

POTENTIAL 2020 BALLOT MEASURES

AFFORDABLE HOUSING & HOMELESSNESS

ITEM 3.5



HOUSING NEEDS



- Average wages increased 21% since 2009 while:
 - Single-family home price +174%
 - Condo/townhome price +252%
 - Average rent +54%
- 40,320 households earn < \$39,550 (30% of AMI for family of 3)
- 6,172 homeless residents; 83% unsheltered
- 21,441 deed-restricted affordable apartments
- Feb. 2012: RDA ended; loss of \$40M/year for housing
- Nov. 2018 Measure V bond: 64% approval (required 66.67%)

POTENTIAL SOLUTIONS

1 GO Bond: Affordable/Homeless Housing (66.67%)

2 GO Bond: Housing for Homeless (66.67%)

3 Real Property Transfer Tax (50%+1 general tax)

SURVEY METHODOLOGY



Targeted Approach

- 1,251 likely March 2020 voters
- Tested 3 potential measures

Multiple Vehicles

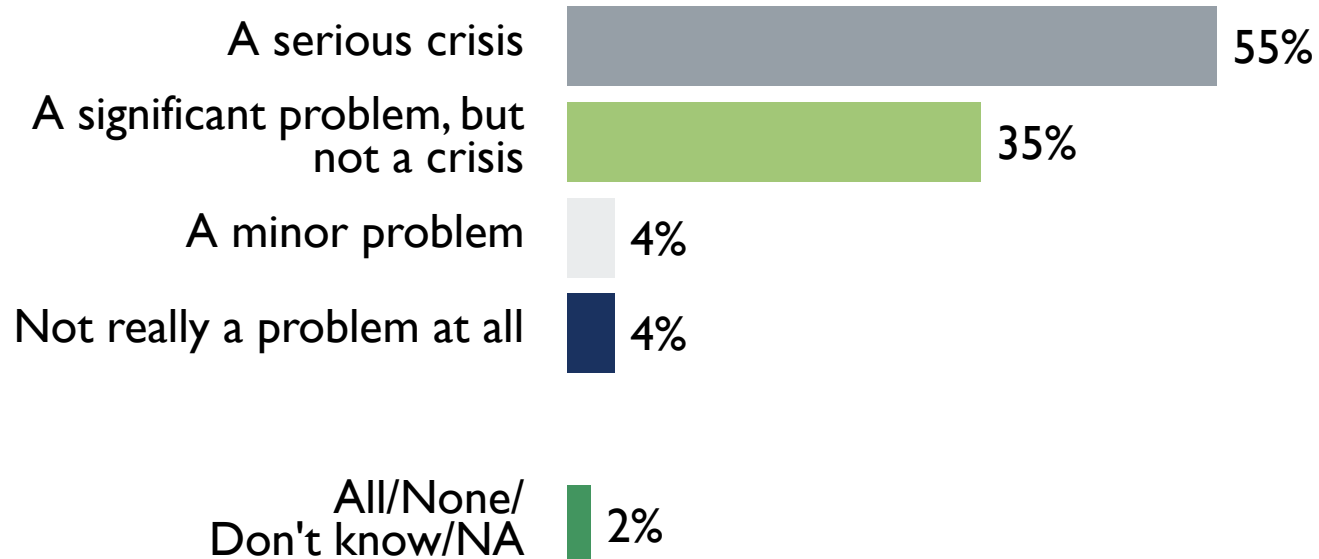
- Online, landline, cellphones
- English, Spanish, Vietnamese

Scientific Approach

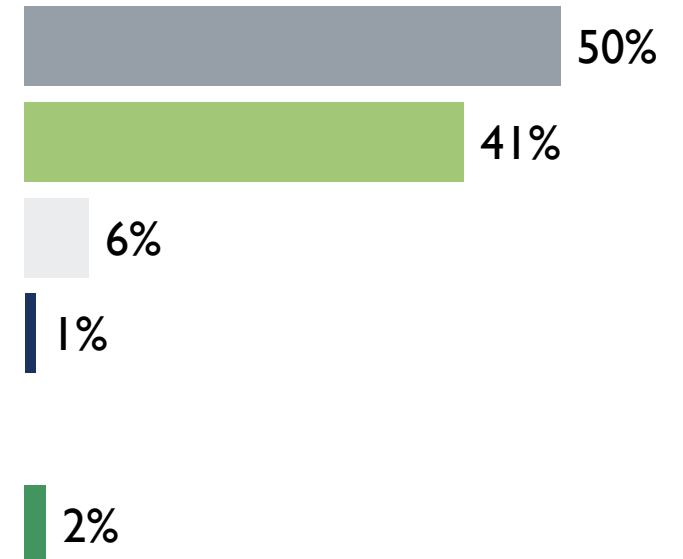
- MOE $\pm 2.8\%$ at 95% CI (full sample)
- $\pm 4.8\%$ each measure

HOUSING COSTS, HOMELESSNESS “A SERIOUS CRISIS”

Which of the following would you say best describes the cost and availability of housing in San José?

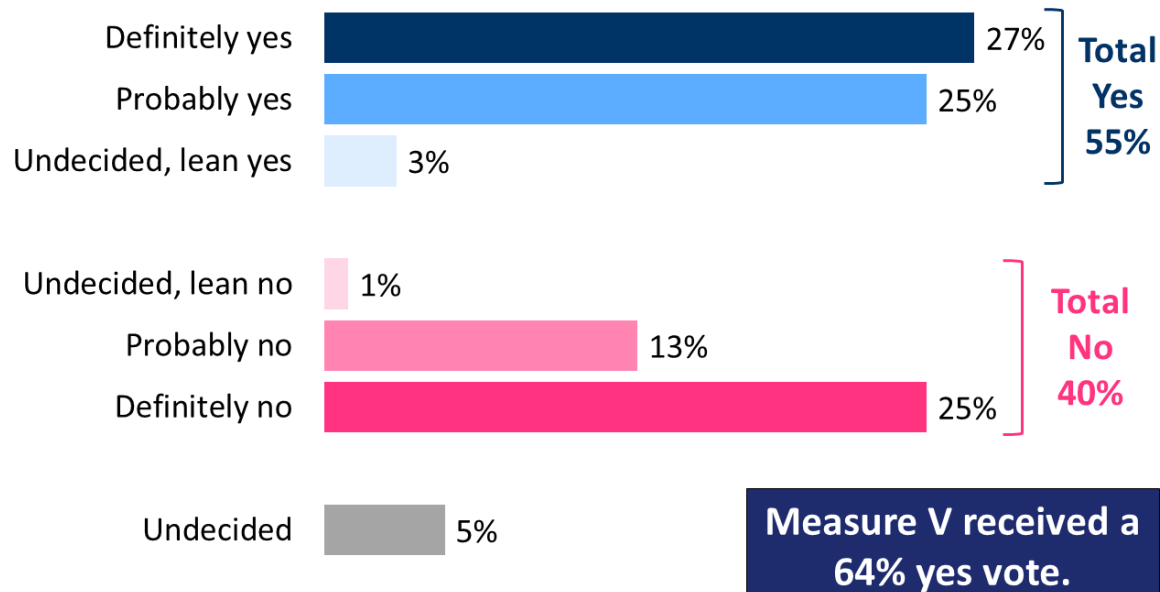


Which of the following would you say best describes homelessness in San José?



POTENTIAL GO BOND MEASURE I

Affordable + Homeless Housing



Ballot Language

To provide housing **near transit stops**, to **minimize traffic congestion**, that is:

- Affordable for working families, veterans, seniors, teachers, nurses, paramedics, and other workers; and
- Helping homeless residents get off of local streets and out of neighborhood parks and creeks;

Shall San José issue **\$500** million in general obligation bonds with an average levy of **12 cents** per \$1,000 of assessed value, averaging **\$33 million** annually until repaid, requiring community oversight and annual audits?

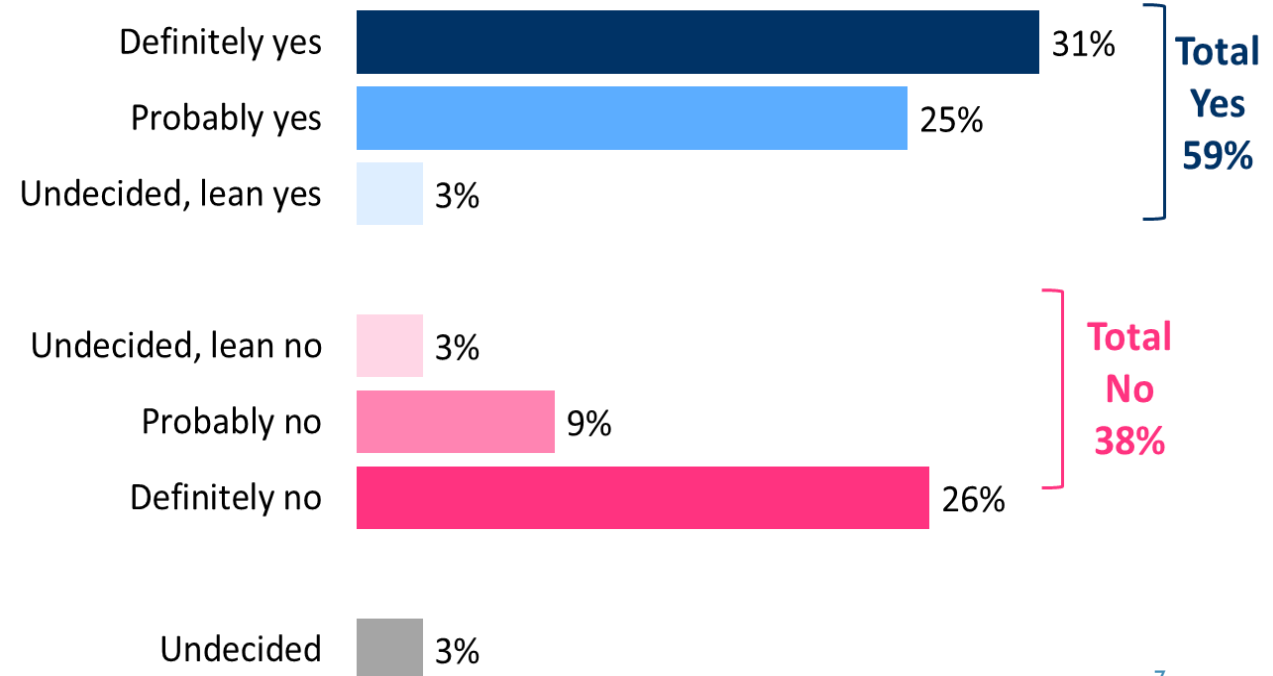
POTENTIAL GO BOND MEASURE 2

Ballot Language

- To help homeless residents move into housing quickly and out of neighborhood parks, creeks, underpasses, bridges, cars, and other unsafe areas; and
- To improve neighborhood safety and clean up trash and pollution;

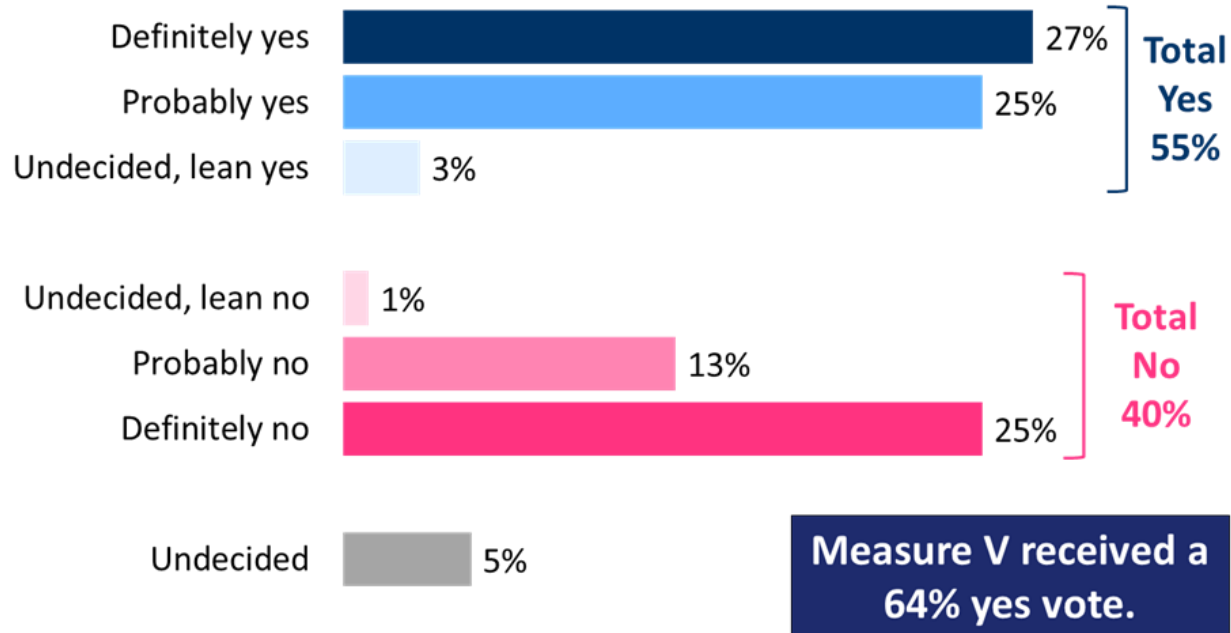
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Housing for the Homeless

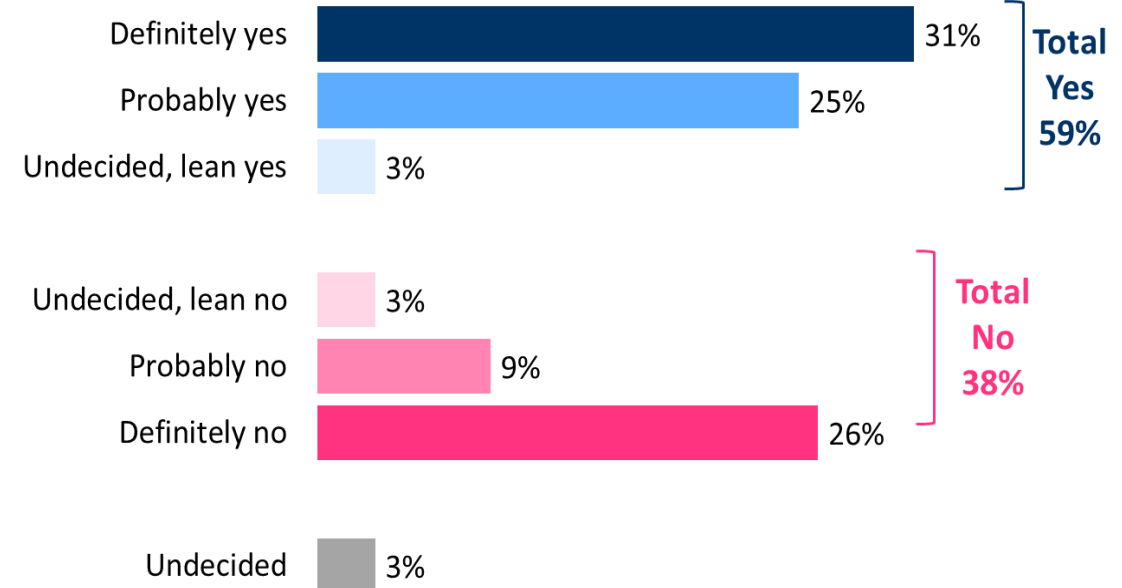


COMPARING BOND MEASURE RESULTS

Affordable Housing + Homeless Housing



Housing for the Homeless



POTENTIAL MEASURE 3: REAL PROPERTY TRANSFER TAX

What it is

- One-time tax, paid when real estate is sold or transferred
- Exemptions for spouses/domestic partners, divorce, foreclosure, etc.

Who pays

- Buyer & seller jointly share responsibility
- Typically negotiate for one to pay

Current

- San José Real Property Conveyance Tax = \$3.30/\$1,000
- Dedicated to capital needs (parks, libraries, fire, other city facilities)

COMPARATIVE TRANSFER TAX RATES

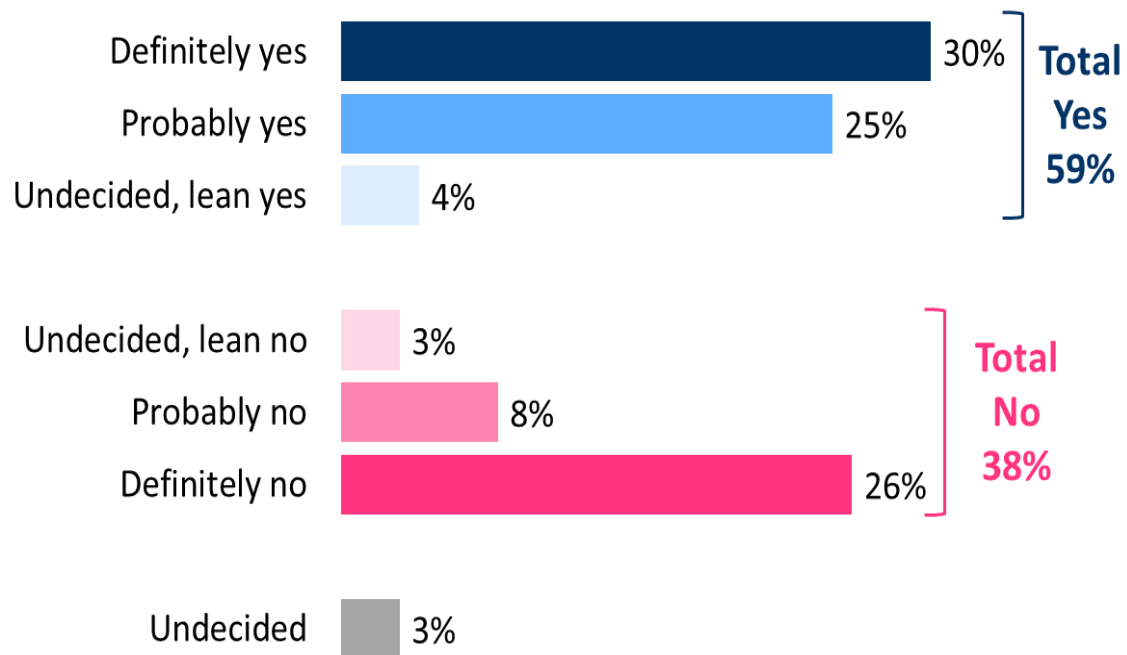
City	Current Rate
San José – current conveyance tax	\$3.30 per \$1,000
San Francisco*	\$5 per \$1,000 up to > \$250,000 \$6.80 per \$1,000 \$250,000 to >\$1 million \$7.50 per \$1,000 \$1 million to >\$5 million \$22.50 per \$1,000 \$5 million to >\$10 million \$27.50 per \$1,000 \$10 million to >\$25 million \$30 per \$1,000 \$25 million or more
Oakland**	\$10 per \$1,000 up to \$300,000; \$15 per \$1,000 \$300,000-\$2 million; \$17.50 per \$1,000 \$2 million-\$5 million \$25 per \$1,000 over \$5 million

* Rate applies to the full value of consideration.

**Levied as a percentage of the value of consideration.

POTENTIAL MEASURE 3: REAL PROPERTY TRANSFER TAX

Property Transfer Tax (50% + 1)



Ballot Question

To fund essential general San José City services, such as:

- Addressing homelessness among seniors, veterans, and people with disabilities;
- Helping homeless residents move from streets, parks, and creeks into emergency shelters and permanent housing with supportive services; and
- Cleaning up graffiti, trash, and pollution;
- Shall an ordinance be adopted implementing an additional real property transfer tax at the rate of \$4.99 per \$1,000 providing about \$54 million annually, requiring community oversight and annual audits?

RECOMMENDATION & NEXT STEPS

- A) Accept the staff report on potential 2020 ballot measures that could help provide affordable housing and address homelessness.
- B) Direct the City Manager to conduct additional survey research regarding potential 2020 ballot measures and to return to Council in August 2019 with an update.