

City of Emeryville

2022 Local Ballot Measure

Frequently Asked Questions (FAQ)

What is Measure O on the November 8th ballot?

The City-sponsored proposal is a request for voter authorization to approve a modification in Emeryville's existing **Real Property Transfer Tax (RPTT)** for properties worth more than \$1 million. Voters get to decide when they cast their ballots in the November 8th election.

What is the actual question that voters will be asked to decide in November?

"Shall the measure to fund general City services including fire/emergency response/police; street/sidewalk/park maintenance; water pollution prevention; disaster preparedness; affordable housing; senior / childcare / recreation services, by increasing the City of Emeryville Real Property Transfer Tax to \$15 per thousand for property sales between \$1,000,000 and \$2,000,000 and \$25 per thousand for property sales above \$ 2,000,000, raising \$ 5,000,000 annually until ended by voters, with citizen oversight, audits, and public disclosure of all spending be adopted?"

Why is the City proposing this ballot measure?

The City of Emeryville provides public services and operates facilities essential to community safety and the quality of life of all residents. Despite the challenges created by the COVID-19 pandemic, the City is focused on protecting the local quality of life by maintaining a safe, welcoming, and vibrant community, prioritizing safe neighborhoods, repairing and renovating streets and roads, providing meals to seniors and those most vulnerable, and supporting local businesses. The City is committed to providing quality services to the community in a fiscally responsible manner.

The City makes every effort to use resources wisely. We focus City resources on providing direct services to Emeryville. During the worst time of the COVID-19 pandemic in 2020-21, the City did **not** reduce service levels. Instead, we redirected capital funds (normally allocated to street repairs, playgrounds, and parks maintenance) to meet direct community service and programmatic needs. Borrowing funding from one part of the City budget (e.g. Capital funds) and using it for one-time reallocation to city service needs is not sustainable long term.

COVID-19 has had a detrimental impact on the City's finances. Despite our best efforts through the global COVID-19 pandemic, the City has identified a gap between revenues and expenditures going forward. **To help close the gap, the City has:** 1) applied funds generated in prior years to current needs; 2) deferred some maintenance and capital costs to subsequent fiscal years; and 3) held the line on starting new capital projects. Even so, if no additional revenue is generated, the City will be forced to lower service levels to Emeryville residents. Accordingly, the City is now considering funding options to address its needs responsibly and engaging with its community to ensure residents have their say in important decisions.

Why does the City need more funding?

The City's General Fund Budget provides funding for City services, programs, and facilities. **Due to the COVID-19 pandemic, our revenue has fallen short of our expenses.** This funding is vital to maintaining city services in Emeryville. There is also deferred maintenance, which will become more expensive the longer it is delayed.

What are the City's greatest needs?

- **PUBLIC SAFETY:** Maintaining police patrols, 911 emergency response, disaster preparedness, improving code enforcement, and increasing pedestrian safety (fire services provided by Alameda County Fire).
- **ADDRESSING HOMELESSNESS:** Providing solutions to address homelessness in Emeryville.
- **COVID-19 RESPONSE/ECONOMIC RECOVERY:** Supporting small businesses and attracting new businesses, jobs, and economic activity.
- **PUBLIC WORKS:** Improving transportation offerings for all modes of transit, including walking, biking, and rolling; and maintaining and enhancing urban forests, parks, and playgrounds.
- **CLEAN WATER/ENVIRONMENTAL:** Providing funding for storm drain repairs and maintenance to prevent flooding, protect against sea level rise, and keeping creeks, streams, and neighborhoods clean and pollution free.

How much would the RPTT measure cost?

If approved by city voters, Measure O would modify the City of Emeryville's RPTT from \$12 to \$15 per \$1,000 for property sales between \$1,000,000 and \$2,000,000 and \$25 per \$1,000 for property sales above \$2,000,000. **Under this proposal, the RPTT for properties worth under \$1,000,000 would remain unchanged.**

Does Emeryville currently have a Real Property Transfer Tax?

Yes. Emeryville's current RPTT rate is a flat \$12 per \$1,000 of full value.

How much additional funding would an increased real property transfer tax generate for the City?

An increase to the real property transfer tax would generate about \$5 million per year for City services. This revenue is dependent on the economy and the amount of real estate sales in Emeryville. ALL funds generated by the RPTT would be locally controlled and would stay in Emeryville to provide essential city services, programming, and facility improvements. By law, the State could not take this funding away.

What would a real property transfer tax apply to? What's taxed and what isn't?

A real property transfer tax increase would apply to properties sold that are valued above \$1,000,000. The rate is progressive, so properties from \$1,000,000 to \$2,000,000 would only see an increase of \$3 - from \$12 to \$15 per \$1,000. Properties above \$2,000,000 would be taxed \$25 per \$1,000 of their full sale value. **The RPTT for properties worth under \$1,000,000 would remain unchanged.**

When is the RPTT collected?

The RPTT is collected only when real estate is bought or sold. It is paid at the time of the transaction.

Would this affect my annual property taxes?

No. The RPTT is not a property tax. It is only assessed **once** - when a property is bought or sold.

Are there any exemptions to the RPTT?

Yes. State law allows exemptions in some cases, such as when a property is gifted, donated, or inherited.

How does Emeryville compare with nearby cities on real property transfer tax rates?

Emeryville's current real property transfer tax is a flat \$12 per \$1,000 of full value. The proposed RPTT increase would more closely align Emeryville's RPTT with Berkeley and Oakland's RPTTs.

How long would the measure last?

If Measure O is approved, it will be in place until ended by voters via a new vote of the people.

How much of the revenue generated by the RPTT goes to the State?

NONE. By law, every penny generated by Measure O would stay in Emeryville to fund essential city services and facility improvements for Emeryville if it is approved. None of these funds can be taken by the State or diverted to other communities.

What is required for Measure O to pass?

Measure O requires a simple majority vote (50% plus one vote) in order to pass and go into effect.

Who makes the final decision on a local sales tax measure?

City of Emeryville REGISTERED VOTERS will have the final say when they vote for or against Measure O. All voters registered to vote by October 24 will be eligible to vote on Measure O.

Where can I go for more information?

For more information or to share your opinions, please visit www.emeryville.org or contact City Clerk Sheri Hartz at shartz@emeryville.org, or call (510) 596-4300.