

City of San Leandro

Real Property Transfer Tax Measure



Frequently Asked Questions (FAQ)

What is this project all about?

The City of San Leandro is working hard to maintain the services that residents tell us they value—e.g. decent streets and roads, help in an emergency, and more. However, as we all adjust to the new normal of the COVID-19 pandemic, we as a city continue to confront significant revenue losses along with growing expenses. The City studied various options to help us continue providing services that community members tell us they value, while also ensuring fiscal stability.

Why is this effort important?

Home to nearly 90,000 residents, San Leandro is one of the most diverse cities in California. Families **choose** to move and stay here because of our diverse and safe neighborhoods, award-winning public schools, and outstanding city services and amenities including the San Leandro shoreline, over 20 well-maintained public parks and among the finest public libraries in the Bay Area. The quality of life of our residents is worth protecting, especially during a period in which much is uncertain due to the impact of COVID-19.

What are the City's priorities?

- **ROAD MAINTENANCE:** Fixing potholes and repaving city streets and sidewalks.
- **COVID-19 RESPONSE/ECONOMIC RECOVERY:** Supporting small business and attracting new businesses, jobs, and economic activity.
- **EMERGENCY RESPONSE:** Maintaining adequate 911 emergency response services, and emergency and disaster preparedness.
- **CRIME REDUCTION:** Including youth violence prevention.
- **HOMELESSNESS & HUMAN SERVICES:** Providing solutions for persons experiencing homelessness or needing social services.
- **LIBRARY:** Maintaining library programs, hours, services, and access to books, computers, and the internet.
- **SERVICES FOR SENIORS & YOUTH:** Maintaining senior services/programs, and after-school programs for children and teens.

How is the City managing its finances responsibly?

The City has made significant changes to its personnel structure, compensation packages, and operating strategies to keep San Leandro fiscally stable. Despite an increasing demand for city services, staffing levels have been reduced by approximately 15% since 2008. All City employees now contribute their maximum share towards the costs of their own retirement/pension programs.

What is the City's proposed solution?

To help close the City's funding gap, the City Council evaluated various possible options, and ultimately decided to seek voter approval to increase San Leandro's existing Real Property Transfer Tax (RPTT) rate.

The RPTT is not an ongoing tax, and it's not a property tax. It's a one-time transactional tax levied upon the transfer of ownership of residential and commercial real estate, pursuant to a purchase or sale. San Leandro's

RPTT currently generates about \$5-6 million annually for city services. All funds stay in San Leandro, for San Leandro. By law, the State cannot take this funding away.

After an evaluation and feasibility process, the City Council voted on July 20, 2020 to place a measure on the November ballot seeking authorization to increase San Leandro's existing RPTT by \$5 per \$1,000 of property value. If voters approve the ballot measure on November 3, San Leandro's RPTT will still remain among the lowest RPTT rates among nearby communities.

What is the RPTT rate, and how would this project change it?

If passed, the measure placed on the ballot will increase San Leandro's RPTT from \$6 per \$1,000 of property value to \$11 per \$1,000, generating approximately \$4 million more in revenue annually.

When is the RPTT collected?

The RPTT is collected only when real estate is bought or sold. It is paid by either the buyer, the seller, or a combination of buyer and seller.

How does the City use funds raised by the RPTT?

Funds from the RPTT go to the City's General Fund for use on essential San Leandro services, including:

- **Repairing** potholes and city streets.
- **Supporting** seniors, families, and local small businesses through COVID-19 economic recovery.
- **Preserving** 911 emergency response times.
- **Maintaining** city parks and library services.

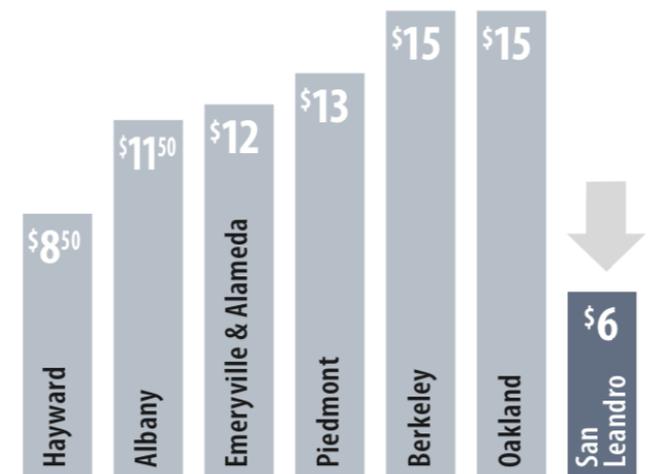
Would this affect my annual property taxes?

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

How does San Leandro's RPTT compare to that of nearby cities?

San Leandro has the lowest RPTT rate among eligible cities in Alameda County. Currently, San Leandro's RPTT is \$6 per \$1,000. In nearby cities, rates per \$1,000 of value are:

- \$15 in Oakland (**for real estate transactions between \$300,001 to \$2 million in value**)
- \$15 in Berkeley (**for real estate transactions in excess of \$1.5 million**)
- \$13 in Piedmont
- \$12 in Emeryville and Alameda
- \$11.50 in Albany
- \$8.50 in Hayward



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.

Can the State take this money and use it for other purposes NOT in San Leandro?

No. All funds generated would be locally controlled and would stay in San Leandro to provide city services and facilities improvements. By law, the State cannot take this funding away.

Who makes the final decision on this measure?

The locally elected San Leandro City Council is the legal entity that placed this measure on the ballot. Ultimately, City of San Leandro REGISTERED VOTERS will have the final say on whether or not the measure is implemented when they vote on the measure by absentee ballot or on Election Day, November 3, 2020.

What if I am not currently registered to vote? What do I need to know? How can I register to vote?

The last day to register to vote is October 19, 2020, online or by postmark. Additionally, anyone can register to vote conditionally until your information is verified. Visit acvote.org to learn more.

Where to go for more information: For additional information, please visit www.sanleandro.org or contact Paul Sanftner at psanftner@sanleandro.org or call **(510) 577-3372**.

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