

Measure F Fiscal Impact Statement

The City Council of the City of Santa Cruz has placed a measure on the ballot asking voters to approve a one-half of one percent (0.50%) transactions and use tax within the City. Should this measure be approved, in my opinion, it would result in the City receiving an additional estimated \$8 million annually in sales tax, with an estimated \$5.5 million in the first, partial fiscal year 2022–2023. This measure is not expected to add any significant amount of new administrative costs to the City.

The tax is a general tax and proceeds would be deposited into the General Fund, and would be used primarily to support resources that mitigate the impacts of homelessness; invest in ongoing affordable housing creation for low- and moderate-income households, including workforce housing; maintain City facilities and essential infrastructure; fix streets; support downtown; maintain parks and recreation facilities for youth and seniors; reduce wildfire risk; fight climate change; and prevent reduction in funding for important city services.

The measure would amend the City's Transactions and Use Tax Code to add to the local 9.25% sales tax rate the remaining 0.50% (one-half of one percent) as of October 2022.