

Honorable Colleagues,

On July 26, 2022, City Council deadlocked 3-3 on whether to place a **Real Property Transfer Tax (RPTT)** on the 2022 November ballot (see agenda item 22-0773). Prior to that, Council had voted to direct Staff to increase the exemption threshold from \$3,000,000 to \$4,000,000 (see agenda item 22-0732).

The City faces long term pressure on revenue from both unfunded pension liability and increased demand for services and capital infrastructure improvements. In particular, the City has adopted multiple strategic priorities that will likely require additional funding sources to successfully implement, in particular **Priorities 3 (Accelerating Climate Action, the Active Transportation Plan and Vision Zero Plan)** and **4 (Support the Unhoused Community)**.

We therefore request that Council agendize an item to consider placing a Real Property Transfer Tax (RPTT) on the November, 2024 ballot, with options for exemption thresholds of \$3,000,000 and \$4,000,000. Alternatives should include creation of a budget modification to conduct polling on such a ballot measure and return to Council for a future decision with adequate time for additional direction from Council on the potential ballot measure.

*Respectfully Submitted,*

**Richard Mehlinger, Councilmember, District 5**



**Larry Klein, Mayor**

