



Frequently Asked Questions About Measure O and Measure N

What challenges is the City of Santa Rosa facing?

The City of Santa Rosa provides a full range of essential services to local residents and businesses, including fire and paramedic services, police patrols, street and sidewalk repair and parks and recreation programs. Our city services and infrastructure were put to the test during last year's devastating fires and the subsequent rebuilding effort.

Like many other communities throughout the Bay Area, Santa Rosa is challenged by the rapidly rising cost of living for local residents and the City's cost of maintaining aging infrastructure and protecting essential services. These issues have been building for years but have been made worse by the fires that reduced the already limited amount of available housing, increased the cost of constructing new housing, forced the city to deplete emergency reserves and required an expensive cleanup and rebuilding effort that is ongoing.

What is the City doing to address these needs?

To address these urgent community needs, the City Council voted to place two local measures, Measure O, a temporary sales tax, and Measure N, an affordable housing bond, on the November 6, 2018 ballot. If approved by local voters, these measures would provide locally-controlled funding to help fire-damaged neighborhoods recover, protect public safety and essential City services from budget cuts, and help provide affordable housing for our community.

What needs would Measure O address in Santa Rosa?

The City Council placed Measure O, the Vital City Services Measure, on the November ballot. This temporary one-quarter cent sales tax would provide emergency funding to help stabilize the city budget and protect essential services from budget cuts. If approved by a majority of voters, Measure O would provide \$9 million annually to help Santa Rosa recover from the recent fires, rebuild our infrastructure, preserve emergency services such as rapid 9-1-1 emergency response times, and address other critical City needs. After six years, this temporary sales tax will automatically expire.

How would Measure O protect emergency and community services?

If approved by a majority of voters, Measure O would provide approximately \$9 million annually in locally-controlled funding to:

- Update aging communication systems to help firefighters, paramedics and police officers respond quickly in an earthquake, fire or other emergency
- Maintain 9-1-1 emergency response times
- Restore damaged facilities and infrastructure and help prevent future fires
- Repair potholes, streets and sidewalks and improve the conditions of local roads
- Preserve essential City services and programs
- Address other urgent City needs

How much would Measure O cost?

The measure would increase the City's sales tax rate by one-quarter cent, providing approximately \$9 million annually to the City's General Fund. For example, the one-quarter cent increase would add 25 cents to a \$100 purchase. Groceries, prescription medicine and other essential items are excluded from sales tax.

What needs would Measure N address?

The City Council placed Measure N, the \$124 million Housing Recovery Bond Measure, on the November ballot to assist in housing recovery and develop affordable housing within Santa Rosa. Measure N would help address the affordable housing shortage in Santa Rosa, by providing funding to construct and preserve affordable housing for low-income and moderate-income families, veterans, seniors, persons with disabilities, persons experiencing homelessness, and other vulnerable populations.

All Measure N funds must be spent within Santa Rosa.

What affordable housing projects would Measure N finance?

If approved by two-thirds of local voters, Measure N would provide locally-controlled funding to finance affordable housing projects. Priority projects are expected to include:

- Expanding local affordable housing opportunities for low- and middle-income families, veterans, seniors, people with disabilities and other vulnerable populations
- Providing permanent supportive housing for those experiencing homelessness
- Homeownership opportunities for first-time home buyers and assistance to those who lost their homes in the October 2017 fires

How much would Measure N cost?

Measure N would cost property owners approximately \$29 per \$100,000 of assessed (not market) value. The cost for a typical Santa Rosa homeowner would be about \$110 per year, or about 30 cents per day.

Assessed value is based on the original purchase price of the property and is often lower than the current market value of the property.

How do we know funds from Measure O and Measure N would be spent as promised?

Each measure includes fiscal accountability provisions to ensure funds are spent in accordance with the terms of the measures. By law, funds from Measure O and Measure N could not be taken away by the State and annual audits are required. Measure N would also require the establishment of a local oversight committee to ensure funds are spent properly.

Could the State take funding away from these measures?

No. The funds could not be taken away by the State or used for other purposes, ensuring that our tax dollars are used locally.

Does Measure O ensure that Santa Rosa’s visitors pay their fair share?

Yes. Measure O is a sales tax measure and not a property tax. Visitors who work or shop in our community and enjoy its many benefits would also pay the sales tax, ensuring that local homeowners and renters don’t shoulder the entire burden.

Do sales tax measures affect essential purchases like groceries and prescription medicine?

No. By law, essential purchases like these are exempt from sales tax.

How long would Measure O last?

Measure O is a temporary sales tax that addresses the City’s most urgent needs in the wake of last year’s fires. After six years, this temporary funding will automatically expire.

How many affordable units would be built by Measure N?

When leveraged with other state and federal funds, it is anticipated that the affordable housing bond measure would allow the City and its partners to build about 1,200 affordable units. Santa Rosa lost over 3,000 homes in the fire, and Measure N would make a significant impact on the affordable housing available in the City.

What about the statewide affordable housing measure? Can’t we rely on that to help our affordable housing needs?

While Proposition 1 is on the November ballot to address affordable housing statewide, a local affordable housing measure would provide a dedicated local funding source to address our housing shortage here in Santa Rosa. All bond funding would remain within the City.

Moreover, by providing a secure local funding source, passage of Measure N would place the City in a better position to receive federal and state assistance. Most federal and state affordable housing programs are highly selective and require a strong local commitment and significant local matching funds. If Measure N were approved, the City would pursue all available federal and state housing matching funds, including those provided under Proposition 1, should it pass. The City anticipates that it would be able to leverage local funds up to a \$4-to-\$1 ratio. If successful, this could grow the \$124 million program into a \$496 million fund dedicated to supporting the construction of affordable housing in the City.

Furthermore, Measure N would give Santa Rosa local control over funds to address our community’s most urgent affordable housing needs. These funds that could not be taken by the State or redirected to other communities.

Can't the City rely on its reserves for our needs?

The cleanup and rebuilding effort from last year's fires severely depleted our reserves, leaving us with little funding to preserve essential city services and address our public safety needs. The City already had to use \$14.3 million in reserves, and local facilities and infrastructure still require extensive repairs from the fire. Measure O would provide emergency funding to help Santa Rosa recover from the fire and preserve essential city services.

Aren't sales tax measures regressive and hurt those that can least afford it?

A sales tax measure would not increase the cost of prescription medicine, groceries or other essentials that people depend on, as these items are not subject to a sales tax.

How would a sales tax like Measure O affect auto dealerships in Santa Rosa?

Sales tax is paid on cars where they are registered, not where they are purchased, so a local sales tax should not affect business for local car dealers.

Don't sales tax measures hurt local business?

No, there is no evidence that increases to sales tax rates discourage patrons from supporting local businesses. An extra 25 cents per \$100 spent is not enough incentive for a consumer to change their buying habits. Plus, essential purchases are exempt from a sales tax.

If we approve Measure O, how would it compare to nearby cities?

Sonoma County cities have sales tax rates ranging between 8.125% and 9.125%. The current sales tax rate in Santa Rosa is 8.625%. If approved, a quarter-cent increase would bring our sales tax up to 8.875%, lower than the 9.125% rate in Cotati and equal to the rate in Sebastopol and just a ¼ cent above the 8.625% rates in Healdsburg, Rohnert Park and Sonoma.

How can I learn more about voting or register to vote?

To learn more about voting in this election or to register to vote, please visit the Sonoma County Registrar of Voters website at vote.sonoma-county.org or call (707) 565-6800. You can also register to vote online at www.registertovote.ca.gov.

How can I learn more about these measures?

The City welcomes your questions and feedback about these measures and the City's needs. For additional information, visit www.srcity.org/Measures or call (707) 543-4699. To arrange for a community presentation, email Measures@srcity.org.