



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **FROM:** Councilmember Arjun Batra

SUBJECT: Item 3.1 Potential Parcel Ballot Tax Measure **DATE:** August 6, 2024

Approved *Arjun Dev Batra* Date: 8/5/2024

SUBJECT: Item 3.1 – Potential Parcel Ballot Tax Measure

RECOMMENDATION

Direct City Staff to accept the staff report with the following directions:

1. Defer this ballot measure discussion as stated in the staff recommendation to 2026.
2. Return to a future council meeting as determined by city staff before the end of 2024 with information on:
 - a) The cost schedule of all park renovations and maintenance delineated by Council District and estimated timeline for completion if applicable.
 - b) The city’s plan for purple pipe and our pursuable options to finance purple pipe expansion to all council districts, relating how the water cost savings through investment in purple pipe expansion could supplement park maintenance and service funding.
 - c) The estimated timeline and revenue generated through an effluent water deal with the Santa Clara Valley Water District and the various permissible uses as a supplemental funding source.
 - d) Ensure that staff provides a spending proposal to the Council that includes accountability metrics.

DISCUSSION

I appreciate the intent and leadership of the Mayor and Council to solve our park maintenance and services funding crisis.

NOW IS NOT THE RIGHT TIME

However, our residents are already feeling overtaxed and financially burdened by rising inflation:

- Polling results demonstrate public support will not reach the 2/3rds threshold;
- Residents cannot absorb the increased costs of a parcel tax due to high interest rates, rising unemployment, and high inflation.
- Several additional measures are on the ballot that will tax our residents leading to voter confusion and fatigue, vote splitting, and shifting political dynamics.

Again, residents are already feeling overtaxed and financially burdened by rising inflation. The proposed tax increase would disproportionately impact small business operators and individuals with limited financial means. Even high-income residents and commercial property owners will additionally be affected by another tax hike.

MORE INFORMATION IS NEEDED

Before submitting any ballot measure for a targeted tax, the Council and the community should reach a consensus on how the funds will be allocated, rather than determining their use after the measure.

Recommendation 2.d. accomplishes this by ensuring a future reconsideration of this ballot measure, which includes a spending proposal for the Council and community to digest.

Recommendation 2.c. provides information on our other financing options for park funding. We may find that acting on a potential effluent water deal with SCVWD, expanding purple pipe, and perhaps rearranging park maintenance schedules to save costs could provide supplemental funding sources that make a ballot measure unnecessary.

City staff is wise to recommend waiting and seeing as our best option given the outcome of our polling results and the current market circumstances. I urge my colleagues to support the staff recommendations and accept the recommendations in this memorandum.