

Potential Parcel Tax Ballot Measure

City Council Special Meeting

Item 3.1

August 6, 2024

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City of San José

City Manager's Office of Administration, Policy and Intergovernmental Relations

Potential November 2024 Ballot Measure Polling

Council Direction in March and June 2024

March 19, 2024 City Council meeting:

- “The City Manager is directed to explore placing a measure on the upcoming November 2024 ballot that would allow the city to enter **long-term retail and commercial leases** on city park land and direct the resulting revenues back into our parks.”
-- Mayor’s March Budget Message for 2024-2025
- “Explore additional funding mechanisms for **operations and maintenance** to improve our Neighborhood Parks.”
-- Memorandum from Councilmembers Ortiz, Candelas and Jimenez

June 18, 2024 City Council meeting:

The City Council provided the following direction to staff:

- Set a City Council Special Meeting entitled “November 5, 2024 General Election Ballot Measure” for Tuesday, August 6, 2024 starting at 1:30 p.m.
- Direct the City Manager and City Attorney to **draft ballot language and return to City Council at the August 6, 2024** Special Meeting for consideration of placing on the November 5, 2024 ballot a measure levying a parcel tax for the purpose of funding City services to clean, maintain, and improve San José’s parks, playgrounds, trails, restrooms, and recreation facilities and fund other City services.
- Direct the City Manager to **conduct additional polling to refine the tax rate and ballot language.**

Potential November 2024 Ballot Measure Polling

Focus on Parcel Tax



Parcel Tax to fund park
maintenance and
other services

Passage
Threshold:
66.67%



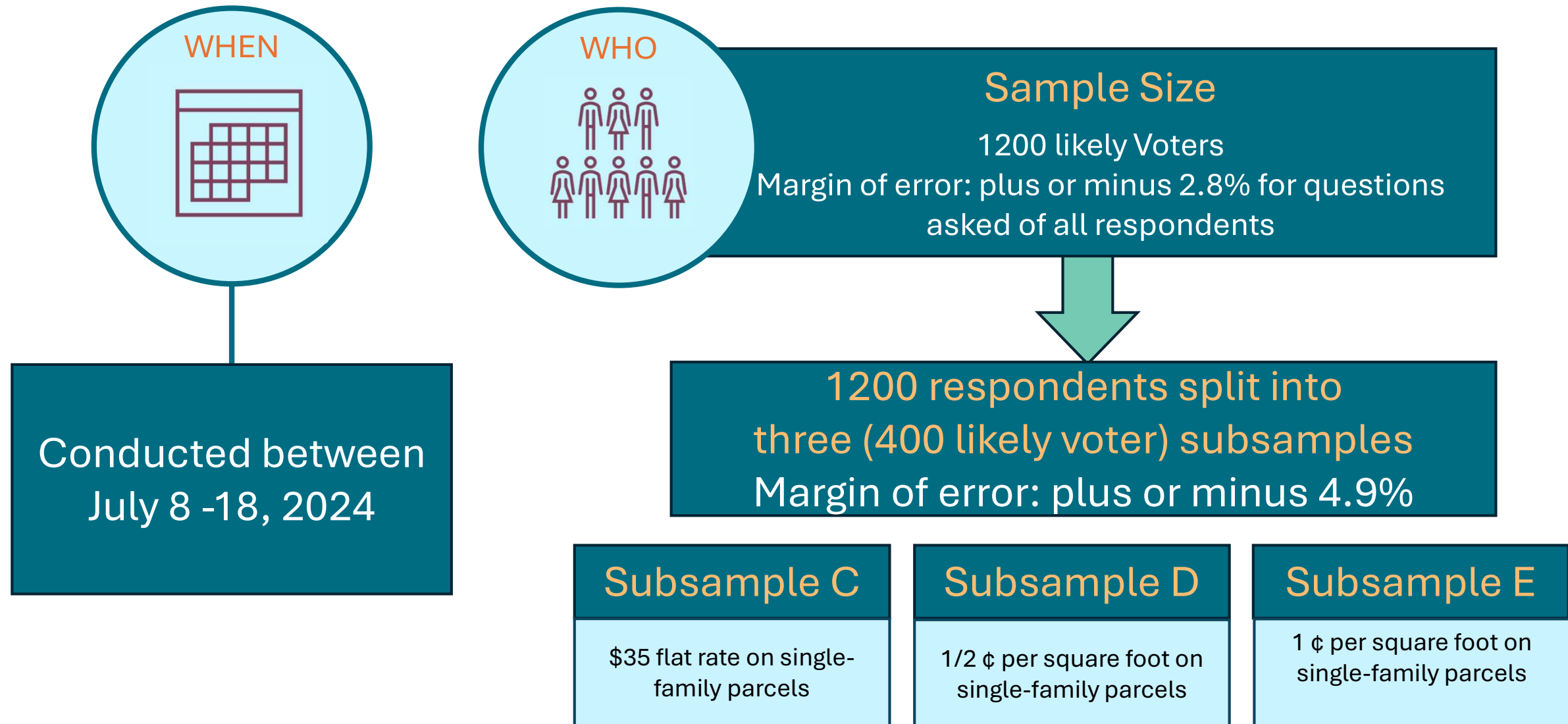
Assembly Constitutional Amendment 1 (ACA1)

Update

- Legislature narrowed measure to only apply to bond measures.
- Would reduce the threshold to pass a bond from two thirds to 55%, provided it is used to fund public infrastructure, affordable housing, or permanent supportive housing.
- On the November 2024 ballot – Prop 5.

Potential November 2024 Ballot Measure Polling

Survey Methodology

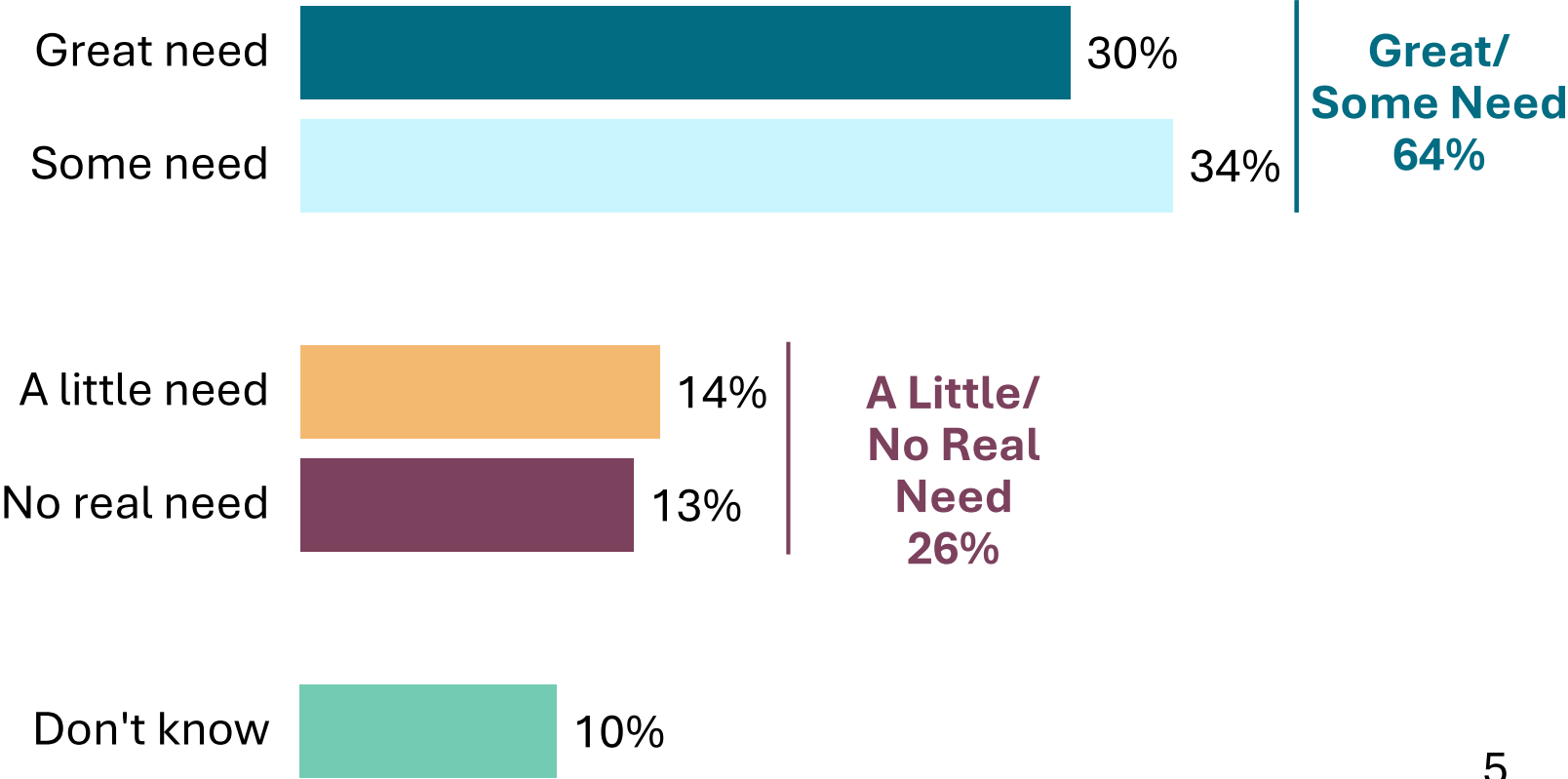


Potential November 2024 Ballot Measure Polling

Perception of Need

A little **less than two-thirds** see “great need” or “some need” for additional funding for parks.

Taking a step back from this potential ballot measure, would you say that in general San José has a great need, some need, a little need, or no real need for additional funding for its parks?



Potential November 2024 Ballot Measure Polling

Contextualizing Crowded Ballot – Survey Preamble

As you may know, this November there will be an election for federal, state, and local candidates for office, as well as statewide, regional, and local ballot measures. Some of these ballot measures might include a \$14 billion statewide school bond and a \$20 billion regional housing bond in the Bay Area, as well as various other potential local city, county, and school district measures.

The next questions are about one of those potential local measures that may appear on the ballot specifically in San José.

Potential November 2024 Ballot Measure Polling

Measure Language Tested

\$35 Annually	½¢ Per Square Foot	1¢ Per Square Foot
<p>San José Parks and Clean Neighborhoods Measure.</p> <ul style="list-style-type: none"> • clean, maintain and improve parks, playgrounds, trails, restrooms and recreation facilities; • remove homeless encampments in parks, creeks, neighborhoods; • remove trash, illegal dumping, graffiti; • provide gang prevention and recreation programs; <p>shall an ordinance be adopted levying an annual parcel tax of \$35 on single-family parcels and for other properties at rates described in ordinance until repealed by voters raising approximately \$15,000,000 annually with citizen oversight and public disclosure?</p>	<p>San José Parks, Clean Neighborhoods Measure.</p> <ul style="list-style-type: none"> • clean, maintain and improve parks, playgrounds, trails, restrooms, recreation facilities; • remove homeless encampments in parks, creeks, neighborhoods; • Remove trash, illegal dumping, graffiti; • provide gang prevention, recreation programs; <p>shall an ordinance be adopted levying an annual parcel tax of ½¢ per square foot on single-family parcels, with a cap, and for other properties at rates described in ordinance until repealed by voters raising approximately \$15,000,000 annually with public disclosure?</p>	<p>San José Parks, Clean Neighborhoods Measure.</p> <ul style="list-style-type: none"> • clean, maintain and improve parks, playgrounds, trails, restrooms, recreation facilities; • remove homeless encampments in parks, creeks, neighborhoods; • remove trash, illegal dumping, graffiti; • provide gang prevention, recreation programs; <p>shall an ordinance be adopted levying an annual parcel tax of 1¢ per square foot on single-family parcels, with a cap, and for other properties at rates described in ordinance until repealed by voters raising approximately \$37,000,000 annually with public disclosure?</p>

Potential November 2024 Ballot Measure Polling

Arguments in Favor and Opposed to a Parks Measure

Comprehensive Argument in Favor of a Measure

Supporters say that San José’s parks and open spaces provide residents of all ages places to relax, play, exercise, and enjoy nature, improving our local quality of life. However, in recent years, they have become magnets for crime, trash, graffiti, illegal dumping, and homeless encampments. These activities not only make visiting and using our parks less appealing for residents and families, but they also damage wildlife areas, increase fire risk, and pollute our creeks, streams, and local sources of drinking water.

This measure will make our parks safe and enjoyable again for residents of all ages. It will fund keeping our parks, playgrounds, trails, restrooms, and recreation facilities clean and well-maintained; removing homeless encampments and connecting people who are homeless with housing and other resources; protecting natural areas, creeks and streams; and funding more Park Police, Rangers, security patrols, lighting, cameras, and repairs to unsafe playground equipment. Furthermore, 100% of these funds will remain here in San José and all spending will be subject to public disclosure and independent citizen oversight to ensure money is spent as promised.

Taking into account this statement from supporters, please consider this measure again. To refresh your memory, it is called the **San José Parks and Clean Neighborhoods Measure** and it would clean, maintain and improve parks, playgrounds, trails, restrooms and recreation facilities; remove homeless encampments in parks, creeks, neighborhoods; remove trash, illegal dumping, graffiti; and provide gang prevention and recreation programs by levying an annual parcel tax of **(SPLIT SAMPLE C ONLY: \$35 on single-family parcels) (SPLIT SAMPLE D ONLY: 1/2¢ per square foot on single-family parcels, with a cap), (SPLIT SAMPLE E ONLY: 1¢ per square foot on single-family parcels, with a cap)** and for other properties at rates described in ordinance until repealed by voters.

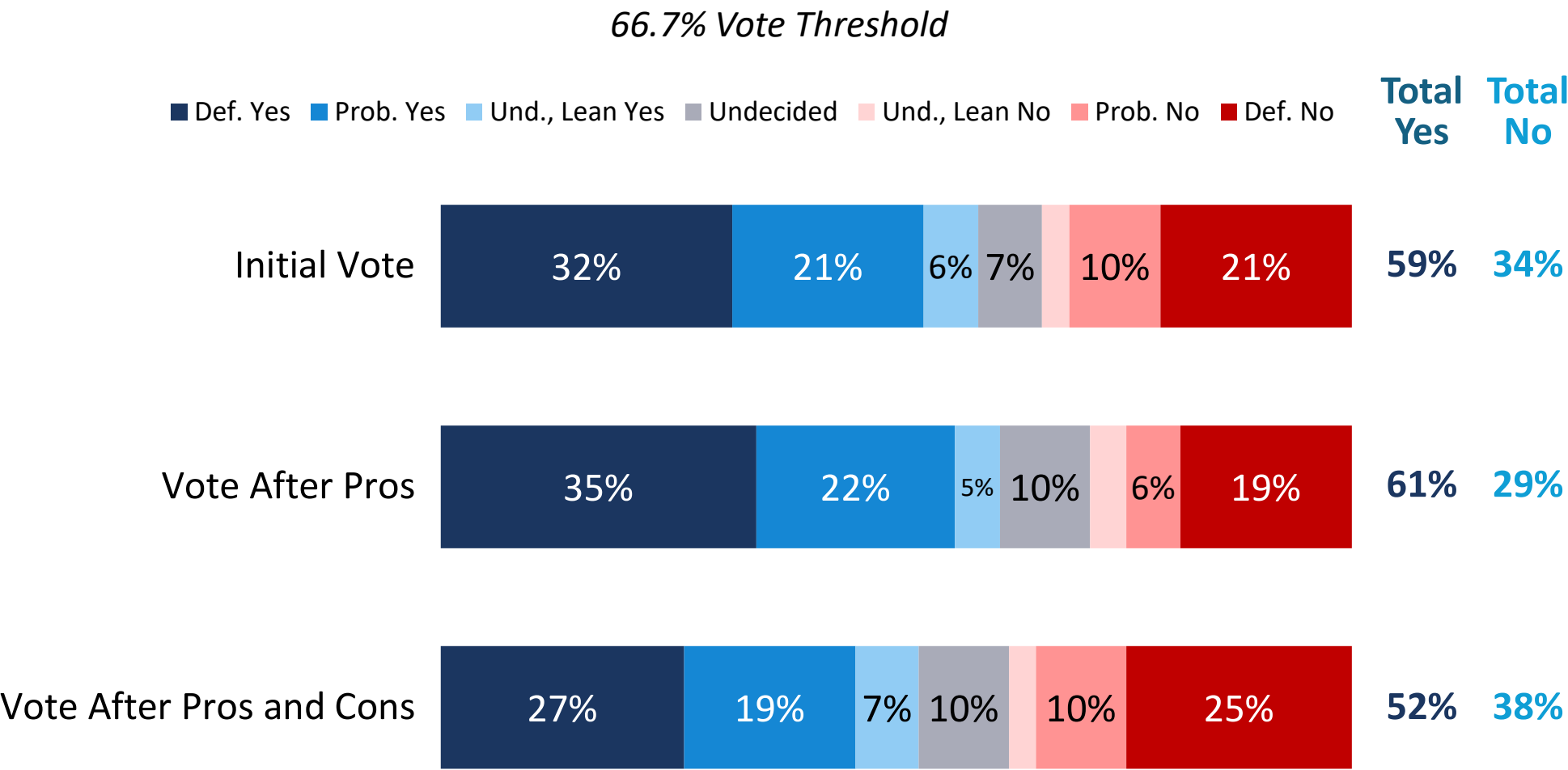
Comprehensive Argument Opposed to a Measure

Opponents say that the high cost of living — especially for housing — and runaway inflation for things like groceries, gas, and basic utilities has made it harder for residents and businesses to make ends meet in San José. Over the past decade the City has raised the local sales tax, property transfer tax, business taxes, and passed a bond: enough is enough. **(HALF SAMPLE: And if that isn’t enough, there might be multiple billion-dollar statewide bond measures on the ballot, in addition to a \$20 billion housing bond measure in the Bay Area.)** We simply can’t afford another tax increase. Moreover, the city has higher priority issues it should be focusing on, like keeping our neighborhoods safe and addressing the lack of housing affordable for working families.

Taking into account this statement from opponents, please consider this measure again. To refresh your memory, it is called the **San José Parks and Clean Neighborhoods Measure** and it would clean, maintain and improve parks, playgrounds, trails, restrooms and recreation facilities; remove homeless encampments in parks, creeks, neighborhoods; remove trash, illegal dumping, graffiti; and provide gang prevention and recreation programs by levying an annual parcel tax of **(SPLIT SAMPLE C ONLY: \$35 on single-family parcels) (SPLIT SAMPLE D ONLY: ½¢ per square foot on single-family parcels, with a cap), (SPLIT SAMPLE E ONLY: 1¢ per square foot on single-family parcels, with a cap)** and for other properties at rates described in ordinance, until repealed by voters.

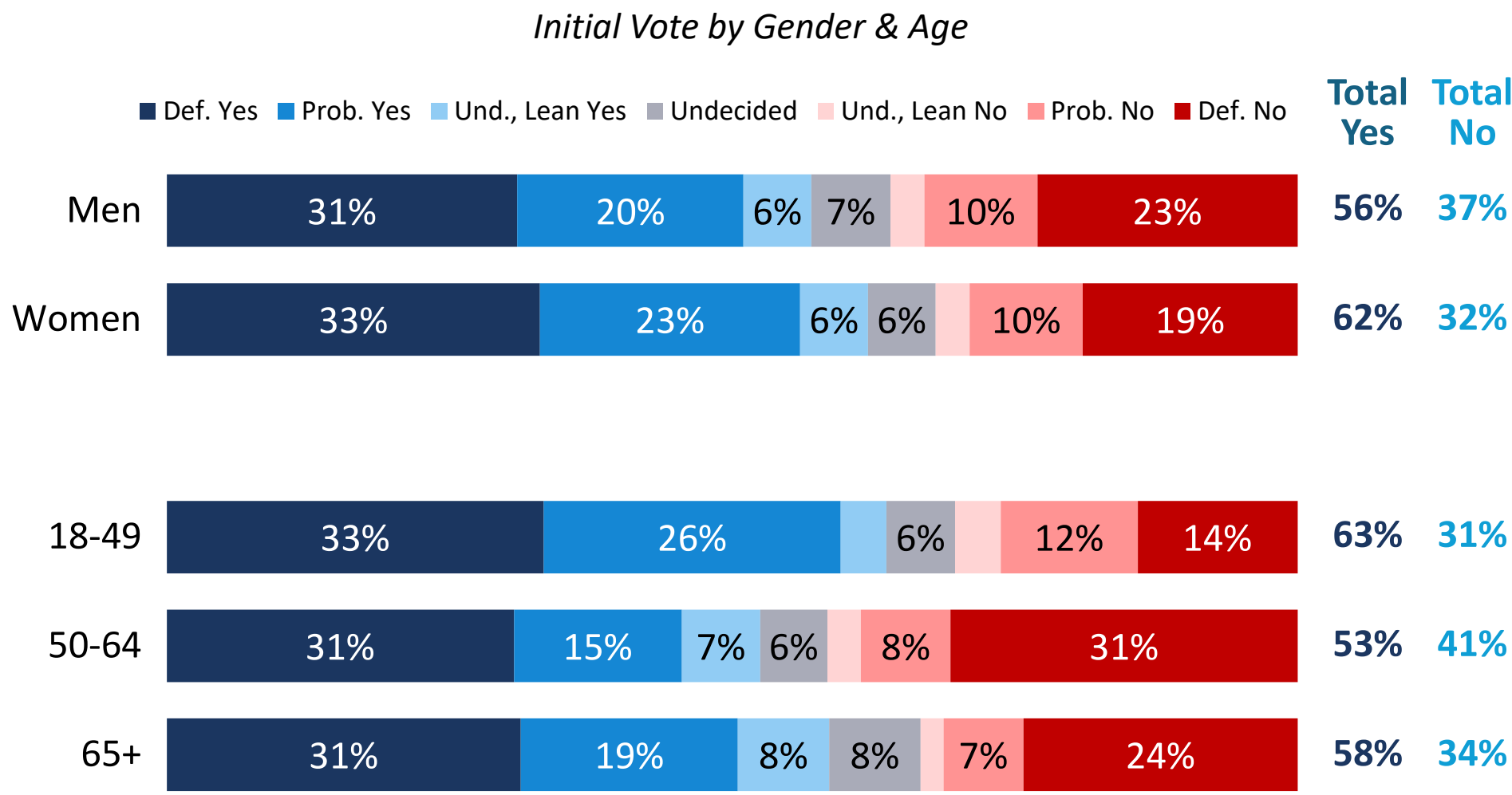
Potential November 2024 Ballot Measure Polling

Support for the Measure Never Reaches Two-Thirds



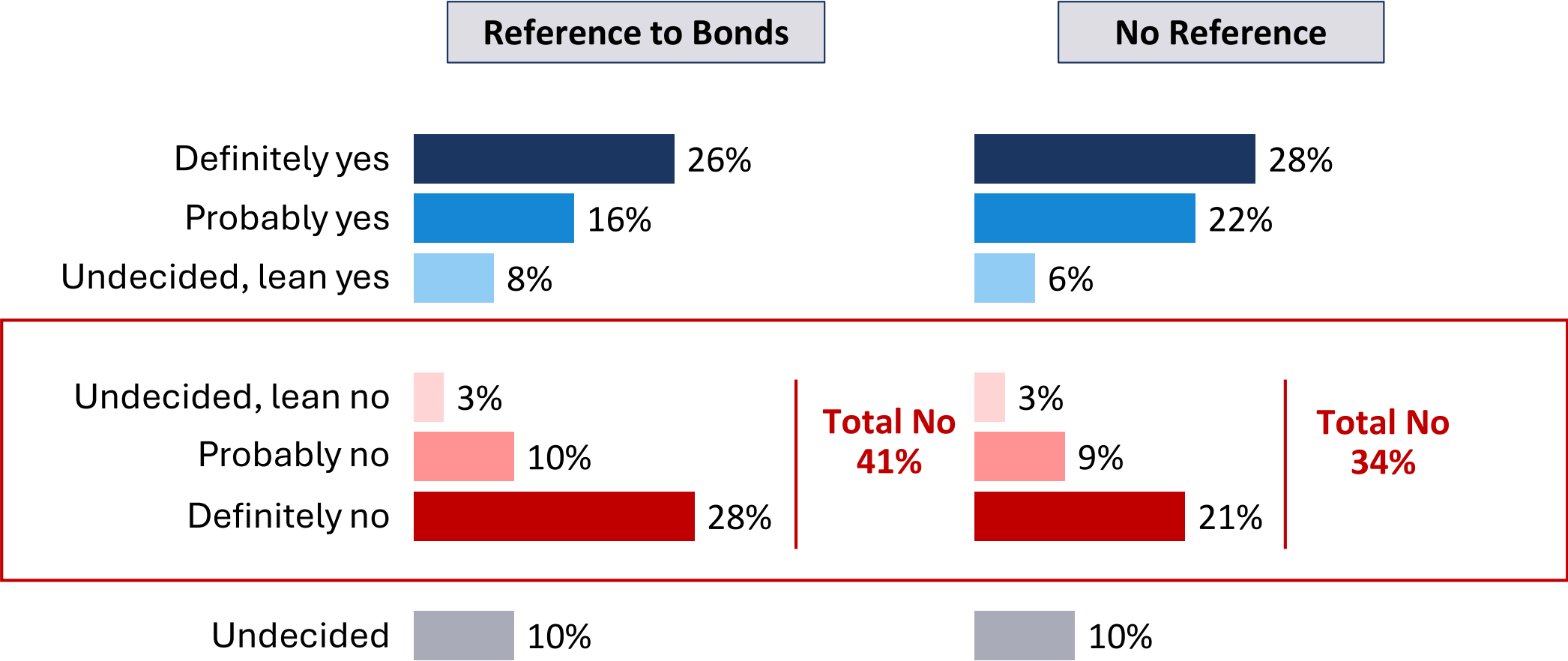
Potential November 2024 Ballot Measure Polling

Measure Support is Below Two-Thirds Across Gender and Age



Potential November 2024 Ballot Measure Polling

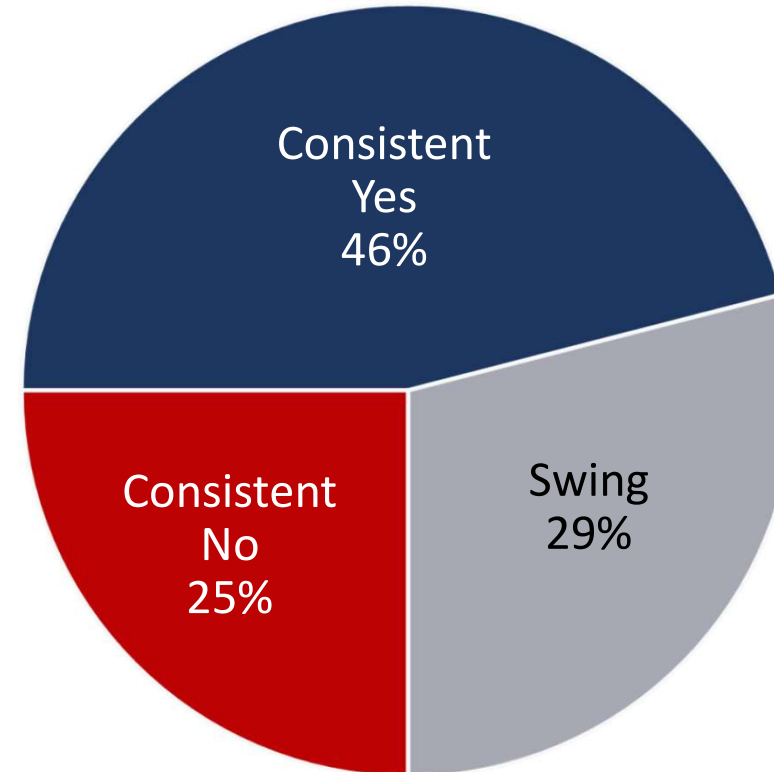
Referencing Other Bond Measures Reduces Support by 7 Percentage Points



Potential November 2024 Ballot Measure Polling

Segmenting the Electorate by Consistency of Support/Opposition

- ❖ **Consistent Yes:** Voters who consistently indicated they would vote “yes” on the measure.
- ❖ **Consistent No:** Voters who consistently indicated they would vote “no” on the measure.
- ❖ **Swing:** Voters who do not fall into any of the other categories – either saying they are undecided or switching positions throughout.



Potential November 2024 Ballot Measure Polling

Comparison to Prior Polling in May 2024

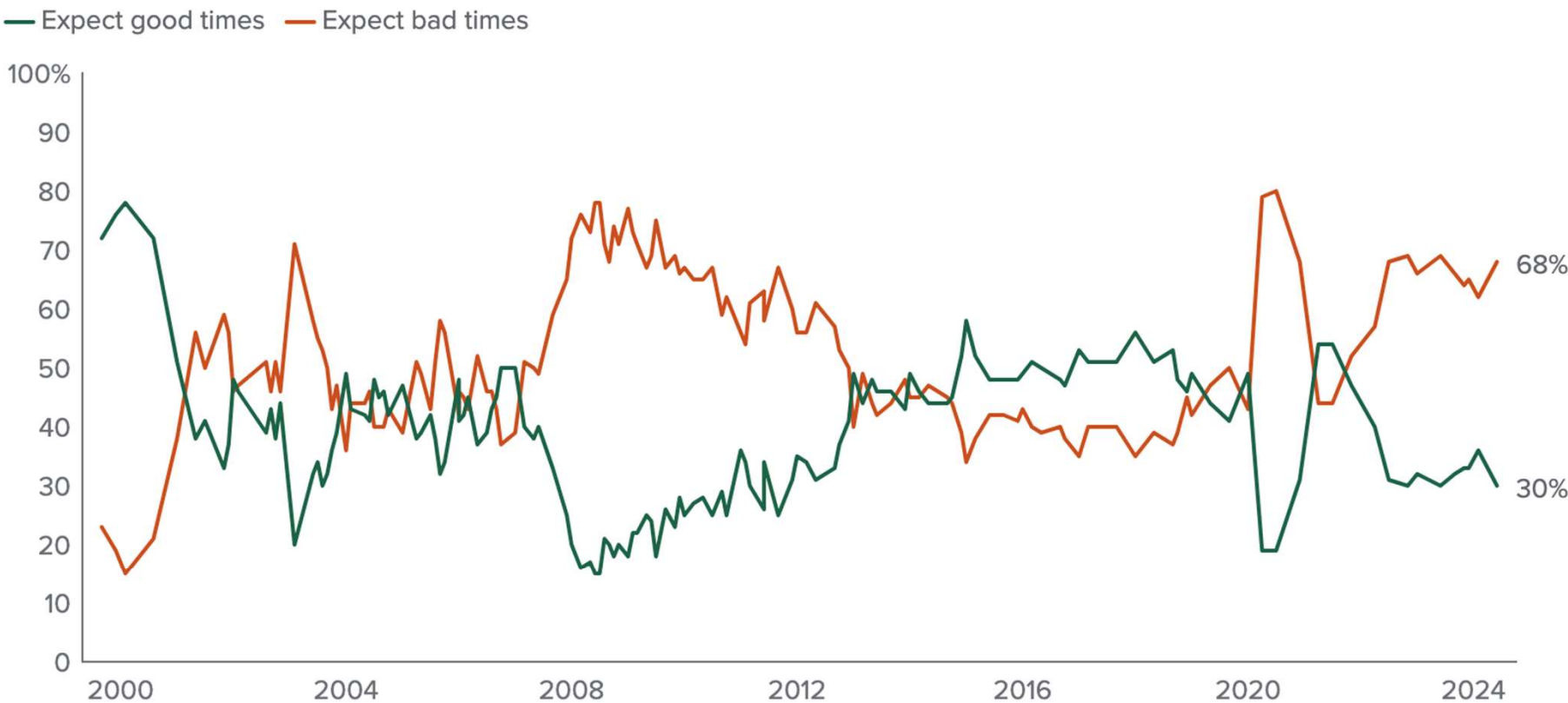
Date/ Margin of Error	Measure	Total Yes	Total No	Undecided / Not Sure
May 2024 MOE 4.9%	1 cent per sq ft with homelessness	65%	28%	7%
	Without homelessness	63%	30%	7%
July 2024 MOE 4.9%	\$35 per SFH parcel	59%	34%	7%
	½ cent per sq ft	59%	34%	7%
	1 cent per sq ft	59%	35%	6%

- *Decreased support for the measures based on ballot language alone.*
- *In addition to small differences in sample composition, changes in the electoral climate and the preamble highlighting other tax measures may have contributed to this difference.*

Potential November 2024 Ballot Measure Polling

Similar Pessimism Throughout California

Most Californians continue to expect bad financial times over the next year



6% increase in people expecting bad times from February 2024

SOURCE: PPIC Statewide Surveys, 1999–2024.

Potential November 2024 Ballot Measure Polling

Next Steps: Parcel Tax

If Council accepts the staff recommendation, staff will:

- Continue explore funding park maintenance in its analysis of potential revenue measures for 2026
 - Including monitoring Proposition 5 and its potential impacts for a future parks bond measure
- Engage key stakeholders to keep them informed of the City's efforts to develop potential revenue measures for 2026, take input on top funding priorities, and foster community buy-in and support for any potential measure.

Potential November 2024 Ballot Measure Polling

Staff Recommendation Item 3.1

Staff Recommendation*

- (a) Review survey results for a potential parcel tax ballot measure for the November 5, 2024 Presidential General Election.
- (b) Defer placing a parcel tax measure on the ballot for the November 5, 2024 election, and direct staff to include consideration of options for funding park maintenance through the analysis of potential revenue measures for 2026 directed through the City Council's adoption of Manager's Budget Addendum #10 as part of the 2024-2025 Adopted Budget.

*Additional recommendation language was included in the staff memorandum should the City Council wish not to defer action to 2026 and instead direct to place a parcel tax measure on the ballot for November.

Presenters

Sarah Zárate, Director

Peter Hamilton, Assistant to the City Manager