty percent of the automobiles that clog highways at rush hour are driven by people who cannot afford to live close to their work.[69] Cervero suggests fair housing, including barrier

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[67]   Oakland City crime figures from the Oakland Police Department, Crime Analysis Unit, *1995 Year End Statistics*. San Francisco City crime figures from the San Francisco Police Department, *CABLE: Major Offense, 1995*. San Jose City crime figures from the San Jose Police Department, *Demographic Databook 1995*.

[68]   Yale Rabin, "Highways as a Barrier to Equal Access," *Annals of the American Academy of Political Science* (1974). See generally Metropolitan Planning Council of Chicago, "Trouble in the Core."

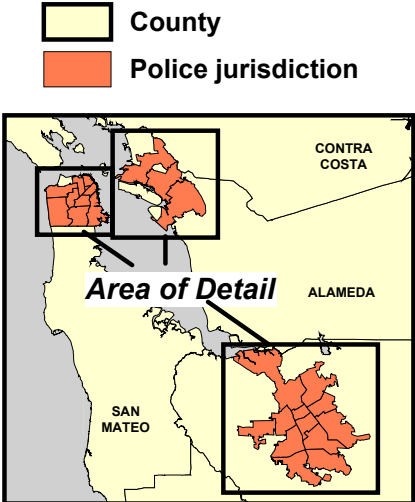[69]   Robert Cervero, "Jobs-Housing Balance and Regional Mobility," *American Planning Association Journal* (Spring 1989).

Figure 26: Part I Crimes per 100,000 Persons by Police Jurisdiction

San Francisco

Dist. A
Dist. E
Dist. B.1
Dist. B
Dist. G
Dist. F
Dist. D
Dist. I
Dist. C
Dist. H

0   2.5

N

Oakland

San Francisco Bay

24

Area 1

Area 2

Area 3

N

0   2.5   5
Miles

880   580

San Jose

0   2.5   5
Miles

N

Dist. R
Dist. W
Dist. M
Dist. S
Dist. K
Dist. L
Dist. N
Dist. P
Dist. T
Dist. X
Dist. A
Dist. Y

Note: Part I crimes, as defined by the FBI, include willful homicide, forcible rape, robbery, aggravated assault, burglary, motor vehicle theft, larceny-theft, and arson. Rape and arson were excluded here, due to data availability.
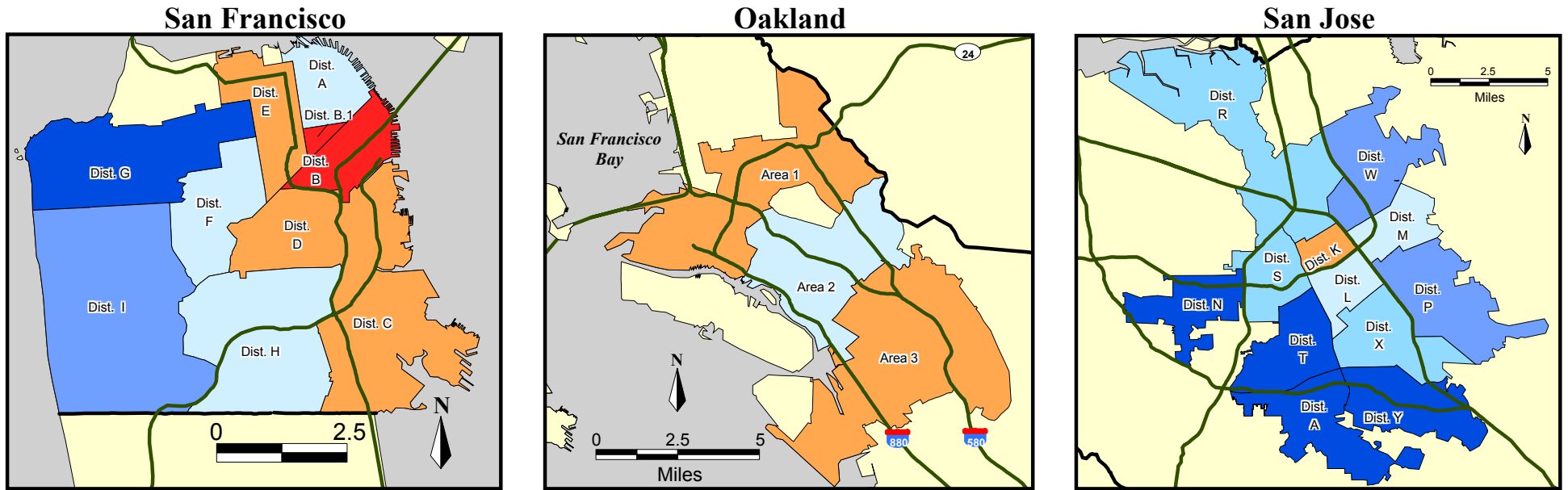
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Crimes per 100,000 Pop.
Regional Average: 7,570

■	1,633 to 1,983 (4)
■	2,222 to 2,692 (5)
■	3,856 to 4,577 (6)
■	5,867 to 7,570 (3)
■	9,266 to 12,922 (5)
■	17,157 or more (2)

County
Police jurisdiction

CONTRA COSTA

Area of Detail

ALAMEDA

SAN MATEO
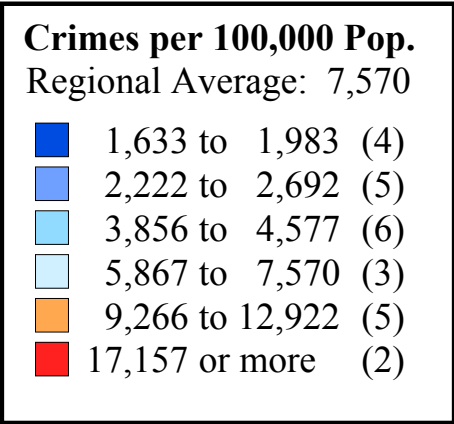
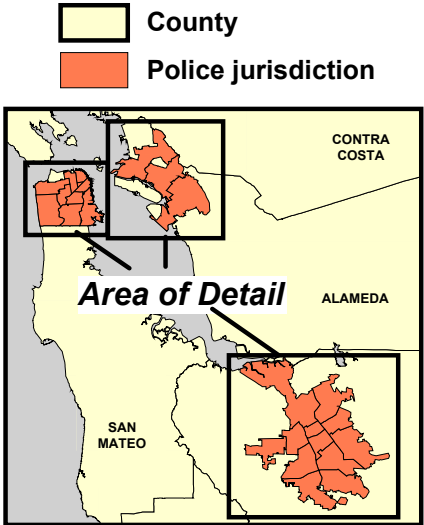# Figure 27: Violent Crimes per 100,000 Persons by Police Jurisdiction

San Francisco

Dist. A
Dist. E
Dist. B.1
Dist. G
Dist. B
Dist. F
Dist. D
Dist. I
Dist. C
Dist. H

Oakland

San Francisco Bay

Area 1
Area 2
Area 3

880
580

Miles
0 2.5 5

San Jose

0 2.5 5
Miles

Dist. R
Dist. W
Dist. M
Dist. K
Dist. S
Dist. L
Dist. N
Dist. P
Dist. X
Dist. T
Dist. A
Dist. Y

Crimes per 100,000 Pop.
Regional Value: 1,479

414 to 531	(5)
582 to 598	(3)
721 to 756	(3)
922 to 1,309	(6)
1,479 to 2,489	(6)
5,378 or more	(2)

DATA SOURCES:
1995 Part I Crimes: Oakland Police Department, Crime Analysis Unit, *1995 Year End Statistics;* San Francisco Police Department, *CABLE: Major Offence, 1995;* and San Jose Police Department, *Demographic Databook 1995.*
1990 Population: US Bureau of the Census, *Census of Population and Housing, 1990.*

Note: Violent crimes, as defined by the FBI, include willful homicide, forcible rape, robbery, and aggravated assault. Rape was excluded here, due to data availability.

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Research Corporation

County
Police jurisdiction

CONTRA COSTA

ALAMEDA

SAN MATEO

Area of Detail

removal, as one of the most important ways to reduce freeway congestion.[70] Although the effectiveness of jobs-housing balance in reducing freeway congestion continues to be hotly debated in recent years, a recent study by Cervero found that during the 1980's, in the absence of regional planning, imbalances between jobs and housing became more acute in wealthy cities that had a surplus of jobs.[71]

New highway capacity does not necessarily serve the city in which the highway construction actually occurs. Freeway lane widenings mean increased traffic, pollution, and encroachment of noise on communities. These neighborhoods must choose between soundwalls and noise, both of which lower property values and quality of life. Instead, the areas that actually benefit from increased new capacity are the areas to which traffic is being directed, improving access for commuters both into and out of the community. In addition, most new highway expansion is located near interchanges where traffic congestion tends to be the worst. In looking at new capacity highway spending in the region we identified six key interchanges that serve suburban commuters. The I-880/I-80 interchange was excluded since, because of its central location, it serves commuters from all parts of the region. We then calculated the amount of new capacity spending allocated within a 10 mile radius of each of these interchanges, thus capturing numerous projects that serve a given area.[72]

Between 1980 and 1996, $1.2 billion was spent in six counties (Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara) of the San Francisco Bay Area on federally funded new capacity highway projects (Figure 28). This was money that belonged to every citizen of the region, but where exactly was it spent? Predictably, it flowed south to the growing economies of the San Jose and Silicon Valley area, northwest into the wealthy suburbs of Marin County, and from two directions into the fast developing high tax base areas of eastern Contra Costa and Alameda Counties.

Between 1980 and 1996, over half the new capacity highway spending in the six county area was spent within a 10 mile radius of two interchanges. Thirty-one percent of new capacity spending for the region ($370 million) was spent within a 10 mile radius of the I-80/I-580 interchange in the low tax base city of Richmond, including the construction of a six lane freeway serving Richmond, as was the intent of the project, but also serving the wealthy Marin County suburbs. Twenty-two percent of total spending ($265 million) was allocated within a 10 mile radius of the SR-101/I-880 interchange in San Jose, most of which went toward preliminary work on SR-87, serving commuters travelling the I-880 corridor from the Silicon Valley. The interchange that was allocated the third greatest amount of total spending was the I-580/I-680 interchange in Dublin ($185 million), mostly for the construction of an 8 lane freeway from west

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[70]   Ibid.

[71]   Robert Cervero, "Jobs-Housing Balance Revisited," *American Planning Association Journal* (Autumn 1996).

[72]   Four of the six interchanges were self-contained in that the 10 mile radius of one interchange did not overlap with the 10 mile radius of another. There was some overlap with the I-580/I-680 and the I-880/SR-92 interchanges. These interchanges shared $63 million in 1986-1996 and $41 million in projected spending for 1996-2002. For purposes of this analysis, in both cases we allocated the amounts to the I-580/I-680 interchange.

of Eden Road to west of I-680. Increased capacity around this interchange and around the I-680/SR-242 interchange in Concord ($83 million) greatly improved access to the growing suburbs of eastern Contra Costa County—a combined total of 22.3 percent of the region's federal new capacity highway dollars.

In the 1996 Transportation Improvement Program for the region, $1.8 billion in new highway capacity is programmed to be spent in six counties of the Bay Area for the years 1996-2002 (Figure 29). The majority of this money is earmarked to be distributed within a 10 mile radius of each of three major interchanges, again, primarily serving I-880 Silicon Valley commuters and the fast growing, high tax base communities of eastern Contra Costa County. The area around the SR-101/I-880 interchange, serving the Silicon Valley, is scheduled to receive the largest percentage (26.2 percent) of total regional new capacity spending, or $471 million. Not far behind is the amount programmed to be spent in and around the I-880/SR-92 interchange in Hayward ($404 million) which also serves the Silicon Valley, as well as the growing eastern Contra Costa and Alameda County suburbs. The next greatest amount scheduled to be spent— $349 million around the I-680/SR-242 interchange in Concord—will again primarily improve access to the eastern Contra Costa County suburbs. Also receiving a considerable amount of regional new capacity spending in the next five years is the area around the I-280/I-380 interchange in northern San Mateo County. Improvements around this interchange will increase capacity to south bay communities including the growing area near Half Moon Bay.

The rationale behind this new capacity spending in the region is two-fold. First, an increase in highway capacity is needed in the economic growth areas of the SiliconValley and in the developing high tax base areas east of Oakland. Second, the construction of new highways through areas that are struggling economically would theoretically be beneficial to those areas, primarily by providing easier access for commuters, which in turn would lead to increased development and economic recovery in those areas. The negative aspects of these construction projects are also two-fold. First, the projected $1.8 billion to be spent building new highway capacity in the region in the next five years will come from the taxpayers of the entire San Francisco Bay Area, yet will primarily benefit those people and industries located in the Silicon Valley and in eastern Contra Costa and Alameda Counties, which are already high tax base areas. Second, the building of these large new highways will serve to encourage growth at the fringes of the metropolitan area. This will lead to an increase in urban sprawl and the economic and environmental problems that accompany it.

In addition to the new capacity highway spending discussed here, two major BART extensions in the past decade helped serve the growing eastern Contra County area—the Pittsburg-Bayport extension ($506 million) and the Dublin-Pleasanton extension ($517 million). The new light rail line in Santa Clara County improves access through the Silicon Valley suburbs. Proposed BART extensions include the SFO extension to the San Francisco Airport ($2 billion) and the Warm Springs extension ($540 million) serving the high tax base areas of Irvington and Milpitas.

H.   Sprawl and Land Use

According to the U.S. Census Bureau, a city's urbanized area consists of the central city and its adjacent urban fringe, including all territory settled at the density of at least 1,000 persons

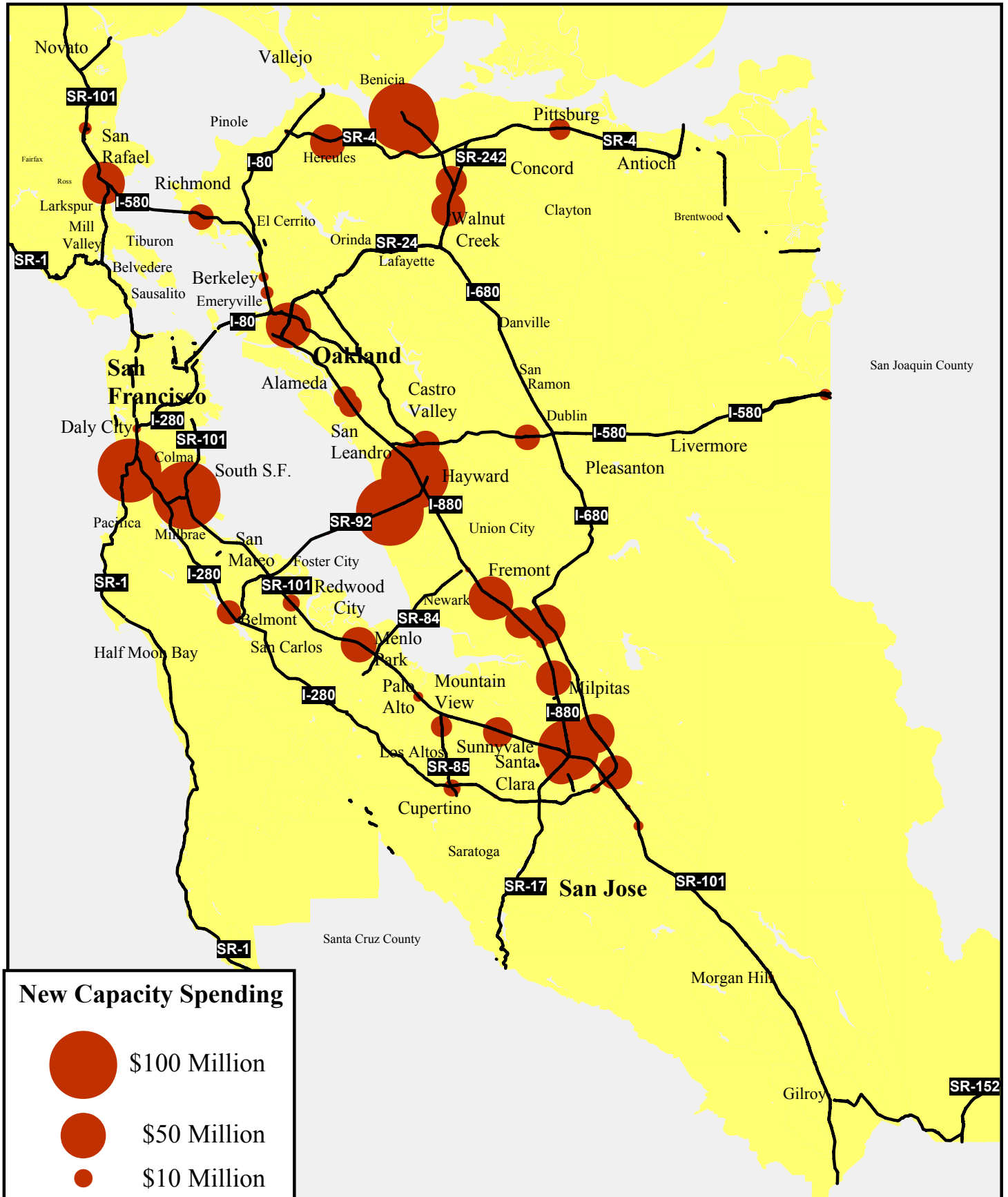# Figure 28: New Capacity Highway Projects in 6 Bay Area Counties, 1980 to 1996

New Capacity Projects
(In Constant 1993 Dollars)

- $100 million
- $50 million
- $10 million
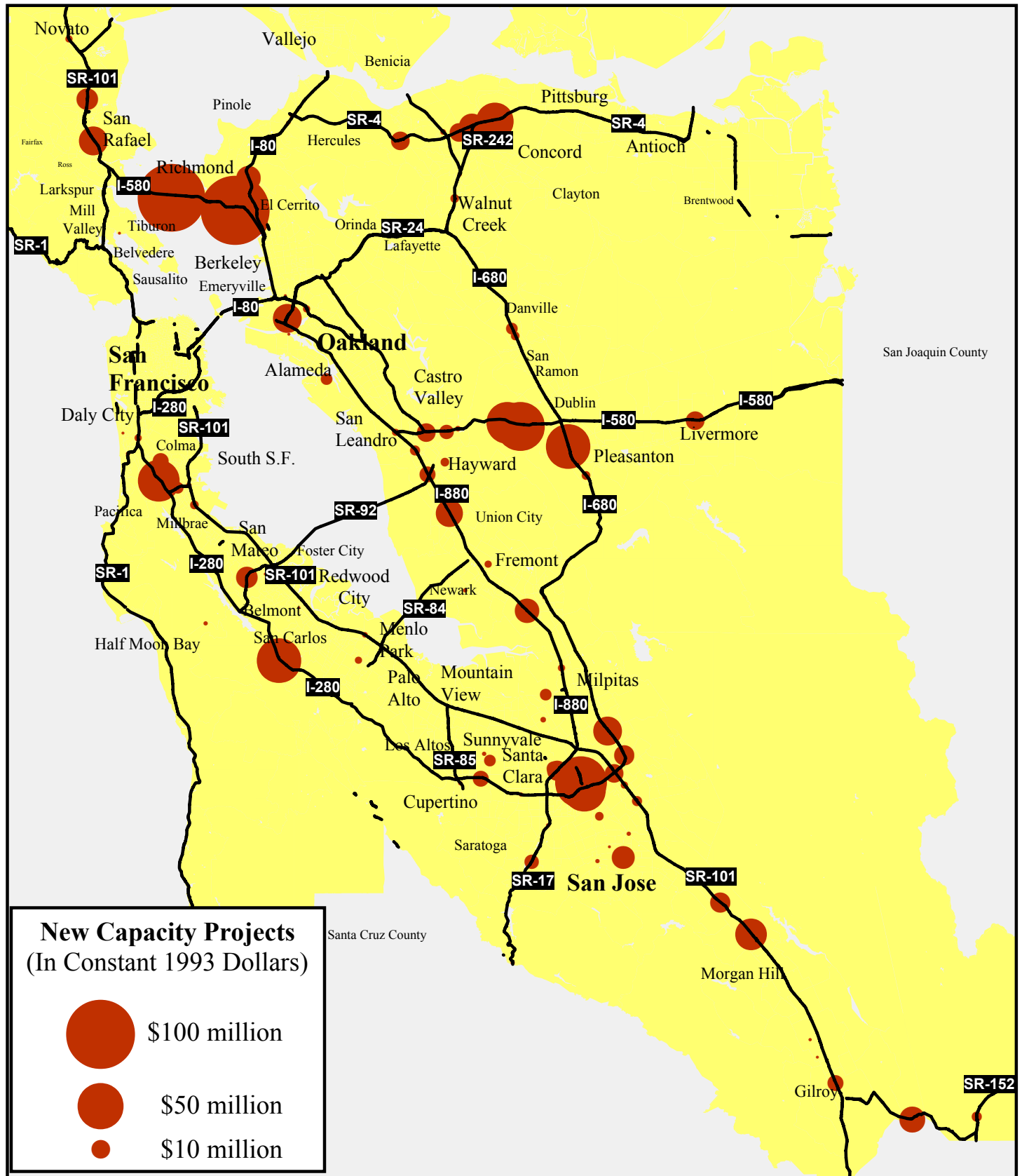
Urban Habitat Program, 1997

Source: Federal Highway Administration

Figure 29: Future New Capacity Highway Projects In 6 Counties of the Bay Area

New Capacity Spending

- $100 Million
- $50 Million
- $10 Million

Urban Habitat Program, 1997

*Source: 1996 Transportation Improvement Program*

per square mile. In the nine-county San Francisco Bay Area there were seven areas designated by the Census Bureau in 1990 as urbanized areas (Figure 30).[73] The largest of these is the San Francisco-Oakland urbanized area, which includes all of the West Bay, the North Bay Area around Vallejo, and most of the East Bay Area (all but the area around Antioch and Pittsburg). The San Jose urbanized area, which covers all of the South Bay Area, is the next largest, followed by the Antioch-Pittsburg urbanized area in northern Contra Costa County, and the Santa Rosa urbanized area in Sonoma County. Smaller isolated urbanized areas appear in and around Fairfield in Solano County and Napa in Napa County. The Vacaville urbanized area was newly designated in 1990. Because no data was available on this area for 1980, the Vacaville urbanized area will not be discussed here.

Between 1980 and 1990, the combined population of all six Bay Area urbanized areas that existed in 1980 increased by 16.6 percent (from 4,786,636 to 5,580,876) and the total land area increased by 12.1 percent (from 1,251 to 1,403 square miles). This means that altogether the urbanized areas of the region became slightly more dense over the decade, going from 3,826 to 3,978 persons per square mile (a 4.0 percent increase in density). In terms of where the actual growth occurred, most of the region's increase in census designated urbanized area occurred in Contra Costa, Alameda, and Solano Counties. In Contra Costa and Alameda Counties the increase was primarily to the east of the cities of Antioch, Walnut Creek, Alamo, Danville, San Ramon, Dublin, and San Leandro, as well as to the north and west of Pittsburg. The region's urbanized area also expanded quite a bit along I-80 starting just north of Hercules, along the west side of Fairfield, and into Vacaville. There was very little increase in urbanized area in the South and West Bay Areas—primarily just south of Pacifica through Half Moon Bay along the coast.

Individually, by 1990 population and land area had increased in each of the six urbanized areas that existed in 1980, but in only one, Antioch-Pittsburg, did land area increase at a greater rate than population. In the San Francisco-Oakland urbanized area population increased by 13.8 percent, while the size of the urbanized area grew by 9.8 percent. This increased the overall population density by 3.6 percent—from 4,008 persons per square mile to 4,152 persons. The San Jose urbanized area increased its population density at an even greater rate. With a 15.4 percent increase in population and a 3.7 percent increase in land area, this area went from 3,816 persons per square mile to 4,241 persons, an 11.1 percent increase in population density. Even in the smaller communities of the North Bay, population densities increased. The populations of both the Santa Rosa and Fairfield urbanized areas increased by nearly half of their previous populations, 42.0 percent and 44.3 percent respectively. The land areas of these two areas, however, increased by considerably less than their populations, 28.8 percent and 28.1 percent respectively. This increased the overall population density of Santa Rosa by 9.87 percent and that of Fairfield by 13.5 percent—the greatest population density increase in the region. The small, urbanized area of Napa increased its population by 14.8 percent and its land area by 10.5 percent, a population density increase of 3.86 percent.

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[73]   Population and land area data from the "1990 Census of Population and Housing Supplementary Reports Urbanized Areas of the United States and Puerto Rico" (December 1993), and the "1980 Census of Population Supplementary Report PC80-S1-14, Population and Land Area of Urbanized Areas for the United States and Puerto Rico: 1970 and 1980" (December 1984).

Figure 30: Change in Urbanized Area, 1980-1990
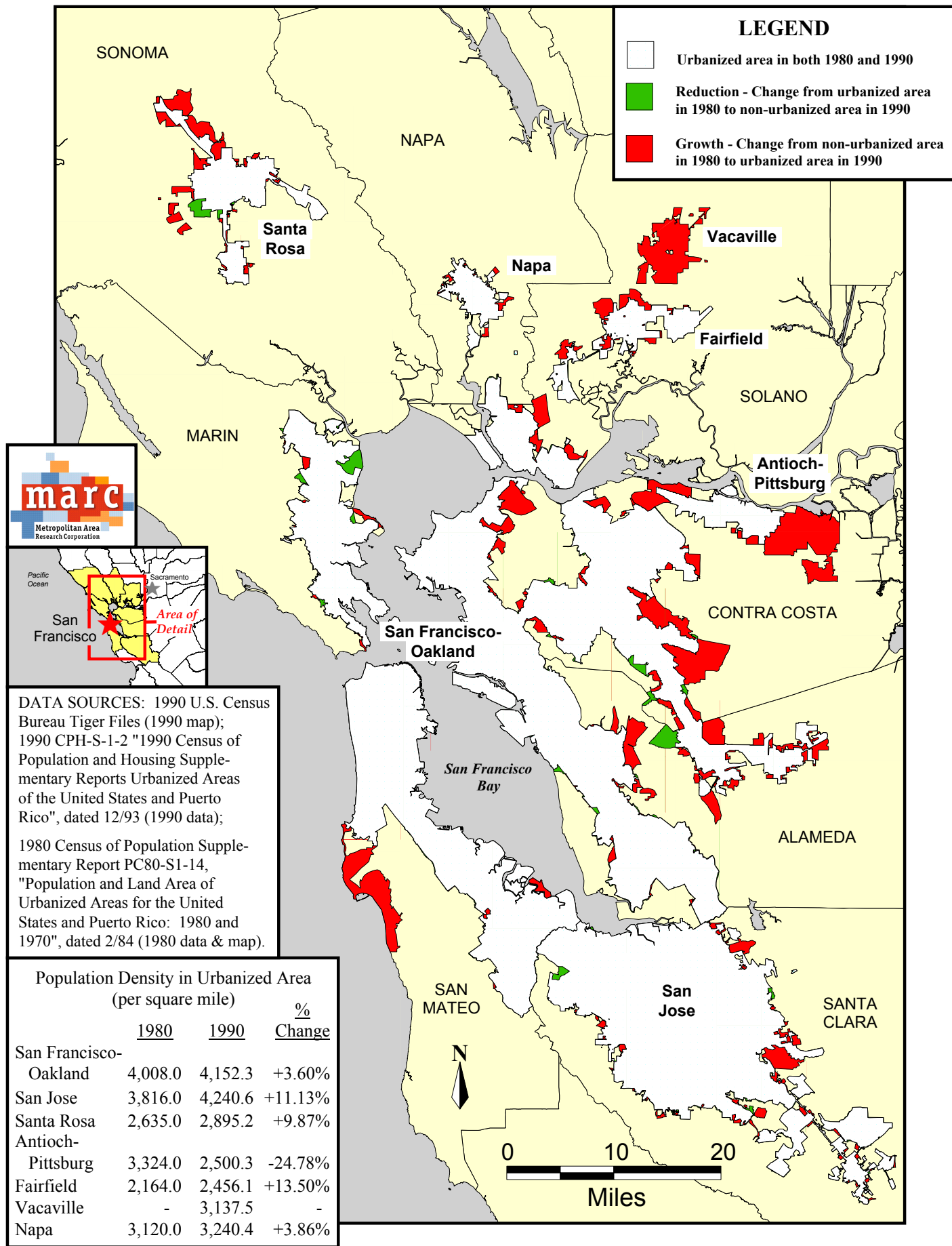
LEGEND

- Urbanized area in both 1980 and 1990
- Reduction - Change from urbanized area in 1980 to non-urbanized area in 1990
- Growth - Change from non-urbanized area in 1980 to urbanized area in 1990

SONOMA

NAPA

Santa Rosa

Vacaville

Napa

Fairfield

SOLANO

MARIN

Antioch-Pittsburg

CONTRA COSTA

San Francisco-Oakland

San Francisco Bay

ALAMEDA

SAN MATEO

San Jose

SANTA CLARA

N

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Metropolitan Area
Research Corporation

Pacific Ocean

Sacramento

San Francisco

Area of Detail

DATA SOURCES: 1990 U.S. Census Bureau Tiger Files (1990 map); 1990 CPH-S-1-2 "1990 Census of Population and Housing Supplementary Reports Urbanized Areas of the United States and Puerto Rico", dated 12/93 (1990 data);

1980 Census of Population Supplementary Report PC80-S1-14, "Population and Land Area of Urbanized Areas for the United States and Puerto Rico: 1980 and 1970", dated 2/84 (1980 data & map).

Population Density in Urbanized Area (per square mile)		
		%
1980	**1990**	**Change**
San Francisco-Oakland 4,008.0	4,152.3	+3.60%
San Jose 3,816.0	4,240.6	+11.13%
Santa Rosa 2,635.0	2,895.2	+9.87%
Antioch-Pittsburg 3,324.0	2,500.3	-24.78%
Fairfield 2,164.0	2,456.1	+13.50%
Vacaville -	3,137.5	-
Napa 3,120.0	3,240.4	+3.86%

0   10   20
Miles

But while these urbanized areas were increasing their population densities, one area was decreasing considerably. Between 1980 and 1990, the population of the Antioch-Pittsburg urbanized area in northern Contra Costa County increased by 78 percent, but its land area increased at nearly twice that rate, by 138.5 percent. This decreased the population density by 24.78 percent—from 3,321 persons per square mile to 2,500 persons per square mile. This was about equal the combined rate of density increase for San Jose and Santa Rosa, the areas that increased the most in density, essentially negating their efforts. Tendencies towards sprawl, such as in the Antioch-Pittsburg area, will likely have negative impacts on the region in the future, such as higher property taxes and increased pollution.

Change in Population Density in Urbanized Areas, 1980-1990

Urbanized Area	1980	1990	Percent Change
ENTIRE REGION (6 Areas Combined)			
Population	4,786,636	5,580,876	16.6
Land Area (sq. miles)	1,251	1,402	12.1
Population Density (persons/sq.mi)	3,826	3,978	4.0
San Francisco-Oakland			
Population	3,190,698	3,629,516	13.8
Land Area (sq. miles)	796	874	9.8
Population Density (persons/sq.mi)	4,008	4,152	3.6
San Jose			
Population	1,243,952	1,435,019	15.4
Land Area (sq. miles)	326	338	3.7
Population Density (persons/sq.mi)	3,816	4,241	11.1
Antioch-Pittsburgh			
Population	86,435	153,768	77.9
Land Area (sq. miles)	26	62	138.5
Population Density (persons/sq.mi)	3,324	2,500	-24.8
Santa Rosa			
Population	137,019	194,560	42.0
Land Area (sq. miles)	52	67	28.8
Population Density (persons/sq.mi)	2,635	2,895	9.9
Fairfield			
Population	69,255	99,964	44.3
Land Area (sq. miles)	32	41	28.1
Population Density (persons/sq.mi)	2,164	2,456	13.5
Napa			
Population	59,277	68,049	14.8
Land Area (sq. miles)	19	21	10.5
Population Density (persons/sq.mi)	3,120	3,240	3.8

I.   Fiscal Disparities

1. Overview

When the property tax and local sales taxes are basic revenue sources for local governments with land-planning powers, fiscal zoning occurs as jurisdictions compete for property wealth and sales tax revenue. Through fiscal zoning, cities deliberately develop predominantly expensive homes and commercial-industrial properties with low social service needs.[74] In such a way, they wall out lower-cost housing and associated social needs and keep

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[74]   D. Winsor, *Fiscal Zoning in Suburban Communities* (1979); B. Rolleston, "Determinants of Restrictive Suburban Zoning: An Empirical Analysis," *Journal of Urban Economics* 21 (1987): 1-21; M. Wasylenko, "Evidence

demands on tax base low. Spreading these controlled needs over a broad, rich property tax base further reduces property tax rates.

The dynamic of fiscal zoning creates three sets of mutually reinforcing relationships. First, the residentially exclusive, established suburbs with low property tax rates continue to attract more and more business, the presence of which continually lowers the overall property tax rate and increases sales tax revenues to the city. Because of low social needs, these cities can provide a few high quality local services.

A second reinforcing relationship involves those cities that have increasing social needs on a declining property tax base. This combination leads to both declining consumer demographics and increased property tax rates, resulting in fewer and less adequate public services. All of these factors are large negatives in terms of business location and retention. Often, central cities and inner, older suburbs spend a great deal on unsuccessful efforts to become more socioeconomically stable, as their property tax base and their sales tax revenues evaporate out from under them.

The third relationship concerns the developing suburbs that lose the battle of fiscal zoning. These are fast-growing suburbs that have not yet attracted business or executive housing and must pay for their schools, police, parks, curbs, and gutters with fewer resources. To keep property tax rates from exploding, they are forced to abandon long-range thinking and frantically build big-box retail centers, shopping malls, and office parks rejected by the wealthier suburbs. As a council member from a northern low tax base Twin Cities suburban community told me, "In order to pay the bills, we build whatever is left. Hell, we'll build anything that moves." These decisions, in the long run, catch up with working- and middle-class suburbs and they become the declining suburbs of tomorrow. Further, in a perhaps futile attempt to remain competitive in terms of property and sales taxes, working- and middle-class, developing communities often suppress local expenditures on public services, particularly on schools.

The increase of property wealth and taxable transactions in some outer and developing suburbs and the stagnancy or decline of property values and retail outlets in the central cities and older, inner suburbs represents an interregional transfer of tax base. As such, the loss of value in older poorer communities is one of the costs of economic polarization and urban sprawl. Federal, state, and local governments spend billions of dollars building infrastructure such as schools, freeways, and sewers which add enormous value to growing parts of the region. To the extent that these public expenditures serve to transfer value, they are wasted. Adding to this dysfunction, the infrastructure of new cities is paid for by taxes and fees levied on the residents and businesses of the older parts of the region.

2. Cities

In this section we first look at state and county assessed property values (property tax base) per household and then at taxable transactions (sales tax base) per household. We do not look at property or sales tax *revenues*, however. We simply present the *base* in order to illustrate

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of Fiscal Differentials and Intrametropolitan Firm Relocation," *Land Economics* 56 (1980): 339-56; Cervero, "Regional Mobility."

the resources from which each city has to draw (under current definitions of "assessed value"), relative to other cities in the region.[75]

a. Property Tax Base per Household

In this section we present tax base per household, or, assessed property values per household, for each city and county unincorporated area in the region. Here, it is important to keep in mind that in California *assessed property value* is not always the same as *current fair market value*. In 1978 California voters approved the property tax limitation initiative, Proposition 13.[76] This initiative constitutionally set property tax rates at one percent of "taxable value" plus the rate necessary to pay off voter-approved indebtedness. At that point, the taxable value on properties became the 1975 purchase price. On properties that have changed ownership since 1978 or have been newly constructed, the taxable value is the value at time of acquisition. In addition, Proposition 13 limited the annual amount by which the taxable value can increase, to adjust for inflation, to the rate set by the California Consumer Price Index, but not to exceed two percent per year. As a result, there can be considerable disparity in the value of two identical properties, simply because the properties were purchased by their current owners in different years. In this study we use state and county assessed values or the "taxable value" of a property. We do not look at fair market value.
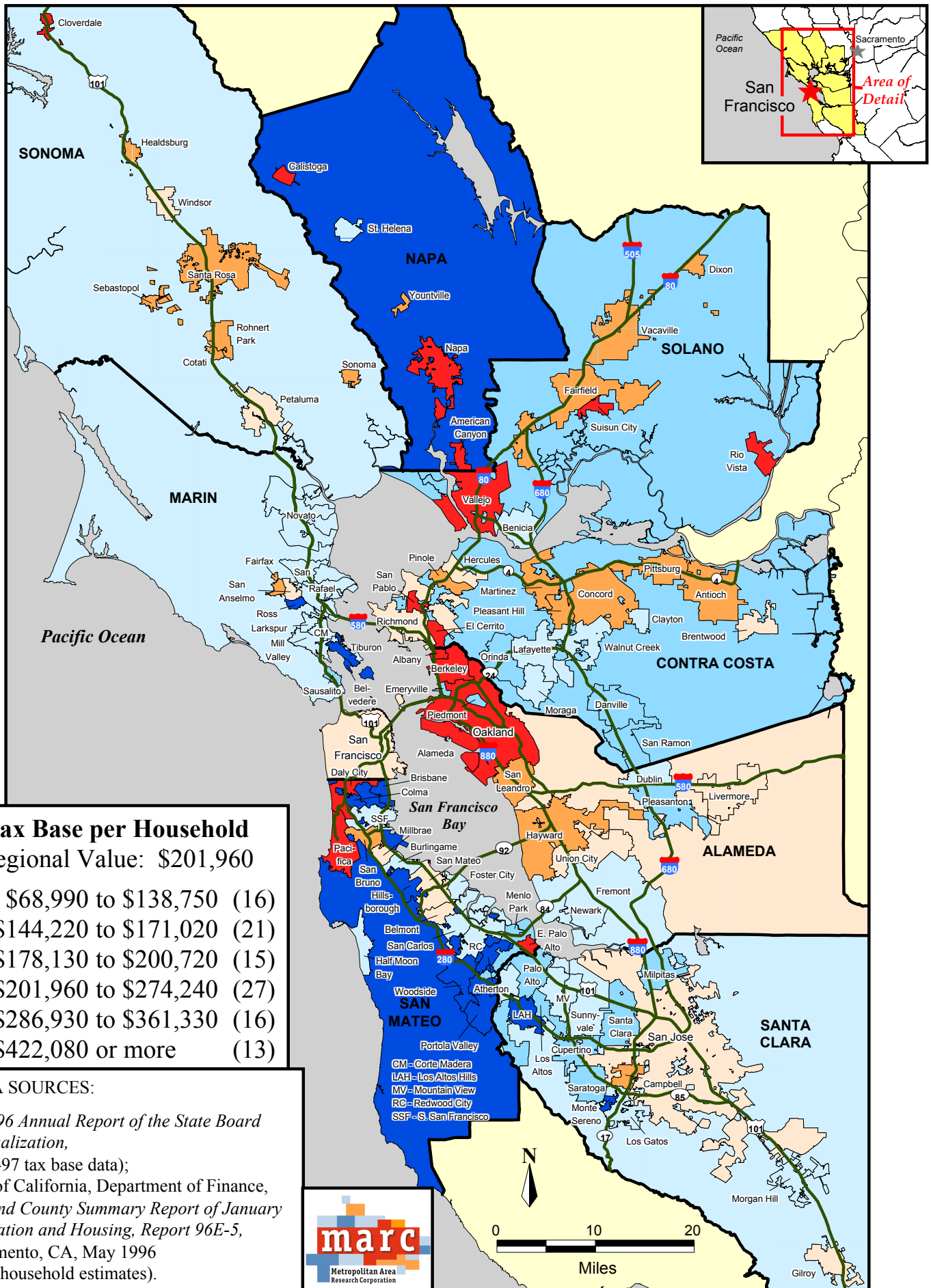
In the San Francisco Bay Area, in the places where social needs are highest, overall property tax base is comparatively low. The overall average tax base per household in 1996 in the Bay Area was $201,960 (Figure 31).[77] The average tax base per household for just the municipalities of the region was $193,009. The city of Oakland was at $118,971, substantially below the regional average. The overall tax base per household in San Francisco and in San Jose was also below the regional average ($178,137 and $184,361 respectively). The low tax base/low social health communities had the lowest tax base per household in the region at $148,338, or about 73 percent of the regional average. Five cities, all low tax base/low social health communities, had lower tax bases per household than Oakland, including Albany ($111,776), Vallejo ($109,464), San Pablo ($87,251). These places face rapidly growing social needs with few tax-base resources. The average tax base per household for low tax base communities was $173,552, 86 percent of the regional average. The high-tax-base communities averaged $267,951

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[75]   Determining actual property and sales tax *revenues* can get very complicated. Actual *revenue* collected is a percentage of the *base* (in California the property tax *rate* is about one percent, the sales tax *rate* is 7.5 percent). In California, property tax *revenue* is collected by the counties, which keep about one-third, give one-third to the school districts, and return the rest to the city in which it was collected (unless, as required by Proposition 4, the amount collected is in excess of a budget limit). Likewise, sales tax *revenue* is collected by the state which keeps about 69%, gives about 17% to the county in which it was collected and about 14% to the city in which it was collected.

[76]   The information in this section on Proposition 13 is from: The California State Board of Equalization, *California Property Tax* (January 1997).

[77]   Property tax base figures were obtained from the Auditor's Offices of Alameda, Contra Costa, Napa, Solano, and Sonoma counties, the Marin County Assessor-Recorder's Office, the San Mateo County Controller's Office, the Santa Clara County Center for Urban Analysis, and the CA State Board of Equalization. We used 1996-97 total assessed property values (including land, improvements, fixtures and equipment, and personal property) prior to the homeowner's exemption.

Figure 31: Property Tax Base per Household, 1996 for Municipalities & County Unincorporated Areas

Tax Base per Household
Regional Value: $201,960

🟥	$68,990 to $138,750 (16)
🟧	$144,220 to $171,020 (21)
⬜	$178,130 to $200,720 (15)
⬜	$201,960 to $274,240 (27)
🟦	$286,930 to $361,330 (16)
🟦	$422,080 or more (13)

CM = Corte Madera
LAH = Los Altos Hills
MV = Mountain View
RC = Redwood City
SSF = S. San Francisco

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in tax base per household, 167 percent of the regional average. Here, places like Milpitas ($337,075), Palo Alto ($335,182), and Danville (321,685) had property tax bases per household above $300,000, and very few, if any, poor and needy residents. Eight cities actually had average tax bases per household over $500,000 per household, including Los Altos Hills ($587,891), Hillsborough ($697,406), and Woodside (709,378). Interestingly, the city with the highest tax base per household in the region and the city with the lowest in the region nearly border each other, Atherton ($743,173) and East Palo Alto ($68,990).

Property Tax Base per Household, 1996

Region	All Municipalities	San Francisco	Oakland	San Jose	LTB/LSH Suburbs	LTB Suburbs	HTB Suburbs
$201,960	$193,009	$178,137	$118,971	$184,361	$148,338	$173,552	$267,951

The San Francisco Bay Area experienced a 13.8 percent increase in overall tax base per household between 1986 to 1996, from $177,525 in 1986 (in 1996 dollars) to $201,960 in 1996 (Figure 32). The tax base per household for the municipalities only increased by 15.8 percent, from $166,609 to $193,009. The tax base per household increase experienced by the three central cities was well below the regional average. The city of Oakland saw an increase in tax base per household of 13.4 percent—from $104,875 to $118,971. The city of San Francisco increased by 10.7 percent—from $160,923 to $178,137—and San Jose by just 8.9 percent—from $169,298 to $184,361. The low tax base/low social health communities as a group increased their tax base per household by 17.6 percent—from $126,085 to $148,338—and the low tax base group by 15.1 percent—from $150,723 to $173,552. The high tax base cities increased their tax base per household by 18.5 percent—from $226,146 to $267,951. However, many cities had very small increases in their tax base, including nine that had smaller tax base increases than San Jose, such as Concord, which went from $149,620 to $153,249 (2.4 percent) and Richmond, which went from $181,448 to $190,329 (4.9 percent).

Change in Property Tax Base per Household, 1986-1996

Region	All Municipalities	San Francisco	Oakland	San Jose	LTB/LSH Suburbs	LTB Suburbs	HTB Suburbs
13.8	15.8	10.7	13.4	8.9	17.6	15.1	18.5

b. Sales Tax Base per Household

In terms of sales tax base, the overall average amount of taxable transactions per household in 1996 in the Bay Area was $35,390 (Figure 33).[78] Both the cities of Oakland and San

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[78] Taxable transaction figures were obtained from: The California State Board of Equalization, *Taxable Sales in California (Sales & Use Tax) During 1986 Twenty-sixth Annual Report,* and *Taxable Sales in California (Sales & Use Tax) During 1986 Twenty-sixth Annual Report,* Tables 2,5,6 (1986 & 1996 taxable transactions data). Households estimates were from: The State of California, Department of Finance, *City and County Summary Report of January Populations and Housing, Report 96E-5,* Sacramento, CA, May 1996 (1996 population estimates); 1980 Census of Population and Housing Summary Tape File 3A (1980 households).

Figure 32: Percentage Change in Property Tax Base per Household, 1986-1996 for Municipalities & County Unincorporated Areas (adjusted by CPI)

Note: American Canyon and Windsor were not incorporated until 1993.

Note: 1986 dollars were adjusted upwards by a factor of 1.4471 to convert to 1996 dollars. 1986 CPI=109.6; 1996 CPI=158.6 (Base: 1982-84 CPI=100)

Percentage Change
Regional Value: 13.8%

■ (red)	-12.7 to 0.0%	(9)
■ (orange)	1.4 to 13.6%	(20)
■ (light blue)	13.8 to 21.4%	(22)
■ (blue)	22.5 to 30.7%	(25)
■ (medium blue)	32.0 to 45.2%	(22)
■ (dark blue)	54.5% or more	(8)
■ (gray)	No data	(2)

DATA SOURCES:
1985-86 Annual Report of the State Board of Equalization,
(1986-87 tax base data);
1995-96 Annual Report of the State Board of Equalization,
(1996-97 tax base data);
State of California, Department of Finance, *City and County Summary Report of January Population and Housing, Report 96E-5,* Sacramento, CA, May 1996 (1996 household estimates); 1980 Census of Population and Housing Summary Tape File 3A (1980 household and group quarters data); Metropolitan Area Program (1986 household estimates).

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MV - Mountain View
RC - Redwood City
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Figure 33: 1996 Taxable Transactions per Household by Municipality & County Unincorporated Area
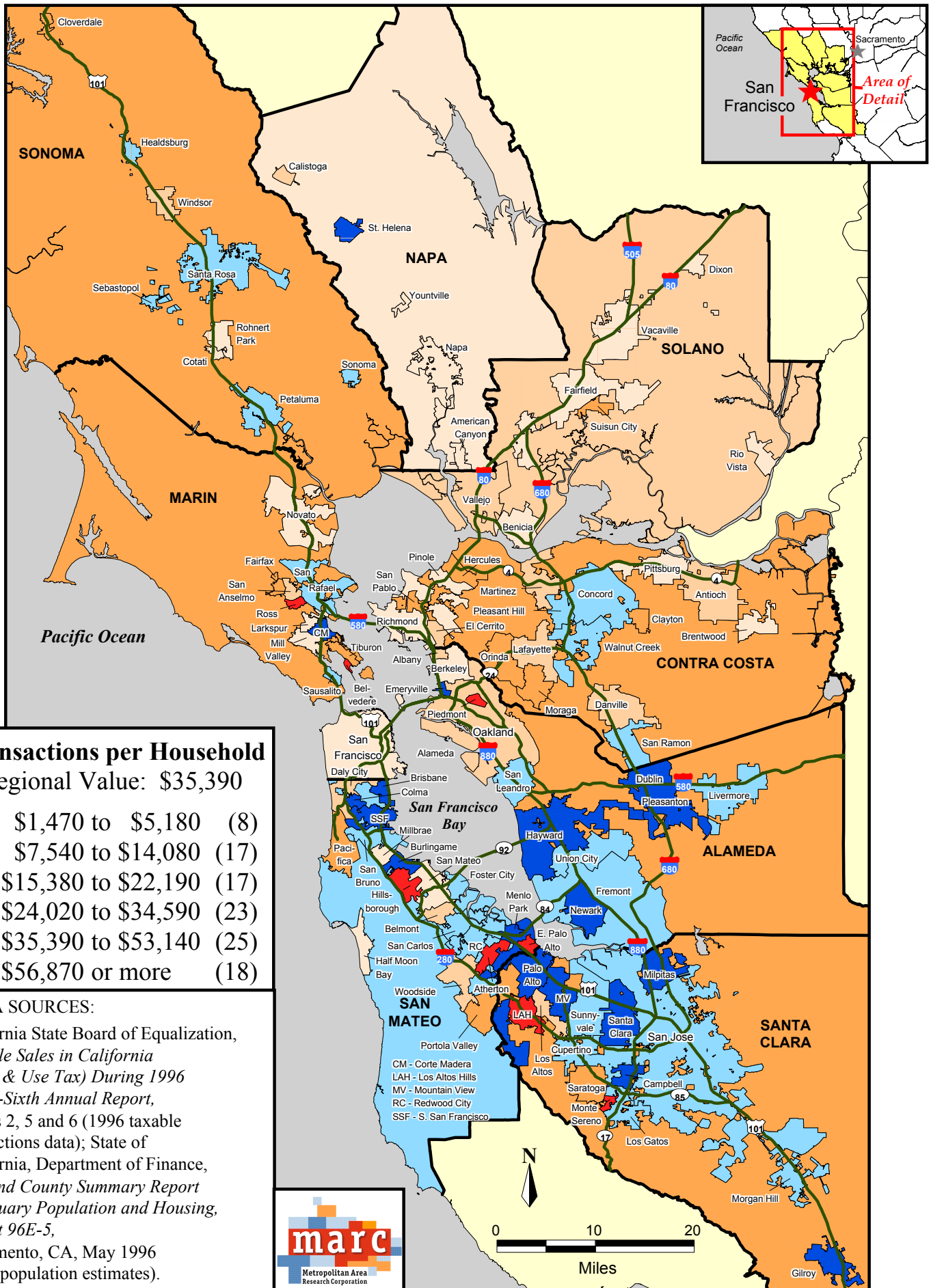
Transactions per Household
Regional Value: $35,390

🟥	$1,470 to $5,180	(8)
🟧	$7,540 to $14,080	(17)
🟧	$15,380 to $22,190	(17)
⬜	$24,020 to $34,590	(23)
🟦	$35,390 to $53,140	(25)
🟦	$56,870 or more	(18)

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Francisco had taxable transactions per household below the regional average ($20,910 and $33,531 respectively). Taxable transactions per household in San Jose was just above the regional average ($38,278). Taxable transactions per household in the two low tax base subregions were below the regional average and about the same: $32,261 in the low tax base cities and $32,075 in the low tax base/low social health cities. On the other hand, taxable transactions per household were well above the regional average in the high tax base communities ($50,884). Besides East Palo Alto, which had taxable transactions per household of $4,534, the eight jurisdictions with the lowest sales tax base per household were all very wealthy, exclusive communities of less than 4,000 people. Larger jurisdictions with a very small sales tax base included Suisun City ($8,393), Pacifica ($7,634), and the unincorporated parts of Santa Clara, Marin, Contra Costa, Sonoma, and Alameda Counties (ranging from $8,282 in Santa Clara to $13,515 in Alameda). The largest sales tax bases per household were found in places like Palo Alto ($71,086), Pleasanton ($71,086), Milpitas ($77,002), and Santa Clara ($99,142).

Sales Tax Base per Household, 1996

Region	All Municipalities	San Francisco	Oakland	San Jose	LTB/LSH Suburbs	LTB Suburbs	HTB Suburbs
$35,390	$37,993	$33,531	$20,910	$38,278	$32,075	$32,261	$50,884

The San Francisco Bay Area experienced a 3 percent increase in overall taxable transactions per household between 1986 to 1996, from $34,361 in 1986 (in 1996 dollars) to $35,390 in 1996 (Figure 34). The city of Oakland declined considerably in its amount of taxable transactions per household (by 20.4 percent)—from $26,262 to $20,910—while San Francisco remained relatively stagnant and San Jose increased substantially. San Francisco went from $33,029 to $33,531 (a 1.5 percent increase) and San Jose went from $33,552 to $38,278 (a 14.1 percent increase) in taxable transactions during this period. Both of the low tax base subregions declined in taxable transactions per household. The low tax base cities went from $33,347 to $32,261 (-3.3 percent) and the low tax base/low social health cities went from $34,425 to $32,075 (-6.8 percent). The high tax base cites increased by 11.4 percent (from $45,668 to $50,884). Jurisdictions that experienced the greatest decrease in taxable transactions per household included Daly City, which went from $31,907 in 1986 to $22,181 in 1996 (-30.5 percent); Albany, which went from $25,078 to $15,386 (-38.6 percent); and San Pablo, which went from $24,793 to $14,074 (-43.2 percent). Jurisdictions that saw the greatest increases in taxable transactions included, Pleasanton, which went from $46,214 in 1986 to $72,086 in 1996 (56 percent); Milpitas, which went from $46,977 to $77,002 (63.9 percent); and Livermore, which went from $20,859 to $39,923 (91.4 percent).

Change in Sales Tax Base per Household, 1986-1996

Region	All Municipalities	San Francisco	Oakland	San Jose	LTB/LSH Suburbs	LTB Suburbs	HTB Suburbs
3.0	1.5	1.5	-20.4	14.1	-6.8	-3.3	11.4

3. School Districts

There was nearly a four-to-one disparity in annual spending per student in the San Francisco Bay Area in school year 1995-96, where the regional average was $4,656 per student

Figure 34: Percentage Change in Taxable Transactions per Household by Municipality & County Unincorporated Area 1986-1996 (adjusted by CPI)

Note: American Canyon and Windsor were not incorporated until 1993.

Note: 1986 dollars were adjusted upwards by a factor of 1.4471 to convert to 1996 dollars. 1986 CPI=109.6; 1996 CPI=158.6 (Base: 1982-84 CPI=100)
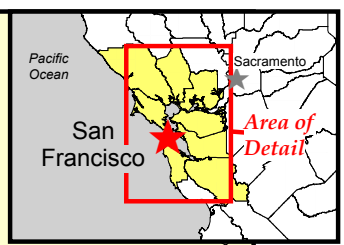
Percentage Change
Regional Value: 3.0%

■	-58.1	to -33.5%	(5)
■	-30.5	to -22.2%	(13)
■	-20.6	to -12.0%	(18)
■	-10.0	to 1.8%	(28)
■	3.0	to 35.3%	(27)
■	44.3% or more		(15)
■	No data		(2)

DATA SOURCES:

California State Board of Equalization, *Taxable Sales in California (Sales & Use Tax) During 1986 Twenty-Sixth Annual Report,* and *Taxable Sales in California (Sales & Use Tax) During 1996 Thirty-Sixth Annual Report,* Tables 2, 5 and 6 (1986 & 1996 taxable transactions data); State of California, Department of Finance, *City and County Summary Report of January Population and Housing, Report 96E-5,* Sacramento, CA, May 1996 (1996 population estimates); 1980 Census of Population and Housing Summary Tape File 3A (1980 households).

CM - Corte Madera
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(Figure 35).[79] Interestingly enough, the central cities were not among the lowest spenders. Overall, Oakland unified spent $5,502 per student in school year 1995-96, the nineteenth highest of all districts in the region and the sixth highest unified district. San Jose unified ($5,279) and San Francisco unified ($5,237) spent just slightly less than Oakland. Central cities often spend a relatively high amount on education due to the fact that these school districts commonly have more money-intensive special education programs—for children with unique challenges such as learning disabilities, physical disabilities, behavioral problems, or not speaking English as a first language.[80]

The districts that spent the least per student were mostly located in outlying areas—particularly around Santa Rosa—and in older, inner suburban areas. The lowest spender of all districts was Waugh elementary school district, which spent $3,464 per student. Other low-spending elementary districts included, San Carlos elementary ($3,821), Cambrian elementary ($3,862), Piner-Olivet Union elementary ($3,894), and Laguna Salada elementary ($3,923). The lowest spending unified districts were South San Francisco unified ($4,196), Fairfield-Suisun unified ($4,180), Cotati-Rohnert Park unified ($4,175), and San Ramon Valley unified and Sonoma Valley unified (both $4,160). More than 66 percent of all elementary-only districts in the region spent more per pupil than did these five unified districts. The schools that spent the most on their students were located primarily in the hill cities northwest of San Jose and in the northern parts of Marin and Sonoma Counties. Top spenders of all districts included Portola Valley elementary ($6,241), Woodside elementary ($6,827), Berkeley unified ($6,638), Palo Alto unified ($6,691), Shoreline unified ($7,038), and the biggest spender, Sausalito elementary ($12,118).

J.   Jobs

1. Overview

The Association of Bay Area Governments tracks jobs by city or city sphere of influence, which includes the unincorporated areas surrounding a city.[81] Their figures show that in 1995, the San Francisco Bay Area as a whole had 46.6 jobs per 100 persons, which was a 2.4 percentage point decrease from the 1980 figure of 49 percent (Figure 36). Despite having some of the greatest job losses between 1980 and 1995, three cities in the Silicon Valley area ended

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[79]   1995 school district spending figures downloaded from the California Department of Education's School Business Services Division's web page. Although it is usually more expensive to educate high school students than to educate elementary students and therefore, unified districts typically spend more per student than do elementary districts, in this section we chose to look at spending in both unified school districts and in elementary-only districts because we wanted to cover the entire region. The reader should note that, on average, unified districts at $4,751, spent just above the regional average per pupil and elementary-only districts, at $4,433, spent just under the regional average per pupil in the 1995-1996 school year. Sixty percent of all unified districts (31 districts) and 60 percent of all elementary-only districts (54 districts) spent less than the regional average. Forty percent of all unified districts (21 districts) and 40 percent of all elementary districts (36 districts) spent more than the regional average.

[80]   In addition, central cities and other low tax base districts receive some school revenue sharing funds from the state.

[81]   All jobs data, including projections, taken from the Association of Bay Area Governments *Projections 96 on Diskette.*

Figure 35: Total Expenditures per Student by School District, 1995-1996

Area of Detail — Pacific Ocean, San Francisco, Sacramento

C-RP - Cotati-Rohnert Park
D - Dunham
G - Gravenstein
L - Liberty
P - Petaluma
P-O - Piner-Olivet
SR - Santa Rosa
UJ - Union Joint

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Spending per Student
Regional Value: $4,656

■ (red)	$3,464 to $4,090	(21)
■ (orange)	$4,110 to $4,320	(28)
■ (tan)	$4,340 to $4,650	(36)
■ (light blue)	$4,656 to $4,980	(24)
■ (blue)	$5,030 to $6,010	(23)
■ (dark blue)	$6,160 or more	(10)
■ (gray)	No data	(7)

DATA SOURCE: 1995-1996 school district total expenditures and average daily attendance figures taken from the file "j201.cma", dated 1/16/97, downloaded from the California Department of Education's School Business Services Division's web page.

Note: Elementary and unified school districts shown. Districts with "No data" had an average daily attendance of fewer than 50 students over the 1995-1996 school year.

B - Burlingame
C - Campbell
F-M - Franklin-McKinley
H - Hillsborough
LB - Luther Burbank
LL - Las Lomitas
M - Moreland
MP - Menlo Park
MV - Mountain View
R - Ravenswood
SC - San Carlos
SMFC - San Mateo-Foster City
SSF - S. San Francisco
W - Whisman

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1995 among the eight cities with the most jobs per 100 persons. Mountain View went from 96.1 jobs per 100 persons in 1980 to 81.7 in 1995—a 14.4 percent decrease, Sunnyvale went from 108 to 84.8 jobs per 100 persons—a 23.2 percent decrease, and Santa Clara went from 112.3 to 102.6 jobs per 100 persons, a 9.7 percent decrease. Also among the top eight cities in jobs per 100 persons was Palo Alto, a Silicon Valley city that saw a 3.2 percent increase in jobs, ending 1995 with 114.5 jobs per 100 persons. The other four cities that were in the top eight for number of jobs per 100 persons in 1995 were Burlingame (88.4), the industrial areas of Colma (107.8) and Brisbane (191.9), and the office-park city of Emeryville (223.8).

While the Silicon Valley still leads the rest of the region in number of jobs per 100 persons, the developing suburbs of eastern Contra Costa County, and to some extent eastern and southwestern Alameda County, are gaining jobs at the fastest rate. Two of the three cities that saw job increases of more than 30 percent between 1980 and 1995 were in this part of the region. Pleasanton went from 25.7 to 58.9 jobs per 100 persons—a 33.2 percent increase. San Ramon, which went from 26.3 to 73.5 jobs per 100 persons, had the greatest increase in the region in jobs per 100 persons—a 47.2 percent increase. The other city that saw more than a 30 percent increase was Brisbane which went from 150.1 to 191.9 jobs per 100 persons—a 41.8 percent increase.

2. The Spatial Mismatch Hypothesis

Twenty-five years ago, John Kain, an economist at Harvard, argued for the existence of a "spatial mismatch" between affordable housing and available jobs.[82] The theory posits that American cities are undergoing transformations from centers of goods and production to centers of information processing. The blue-collar jobs that once made up the economic backbone of cities have either vanished or moved to the developing suburbs, if not overseas. Central-city low-skilled manufacturing jobs are no longer available. In addition, neighborhood retail businesses that served the middle class have also to a large extent relocated to the suburbs.[83] The spatial mismatch theory states that it is not lack of jobs per se that is the problem, since central-city population growth has been as slow as central-city job growth. The problem is that the percentage of central-city jobs with high educational requirements is increasing, while the average education level of central-city residents is dropping.[84] In addition, essentially all of the net growth in jobs with low educational requirements is occurring in the suburbs.[85] This low-skilled jobs exodus to the suburbs disproportionately affects central-city poor people, particularly minorities, who often face a more limited choice of housing location in job growth areas and a

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[82]   John Kain, "Housing Segregation, Negro Unemployment, and Metropolitan Decentralization," *Quarterly Journal of Economics* 82 (May 1968): 175-97.

[83]   John D. Kasarda, "Urban Industrial Transition and the Underclass," *Annals of the American Academy of Political and Social Sciences* 501 (January 1989): 36.

[84]   Ibid.

[85]   Ibid.

Figure 36: Change in Jobs per 100 Persons by City or City Sphere of Influence, 1980 to 1995

DATA SOURCE:
Association of Bay Area Governments, *Projections 96 on Diskette,* Oakland, CA, December 1995.

Note: Although San Francisco Int'l Airport and Napa Airport Industrial Area reported a gain of 671 and 11,500 jobs, respectively, they had no population, and therefore show no data.

Change, 1980 to 1995
Regional Value: -2.4

🟥	-108.1 to -9.7	(17)
🟧	-8.4 to -2.6	(18)
⬜	-2.4 to -0.1	(10)
🟦	0.1 to 3.2	(17)
🟦	4.0 to 9.9	(24)
🟦	11.4 or more	(21)
⬛	No data	(2)

C - Colma
CM - Corte Madera
SFA - San Francisco Airport
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lack of transit services from the urban core to those suburbs.[86] This situation will likely be further exposed by the new federal Welfare to Work policy.

V.   Metropolitan Solutions

A.   Benefits of Cooperation

For decades, the National Civic League, academics (particularly economists), and Rockefeller Republicans have preached the gospel of metropolitanism. The message of cost-effective regional planning, supported by local business leadership, had a strong influence in the Twin Cities, Indianapolis, and Portland twenty-five years ago. In the 1990s, columnist Neal Peirce revitalized good government metropolitanism, broadening its base by emphasizing the social and economic interdependence of metropolitan areas and the need for regional economic coordination to compete effectively in the new world economy.[87] On another front, David Rusk, former mayor of Albuquerque, New Mexico, simply and effectively connected the issues of metropolitanism and social equity.[88] He did this by showing that regions that created metropolitan governments by annexation or consolidation are less segregated by race and class, economically healthier, and simply more equitable to their people. Anthony Downs, of the Brookings Institution, assembled his own research together with the recent groundbreaking work of urban poverty scholars, economists, transportation experts, and land-use planners. With this, he makes compelling new arguments for metropolitan government and broad metropolitan-based reforms in fair housing, transportation, land use, and property tax-base sharing.[89]

William Barnes and Larry Ledebur, Richard Voith, and H. V. Savitch showed the deep interconnections of metropolitan economies and how the health of central cities is deeply connected to the success of even the favored sectors. A study of 78 metropolitan areas, conducted by Barnes and Ledebur, found that between 1979 and 1989 in most U. S. metropolitan areas, median household incomes of central cities and suburbs moved up and down together. When the incomes of central city residents increased, the incomes of residents living in suburbs of that city also increased. Conversely, when city incomes decreased, so did suburban incomes. They also

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[86]   For further discussion of the pros and cons of the spatial mismatch hypothesis, see Joseph Mooney, "Housing Segregation, Negro Employment and Metropolitan Decentralization: An Alternative Perspective," *Quarterly Journal of Economics* (May 1969): 299-311. See Hutchinson (1974); Farley (1987); Inlanfedt and Sjoquist (1990-2); Offner and Saks (1971) Friedlander (1972); Harrison (1974), Leonard (1986); all in Kathy Novak, "Jobs and Housing: Policy Options for Metropolitan Development," (Research Department: Minnesota House of Representatives February 1994); David Elwood, "The Spacial Mismatch Hypothesis: Are the Teenage Jobs Missing in the Ghetto?" in *The Black Youth Employment Crisis* eds. Richard B. Freeman and Harry J. Holzer (1986): 147-90.

[87]   Neal Peirce, *Citistates: How Urban America Can Prosper in a Competitive World* (Washington, D.C.: Seven Locks Press, 1993).

[88]   David Rusk, *Cities Without Suburbs* (Washington, D.C.: Woodrow Wilson Center Press, 1993).

[89]   Anthony Downs, *New Visions for Metropolitan America* (Washington, D.C.: Brookings Institution, 1994).

found that the strength of this relationship appears to be increasing.[90] An earlier study of 48 metropolitan areas, conducted by the same team, found that metropolitan areas with the smallest gap between city and suburban incomes had the greatest job increases.[91] A recent study by Voith, an economist with the Federal Reserve Bank of Philadelphia and a scholar of metropolitanism, found that employment growth in the central city is very important to house values in existing suburbs close to the city (less than a 50 minute commute). Conversely, employment growth in existing suburbs close to the city does not significantly affect house values in those communities themselves but rather, benefits developers and owners of agricultural land.[92] Through a comparison of incomes and real estate prices in the cities and suburbs of 59 metropolitan areas between 1980 and 1990, H. V. Savitch an his colleagues found that cities and suburbs are highly interdependent. They report that those regions "with a greater capacity to harness common resources and unite populations do better than more highly fragmented areas."[93]

Another extremely cogent argument against intra-metropolitan competition for tax base is made by a group of economists concerned about America's ability to compete in the world economy. These economists believe that as trade barriers recede and the force of national economic policy fades, metropolitan areas become the basic units of global competition.[94] Suddenly, fragmented groups of cities, fighting amongst themselves for governmental resources and economic development, are thrown into vigorous world competition against the powerful coordinated metropolitan systems of Western Europe and Asia. Economists such as these argue that the metropolitan governments of Western Europe and Asia effectively coordinate large regional expenditures in terms of transportation, telecommunications, and education to their economic advantage. Instead of fighting with each other, these economists argue, American metropolitan communities should work together to pool regional resources and expertise to compete against other metropolitan areas on the national and international level.

And finally, Peter Calthorpe, an urban planner from San Francisco, has set forth a compelling design vision of what regionally responsible transit-oriented communities could look like.[95] All of these authors—particularly Rusk—have received extraordinary coverage in the national media and have stimulated a vital national discussion. In Washington, former United States Housing and Urban Development Secretary Henry Cisneros advocated for the federal

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[90]   Larry C. Ledebur and William R. Barnes, *"All In It Together": Cities, suburbs and Local Economic Regions* (Washington, D. C.: National League of Cities, 1993).

[91]   William R. Barnes and Larry C. Ledebur, *City Distress, Metropolitan Disparities, and Economic Growth* (Washington, D. C.: National League of Cities, 1992).

[92]   Richard Voith, "The Suburban Housing Market: Effects of City and Suburban Employment Growth," Working Paper No.96- (Philadelphia: Federal Reserve Bank of Philadelphia, May 1996).

[93]   H. V. Savitch and others, "Ties That Bind: Central Cities, Suburbs, and the New Metroplitan Region," *Economic Development Quarterly* 7(4) (November 1993).

[94]   Peirce, *Citistates*.

[95]   Peter Calthorpe, *The Next American Metropolis: Ecology, Community, and the American Dream* (New York: Princeton Architectural Press, 1993).

government to strengthen metropolitan coordination of affordable housing, land use, environmental protection, and transportation issues. In 1994, President Clinton issued a broad executive order beginning this process.[96]

B.   The Necessity of Regional Cooperation

The foregoing patterns demonstrate, if nothing else, the need for a metropolitan approach to stabilizing the central cities and low tax base communities and the need for creating equity throughout the San Francisco Bay Area. If the region allows social needs to further concentrate on the declining tax base of the central cities, inner suburbs of Oakland, and outlying communities of Sonoma, Solano, and northeasten Contra Costa Counties, these communities can do little to stabilize fundamentally. Similarly, as long as parts of the region can exclude the costs and effects of social responsibilities, the region's resources will naturally flow there. As polarization continues, the concentration of poverty intensifies and creates an increasingly rapid socioeconomic decline that rolls outward from the core communities. Fragmented land use patterns and competition for tax base lead to wasteful, low-density sprawl, institutionalize polarization, and squander valuable natural resources.

The Metropolitan Area Program and a growing core of urban scholars believe that regional polarization needs a strong, multifaceted, regional response. In order to stabilize the central cities and older suburbs and prevent metropolitan polarization, there are five substantive and one structural reform that must be accomplished on a metropolitan scale. The reforms are inter-related and reinforce each other substantively and politically. The first three reforms are the most significant in terms of the socioeconomic stability of the core. They are:

(1) Fair Housing. The provision of affordable housing throughout the region reduces the concentration of poverty, reduces racial segregation, stems the polarization occurring between the region's communities, gets workers closer to new jobs, reduces congestion on roadways, and allows older people and young divorced mothers and fathers to remain in their communities as their financial and physical conditions change. There are three stages to fair housing: (a) reducing non-rational barriers in zoning codes, development agreements, and development practices, (b) creating a regional funding source to provide subsidies for housing throughout the region, and (c) providing a system of testing to first understand, then eliminate, the pattern of housing discrimination in the region. Oregon, Massachusetts, Minnesota, New Jersey, and Montgomery County, Maryland have taken important steps along the first two stages. Social science data exist on the third problem, but no state has actively taken steps in this direction.

(2) Equity in the Provision of Local Public Services. Regional equity reduces disparities between local communities, reduces competition among local communities for businesses that have already located in a given region, and by lessening the direct fiscal consequences for zoning decisions, makes regional land use planning more

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[96]   President Clinton, Executive Order, "Leadership and Coordination of Fair Housing in Federal Programs: Affirmatively Furthering Fair Housing, Executive Order 12892 of January 17, 1994," The Weekly Compilation of Presidential Documents (24 January 1994): 110-14.

possible. Many regions have either ameliorated or solved this problem through consolidation or annexation. Some parts of the nation have progressive school equity systems which eliminate much of the burden of local schools from the central cities and older suburbs. Minnesota has pioneered a system which preserves local autonomy, but, through the sharing of a portion of the local property tax base, creates greater regional equity in the provision of public services. Tax equity between jurisdictions is often an appropriate entry point for regional discussions, because it does not threaten local autonomy, it does not require difficult discussions of race, class, and housing, and it creates a scenario where the majority of citizens live in areas which will immediately receive lower taxes and better services.

(3) <u>Regional Reinvestment in the Central Cities and Older Suburbs</u>. These communities, already fiscally stressed with low tax bases, high taxes, and minimal services, cannot begin the process of reinvestment that is necessary to remain competitive. Regional funds must be created to clean up older industrial parks and polluted areas (brownfields), rebuild infrastructure such as sewers and roads, rehabilitate housing, replenish and augment urban parks and amenities. These programs must also involve the older suburbs, where such problems are often very severe. Part of the reinvestment strategy includes equitable geographic allocation of transportation investment, which involves a more publicly accountable distribution and balance of highway and transit resources. In conjunction with the rebuilding of the core and inner suburbs, significant public/private employment intended for individuals emerging from the welfare roles should be directed to those parts of the region.

Regions in which annexation or consolidation has occurred have instituted some of these first initiatives as a matter of course and are well positioned to think about the other three key regional reforms:

(4) <u>Land Planning/Growth Management</u>. Unless we begin to manage the process of growth at the edge, we will undermine any remediative efforts happening in the core. If 25 percent of a region can continue to develop only expensive homes and jobs, without worker housing, they will rapidly draw off all the wealth and growth of the region. At the same time, that 25 percent will commit the region to sprawling land use vastly disproportionate to population increases, worsening congestion, worsening consumption of energy, worsening pollution, and growing social separation. Land use planning requires setting outward limits for growth in the form of an urban growth boundary, staging new infrastructure, such as roads and adequate sewer, together with new housing, developing at a density that will support some minimal form of public transportation, and assuring the provision in all subdivisions of a fair share of affordable housing. Oregon leads the nation in this. Minnesota has adopted a structure to do much of this, but has often failed to implement its statutes. Significant land use planning regimes are in place in Washington, Florida, Georgia, and many smaller regions. Last year Maryland adopted a Smart Growth framework. An underlying debate on this issue is growing in more than half of U.S. state legislatures.

(5) <u>Transportation/Transit Reform</u>. At the federal level, with the implementation of the 1991 Intermodal Surface Transportation and Efficiency Act (ISTEA), large federal

resources were made available for transit and other forms of investment which would strengthen the viability of the fully developed core of many U.S. regions. ISTEA has been a significant help to places with a strong commitment to public transportation. But ISTEA has too many loopholes and is under attack in Congress. A significant part of a regional agenda is strengthening the provisions of ISTEA, making sure that state legislation conform to take full advantage of its flexibility and making regional decision makers that allocate ISTEA funds more accountable to all the citizens of a given region.

(6) <u>Metropolitan Structural Reform</u>. Metropolitan planning organizations (MPOs), already set up to develop regional transportation plans and allocate enormous federal and state transportation resources, should be made more representative and accountable to the region's they serve. Presently, these MPO's, often dominated by high growth suburban political interests and real estate developers, make region-shaping decisions without significant public input. Frankly, part of this is because older core communities, particularly those areas of concentrated poverty, have never thought these decisions were relevant to their future. Ultimately, MPOs should evolve into directly elected structures and should assume growing responsibility for implementing the initiatives discussed above.

At this point, in the political climate of the 1990s, this all may seem otherworldly. In Minnesota, we found that the best place to start "thinking regionally" was tax-base sharing. We found that when we could unite the central city and older suburban areas on common shared fiscal interests, we could overcome some of the more intense barriers created by race and class that had long divided these subregions. As such, tax-base sharing provides a very strong way to build relationships and coalitions that will serve to advance other regional reforms.

C. Tax-Base Sharing: The Entry Point of Regionalism

As long as basic local services are dependent on local property wealth and retail development, tax-base sharing is a critical component of metropolitan stability. Its purposes, all interrelated, are fivefold. Tax-base sharing: (1) creates equity in the provision of public services, (2) breaks the intensifying metropolitan mismatch between social needs and tax-based resources, (3) undermines local fiscal incentives supporting exclusive residential and retail zoning, (4) undermines local fiscal incentives supporting sprawl, and (5) ends intra-metropolitan competition for tax base.

<u>Equity</u>. The equity argument states that basic public services such as police and fire, local infrastructure, parks, and particularly local schools should be equal on a metropolitan level. People of moderate means should not have inferior public services because they cannot afford to live in property and/or retail rich communities.

The need for equity is most immediately apparent when examining school spending in the school districts of the older, outlying communities. The low spending of these districts, in the face of increasing challenges, is possibly a component in poor student performance. The equity problem is also critical in the central cities as concentrated poverty multiplies needs

exponentially in the face of evaporating local tax base and declining state and federal support for urban programs.

Mismatch of Needs and Resources. Virtually everywhere in a metropolitan region where social needs are growing rapidly, the tax base is uncertain or declining; everywhere in a given region where the tax base is accelerating dramatically, social needs are stable or declining. By regionalizing the tax base, the growing property wealth and increases in sales in the region will be available to meet the region's growing social needs.

Fiscal Zoning. When communities can increase their tax base and limit their local social responsibilities and costs by exclusive residential and retail zoning, they will do so. One only has to look at the great disparities in tax base per household on a metropolitan level to understand the potentially large local fiscal incentives for exclusionary zoning. As evidence of this, in 1994 the Minneapolis Legal Aid detailed the process by which Twin Cities developing communities made explicit decisions to build only houses over $150,000 because only such housing "paid its way."[97] As a corollary, low-density development is an intrinsic part of fiscal zoning, for large lot sizes are one of the only ways to ensure that expensive housing will be built.

As the valuation of growth is shared, it undermines local fiscal incentives to create exclusive housing markets or big-box retail centers. Social incentives, however, unfortunately remain.

Sprawl. The fragmented nature of a metropolitan tax base worsens at least two aspects of urban sprawl: unnecessary outward movement and low-density development patterns.

Unnecessary outward movement occurs when the growth of new units on the metropolitan fringe exceeds the growth of new regional households and the core of the region becomes seriously under-utilized. This type of sprawl is fueled in part by the push of core community decline and its attendant fiscal crisis and the pull of rapidly growing communities that need tax base to pay for infrastructure.

While the decline and local fiscal crisis "push" people and businesses out of older suburban areas, extraordinarily rapid housing construction fueled by local fiscal needs in developing areas "pulls" them. As new communities develop, they face large debt burdens in terms of infrastructure such as streets, sewers, parks, and schools. As the debt comes due, and potential property tax increases threaten, there is tremendous pressure on these communities to spread these costs through growth. Hence, the very fragmentation of the tax base encourages sprawl.

Second, unnecessary low-density development occurs when communities are built at densities that cannot be served by public transit and create infrastructure costs that are unsustainable by the existing tax base.[98] In this light, the same local fiscal pressures that

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[97]   Barbara L. Lukermann and Michael P. Kane, "Land Use Practices: Exclusionary Zoning, De Facto or De Jure: An Examination of the Practices of Ten Suburban Communities in the Twin Cities Metropolitan Area," (Center for Urban and Regional Affairs, University of Minnesota, April 1994), 53-57.

[98]   American Farmland Trust. "Density-Related Public Costs," (Washington, D.C., 1986).

encourage low-density development to enrich property tax base also contribute to unnecessary low density sprawl.

In response, property and sales tax-base sharing: (1) eases the fiscal crisis in declining communities allowing them to shore up decline; (2) takes the pressure off growing communities to spread local debt costs through growth; and (3) undermines fiscal incentives encouraging low-density sprawl.

Competition for tax base. Proponents of tax-base sharing argue that intra-metropolitan competition for tax base is detrimental to the region. First, it is bad for cities to engage in bidding wars for businesses that have already chosen to locate in a given region. In such situations, public monies are used to improve the fiscal position and services of one community at the expense of another, while business takes advantage of the competition to unfairly reduce its social responsibilities. Even the threat of leaving can induce large public subsidies from troubled communities. These arguments are reinforced by the large use of Tax Increment Financing (TIF), which allows cities to compete—some might say gamble—for tax base not only with their own resources but with those of the local school district, county, and state.

Opponents respond that competition among communities encourages efficient use of government funds and teaches local officials that successful cities are lean, mean, and competitive. In response, more often than not, the winners of intra-metropolitan competition are developing, high tax-capacity areas with room to expand, no social problems, and comparatively low taxes; the losers, low tax-capacity, fully developed areas with considerable social problems and high taxes. In the end, affluent expanding suburbs dominate the market and grow increasingly stronger while the poor suburbs, saddled with the debts of unfair social burdens, are over-leveraged and cannot compete.

D.   The Politics of Tax-Base Sharing

1. The Twin Cities Fiscal Disparities System

In 1971, the Minnesota Legislature adopted a tax-base sharing system, commonly referred to as "the fiscal disparities program." Under this program, each city contributes to a regional pool forty percent of the growth of its commercial industrial property tax base acquired after 1971. Money is distributed from this pool to each city on the basis of inverse net commercial tax capacity. A highly equalizing system, the fiscal disparities program reduces tax base disparities on a regional level from 50-to-1 to roughly 12-to-1. Presently about 393 million dollars, or about 20 percent of the regional tax base, is shared annually.

While the Minnesota fiscal disparities program produces powerful equalizing effects, actual disparities remain high and fiscal zoning and competition for tax base intense. In this light, while a partial tax-base sharing system like the Minnesota program does not end regional competition, it does make it marginally more fair.

There are also some inequities. Communities in the Twin cities metropolitan area with a higher than average commercial base, but with low-valued homes and increasing social need, contribute tax base. On the other hand, cities dominated by high-valued homes that have

eschewed commercial development, but have large per-household tax bases, receive money from the system.

2. Is Tax-Base Sharing Possible Only in Minnesota?

There is a broadly shared belief that tax-base sharing came out of some cosmic consensualism in progressive Minnesota that cannot be duplicated elsewhere in the nation. This is not true.

First, tax-base sharing in Minnesota has always been controversial. Many suburban governments at first feared loss of tax base and local control. But legislative leaders realized the high degree to which property wealth was concentrated and developed computer runs that showed the projected amount of tax base cities would actually gain. Most of the inner and developing middle-class suburbs were potential recipients. When these suburbs realized that tax-base sharing was likely to increase substantially their tax base and stabilize their future fiscal situation, they became supporters. As one legislator put it, "before the runs, tax-base sharing was communism, afterwards it was 'pretty good policy.'"

The legislative debate surrounding the fiscal disparities program was hardly consensual. Legislators from recipient communities supported tax-base sharing and legislators from contributing communities opposed it. When the bill became law, contributing communities brought suit against the state and litigated unsuccessfully all the way to the United States Supreme Court.[99] Contributors remain opposed, and every session, their representatives introduce bills to either limit their contribution to the system or abolish the program entirely. Thus the Minnesota experience with tax-base sharing should not be viewed as a rarefied consensus, but as a strategy model for creating political coalitions to influence regional reform.

It is often said that Minnesota is different from the rest of the nation because it does not have any social or racial divisions. In response, Minnesota and the Twin Cities can be placed on a continuum. While the social and economic declines and polarization are clearly not as severe as New York, Chicago, or Detroit, they are worse than most younger and smaller regions and even than some of similar size, age, and complexity. The public schools of the central cities of Minneapolis and Saint Paul have 60 percent poor and non-White/non-Asian students in their public schools—only ten points behind Chicago—and more rapidly growing concentrated poverty. A recent regional debate on fair housing was marred by divisive discussions of race and class. Further, while the Twin Cities has the rudiments of regional cooperation, it has an unusually high number of local governments with land use powers (187) and school districts (49) that must cooperate. In the end, the same basic dynamics that have divided and conquered older, larger regions are firmly rooted in the Twin Cities. On the other hand, the local coalitions that are beginning to take action in the Twin Cities in response to regional polarization can be built elsewhere.

In the 1995 session, the Minnesota legislature passed, but the governor vetoed, Fiscal Disparities II: The Metro Area Tax Cut Act. Under this bill, metropolitan jurisdictions would share the growth on the increment of value above $200,000 on high-valued homes. Short of total

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[99] *Burnsville v Onischuk*, 301 Minn. 137, 22 N.W.2d 523 cert. denied 420 U.S. 916 (1974).

sharing, this proposal counterbalanced the inequities of the present fiscal disparities system, undermined fiscal zoning, and greatly expanded the tax-base sharing system. In addition, with only 17 percent of the region contributing tax base and fully 83 percent receiving, it was a most popular proposal among local governments.

The bill was called the Metro Tax Cut Act because its provisions required communities receiving new tax base under it, for the first two years, to use half of this new tax base for a property tax cut. The bill was "sold" as the largest single property tax cut offered by the legislature that year. The northern low tax base suburbs strongly supported the bill and it passed with bipartisan support. Significantly, the ten closest Minnesota House races in the last election involved jurisdictions that would greatly benefit by any sort of tax-base sharing.[100] Ultimately, it will be difficult for either party, or anyone who wishes to be governor, to oppose a system that will provide these swing voters with better services and lower taxes.

3. Political Possibilities in the San Francisco Bay Area

a. Tax-Base Sharing

Equity mechanisms must be forged in the give and take of each local community. They must ultimately reflect the political situation and the balance of political power present in a given place at a given time. The Metropolitan Area Program has created models of several possible regional tax-base sharing scenarios for the Bay Area. Most of the scenarios produced positive results for at least 50 percent of the region's population. A few scenarios would actually benefit as many as 70 percent of the people of the Bay Area. In other words, under these models, anywhere from 50 to 70 percent of the population of the Bay Area would be the recipients of new tax base, thus receiving lower taxes and better local services at the same time. While there are countless formulas that could be used in a tax base sharing system, we present here four of the most promising examples: two that share assessed property value and two that share taxable transactions. In each of the four cases over 60 percent of the total population of the San Francisco Bay Area receives new tax base.[101] Both of the property tax-base sharing scenarios include the unincorporated areas of each of the nine counties as independent jurisdictions. For comparison purposes, one of the sales tax-sharing scenarios includes the unincorporated areas and one does not. The following paragraphs describe these hypothetical tax-base sharing scenarios and what

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[100] See Mike Kaszuba, "Suburban Summit to Tackle Affordable Housing," Minneapolis Star Tribune, 24 September 1994; Molly Guthrey, "Orfield Drums up Support for Equality Among Cities," Saint Paul Pioneer Press, 6 October 1994; Mike Kaszuba, "Leaders Call for End of Disparity Between North, South Suburbs," Minneapolis Star Tribune, 6 October 1994; Editorial, "North Summit; Suburban Voices Join Metro Debate," Minneapolis Star Tribune, 29 September 1994; Editorial, "Regional Cooperation Gets Needed Boost," Saint Paul Pioneer Press, 9 October 1994.

[101] We present these sample scenarios only to give Bay Area residents an idea of what is possible. Of the many runs we did, these four were selected because they produced the greatest percentage of winners in the region and would therefore be likely to have the greatest voter support. Ultimately, however, the most appropriate formula for the Bay Area, including what types of property taxes would be shared, how much of the total tax base, years of growth (if growth on tax base is to be shared), and the distribution formula, would have to be determined by residents and elected officials of the region.

such a system potentially could do for the region (see Appendix C for spreadsheets containing complete descriptions of how these tax-base sharing models were calculated and their results).

Property Tax Base Sharing

The first example of property tax-base sharing is based on the region's cities and county unincorporated areas sharing their high-valued residential property tax base. As a first step, all cities and county unincorporated areas in the San Francisco Bay Area contribute the portion of their 1996 residential property tax base which came from single-family, detached housing valued at more than $400,000 into a tax-base sharing pool.[102] This pool is then be redistributed back out to the jurisdictions based on their tax base per capita. Thus, those jurisdictions with little housing valued at more than $400,000 and with a low tax base per capita receive a larger share of the pool than they contribute; those with large amounts of expensive housing and a high per capita tax base get back less than they put in.

This particular model run produced new tax base for 70.9 percent of the population of the Bay Area (Figure 37). Many of the biggest recipients were low tax base/ high social-need inner suburbs, such as East Palo Alto ($34,075 per capita), San Pablo ($22,089 per capita), Daly City ($15,247 per capita), Albany ($11,884 per capita), and Richmond ($8,494). The cities of Solano County also received considerable new tax base: Vallejo, Vacaville, Fairfield, Suisun City, and Dixon all saw increases in their tax bases ranging from $13,000to $17,000 per capita. In addition, the central cities of Oakland ($10,988 per capita), San Jose ($7,212 per capita), and San Francisco ($1,809) all received new tax base.

The second property tax-base sharing scenario is based on the region's cities and county unincorporated areas sharing their growth in total property tax base. Under this formula, each city and county in the region contributes 40 percent of the amount its total tax base grew between 1986 to 1996 into the tax-base sharing pool (this formula is similar to the one used in Minnesota's Fiscal Disparities Program). In this scenario, the pool is redistributed back out to the jurisdictions based on their per capita income (rather than tax base per capita as in the previous scenario). Those places with low growth and low per capita income receive additional tax base from the pool, while those places with high growth and high per capita income contribute to the worse-off areas.

This run produced lower overall disbursements to the cities most in need than the previous run did and gave new tax base to a smaller percentage of the population (but still a majority), 66.0 percent (Figure 38). Many of the same inner-ring suburbs benefited from this run as well, including East Palo Alto ($10,595 per capita), San Pablo ($8,434 per capita), Daly City ($3,731 per capita), and Richmond ($2,924). But this time four counties also gained considerable new tax base: unincorporated Sonoma ($4,442), unincorporated Santa Clara ($4,698), unincorporated Alameda ($7,060), and unincorporated Solano ($7,751). This run also provided significant new tax base for the central cities of Oakland ($5,434 per capita), San Jose ($2,492), and San Francisco ($2,476).

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[102] Here we exclude high-valued condominiums in order to encourage high-density, compact development. However, condos could be included if the region determined that to be the most appropriate method for them. This is just one example of the many possible variations tax base sharing can take.

Figure 37: Redistribution of 1996 Property Tax Base from Housing Valued at $400,000 or More According to Property Tax Base per Capita for Municipalities & County Unincorporated Areas

This scenario benefits 70.9% of the region's population.

Tax Base Change per Capita

🟥	-$106,350 to -$56,430	(13)
🟧	-$44,550 to -$22,230	(17)
⬜	-$14,820 to -$80	(20)
🔲	$60 to $6,230	(17)
🟦	$7,150 to $12,300	(29)
🟦	$13,150 or more	(12)

DATA SOURCES:
1995-96 Annual Report of the State Board of Equalization,
Tables 10 and 11, pp. A11-A14
(1996-97 tax base data);
State of California, Department of Finance,
City and County Summary Report of January Population and Housing, Report 96E-5.
Sacramento, CA, May 1996 (1996 population estimates); 1990 Census of Population & Housing Summary Tape File 3A (1990 housing value distributions); State Board of Equalization (1996-97 percentage of assessed property value receiving homeowner's exemption).

CM - Corte Madera
LAH - Los Altos Hills
MV - Mountain View
RC - Redwood City
SSF - S. San Francisco

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0   10   20
Miles

Figure 38: Redistribution of 40% of Property Tax Base Growth 1986-1996 According to Per Capita Income for Municipalities & County Unincorporated Areas

Note: 1986 dollars were adjusted upwards by a factor of 1.4471 to convert to 1996 dollars.
1986 CPI=109.6;
1996 CPI=158.6
(Base: 1982-84 CPI=100)

Note: American Canyon & Windsor were not incorporated until 1993.

Tax Base Change per Capita

🟥	-$38,110 to -$20,740	(11)
🟧	-$17,940 to -$10,610	(12)
🟫	-$9,000 to -$3,690	(26)
	-$2,780 to -$140	(17)
🟦	$30 to $2,540	(26)
🟦	$2,830 or more	(14)
⬛	No data	(2)

DATA SOURCES:
1985-86 Annual Report of the State Board of Equalization,
(1986-87 tax base data);
1995-96 Annual Report of the State Board of Equalization,
(1996-97 tax base data);
State of California, Department of Finance, *City and County Summary Report of January Population and Housing, Report 96E-5.* Sacramento, CA, May 1996 (1996 population estimates); 1990 Census of Population and Housing Summary Tape File 3A (1990 population and 1989 income data).

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This scenario benefits 66.0% of the region's population.

It's important to note that the fiscal disparities model requires all communities to tax the affected categories of property at an areawide tax rate. In California, this rate would have to be within the provisions of Proposition 13. In other words, the rate could not exceed one percent plus any rate necessary to pay off voter-approved indebtedness. Since this type of resource sharing deals only with the sharing of tax *base* and not with *revenue*, neither Proposition 4 (which requires that revenues in excess of the budget limit be returned to taxpayers) nor Proposition 218 (which requires that a specific amount of tax revenues go to schools) would be affected. Revenues collected off of the new property tax base could still be redistributed according to current formulas.

Sales Tax Base Sharing

The first example of sales tax-base sharing is based on the cities and county unincorporated areas of the region sharing their growth in total taxable transactions. Under this formula, each city and county in the region contributes 40 percent of the amount its taxable transactions increased between 1986 to 1996 into the tax-base sharing pool. The pool is then redistributed back out to the jurisdictions based on their per capita income Those municipalities that saw little increase in taxable transactions and have a low per capita income receive a larger share of the pool than they contribute; those that saw large increases in their taxable transactions and have a high per capita income get back less than they put in.

This model run produced new taxable transactions for 64.1 percent of the Bay Area population (Figure 39). Jurisdictions that gained the most new tax base were again the inner suburbs of East Palo Alto ($1,471 per capita), San Pablo ($1,445 per capita), and Richmond (1,038 per capita). Others that benefit included the unincorporated parts of Alameda ($1,038) and Solano Counties ($1,047). In addition, the central cities of Oakland ($1,034 per capita) and San Francisco ($605 per capita) both received new tax base.

The second sales tax-base sharing formula is the same as the above scenario except here, for comparison purposes, we exclude the county unincorporated areas. This run produced slightly greater overall disbursements to the cities most in need than the previous run did, but it produced new tax base for a smaller percentage of the Bay Area population, 60.0 percent of those living in municipalities (Figure 40). The cities that gained the most new sales tax base were the same as in the previous runs, including East Palo Alto ($1,656 per capita), San Pablo ($1,621 per capita), Suisun City ($1,237), Richmond ($1,164), and Vallejo ($1,081). The central cities of Oakland ($1,160 per capita) and San Francisco ($699 per capita) also gained new taxable transactions.

b. The Central City Track

It is time now to begin a parallel track among the neighborhoods and interest groups of the three central cities. One by one, the communities of color, the churches, neighborhood groups, government, and land use groups should be engaged in this regional discussion. The basic facts underlying this report and the rudiments of a regional agenda should be put forth, the parallel inner-suburban strategy explained, and materials provided to begin community education. Because of the deep racial divisions and inter-jurisdictional divisions between the city and its suburbs, it would be in the city's best interest to allow the inner Oakland suburbs and outlying communities to take the political lead, or at the very least to acknowledge these suburbs
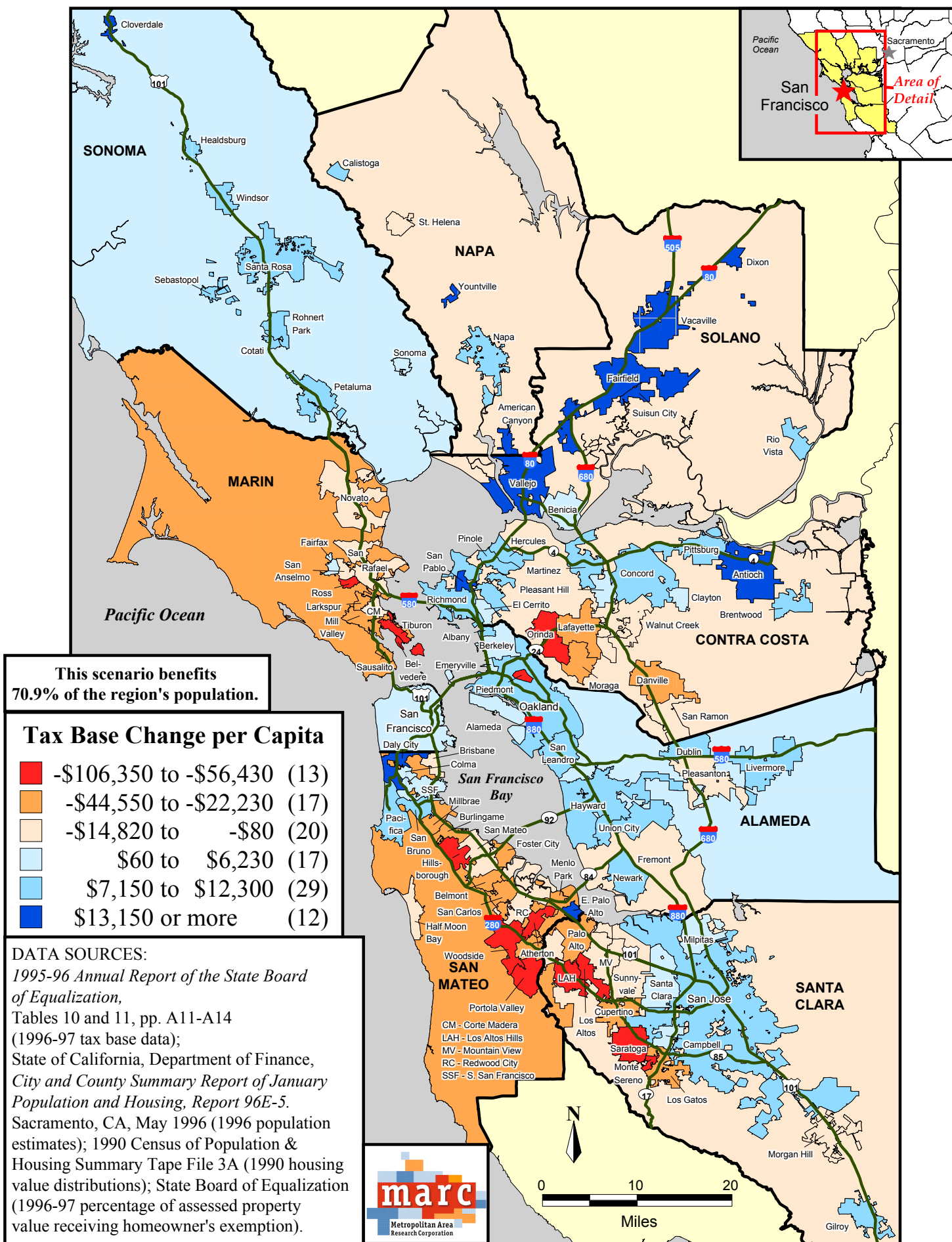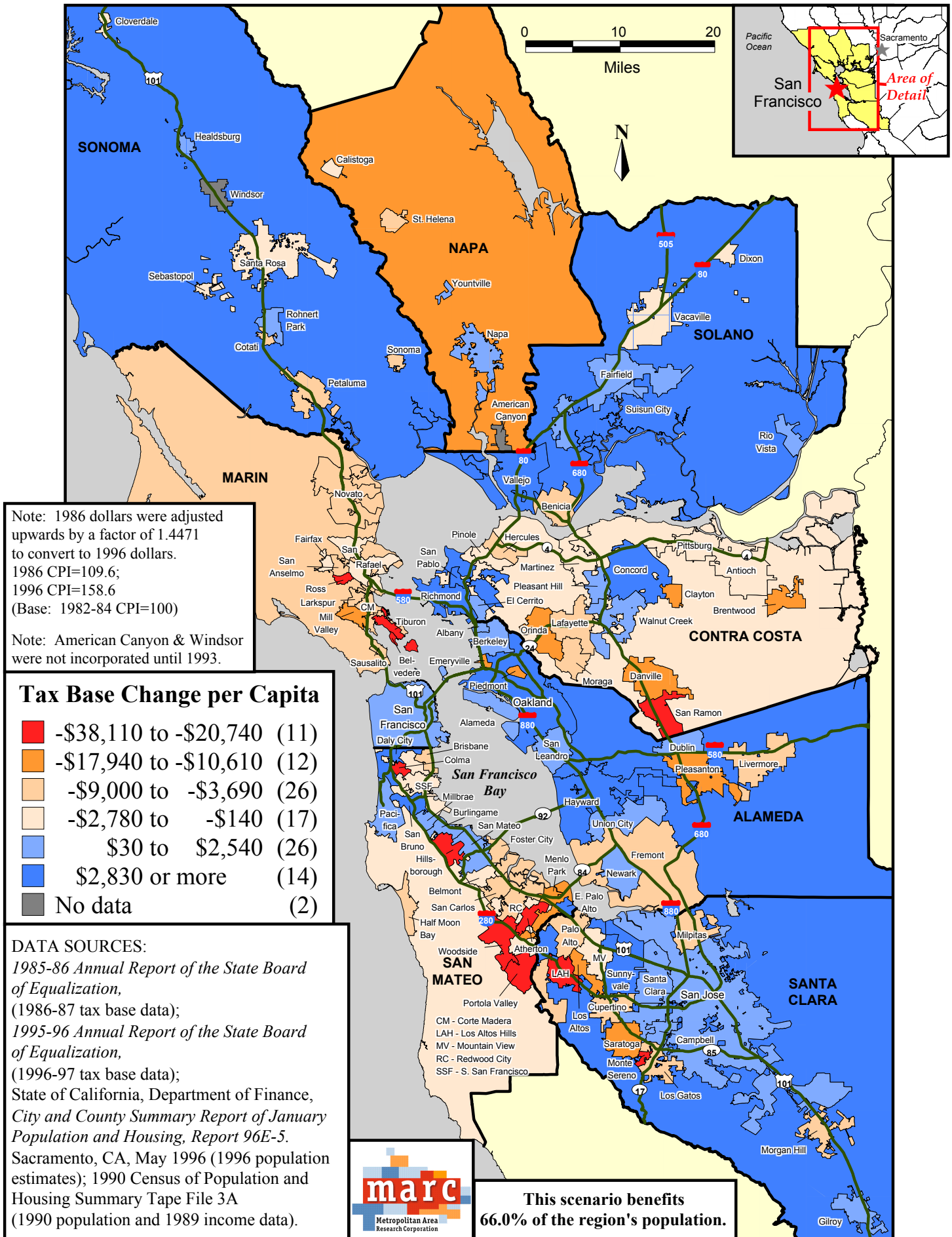
Figure 39: Redistribution of 40% of Growth in Taxable Transactions 1986-1996 According to Per Capita Income for Municipalities & County Unincorporated Areas

Note: 1986 dollars were adjusted upwards by a factor of 1.4471 to convert to 1996 dollars. 1986 CPI=109.6; 1996 CPI=158.6 (Base: 1982-84 CPI=100)

Note: American Canyon & Windsor were not incorporated until 1993.

Per Capita Change

Color	Range	(Count)
■ (red)	-$87,360 to -$1,260	(18)
■ (orange)	-$1,050 to -$20	(20)
■ (lightest blue)	$0 to $320	(16)
■ (light blue)	$350 to $630	(22)
■ (medium blue)	$660 to $970	(21)
■ (dark blue)	$1,030 or more	(9)
■ (gray)	No data	(2)

DATA SOURCES:
California State Board of Equalization, *Taxable Sales in California (Sales & Use Tax) During 1986 Twenty-Sixth Annual Report,* and *Taxable Sales in California (Sales & Use Tax) During 1996 Thirty-Sixth Annual Report,* Tables 2, 5 & 6 (1986 & 1996 taxable transactions data); State of California, Department of Finance, *City and County Summary Report of January Population and Housing, Report 96E-5,* Sacramento, CA, May 1996 (1996 population estimates); 1990 Census of Population and Housing Summary Tape File 3A (1990 population and 1989 income data).

CM - Corte Madera
LAH - Los Altos Hills
MV - Mountain View
RC - Redwood City
SSF - S. San Francisco

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This scenario benefits 64.1% of the region's population.

Figure 40: Redistribution of 40% of Growth in Taxable Transactions 1986-1996 According to Per Capita Income by Municipality

Note: 1986 dollars were adjusted upwards by a factor of 1.4471 to convert to 1996 dollars.
1986 CPI=109.6;
1996 CPI=158.6
(Base: 1982-84 CPI=100)

Note: American Canyon & Windsor were not incorporated until 1993.

Per Capita Change

![red]	-$87,230 to -$1,620	(14)
![orange]	-$1,350 to -$30	(22)
![lightest blue]	$0 to $280	(12)
![light blue]	$320 to $620	(18)
![blue]	$660 to $970	(22)
![dark blue]	$1,070 or more	(10)
![gray]	No data	(2)

DATA SOURCES:
California State Board of Equalization, *Taxable Sales in California (Sales & Use Tax) During 1986 Twenty-Sixth Annual Report,* and *Taxable Sales in California (Sales & Use Tax) During 1996 Thirty-Sixth Annual Report,* Tables 2, 5 & 6 (1986 & 1996 taxable transactions data); State of California, Department of Finance, *City and County Summary Report of January Population and Housing, Report 96E-5,* Sacramento, CA, May 1996 (1996 population estimates); 1990 Census of Population and Housing Summary Tape File 3A (1990 population and 1989 income data).

CM - Corte Madera
LAH - Los Altos Hills
MV - Mountain View
RC - Redwood City
SSF - S. San Francisco

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Metropolitan Area Research Corporation

This scenario benefits 60.4% of the region's municipal population.

0   10   20
Miles

Pacific Ocean

San Francisco

Area of Detail

Sacramento

N

SONOMA

NAPA

SOLANO

MARIN

CONTRA COSTA

ALAMEDA

SAN MATEO

SANTA CLARA

San Francisco Bay

Cloverdale
Healdsburg
Calistoga
Windsor
St. Helena
Santa Rosa
Sebastopol
Yountville
Rohnert Park
Cotati
Sonoma
Napa
Petaluma
American Canyon
Dixon
Vacaville
Fairfield
Suisun City
Rio Vista
Novato
Vallejo
Benicia
Pinole
Hercules
Pittsburg
Fairfax
San Anselmo
San Rafael
San Pablo
Martinez
Concord
Antioch
Ross
Richmond
Pleasant Hill
El Cerrito
Clayton
Brentwood
CM
Larkspur
Mill Valley
Tiburon
Albany
Berkeley
Lafayette
Orinda
Walnut Creek
Sausalito
Belvedere
Emeryville
Moraga
Danville
San Ramon
Piedmont
Oakland
Alameda
San Leandro
Dublin
Pleasanton
Livermore
San Francisco
Daly City
Brisbane
Colma
Hayward
SSF
Millbrae
Burlingame
San Mateo
Union City
Fremont
Pacifica
San Bruno
Foster City
Newark
Hillsborough
Menlo Park
Belmont
San Carlos
RC
E. Palo Alto
Milpitas
Half Moon Bay
Woodside
Palo Alto
Atherton
MV
Sunnyvale
Santa Clara
San Jose
Portola Valley
LAH
Los Altos
Cupertino
Saratoga
Campbell
Monte Sereno
Los Gatos
Morgan Hill
Gilroy

101
505
80
680
4
24
580
880
92
84
280
101
85
17

as full partners in regional equity efforts. Too strong and too early an effort by the central cities, too powerful central city dominance, could dissuade the inner Oakland and outlying suburbs and retard progress toward reform.

c. Future Issues

If and when relationships can be built around tax-base sharing and fiscal equity, there is a simmering coalition waiting to be built concerning regional affordable housing. The low tax base communities undoubtedly feel overburdened by affordable housing. Their political response now is to "just say no," which will deeply over-stress and over-segregate the city. Without a viable response to this growing sentiment, a much deeper crisis for poor residents, race relations, and the politics of the region will develop. In Minnesota, the inner and low tax base suburbs, which had their fair share of affordable housing, joined in coalition with the central cities to pass a regional fair housing bill. It was a very strong coalition built on the rhetoric and power of the civil rights movement, with a powerful representation of the communities of color, and with the added political force of inner-suburban areas trying to retain stability. Creative thinking and planning could, over time, build a very powerful coalition in the Bay Area to persuade the affluent suburbs, where many new jobs are moving, to do their fair share. Again, with simply the political power of the city and the low tax base suburbs, there is a winning coalition.

VI. Conclusion

The foregoing represents a pattern of metropolitan development—that of social and economic polarization—that the San Francisco Bay Area cannot afford to continue. The Bay Area cannot afford to build a new set of communities and the supporting infrastructure every generation as the city and older suburbs become isolated and decline.

The Bay Area cannot afford to concentrate poverty in increasingly isolated neighborhoods of the central cities and inner Oakland suburbs. It's clear that the concentration of poverty is more than the sum of its parts. We cannot lock people into patterns of dependency and isolation away from the productive economy. We must empower individuals so that they have control and can make changes within their communities.

The Bay Area cannot afford to eat up thousands of acres of farm land to build new sprawling communities into infinity.

The Bay Area must spend at least some of its resources and energy renewing—recycling—the communities in which it grew up. We cannot afford disposable core communities.

This report represents the beginnings of an agenda designed to deal with growing regional instability and disparities. While it is controversial, it represents only a best first effort, subject to the negotiation, reformation, and synthesis that occurs in all political progress. While the issues will be difficult, it is our hope that this region can work together—reason together—to solve its mutual problems.

The real importance of this discussion is the realization that the San Francisco Bay Area is suffering from a series of problems that are too massive for any of the central cities to confront alone. These are the same problems that caused the decline and even death of other urban centers and unless the people of this region concentrate their efforts on finding new solutions, they can expect no better outcome.

Appendix A: Property Tax Base per Household

	Municipality	Subregion	Tax Base, 1996 (in thousands)	Estimated Households, 1996	Tax Base per Household, 1996
1	East Palo Alto	Low Txbs-Low SH	$476,168	6,902	$68,990
2	San Pablo	Low Txbs-Low SH	$768,593	8,809	$87,251
3	Vallejo	Low Txbs-Low SH	$4,223,577	38,584	$109,464
4	Cloverdale	Low Txbs-Low SH	$227,950	2,057	$110,817
5	Albany	Low Txbs-Low SH	$805,682	7,208	$111,776
6	**Oakland**	**Central City**	**$17,159,188**	**144,230**	**$118,971**
7	Suisun City	Low Txbs-Low SH	$926,595	7,463	$124,159
8	El Cerrito	Low Txbs-Low SH	$1,265,768	10,111	$125,187
9	Berkeley	Low Txbs-Low SH	$5,549,177	43,665	$127,085
10	Daly City	Low Txbs-Low SH	$3,929,766	30,182	$130,202
11	American Canyon	Low Taxbase	$416,053	3,155	$131,871
12	Rio Vista	Low Txbs-Low SH	$194,749	1,456	$133,756
13	Napa	Low Txbs-Low SH	$3,546,334	25,710	$137,936
14	Calistoga	Low Txbs-Low SH	$278,392	2,014	$138,228
15	Alameda	Low Txbs-Low SH	$4,130,142	29,835	$138,433
16	Pacifica	Low Taxbase	$1,890,074	13,623	$138,741
17	Rohnert Park	Low Txbs-Low SH	$2,101,574	14,572	$144,220
18	Antioch	Low Txbs-Low SH	$3,696,472	25,558	$144,631
19	Dixon	Low Txbs-Low SH	$619,223	4,278	$144,746
20	Fairfield	Low Txbs-Low SH	$4,215,616	28,928	$145,728
21	Pinole	Low Taxbase	$977,240	6,573	$148,675
22	Yountville	Low Txbs-Low SH	$146,785	967	$151,794
23	Cotati	Low Txbs-Low SH	$385,536	2,536	$152,025
24	Sebastopol	Low Txbs-Low SH	$465,866	3,051	$152,693
25	Concord	Low Txbs-Low SH	$6,561,956	42,819	$153,249
26	Vacaville	Low Txbs-Low SH	$3,980,414	25,919	$153,571
27	Fairfax	Low Txbs-Low SH	$487,965	3,123	$156,249
28	San Bruno	Low Taxbase	$2,311,809	14,653	$157,770
29	Santa Rosa	Low Txbs-Low SH	$8,104,311	50,662	$159,968
30	Hayward	Low Txbs-Low SH	$6,781,201	41,973	$161,561
31	Pleasant Hill	Low Taxbase	$2,127,729	13,060	$162,920
32	Healdsburg	Low Txbs-Low SH	$610,622	3,747	$162,963
33	Pittsburg	Low Txbs-Low SH	$2,669,796	16,294	$163,851
34	San Leandro	Low Txbs-Low SH	$4,806,975	29,291	$164,111
35	Sonoma	Low Txbs-Low SH	$699,827	4,115	$170,067
36	Martinez	Low Txbs-Low SH	$2,332,436	13,667	$170,662
37	Campbell	Low Txbs-Low SH	$2,637,500	15,423	$171,011
38	**San Francisco**	**Central City**	**$55,209,092**	**309,925**	**$178,137**
39	Petaluma	Low Taxbase	$3,273,973	18,244	$179,455
40	**San Jose**	**Central City**	**$48,380,248**	**262,421**	**$184,361**
41	Belmont	Low Taxbase	$1,914,930	10,358	$184,874
42	Windsor	Low Txbs-Low SH	$1,199,549	6,457	$185,775
43	Union City	Low Taxbase	$3,100,760	16,598	$186,815
44	San Anselmo	Low Txbs-Low SH	$966,337	5,138	$188,076
45	Millbrae	Low Txbs-Low SH	$1,517,218	8,009	$189,439
46	Gilroy	Low Txbs-Low SH	$1,914,540	10,082	$189,897
47	Richmond	Low Txbs-Low SH	$6,426,272	33,764	$190,329
48	San Mateo	Low Taxbase	$6,966,405	36,140	$192,762
49	Livermore	High Taxbase	$4,484,535	23,026	$194,760
50	Brentwood	High Taxbase	$823,350	4,177	$197,115
51	Hercules	High Taxbase	$1,220,740	6,082	$200,714
52	Novato	High Taxbase	$3,646,847	17,778	$205,133
53	Larkspur	High Taxbase	$1,232,346	5,994	$205,597
54	Newark	High Taxbase	$2,561,548	12,439	$205,929
55	Mountain View	High Taxbase	$6,395,145	30,555	$209,299
56	Dublin	High Taxbase	$1,625,624	7,661	$212,195
57	Walnut Creek	High Taxbase	$6,207,096	29,037	$213,765
58	Sunnyvale	High Taxbase	$10,879,646	50,479	$215,528
59	San Rafael	High Taxbase	$4,711,649	21,385	$220,325
60	Redwood City	High Taxbase	$5,889,420	26,375	$223,296
61	Burlingame	High Taxbase	$2,975,794	12,369	$240,585
62	San Carlos	High Taxbase	$2,729,741	11,284	$241,913
63	Fremont	High Taxbase	$15,362,199	63,131	$243,338

	Municipality	Subregion	Tax Base, 1996 (in thousands)	Estimated Households, 1996	Tax Base per Household, 1996
64	Morgan Hill	High Taxbase	$2,168,064	8,886	$243,986
65	St. Helena	High Taxbase	$569,682	2,330	$244,499
66	Benicia	High Taxbase	$2,473,733	9,866	$250,733
67	Foster City	High Taxbase	$2,915,097	11,359	$256,633
68	Los Gatos	High Taxbase	$3,005,532	11,667	$257,610
69	Moraga Town	High Taxbase	$1,452,178	5,611	$258,809
70	Lafayette	High Taxbase	$2,352,182	9,087	$258,851
71	Clayton	High Taxbase	$824,517	3,184	$258,956
72	Half Moon Bay	High Taxbase	$914,679	3,526	$259,410
73	Mill Valley	High Taxbase	$1,568,827	6,031	$260,127
74	South San Francisco	High Taxbase	$5,078,283	18,834	$269,634
75	Corte Madera	High Taxbase	$991,651	3,616	$274,240
76	Sausalito	High Taxbase	$1,183,338	4,124	$286,939
77	Santa Clara	High Taxbase	$10,867,664	37,187	$292,244
78	Pleasanton	High Taxbase	$6,208,383	20,624	$301,027
79	San Ramon	High Taxbase	$4,590,857	14,813	$309,921
80	Los Altos	High Taxbase	$3,201,977	10,191	$314,197
81	Orinda	High Taxbase	$2,057,420	6,445	$319,227
82	Danville	High Taxbase	$4,233,381	13,160	$321,685
83	Menlo Park	High Taxbase	$3,991,524	12,079	$330,452
84	Cupertino	High Taxbase	$5,228,646	15,707	$332,886
85	Palo Alto	High Taxbase	$8,227,035	24,545	$335,182
86	Piedmont	High Taxbase	$1,270,955	3,772	$336,945
87	Milpitas	High Taxbase	$5,460,273	16,199	$337,075
88	Emeryville	High Taxbase	$1,263,304	3,615	$349,462
89	Saratoga	High Taxbase	$3,692,384	10,219	$361,325
90	Tiburon	High Taxbase	$1,468,844	3,480	$422,082
91	Monte Sereno	High Taxbase	$536,281	1,209	$443,574
92	Brisbane	High Taxbase	$641,827	1,321	$485,864
93	Portola Valley	High Taxbase	$846,930	1,668	$507,752
94	Colma	High Taxbase	$229,030	446	$513,520
95	Belvedere	High Taxbase	$526,673	967	$544,646
96	Los Altos Hills	High Taxbase	$1,567,318	2,666	$587,891
97	Ross	High Taxbase	$474,613	739	$642,237
98	Hillsborough	High Taxbase	$2,567,850	3,682	$697,406
99	Woodside	High Taxbase	$1,317,315	1,857	$709,378
100	Atherton	High Taxbase	$1,802,937	2,426	$743,173

Appendix B: Z-Score Calculations used in Determining Subregions

Municipality	Subregion	% Children Under 5 in Poverty	Z-Score: Children Under 5 in Poverty	% Female-headed Households	Z-Score: Female-headed Households	Median Household Income	Z-Score: Median Household Income	Master Z-Score
Emeryville	High Taxbase	29.8	-3.25	51.5	-4.77	$35,665	-0.72	-2.91
Oakland	**Central City**	32.1	-3.59	37.4	-2.88	$27,095	-1.13	-2.53
San Pablo	Low Txbs-Low SH	27.2	-2.87	35.3	-2.60	$25,479	-1.20	-2.22
Richmond	Low Txbs-Low SH	28.9	-3.12	34.2	-2.45	$32,165	-0.89	-2.15
East Palo Alto	Low Txbs-Low SH	21.9	-2.09	24.7	-1.17	$29,206	-1.03	-1.43
Berkeley	Low Txbs-Low SH	15.7	-1.18	28.1	-1.63	$29,737	-1.00	-1.27
San Francisco	**Central City**	17.7	-1.48	22.1	-0.83	$33,414	-0.83	-1.04
Hayward	Low Txbs-Low SH	16.5	-1.30	23.1	-0.96	$36,058	-0.70	-0.99
Rio Vista	Low Txbs-Low SH	20.1	-1.83	16.9	-0.13	$31,728	-0.91	-0.96
Gilroy	Low Txbs-Low SH	19.9	-1.80	19.4	-0.46	$40,955	-0.47	-0.91
Cotati	Low Txbs-Low SH	13.3	-0.83	23.3	-0.99	$36,670	-0.68	-0.83
Napa	Low Txbs-Low SH	13.4	-0.84	21.8	-0.79	$35,479	-0.73	-0.79
Santa Rosa	Low Txbs-Low SH	12.9	-0.77	20	-0.54	$35,237	-0.74	-0.69
Pittsburg	Low Txbs-Low SH	15.5	-1.15	18.2	-0.30	$38,532	-0.59	-0.68
Colma	High Taxbase	13.4	-0.84	20.3	-0.58	$39,028	-0.56	-0.66
Albany	Low Txbs-Low SH	11.2	-0.52	21.2	-0.71	$34,836	-0.76	-0.66
Vallejo	Low Txbs-Low SH	12.8	-0.76	19.7	-0.50	$36,605	-0.68	-0.65
Antioch	Low Txbs-Low SH	15.7	-1.18	17.9	-0.26	$40,936	-0.48	-0.64
Calistoga	Low Txbs-Low SH	9.4	-0.26	18.3	-0.32	$25,196	-1.22	-0.60
Alameda	Low Txbs-Low SH	11.1	-0.51	20.7	-0.64	$38,122	-0.61	-0.58
Sebastopol	Low Txbs-Low SH	6.9	0.11	23.5	-1.01	$33,005	-0.85	-0.58
Fairfield	Low Txbs-Low SH	12.9	-0.77	17.8	-0.25	$36,886	-0.67	-0.56
Cloverdale	Low Txbs-Low SH	11.9	-0.62	16.7	-0.10	$31,476	-0.92	-0.55
San Rafael	High Taxbase	11.6	-0.58	19.3	-0.45	$41,922	-0.43	-0.49
Yountville	Low Txbs-Low SH	0	1.12	26.8	-1.46	$27,863	-1.09	-0.47
Concord	Low Txbs-Low SH	10.8	-0.46	18.3	-0.32	$41,675	-0.44	-0.41
Campbell	Low Txbs-Low SH	9.6	-0.29	19.4	-0.46	$42,489	-0.40	-0.38
Redwood City	High Taxbase	11.3	-0.54	17.3	-0.18	$42,962	-0.38	-0.37
Suisun City	Low Txbs-Low SH	13.8	-0.90	13.3	0.35	$40,865	-0.48	-0.34
Martinez	Low Txbs-Low SH	10.3	-0.39	18.5	-0.34	$45,964	-0.24	-0.32
San Jose	**Central City**	12.7	-0.74	15.8	0.02	$46,206	-0.23	-0.32
Healdsburg	Low Txbs-Low SH	5	0.39	19.5	-0.48	$33,712	-0.81	-0.30
Windsor	Low Txbs-Low SH	11.4	-0.55	12.4	0.47	$36,702	-0.67	-0.25
Mountain View	High Taxbase	7.4	0.04	18.6	-0.36	$42,431	-0.40	-0.24
Vacaville	Low Txbs-Low SH	9	-0.20	15.7	0.03	$40,679	-0.49	-0.22
Santa Clara	High Taxbase	7.3	0.05	18.5	-0.34	$44,707	-0.30	-0.20
Daly City	Low Txbs-Low SH	9.3	-0.24	15	0.13	$41,533	-0.45	-0.19
San Leandro	Low Txbs-Low SH	5.2	0.36	17.2	-0.17	$35,681	-0.72	-0.18
San Anselmo	Low Txbs-Low SH	5.1	0.37	20.2	-0.57	$44,770	-0.29	-0.16
Rohnert Park	Low Txbs-Low SH	4.2	0.51	17.9	-0.26	$36,097	-0.70	-0.15
Larkspur	High Taxbase	2.4	0.77	22.8	-0.92	$45,304	-0.27	-0.14
El Cerrito	Low Txbs-Low SH	2.6	0.74	20.4	-0.60	$39,538	-0.54	-0.13
Sonoma	Low Txbs-Low SH	2.4	0.77	18.1	-0.29	$32,520	-0.87	-0.13
Dixon	Low Txbs-Low SH	6.1	0.23	14.9	0.14	$36,710	-0.67	-0.10
St. Helena	High Taxbase	12.2	-0.67	7.6	1.12	$35,047	-0.75	-0.10
Fairfax	Low Txbs-Low SH	0	1.12	23.6	-1.03	$42,581	-0.40	-0.10
Menlo Park	High Taxbase	6.6	0.15	18.9	-0.40	$50,468	-0.03	-0.09
Mill Valley	High Taxbase	2.8	0.71	24.5	-1.15	$55,748	0.22	-0.07
Millbrae	Low Txbs-Low SH	8.9	-0.18	13.7	0.30	$45,999	-0.24	-0.04
Sunnyvale	High Taxbase	5.9	0.26	17.1	-0.16	$46,403	-0.22	-0.04
Burlingame	High Taxbase	5.3	0.35	16	-0.01	$42,487	-0.40	-0.02
Brentwood	High Taxbase	7.4	0.04	13.3	0.35	$41,455	-0.45	-0.02
South San Francisco	High Taxbase	7	0.10	14.1	0.25	$42,920	-0.38	-0.01
Benicia	High Taxbase	6.5	0.17	16.8	-0.12	$49,660	-0.07	0.00
Union City	Low Taxbase	9.3	-0.24	12.4	0.47	$46,988	-0.19	0.01
Livermore	High Taxbase	6.6	0.15	15.5	0.06	$49,149	-0.09	0.04
Novato	High Taxbase	6.5	0.17	14.2	0.23	$45,890	-0.24	0.05
San Bruno	Low Taxbase	4.4	0.48	14.9	0.14	$42,019	-0.42	0.06
Newark	High Taxbase	7.4	0.04	13.7	0.30	$50,471	-0.03	0.10

Municipality	Subregion	% Children Under 5 in Poverty	Z-Score: Children Under 5 in Poverty	% Female-headed Households	Z-Score: Female-headed Households	Median Household Income	Z-Score: Median Household Income	Master Z-Score
American Canyon	Low Taxbase	6.5	0.17	10.9	0.68	$39,860	-0.53	0.11
San Mateo	Low Taxbase	5.2	0.36	13	0.39	$42,894	-0.38	0.12
Petaluma	Low Taxbase	3.6	0.60	14	0.26	$40,926	-0.48	0.13
Pacifica	Low Taxbase	4.8	0.42	14.7	0.17	$47,533	-0.17	0.14
Brisbane	High Taxbase	2.3	0.79	14.2	0.23	$38,368	-0.60	0.14
Corte Madera	High Taxbase	3.8	0.57	17.8	-0.25	$53,371	0.11	0.14
Pinole	Low Taxbase	4.5	0.46	14.1	0.25	$45,820	-0.25	0.15
Morgan Hill	High Taxbase	7.5	0.02	13.4	0.34	$53,480	0.11	0.16
Los Gatos	High Taxbase	6.2	0.21	16.3	-0.05	$57,815	0.32	0.16
Walnut Creek	High Taxbase	4.2	0.51	13.7	0.30	$45,529	-0.26	0.18
Belmont	Low Taxbase	5.3	0.35	13.4	0.34	$50,859	-0.01	0.23
Dublin	High Taxbase	6.6	0.15	12.9	0.41	$53,710	0.13	0.23
Pleasant Hill	Low Taxbase	2.6	0.74	14	0.26	$46,885	-0.20	0.27
Palo Alto	High Taxbase	3.1	0.67	15.9	0.00	$55,333	0.20	0.29
Fremont	High Taxbase	5.3	0.35	11.7	0.57	$51,231	0.01	0.31
Sausalito	High Taxbase	0	1.12	18.8	-0.38	$60,471	0.44	0.39
San Carlos	High Taxbase	3.4	0.62	12.4	0.47	$54,658	0.17	0.42
Milpitas	High Taxbase	4.1	0.52	10.2	0.77	$55,730	0.22	0.50
Pleasanton	High Taxbase	2.9	0.70	12.2	0.50	$59,458	0.40	0.53
Half Moon Bay	High Taxbase	1.4	0.92	12	0.53	$54,762	0.17	0.54
Lafayette	High Taxbase	3.6	0.60	9.6	0.85	$64,806	0.65	0.70
Foster City	High Taxbase	2.7	0.73	7.7	1.10	$60,462	0.44	0.76
Cupertino	High Taxbase	2	0.83	9.7	0.84	$64,587	0.64	0.77
Hercules	High Taxbase	0.5	1.05	7.4	1.14	$56,098	0.24	0.81
San Ramon	High Taxbase	1.4	0.92	8.9	0.94	$63,607	0.59	0.82
Tiburon	High Taxbase	2	0.83	12.1	0.51	$75,864	1.17	0.84
Danville	High Taxbase	1.6	0.89	9	0.93	$74,472	1.10	0.97
Moraga Town	High Taxbase	1.7	0.87	6	1.33	$69,767	0.88	1.03
Clayton	High Taxbase	0	1.12	7	1.20	$69,710	0.88	1.07
Belvedere	High Taxbase	8.2	-0.08	9.2	0.90	$104,525	2.51	1.11
Los Altos	High Taxbase	0.4	1.07	7.8	1.09	$79,579	1.34	1.17
Orinda	High Taxbase	0.6	1.04	7.2	1.17	$80,968	1.41	1.20
Woodside	High Taxbase	5.9	0.26	5.3	1.43	$93,109	1.98	1.22
Piedmont	High Taxbase	0.7	1.02	7.7	1.10	$84,498	1.57	1.23
Ross	High Taxbase	0	1.12	7	1.20	$84,414	1.57	1.30
Saratoga	High Taxbase	0	1.12	4	1.60	$86,674	1.68	1.47
Portola Valley	High Taxbase	0	1.12	8.5	1.00	$103,005	2.44	1.52
Monte Sereno	High Taxbase	0	1.12	6	1.33	$98,121	2.21	1.56
Hillsborough	High Taxbase	4.1	0.52	4.8	1.49	$123,625	3.41	1.81
Los Altos Hills	High Taxbase	2	0.83	0	2.14	$115,851	3.05	2.00
Atherton	High Taxbase	0	1.12	4.9	1.48	$130,734	3.75	2.12
Average			7.65		15.94		$51,042.94	
Standard deviation			6.81		7.46		$21,269.19	

DATA SOURCE: 1990 U.S. Census of Population and Housing, Summary Tape File 3A.

Appendix C: Hypothetical Property Tax-Base Sharing Run 1. Redistribution of 1996 Tax Base from Housing Valued at $400,000 or More, According to Tax Base per Capita for Municipalities and County Unincorporated Areas.

	Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won/Lost
1	East Palo Alto	Low Taxbase, Low Social Health	$845,051,465	24,800	$34,075
2	San Pablo	Low Taxbase, Low Social Health	$573,216,728	25,950	$22,089
3	Suisun City	Low Taxbase, Low Social Health	$456,542,611	25,500	$17,904
4	Vallejo	Low Taxbase, Low Social Health	$1,914,787,705	112,300	$17,051
5	Cloverdale	Low Taxbase, Low Social Health	$84,650,056	5,475	$15,461
6	Yountville	Low Taxbase, Low Social Health	$53,363,321	3,460	$15,423
7	Daly City	Low Taxbase, Low Social Health	$1,517,115,512	99,500	$15,247
8	American Canyon	Low Taxbase	$122,353,731	8,900	$13,748
9	Dixon	Low Taxbase, Low Social Health	$179,656,123	13,100	$13,714
10	Vacaville	Low Taxbase, Low Social Health	$1,152,412,487	84,200	$13,687
11	Fairfield	Low Taxbase, Low Social Health	$1,168,657,437	86,900	$13,448
12	Antioch	Low Taxbase, Low Social Health	$983,741,555	74,800	$13,152
13	Pittsburg	Low Taxbase, Low Social Health	$619,894,805	50,400	$12,300
14	Rohnert Park	Low Taxbase, Low Social Health	$457,853,196	38,350	$11,939
15	Albany	Low Taxbase, Low Social Health	$203,220,167	17,100	$11,884
16	Union City	Low Taxbase	$670,774,390	58,300	$11,506
17	Rio Vista	Low Taxbase, Low Social Health	$41,414,379	3,660	$11,315
18	Pinole	Low Taxbase	$202,489,386	18,100	$11,187
19	**Oakland**	**Central City**	**$4,218,404,818**	**383,900**	**$10,988**
20	Napa	Low Taxbase, Low Social Health	$729,625,406	66,900	$10,906
21	Hayward	Low Taxbase, Low Social Health	$1,316,674,218	122,200	$10,775
22	Concord	Low Taxbase, Low Social Health	$1,178,396,971	111,800	$10,540
23	Brentwood	High Taxbase	$138,448,717	13,200	$10,489
24	Pacifica	Low Taxbase	$392,995,386	39,150	$10,038
25	Gilroy	Low Taxbase, Low Social Health	$335,134,936	34,000	$9,857
26	Cotati	Low Taxbase, Low Social Health	$60,748,668	6,500	$9,346
27	Hercules	High Taxbase	$172,125,558	18,800	$9,156
28	Newark	High Taxbase	$362,095,648	40,000	$9,052
29	Sebastopol	Low Taxbase, Low Social Health	$67,838,382	7,525	$9,015
30	Calistoga	Low Taxbase, Low Social Health	$41,736,252	4,710	$8,861
31	Dublin	High Taxbase	$228,091,394	26,250	$8,689
32	Windsor	Low Taxbase, Low Social Health	$159,997,534	18,750	$8,533
33	Richmond	Low Taxbase, Low Social Health	$772,119,827	90,900	$8,494
34	Martinez	Low Taxbase, Low Social Health	$289,425,239	35,150	$8,234
35	Petaluma	Low Taxbase	$388,240,491	47,700	$8,139
36	San Leandro	Low Taxbase, Low Social Health	$577,743,144	71,500	$8,080
37	Livermore	High Taxbase	$509,802,803	65,400	$7,795
38	San Bruno	Low Taxbase	$306,081,775	40,450	$7,567
39	Healdsburg	Low Taxbase, Low Social Health	$71,641,685	9,575	$7,482
40	**San Jose**	**Central City**	**$6,126,028,213**	**849,400**	**$7,212**
41	Santa Rosa	Low Taxbase, Low Social Health	$898,855,186	125,700	$7,151
42	Pleasant Hill	Low Taxbase	$195,933,267	31,450	$6,230
43	Benicia	High Taxbase	$160,155,875	27,200	$5,888
44	Alameda	Low Taxbase, Low Social Health	$458,589,581	78,300	$5,857
45	El Cerrito	Low Taxbase, Low Social Health	$115,625,541	23,250	$4,973
46	Campbell	Low Taxbase, Low Social Health	$189,849,277	38,250	$4,963
47	South San Francisco	High Taxbase	$222,961,019	57,000	$3,912
48	Clayton	High Taxbase	$35,975,782	9,400	$3,827
49	Unincorporated Alameda	-	$448,028,948	125,150	$3,580
50	Santa Clara	High Taxbase	$297,544,191	98,000	$3,036
51	Emeryville	High Taxbase	$18,230,868	6,450	$2,826
52	Berkeley	Low Taxbase, Low Social Health	$285,473,280	104,700	$2,727
53	Colma	High Taxbase	$2,666,735	1,230	$2,168
54	Sonoma	Low Taxbase, Low Social Health	$16,919,480	8,750	$1,934
55	**San Francisco**	**Central City**	**$1,366,187,080**	**755,300**	**$1,809**
56	Unincorporated Sonoma	-	$264,010,158	153,175	$1,724
57	Milpitas	High Taxbase	$87,526,059	59,700	$1,466
58	Fairfax	Low Taxbase, Low Social Health	$476,969	7,025	$68
59	Fremont	High Taxbase	($14,992,030)	187,900	($80)
60	Unincorporated Solano	-	($8,058,931)	20,240	($398)

	Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won/Lost
61	St. Helena	High Taxbase	($3,590,597)	5,575	($644)
62	Brisbane	High Taxbase	($7,469,362)	3,120	($2,394)
63	Walnut Creek	High Taxbase	($157,745,441)	62,000	($2,544)
64	Novato	High Taxbase	($127,533,523)	46,500	($2,743)
65	Morgan Hill	High Taxbase	($91,540,694)	27,950	($3,275)
66	Sunnyvale	High Taxbase	($465,243,257)	126,100	($3,689)
67	Pleasanton	High Taxbase	($237,716,986)	57,800	($4,113)
68	Mountain View	High Taxbase	($293,469,736)	71,300	($4,116)
69	San Ramon	High Taxbase	($264,123,628)	40,650	($6,498)
70	Unincorporated Napa	-	($195,673,059)	29,455	($6,643)
71	Redwood City	High Taxbase	($584,978,709)	71,800	($8,147)
72	Unincorporated Contra Costa	-	($1,570,775,615)	171,100	($9,180)
73	Half Moon Bay	High Taxbase	($100,979,959)	10,600	($9,526)
74	San Rafael	High Taxbase	($529,169,656)	52,400	($10,099)
75	San Mateo	Low Taxbase	($983,795,829)	91,200	($10,787)
76	Unincorporated Santa Clara	-	($1,312,522,877)	108,520	($12,095)
77	Corte Madera	High Taxbase	($127,314,894)	8,600	($14,804)
78	San Anselmo	Low Taxbase, Low Social Health	($179,948,504)	12,150	($14,811)
79	Danville	High Taxbase	($823,789,335)	37,050	($22,235)
80	Unincorporated Marin	-	($1,666,304,941)	66,935	($24,894)
81	Foster City	High Taxbase	($755,478,917)	29,300	($25,784)
82	Unincorporated San Mateo	-	($1,640,780,466)	62,765	($26,142)
83	Millbrae	Low Taxbase, Low Social Health	($558,930,196)	21,250	($26,303)
84	Belmont	Low Taxbase	($705,114,640)	24,950	($28,261)
85	Cupertino	High Taxbase	($1,269,345,679)	43,650	($29,080)
86	Larkspur	High Taxbase	($343,154,486)	11,600	($29,582)
87	Sausalito	High Taxbase	($242,568,790)	7,650	($31,708)
88	Burlingame	High Taxbase	($912,383,050)	28,100	($32,469)
89	Menlo Park	High Taxbase	($991,330,778)	30,200	($32,826)
90	Moraga	High Taxbase	($556,931,918)	16,300	($34,168)
91	San Carlos	High Taxbase	($969,675,183)	27,800	($34,880)
92	Lafayette	High Taxbase	($828,766,318)	23,550	($35,192)
93	Los Gatos	High Taxbase	($1,041,287,949)	28,950	($35,968)
94	Palo Alto	High Taxbase	($2,322,238,710)	58,500	($39,696)
95	Mill Valley	High Taxbase	($612,511,504)	13,750	($44,546)
96	Orinda	High Taxbase	($950,895,118)	16,850	($56,433)
97	Tiburon	High Taxbase	($492,748,877)	8,400	($58,661)
98	Piedmont	High Taxbase	($747,617,010)	11,150	($67,051)
99	Saratoga	High Taxbase	($2,313,091,524)	29,600	($78,145)
100	Ross	High Taxbase	($193,203,522)	2,240	($86,252)
101	Portola Valley	High Taxbase	($392,573,417)	4,410	($89,019)
102	Los Altos	High Taxbase	($2,449,004,103)	27,300	($89,707)
103	Monte Sereno	High Taxbase	($305,130,926)	3,280	($93,028)
104	Woodside	High Taxbase	($500,165,592)	5,375	($93,054)
105	Los Altos Hills	High Taxbase	($775,731,018)	7,800	($99,453)
106	Atherton	High Taxbase	($743,047,177)	7,300	($101,787)
107	Hillsborough	High Taxbase	($1,155,876,955)	11,200	($103,203)
108	Belvedere	High Taxbase	($239,280,025)	2,250	($106,347)

Percentage of regional population living in winning municipalities: 70.9%

DATA SOURCES:
1995-96 Annual Report of the State Board of Equalization, Tables 10 and 11, pp. A12-A14 (1996-97 tax base data);
State of California, Department of Finance, *City and County Summary Report of January Population and Housing, Report 96E-5,* Sacramento, CA, May 1996 (1996 population estimates).
1990 Census of Population & Housing Summary Tape File 3A (1990 housing value distributions);
State Board of Equalization, Agency Planning and Research Division, Statistics Section (1996-97 assessed value of property receiving homeowner's exemption as a percentage of total roll by county).

Methodology:

Each municipality is required to contribute its 1996 residential tax base taken from housing valued greater than $400,000 into a tax-base pool. (For the purposes of these taxbase sharing run calculations, the unincorporated areas within each county were treated as if they were municipalities; therefore, the terms "municipality" and "municipal" should be taken to refer to both the actual incorporated municipalities and the surrounding county unincorporated areas.) Then, a "distribution index" is calculated to determine what percentage share each municipality will get back out of the pool. This distribution index is equal to the municipality's population multiplied by the ratio of the metropolitan region's tax base per capita to the municipality's tax base per capita. Each municipality's distribution index is then divided by the sum of all the distribution indexes to arrive at each municipality's percentage share of the tax-base pool. This percentage is then multiplied by the tax-base pool amount to determine the actual amount the municipality receives back. Finally, the amount the municipality contributes is subtracted from the amount the municipality receives to arrive at the net distribution to the municipality.

Step 1: 1996 municipal residential tax base valued > $400,000 = Municipal Contribution
Step 2: municipal population * ((region's tax base / region's population) /
                 (municipal tax base / municipal population)) = Distribution Index
Step 3: Distribution Index/sum of Distribution Indexes = Municipal Share of tax base to be distributed
Step 4: Municipal Share * sum of Municipal Contributions = Municipal Distribution
Step 5: Municipal Distribution - Municipal Contribution = Municipal Net Distribution

Hypothetical Property Tax-Base Sharing Run 2. Redistribution of 40% of Tax Base Growth from 1986 to 1996, According to Per Capita Income for Municipalities and County Unincorporated Areas.

	Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won/Lost
1	East Palo Alto	Low Taxbase, Low Social Health	$262,758,896	24,800	$10,595
2	San Pablo	Low Taxbase, Low Social Health	$218,852,658	25,950	$8,434
3	Unincorporated Solano	-	$156,883,785	20,240	$7,751
4	Unincorporated Alameda	-	$883,524,454	125,150	$7,060
5	**Oakland**	**Central City**	**$2,086,234,335**	**383,900**	**$5,434**
6	Unincorporated Santa Clara	-	$509,864,422	108,520	$4,698
7	Unincorporated Sonoma	-	$680,386,134	153,175	$4,442
8	Concord	Low Taxbase, Low Social Health	$491,116,558	111,800	$4,393
9	Sunnyvale	High Taxbase	$488,712,026	126,100	$3,876
10	Daly City	Low Taxbase, Low Social Health	$371,187,367	99,500	$3,731
11	Hayward	Low Taxbase, Low Social Health	$385,956,809	122,200	$3,158
12	San Bruno	Low Taxbase	$119,323,317	40,450	$2,950
13	Richmond	Low Taxbase, Low Social Health	$265,791,782	90,900	$2,924
14	Vallejo	Low Taxbase, Low Social Health	$317,863,515	112,300	$2,830
15	Yountville	Low Taxbase, Low Social Health	$8,786,351	3,460	$2,539
16	**San Jose**	**Central City**	**$2,116,853,635**	**849,400**	**$2,492**
17	**San Francisco**	**Central City**	**$1,870,460,446**	**755,300**	**$2,476**
18	Suisun City	Low Taxbase, Low Social Health	$60,541,035	25,500	$2,374
19	Rio Vista	Low Taxbase, Low Social Health	$8,540,439	3,660	$2,333
20	Santa Clara	High Taxbase	$212,688,115	98,000	$2,170
21	San Leandro	Low Taxbase, Low Social Health	$151,918,678	71,500	$2,125
22	Union City	Low Taxbase	$110,987,043	58,300	$1,904
23	Healdsburg	Low Taxbase, Low Social Health	$17,931,236	9,575	$1,873
24	Fairfield	Low Taxbase, Low Social Health	$139,591,622	86,900	$1,606
25	Rohnert Park	Low Taxbase, Low Social Health	$57,716,255	38,350	$1,505
26	Albany	Low Taxbase, Low Social Health	$24,856,883	17,100	$1,454
27	Pacifica	Low Taxbase	$56,166,148	39,150	$1,435
28	San Mateo	Low Taxbase	$120,798,335	91,200	$1,325
29	Berkeley	Low Taxbase, Low Social Health	$132,602,705	104,700	$1,267
30	Burlingame	High Taxbase	$34,753,016	28,100	$1,237
31	Pleasant Hill	Low Taxbase	$30,479,963	31,450	$969
32	El Cerrito	Low Taxbase, Low Social Health	$14,004,675	23,250	$602
33	Campbell	Low Taxbase, Low Social Health	$18,703,461	38,250	$489
34	Alameda	Low Taxbase, Low Social Health	$29,776,671	78,300	$380
35	Napa	Low Taxbase, Low Social Health	$15,098,188	66,900	$226
36	Walnut Creek	High Taxbase	$13,523,842	62,000	$218
37	Gilroy	Low Taxbase, Low Social Health	$3,624,870	34,000	$107
38	Millbrae	Low Taxbase, Low Social Health	$1,226,831	21,250	$58
39	Dublin	High Taxbase	$1,048,498	26,250	$40
40	Newark	High Taxbase	$1,246,408	40,000	$31
41	South San Francisco	High Taxbase	($8,063,834)	57,000	($141)
42	Pinole	Low Taxbase	($6,688,356)	18,100	($370)
43	Sebastopol	Low Taxbase, Low Social Health	($2,981,662)	7,525	($396)
44	Unincorporated Contra Costa	-	($105,956,909)	171,100	($619)
45	Calistoga	Low Taxbase, Low Social Health	($4,631,060)	4,710	($983)
46	Santa Rosa	Low Taxbase, Low Social Health	($133,794,677)	125,700	($1,064)
47	Dixon	Low Taxbase, Low Social Health	($14,072,600)	13,100	($1,074)
48	Mountain View	High Taxbase	($83,724,587)	71,300	($1,174)
49	Fairfax	Low Taxbase, Low Social Health	($8,274,534)	7,025	($1,178)
50	Unincorporated San Mateo	-	($75,101,159)	62,765	($1,197)
51	Belmont	Low Taxbase	($31,748,653)	24,950	($1,272)
52	Cloverdale	Low Taxbase, Low Social Health	($9,166,947)	5,475	($1,674)
53	Martinez	Low Taxbase, Low Social Health	($69,487,642)	35,150	($1,977)
54	Vacaville	Low Taxbase, Low Social Health	($170,228,524)	84,200	($2,022)
55	Antioch	Low Taxbase, Low Social Health	($154,339,264)	74,800	($2,063)
	Pittsburg	Low Taxbase, Low Social Health	($103,994,179)	50,400	($2,063)
57	San Rafael	High Taxbase	($145,654,639)	52,400	($2,780)
58	Novato	High Taxbase	($171,995,726)	46,500	($3,699)
59	San Carlos	High Taxbase	($109,006,658)	27,800	($3,921)
60	San Anselmo	Low Taxbase, Low Social Health	($52,125,128)	12,150	($4,290)

	Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won/Lost
61	Moraga	High Taxbase	($70,845,588)	16,300	($4,346)
62	Milpitas	High Taxbase	($285,354,971)	59,700	($4,780)
63	Cotati	Low Taxbase, Low Social Health	($32,257,663)	6,500	($4,963)
64	St. Helena	High Taxbase	($27,985,540)	5,575	($5,020)
65	Redwood City	High Taxbase	($370,181,229)	71,800	($5,156)
66	Unincorporated Marin	-	($355,022,993)	66,935	($5,304)
67	Livermore	High Taxbase	($363,830,736)	65,400	($5,563)
68	Petaluma	Low Taxbase	($266,616,574)	47,700	($5,589)
69	Hercules	High Taxbase	($105,951,990)	18,800	($5,636)
70	Los Gatos	High Taxbase	($171,335,167)	28,950	($5,918)
71	Lafayette	High Taxbase	($140,116,626)	23,550	($5,950)
72	Sonoma	Low Taxbase, Low Social Health	($52,384,967)	8,750	($5,987)
73	Fremont	High Taxbase	($1,129,922,061)	187,900	($6,013)
74	Palo Alto	High Taxbase	($353,991,831)	58,500	($6,051)
75	Foster City	High Taxbase	($181,472,992)	29,300	($6,194)
76	Benicia	High Taxbase	($168,682,851)	27,200	($6,202)
77	Morgan Hill	High Taxbase	($208,354,289)	27,950	($7,455)
78	Larkspur	High Taxbase	($86,970,773)	11,600	($7,497)
79	Cupertino	High Taxbase	($345,749,717)	43,650	($7,921)
80	Corte Madera	High Taxbase	($71,586,832)	8,600	($8,324)
81	Half Moon Bay	High Taxbase	($88,822,683)	10,600	($8,379)
82	Brisbane	High Taxbase	($26,359,161)	3,120	($8,448)
83	Sausalito	High Taxbase	($68,834,430)	7,650	($8,998)
84	Menlo Park	High Taxbase	($320,503,865)	30,200	($10,613)
85	Emeryville	High Taxbase	($68,581,464)	6,450	($10,633)
86	Mill Valley	High Taxbase	($149,251,393)	13,750	($10,855)
87	Brentwood	High Taxbase	($144,614,341)	13,200	($10,956)
88	Los Altos	High Taxbase	($315,168,976)	27,300	($11,545)
89	Piedmont	High Taxbase	($130,469,828)	11,150	($11,701)
90	Orinda	High Taxbase	($202,384,114)	16,850	($12,011)
91	Unincorporated Napa	-	($372,106,911)	29,455	($12,633)
92	Pleasanton	High Taxbase	($787,767,211)	57,800	($13,629)
93	Saratoga	High Taxbase	($419,536,962)	29,600	($14,174)
94	Danville	High Taxbase	($628,546,999)	37,050	($16,965)
95	Clayton	High Taxbase	($168,637,002)	9,400	($17,940)
96	San Ramon	High Taxbase	($843,401,815)	40,650	($20,748)
97	Tiburon	High Taxbase	($181,390,557)	8,400	($21,594)
98	Monte Sereno	High Taxbase	($76,769,398)	3,280	($23,405)
99	Colma	High Taxbase	($29,560,862)	1,230	($24,033)
100	Hillsborough	High Taxbase	($279,923,904)	11,200	($24,993)
101	Portola Valley	High Taxbase	($110,238,806)	4,410	($24,997)
102	Belvedere	High Taxbase	($56,511,536)	2,250	($25,116)
103	Los Altos Hills	High Taxbase	($228,431,541)	7,800	($29,286)
104	Ross	High Taxbase	($67,263,762)	2,240	($30,028)
105	Woodside	High Taxbase	($199,476,961)	5,375	($37,112)
106	Atherton	High Taxbase	($278,174,798)	7,300	($38,106)

Did not exist in 1986:

	American Canyon	Low Taxbase	-	8,900	-
	Windsor	Low Taxbase, Low Social Health	-	18,750	-

Percentage of regional population living in winning municipalities: 66.0%

Note: 1986 dollars were adjusted upwards by a factor of 1.4471 to convert to 1996 dollars.
1986 CPI=109.6; 1996 CPI=158.6 (Base: 1982-1984
CPI=100)

DATA SOURCES:
1985-86 Annual Report of the State Board of Equalization, Tables 10 and 11, pp. A12-A14 (1986-87 tax base data);
1995-96 Annual Report of the State Board of Equalization, Tables 10 and 11, pp. A12-A14 (1996-97 tax base data);
State of California, Department of Finance, *City and County Summary Report of January Population
 and Housing, Report 96E-5,* Sacramento, CA, May 1996 (1996 population estimates);
1990 Census of Population and Housing Summary Tape File 3A (1990 population & 1989 income data).

Methodology:

Each municipality is required to contribute 40% of its 1986-1996 tax base growth into a tax-base pool.
(For the purposes of these taxbase sharing run calculations, the unincorporated areas within each county
were treated as if they were municipalities; therefore, the terms "municipality" and "municipal" should be
taken to refer to both the actual incorporated municipalities and the surrounding county unincorporated areas.)
Then, a "distribution index" is calculated to determine what percentage share each municipality will
get back out of the pool. This distribution index is equal to the municipality's population multiplied by
the ratio of the metropolitan region's income per capita to the municipality's income per capita.
Each municipality's distribution index is then divided by the sum of all the distribution indexes to arrive
at each municipality's percentage share of the tax-base pool. This percentage is then multiplied
by the tax-base pool amount to determine the actual amount the municipality receives back. Finally,
the amount the municipality contributes is subtracted from the amount the municipality receives to arrive
at the net distribution to the municipality.

Step 1: 1986-1996 municipal tax base growth * 0.40 = Municipal Contribution
Step 2: municipal population * ((region's aggregate income / region's population)
/
            (municipal aggregate income / municipal population)) = Distribution
Index
Step 3: Distribution Index / sum of Distribution Indexes = Municipal Share of tax base to be distributed
Step 4: Municipal Share * sum of Municipal Contributions = Municipal
Distribution
Step 5: Municipal Distribution - Municipal Contribution = Municipal Net
Distribution

Hypothetical Sales Tax-Base Sharing Run 1. Redistribution of 40% of Growth in Taxable Transactions 1986 to 1996 According to Per Capita Income for Municipalities and County Unincorporated Areas.

	Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won/Lost
1	East Palo Alto	Low Taxbase, Low Social Health	$36,481,954	24,800	$1,471
2	San Pablo	Low Taxbase, Low Social Health	$37,503,705	25,950	$1,445
3	Suisun City	Low Taxbase, Low Social Health	$27,786,911	25,500	$1,090
4	Unincorporated Solano	-	$21,191,792	20,240	$1,047
5	Richmond	Low Taxbase, Low Social Health	$94,330,048	90,900	$1,038
	Unincorporated Alameda	-	$129,881,336	125,150	$1,038
7	**Oakland**	**Central City**	**$397,136,188**	**383,900**	**$1,034**
8	Healdsburg	Low Taxbase, Low Social Health	$9,881,929	9,575	$1,032
9	Daly City	Low Taxbase, Low Social Health	$102,455,657	99,500	$1,030
10	Rio Vista	Low Taxbase, Low Social Health	$3,537,542	3,660	$967
11	South San Francisco	High Taxbase	$54,573,553	57,000	$957
12	Vallejo	Low Taxbase, Low Social Health	$106,904,761	112,300	$952
13	Unincorporated Santa Clara	-	$96,460,667	108,520	$889
14	Concord	Low Taxbase, Low Social Health	$96,627,194	111,800	$864
	San Leandro	Low Taxbase, Low Social Health	$61,806,605	71,500	$864
16	Albany	Low Taxbase, Low Social Health	$14,297,242	17,100	$836
17	Unincorporated Sonoma	-	$127,264,440	153,175	$831
18	Pacifica	Low Taxbase	$32,036,312	39,150	$818
19	Brisbane	High Taxbase	$2,391,304	3,120	$766
20	Unincorporated Napa	-	$21,780,864	29,455	$739
21	Cloverdale	Low Taxbase, Low Social Health	$3,880,713	5,475	$709
22	Unincorporated Contra Costa	-	$119,745,725	171,100	$700
23	Millbrae	Low Taxbase, Low Social Health	$14,823,282	21,250	$698
24	Berkeley	Low Taxbase, Low Social Health	$72,790,388	104,700	$695
	El Cerrito	Low Taxbase, Low Social Health	$16,151,611	23,250	$695
26	Pleasant Hill	Low Taxbase	$21,752,850	31,450	$692
27	Fairfax	Low Taxbase, Low Social Health	$4,798,171	7,025	$683
28	Yountville	Low Taxbase, Low Social Health	$2,355,986	3,460	$681
29	Calistoga	Low Taxbase, Low Social Health	$3,187,784	4,710	$677
30	San Mateo	Low Taxbase	$60,872,027	91,200	$667
31	San Rafael	High Taxbase	$32,832,376	52,400	$627
32	Sebastopol	Low Taxbase, Low Social Health	$4,619,612	7,525	$614
33	Burlingame	High Taxbase	$17,043,390	28,100	$607
34	**San Francisco**	**Central City**	**$457,189,743**	**755,300**	**$605**
35	San Anselmo	Low Taxbase, Low Social Health	$7,231,496	12,150	$595
36	Unincorporated San Mateo	-	$36,388,567	62,765	$580
37	Alameda	Low Taxbase, Low Social Health	$44,906,698	78,300	$574
38	Santa Rosa	Low Taxbase, Low Social Health	$69,570,633	125,700	$553
39	Walnut Creek	High Taxbase	$33,520,003	62,000	$541
40	Antioch	Low Taxbase, Low Social Health	$40,416,017	74,800	$540
41	Cupertino	High Taxbase	$22,759,018	43,650	$521
42	Napa	Low Taxbase, Low Social Health	$33,337,586	66,900	$498
43	Sunnyvale	High Taxbase	$58,720,238	126,100	$466
44	Larkspur	High Taxbase	$5,223,828	11,600	$450
	Los Gatos	High Taxbase	$13,036,613	28,950	$450
46	Lafayette	High Taxbase	$10,429,758	23,550	$443
47	Cotati	Low Taxbase, Low Social Health	$2,779,334	6,500	$428
48	Moraga	High Taxbase	$6,627,342	16,300	$407
49	Los Altos	High Taxbase	$10,972,139	27,300	$402
50	Orinda	High Taxbase	$6,307,813	16,850	$374
51	Saratoga	High Taxbase	$11,052,290	29,600	$373
52	Piedmont	High Taxbase	$3,941,410	11,150	$353
53	Unincorporated Marin	-	$20,947,687	66,935	$313
54	Sausalito	High Taxbase	$2,370,293	7,650	$310
55	Tiburon	High Taxbase	$2,434,103	8,400	$290
56	Ross	High Taxbase	$638,874	2,240	$285
57	Fairfield	Low Taxbase, Low Social Health	$22,017,065	86,900	$253
58	Belmont	Low Taxbase	$6,219,563	24,950	$249
59	Hillsborough	High Taxbase	$2,686,229	11,200	$240
60	Belvedere	High Taxbase	$477,794	2,250	$212

Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won/Lost
61 Mill Valley	High Taxbase	$2,905,490	13,750	$211
62 San Bruno	Low Taxbase	$6,932,994	40,450	$171
63 Monte Sereno	High Taxbase	$552,941	3,280	$169
64 Portola Valley	High Taxbase	$723,968	4,410	$164
65 Los Altos Hills	High Taxbase	$1,154,623	7,800	$148
66 Redwood City	High Taxbase	$1,639,825	71,800	$23
67 Hayward	Low Taxbase, Low Social Health	$2,091,431	122,200	$17
68 Atherton	High Taxbase	$17,986	7,300	$2
69 Dublin	High Taxbase	($590,218)	26,250	($22)
70 Clayton	High Taxbase	($660,747)	9,400	($70)
71 San Jose	**Central City**	**($119,473,706)**	**849,400**	**($141)**
72 Half Moon Bay	High Taxbase	($1,709,277)	10,600	($161)
73 Hercules	High Taxbase	($3,414,421)	18,800	($182)
74 Woodside	High Taxbase	($1,128,258)	5,375	($210)
75 Dixon	Low Taxbase, Low Social Health	($4,416,342)	13,100	($337)
76 Sonoma	Low Taxbase, Low Social Health	($3,320,759)	8,750	($380)
77 Palo Alto	High Taxbase	($22,418,626)	58,500	($383)
78 Martinez	Low Taxbase, Low Social Health	($16,674,475)	35,150	($474)
79 Danville	High Taxbase	($18,240,773)	37,050	($492)
80 Benicia	High Taxbase	($14,683,477)	27,200	($540)
81 Vacaville	Low Taxbase, Low Social Health	($47,763,243)	84,200	($567)
82 Pittsburg	Low Taxbase, Low Social Health	($35,462,273)	50,400	($704)
83 Pinole	Low Taxbase	($13,722,878)	18,100	($758)
84 Petaluma	Low Taxbase	($39,702,899)	47,700	($832)
85 Brentwood	High Taxbase	($11,483,636)	13,200	($870)
86 San Carlos	High Taxbase	($26,981,344)	27,800	($971)
87 Novato	High Taxbase	($45,899,299)	46,500	($987)
88 Fremont	High Taxbase	($197,301,176)	187,900	($1,050)
89 Morgan Hill	High Taxbase	($35,261,753)	27,950	($1,262)
90 Union City	Low Taxbase	($77,736,795)	58,300	($1,333)
91 Newark	High Taxbase	($55,864,957)	40,000	($1,397)
92 Rohnert Park	Low Taxbase, Low Social Health	($56,513,437)	38,350	($1,474)
93 Corte Madera	High Taxbase	($14,549,580)	8,600	($1,692)
94 Campbell	Low Taxbase, Low Social Health	($73,217,904)	38,250	($1,914)
95 St. Helena	High Taxbase	($11,196,153)	5,575	($2,008)
96 Gilroy	Low Taxbase, Low Social Health	($72,633,752)	34,000	($2,136)
97 Livermore	High Taxbase	($162,019,013)	65,400	($2,477)
98 Santa Clara	High Taxbase	($243,338,388)	98,000	($2,483)
99 Menlo Park	High Taxbase	($100,602,577)	30,200	($3,331)
100 San Ramon	High Taxbase	($145,721,092)	40,650	($3,585)
101 Milpitas	High Taxbase	($214,901,290)	59,700	($3,600)
102 Mountain View	High Taxbase	($290,068,010)	71,300	($4,068)
103 Foster City	High Taxbase	($129,923,239)	29,300	($4,434)
104 Pleasanton	High Taxbase	($295,009,322)	57,800	($5,104)
105 Emeryville	High Taxbase	($86,350,869)	6,450	($13,388)
106 Colma	High Taxbase	($107,449,349)	1,230	($87,357)

Did not exist in 1986:

American Canyon	Low Taxbase	-	8,900	-
Windsor	Low Taxbase, Low Social Health	-	18,750	-

Percentage of regional population living in winning municipalities: 64.1%

Note: 1986 dollars were adjusted upwards by a factor of 1.4471 to convert to 1996 dollars.
1986 CPI=109.6; 1996 CPI=158.6 (Base: 1982-1984 CPI=100)

Data Sources: California State Board of Equalization, *Taxable Sales in California (Sales & Use Tax) During 1986 Twenty-Sixth Annual Report*, Tables 2, 5 and 6 (1986 taxable transactions data);
California State Board of Equalization, *Taxable Sales in California (Sales & Use Tax) During 1996 Thirty-Sixth Annual Report*, Tables 2, 5 and 6 (1996 taxable transactions data);
1990 U. S. Census of Population and Housing Summary Tape File 3A (1990 population and 1989 income data);
State of California, Department of Finance, *City and County Summary Report of January Population and Housing, Report 96E-5*, Sacramento, CA, May 1996 (1996 population estimates).

Note: Taxable transactions figures include values from the "Unallocated" column in Table 2 of the taxable sales annual report, which were distributed to the municipalities and the county unincorporated areas in proportion to each area's total taxable transactions.

Methodology:

Each municipality is required to contribute 40% of its 1986-1996 growth in taxable transactions into a tax-base pool.
(For the purposes of these taxbase sharing run calculations, the unincorporated areas within each county
were treated as if they were municipalities; therefore, the terms "municipality" and "municipal" should be
taken to refer to both the actual incorporated municipalities and the surrounding county unincorporated areas.)
Then, a "distribution index" is calculated to determine what percentage share each municipality will get back out
of the pool. This distribution index is equal to the municipality's population multiplied by the ratio of the metropolitan
region's income per capita to the municipality's income per capita. Each municipality's distribution index is then
divided by the sum of all the distribution indexes to arrive at each municipality's percentage share of the tax-base pool.
This percentage is then multiplied by the tax-base pool amount to determine the actual amount the municipality
receives back. Finally, the amount the municipality contributes is subtracted from the amount the municipality receives
to arrive at the net distribution to the municipality.

Step 1: 1986-1996 municipal growth in taxable transactions * 0.40 = Municipal Contribution
Step 2: municipal population * ((region's aggregate income / region's population) /
             (municipal aggregate income / municipal population)) = Distribution Index
Step 3: Distribution Index / sum of Distribution Indexes = Municipal Share of tax base to be distributed
Step 4: Municipal Share * sum of Municipal Contributions = Municipal Distribution
Step 5: Municipal Distribution - Municipal Contribution = Municipal Net Distribution

Hypothetical Sales Tax-Base Sharing Run 2. Redistribution of 40% of Growth in Taxable Transactions 1986 to 1996 According to Per Capita Income for Municipalities Only.

	Municipality	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won/Lost
1	East Palo Alto	Low Taxbase, Low Social Health	$41,078,962	24,800	$1,656
2	San Pablo	Low Taxbase, Low Social Health	$42,068,185	25,950	$1,621
3	Suisun City	Low Taxbase, Low Social Health	$31,544,496	25,500	$1,237
4	Richmond	Low Taxbase, Low Social Health	$105,810,732	90,900	$1,164
5	**Oakland**	**Central City**	**$445,471,437**	**383,900**	**$1,160**
6	Healdsburg	Low Taxbase, Low Social Health	$11,084,677	9,575	$1,158
7	Daly City	Low Taxbase, Low Social Health	$114,925,882	99,500	$1,155
8	Rio Vista	Low Taxbase, Low Social Health	$3,967,761	3,660	$1,084
9	Vallejo	Low Taxbase, Low Social Health	$121,445,650	112,300	$1,081
10	South San Francisco	High Taxbase	$61,215,394	57,000	$1,074
11	San Leandro	Low Taxbase, Low Social Health	$69,329,252	71,500	$970
12	Concord	Low Taxbase, Low Social Health	$108,387,471	111,800	$969
13	Albany	Low Taxbase, Low Social Health	$16,037,201	17,100	$938
14	Pacifica	Low Taxbase	$35,936,032	39,150	$918
15	Brisbane	High Taxbase	$2,682,001	3,120	$860
16	Yountville	Low Taxbase, Low Social Health	$2,823,782	3,460	$816
17	Cloverdale	Low Taxbase, Low Social Health	$4,353,141	5,475	$795
18	Berkeley	Low Taxbase, Low Social Health	$83,125,626	104,700	$794
	Calistoga	Low Taxbase, Low Social Health	$3,738,896	4,710	$794
20	Millbrae	Low Taxbase, Low Social Health	$16,627,885	21,250	$782
21	El Cerrito	Low Taxbase, Low Social Health	$18,117,209	23,250	$779
22	Pleasant Hill	Low Taxbase	$24,400,730	31,450	$776
23	Fairfax	Low Taxbase, Low Social Health	$5,382,271	7,025	$766
24	San Mateo	Low Taxbase	$68,280,984	91,200	$749
25	Sebastopol	Low Taxbase, Low Social Health	$5,493,950	7,525	$730
26	San Rafael	High Taxbase	$36,828,583	52,400	$703
27	**San Francisco**	**Central City**	**$528,051,599**	**755,300**	**$699**
28	Burlingame	High Taxbase	$19,117,632	28,100	$680
29	San Anselmo	Low Taxbase, Low Social Health	$8,111,248	12,150	$668
30	Alameda	Low Taxbase, Low Social Health	$52,201,185	78,300	$667
31	Antioch	Low Taxbase, Low Social Health	$49,536,580	74,800	$662
32	Santa Rosa	Low Taxbase, Low Social Health	$83,028,521	125,700	$661
33	Napa	Low Taxbase, Low Social Health	$40,959,106	66,900	$612
34	Walnut Creek	High Taxbase	$37,866,827	62,000	$611
35	Cupertino	High Taxbase	$25,529,032	43,650	$585
36	Sunnyvale	High Taxbase	$69,164,627	126,100	$548
37	Cotati	Low Taxbase, Low Social Health	$3,513,645	6,500	$541
38	Larkspur	High Taxbase	$5,859,864	11,600	$505
	Los Gatos	High Taxbase	$14,623,561	28,950	$505
40	Lafayette	High Taxbase	$11,698,849	23,550	$497
41	Moraga	High Taxbase	$7,595,459	16,300	$466
42	Los Altos	High Taxbase	$12,306,932	27,300	$451
43	Orinda	High Taxbase	$7,075,159	16,850	$420
44	Saratoga	High Taxbase	$12,397,405	29,600	$419
45	Piedmont	High Taxbase	$4,420,996	11,150	$397
46	Fairfield	Low Taxbase, Low Social Health	$33,726,324	86,900	$388
47	Sausalito	High Taxbase	$2,659,383	7,650	$348
48	Tiburon	High Taxbase	$2,729,847	8,400	$325
49	Belmont	Low Taxbase	$8,003,982	24,950	$321
50	Ross	High Taxbase	$716,824	2,240	$320
51	San Bruno	Low Taxbase	$11,018,945	40,450	$272
52	Hillsborough	High Taxbase	$3,013,445	11,200	$269
53	Mill Valley	High Taxbase	$3,609,980	13,750	$263
54	Belvedere	High Taxbase	$535,878	2,250	$238
55	Monte Sereno	High Taxbase	$677,920	3,280	$207
56	Portola Valley	High Taxbase	$870,005	4,410	$197
57	Los Altos Hills	High Taxbase	$1,386,043	7,800	$178
58	Hayward	Low Taxbase, Low Social Health	$17,096,628	122,200	$140
59	Redwood City	High Taxbase	$8,178,297	71,800	$114
60	Dublin	High Taxbase	$2,253,114	26,250	$86
61	Atherton	High Taxbase	$229,401	7,300	$31

	Municipality	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won/Lost
62	Clayton	High Taxbase	$38,696	9,400	$4
63	**San Jose**	**Central City**	**($26,631,355)**	**849,400**	**($31)**
64	Half Moon Bay	High Taxbase	($831,360)	10,600	($78)
65	Hercules	High Taxbase	($1,581,462)	18,800	($84)
66	Woodside	High Taxbase	($982,864)	5,375	($183)
67	Dixon	Low Taxbase, Low Social Health	($2,685,193)	13,100	($205)
68	Sonoma	Low Taxbase, Low Social Health	($2,448,256)	8,750	($280)
69	Palo Alto	High Taxbase	($19,091,351)	58,500	($326)
70	Martinez	Low Taxbase, Low Social Health	($13,436,438)	35,150	($382)
71	Danville	High Taxbase	($16,051,280)	37,050	($433)
72	Vacaville	Low Taxbase, Low Social Health	($37,026,413)	84,200	($440)
73	Benicia	High Taxbase	($12,251,049)	27,200	($450)
74	Pittsburg	Low Taxbase, Low Social Health	($28,657,741)	50,400	($569)
75	Pinole	Low Taxbase	($11,864,320)	18,100	($655)
76	Petaluma	Low Taxbase	($34,569,872)	47,700	($725)
77	Brentwood	High Taxbase	($9,773,270)	13,200	($740)
78	Novato	High Taxbase	($41,906,806)	46,500	($901)
79	San Carlos	High Taxbase	($25,157,378)	27,800	($905)
80	Fremont	High Taxbase	($180,028,536)	187,900	($958)
81	Morgan Hill	High Taxbase	($32,621,625)	27,950	($1,167)
82	Union City	Low Taxbase	($70,490,573)	58,300	($1,209)
83	Newark	High Taxbase	($51,444,588)	40,000	($1,286)
84	Rohnert Park	Low Taxbase, Low Social Health	($51,745,387)	38,350	($1,349)
85	Corte Madera	High Taxbase	($13,953,734)	8,600	($1,623)
86	Campbell	Low Taxbase, Low Social Health	($69,813,733)	38,250	($1,825)
87	St. Helena	High Taxbase	($10,659,768)	5,575	($1,912)
88	Gilroy	Low Taxbase, Low Social Health	($68,222,695)	34,000	($2,007)
89	Livermore	High Taxbase	($155,767,612)	65,400	($2,382)
90	Santa Clara	High Taxbase	($234,134,966)	98,000	($2,389)
91	Menlo Park	High Taxbase	($98,750,670)	30,200	($3,270)
92	Milpitas	High Taxbase	($208,604,836)	59,700	($3,494)
93	San Ramon	High Taxbase	($142,739,571)	40,650	($3,511)
94	Mountain View	High Taxbase	($284,195,718)	71,300	($3,986)
95	Foster City	High Taxbase	($128,016,919)	29,300	($4,369)
96	Pleasanton	High Taxbase	($290,704,662)	57,800	($5,029)
97	Emeryville	High Taxbase	($85,836,416)	6,450	($13,308)
98	Colma	High Taxbase	($107,282,713)	1,230	($87,222)

Did not exist in 1986:

	Municipality	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won/Lost
	American Canyon	Low Taxbase	-	8,900	-
	Windsor	Low Taxbase, Low Social Health	-	18,750	-

Percentage of regional municipal population living in winning municipalities: 60.0%

Note: 1986 dollars were adjusted upwards by a factor of 1.4471 to convert to 1996 dollars.
1986 CPI=109.6; 1996 CPI=158.6 (Base: 1982-1984 CPI=100)

Data Sources: California State Board of Equalization, *Taxable Sales in California (Sales & Use Tax) During 1986 Twenty-Sixth Annual Report*, Tables 2, 5 and 6 (1986 taxable transactions data);
California State Board of Equalization, *Taxable Sales in California (Sales & Use Tax) During 1996 Thirty-Sixth Annual Report*, Tables 2, 5 and 6 (1996 taxable transactions data);
1990 U. S. Census of Population and Housing Summary Tape File 3A (1990 population and 1989 income data);
State of California, Department of Finance, *City and County Summary Report of January Population and Housing, Report 96E-5*, Sacramento, CA, May 1996 (1996 population estimates).

Note: Taxable transactions figures include values from the "Unallocated" column in Table 2 of the taxable sales annual report, which were distributed to the municipalities and the county unincorporated areas in proportion to each area's total taxable transactions.

Methodology:

Each municipality is required to contribute 40% of its 1986-1996 growth in taxable transactions into a tax-base pool. Then, a "distribution index" is calculated to determine what percentage share each municipality will get back out of the pool. This distribution index is equal to the municipality's population multiplied by the ratio of the metropolitan region's income per capita to the municipality's income per capita. Each municipality's distribution index is then divided by the sum of all the distribution indexes to arrive at each municipality's percentage share of the tax-base pool.

This percentage is then multiplied by the tax-base pool amount to determine the actual amount the municipality receives back. Finally, the amount the municipality contributes is subtracted from the amount the municipality receives

to arrive at the net distribution to the municipality.

Step 1: 1986-1996 municipal growth in taxable transactions * 0.40 = Municipal Contribution

Step 2: municipal population * ((region's aggregate income / region's population) /
(municipal aggregate income / municipal population)) = Distribution Index

Step 3: Distribution Index / sum of Distribution Indexes = Municipal Share of tax base to be distributed

Step 4: Municipal Share * sum of Municipal Contributions = Municipal Distribution

Step 5: Municipal Distribution - Municipal Contribution = Municipal Net Distribution