



Frequently Asked Questions Sales Tax Ballot Measure

What contributes to the City of Santa Cruz's quality of life?

Santa Cruz is a very special place to live. As your local public servants, we work every day to support and maintain the services and infrastructure that support our high quality of life.

What challenges does the City of Santa Cruz face?

We know homelessness and housing affordability have been the most urgent problems facing our City for several years. Fortunately, with the help of one-time state and federal funding, we've developed the three-year Homelessness Response Action Plan that is beginning to show results.

What is the City doing to address homelessness?

The City is connecting people experiencing homelessness with mental health/addiction services and other support. The City's encampment assessment team has seen success at moving people from high-risk areas like the flood-prone San Lorenzo River and fire-risk Pogonip open space, and into City operated emergency shelters, significantly reducing unsheltered homelessness in the last two years. Complementing these efforts, we are also supporting affordable and workforce housing. In the past year, we've seen a 29% decrease of unhoused people. Although progress has been made, there is still more work to be done.

Is local funding needed?

Yes. As state and federal funding runs out, some of our most successful local homelessness response and prevention programs will end. To maintain these and other essential services, the City of Santa Cruz is placing a half cent sales tax measure on the upcoming March 2024 ballot.

A potential measure could be used to:

- Connect people experiencing homelessness with services and support
- Keep pollution out of local rivers, creeks and streams
- Clean up and address the impacts of encampments
- Support local food and housing programs
- Provide emergency shelter to get people off the streets
- Expand case management and outreach to people experiencing homelessness
- Improve and maintain City parks, beaches and open spaces
- Ensure City firefighters have the training and equipment needed to fight wildfires

WE WANT TO HEAR FROM YOU!

We welcome your feedback and questions. For more information or to provide feedback, please contact Communications Manager, Erika Smart at esmart@santacruzca.gov.



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What types of fiscal accountability would a potential measure include?

Any local funding measure would include fiscal accountability requirements, including:

- Required public disclosure of all spending
- Essential purchases such as groceries, prescription medicine, diapers and feminine hygiene products are exempt from sales tax
- All funds must stay local in Santa Cruz and no funds can be taken away by the State

Do visitors to Santa Cruz pay the local sales tax?

Yes, sales tax is paid by anyone who shops in Santa Cruz. This ensures that both residents and visitors contribute revenue for services to help our City's greatest challenges. It is estimated that about half of existing sales tax revenues in the City are paid by visitors.

How would a sales tax measure affect purchases?

The City is considering a sales tax increase of one-half of one percent. This would add an extra 5 cents to a \$10 purchase of taxable goods.

Are groceries, medicine, feminine hygiene products and other essentials exempt?

Yes. By law, everyday essential purchases like groceries, prescription medicine, diapers and feminine hygiene products are exempt from the sales tax, which helps ensure the cost is not a burden to those on fixed or limited incomes.

Where is the tax collected?

The sales tax is only for purchases made in the City of Santa Cruz. Visitors, tourists, and City residents would pay the tax and provide locally controlled revenue to deliver local programs and services that support individuals experiencing homelessness, keep our waterways clean, and train our City firefighters.

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