

City of Emeryville

2022 Local Revenue Measure Feasibility Project

Frequently Asked Questions (FAQ)

What is this project all about?

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 for the long-term. This project is help identify options to close the funding gap that our city is now facing, a gap that will continue to grow if we cannot find a prudent, affordable solution.

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 NEEDS for additional funding? What does it need more money for?

- **PUBLIC SAFETY:** Maintaining police patrols, 911 emergency response, disaster preparedness, improving code enforcement, and increasing pedestrian safety. (Fire Protection services are 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 has the City involved the community in this effort?

To help protect Emeryville City services and quality of life, City leaders have been evaluating all possible options for generating additional revenues to address identified needs. No decisions have been made yet – and none are expected until at least summer 2022. The City is currently evaluating all options and engaging in a conversation with residents and other stakeholders about the best ways to move forward in a sustainable, responsible way.

What possible solutions have been identified?

City leaders have been evaluating possible funding options for generating additional revenues **with the least impact possible to Emeryville residents**. One possible option is a modest increase in Emeryville's existing **Real Property Transfer Tax (RPTT)** for properties worth more than \$1 million. The RPTT is a one-time tax levied upon the purchase of residential and commercial real estate. The RPTT is collected only when real estate is bought or sold. Increasing the RPTT would require local voter support in order to go into effect. This option would cause the least impact on the daily lives of Emeryville residents. Local governments rely on RPTT revenues to fund essential local public services.

What would funds raised by a possible measure go towards?

New funds generated would go directly into the City's General Fund to help fund essential city services, including:

- 911 emergency medical response.
- Local police patrols, and crime/youth violence prevention services.
- Homelessness intervention programs and services.
- Increased traffic safety for pedestrians and cyclists.
- Repairs and updates to water infrastructure for better conservation and to address climate change.
- Protecting services for senior citizens and youth, including after-school programs.
- Improving disaster preparedness, including local COVID-19 response and recovery efforts.
- Investing in supporting small business and attracting new businesses, jobs, and economic activity.
- Repairing and renovating aging facilities.

How much would a new measure cost?

NO DECISIONS HAVE BEEN MADE YET. The most promising kind of measure currently being explored by City leaders is an RPTT increase, which would require a vote of the people and a simple majority threshold for approval. If approved by city voters, the measure currently being explored would propose to increase the City of Emeryville's RPTT 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 less than \$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 real estate sales activity 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 the new RPTT rate apply to? What would be subject to an increase and what wouldn'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 worth less than \$1,000,000 would see no change in RPTT fees at the time of sale. Properties sold in the \$1,000,000 to \$2,000,000 range would only see an increase to \$15 per \$1,000. Properties above \$2,000,000 would be assessed \$25 per \$1,000 of their full sale value.

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

NONE. By law, all funds generated by the City's RPTT must stay in Emeryville to fund essential city services and facility improvements for Emeryville. None of these funds can be taken by the State or used for other purposes or communities.

When would this proposal be placed on the ballot?

No decisions have been made yet. If the City Council decides to place a measure on the November 2022 ballot, it must file the measure with the County Registrar of Voters by August 12, 2022.

Where can I go for more information?

For more information or to share your opinions, please email JoinTheConversation@emeryville.org or call (510) 596-4300.