



Sunnyvale

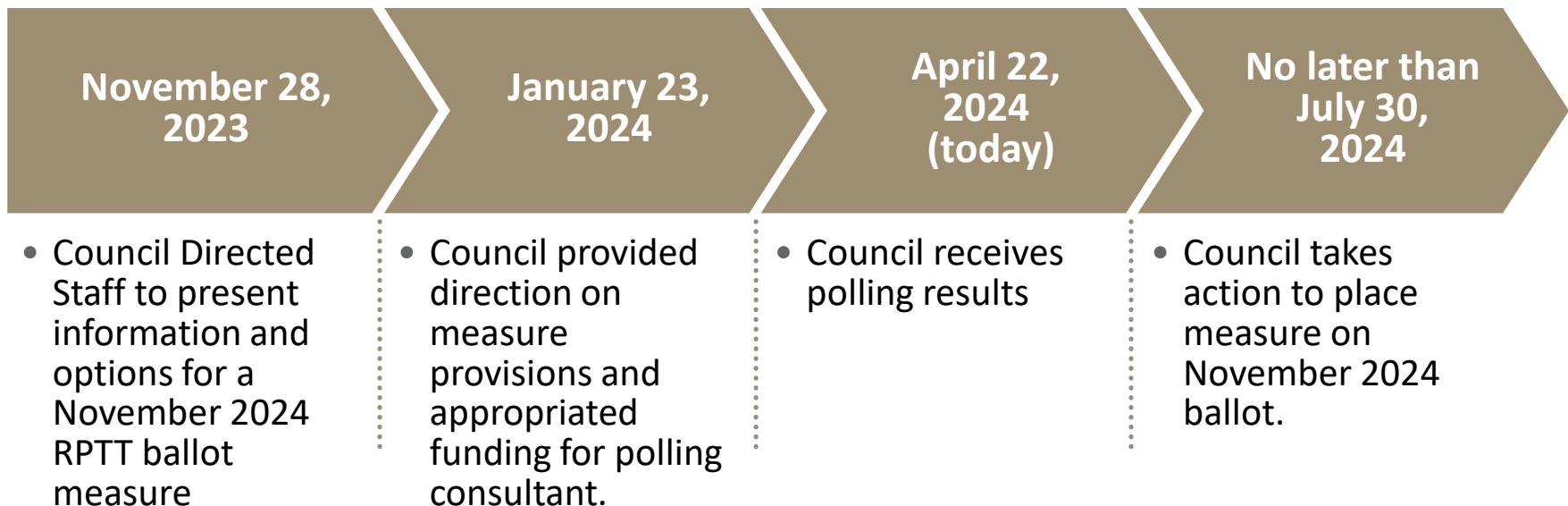
Receive Real Property Transfer Tax Polling Results

Tim Kirby, Director of Finance

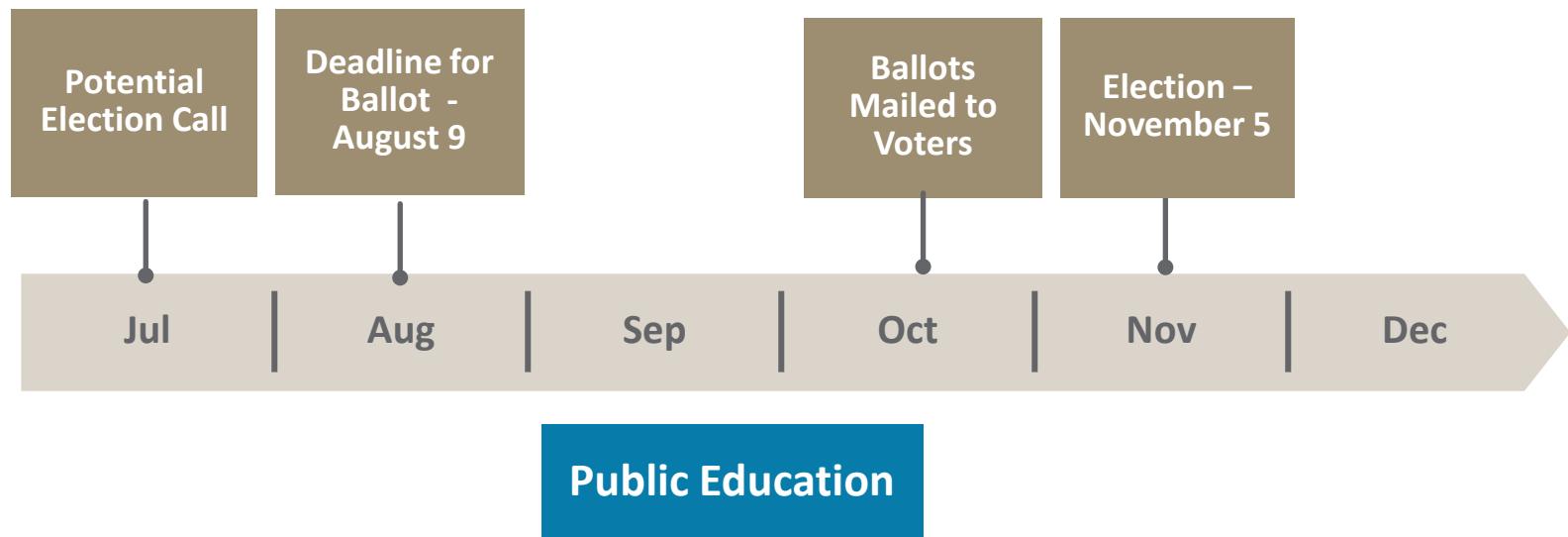
Dennis Jaw, Assistant Director of Finance



Background



Potential Ballot Measure Timeline



January 23, 2024 Council Direction

- Poll on the viability of:
 - RPTT at the rate of .75%, only on sales exceeding \$3,999,999.99
 - Adjustment to the \$3,999,999.99 exemption threshold to account for inflation
 - Annually or every 5 years
 - Possible exemptions for Single Family/Duplex Residential Properties
 - Possible tax expiration of 30 years (vs. “until ended by voters”)



Sunnyvale

Sunnyvale RPTT Ballot Measure Feasibility

Key Findings of a Survey of Sunnyvale Voters

Conducted March 17-21, 2024



OPINION
RESEARCH
& STRATEGY

Survey Methodology

Dates	March 17-21, 2024
Survey Type	Dual-mode Voter Survey
Research Population	Likely November 2024 in the City of Sunnyvale
Total Interviews	444
Margin of Sampling Error	(Full Sample) $\pm 4.9\%$ at the 95% Confidence Level (Half Sample) $\pm 6.9\%$ at the 95% Confidence Level
Contact Methods	 Telephone Calls  Email Invitations  Text Invitations
Data Collection Modes	 Telephone Interviews  Online Interviews
Survey Tracking	2016, 2018 and 2022 Surveys

(Note: Not All Results Will Sum to 100% Due to Rounding)

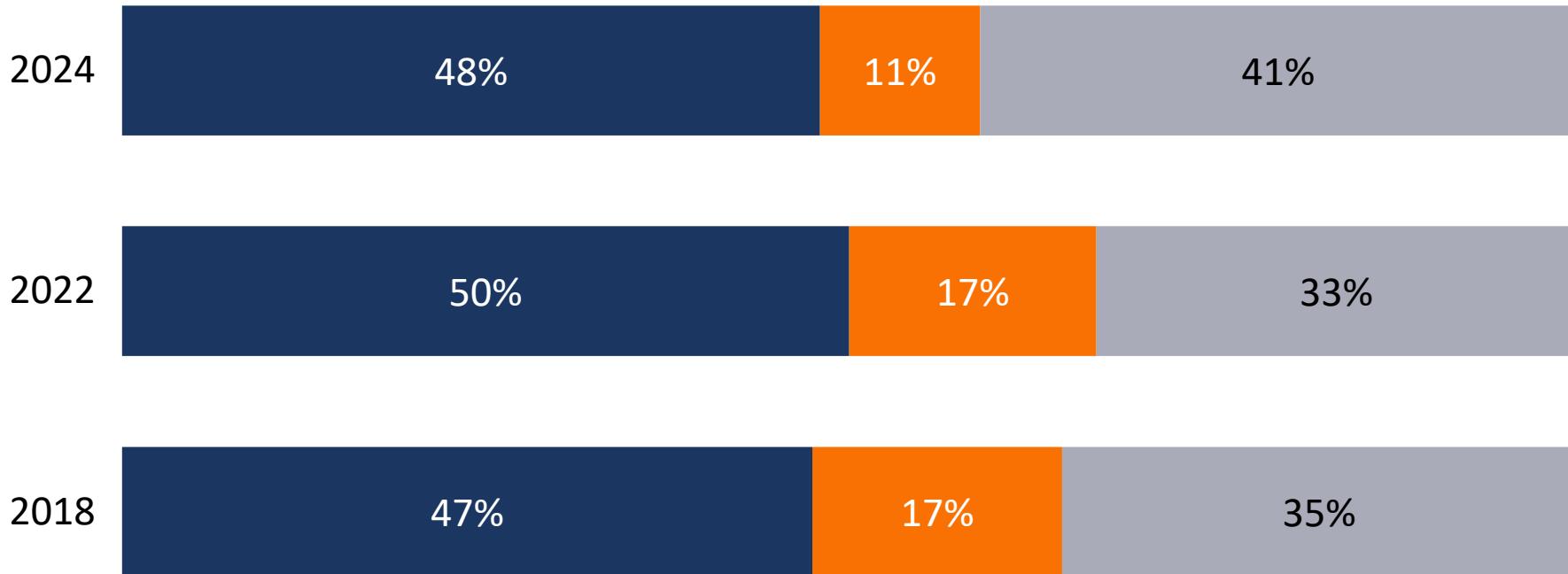


Electoral Context

About half of voters have consistently said they feel good about Sunnyvale's future.

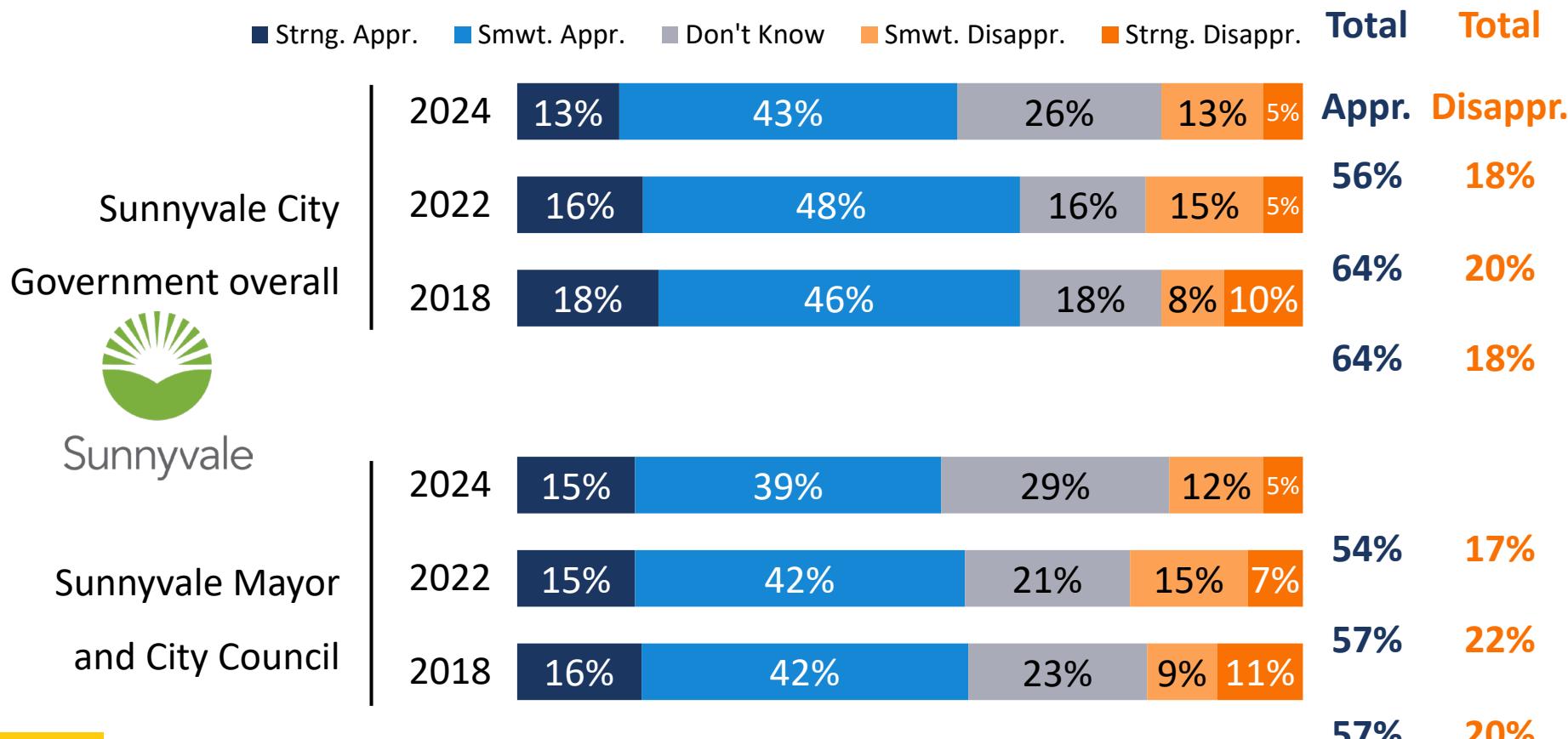
Would you say that things in the City of Sunnyvale are generally headed in the right direction, or do you feel that things are off on the wrong track?

■ Right Direction ■ Wrong Track ■ Mixed/Don't Know



Majorities approve of the job being done by city government, as well as the Mayor and City Council.

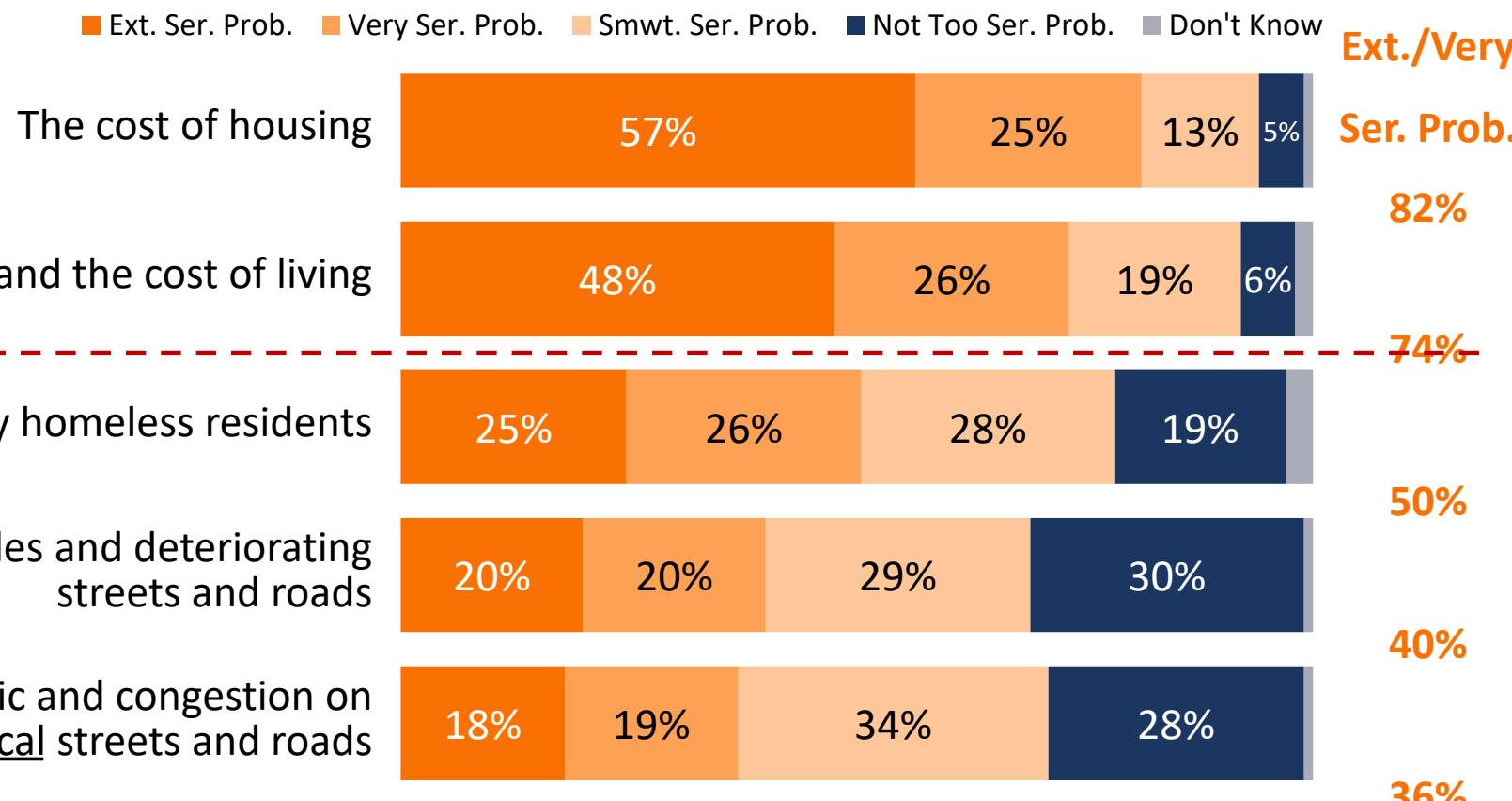
*I am now going to read you a brief list of public officials and agencies.
Please tell me whether you approve or disapprove of the job each is doing.*



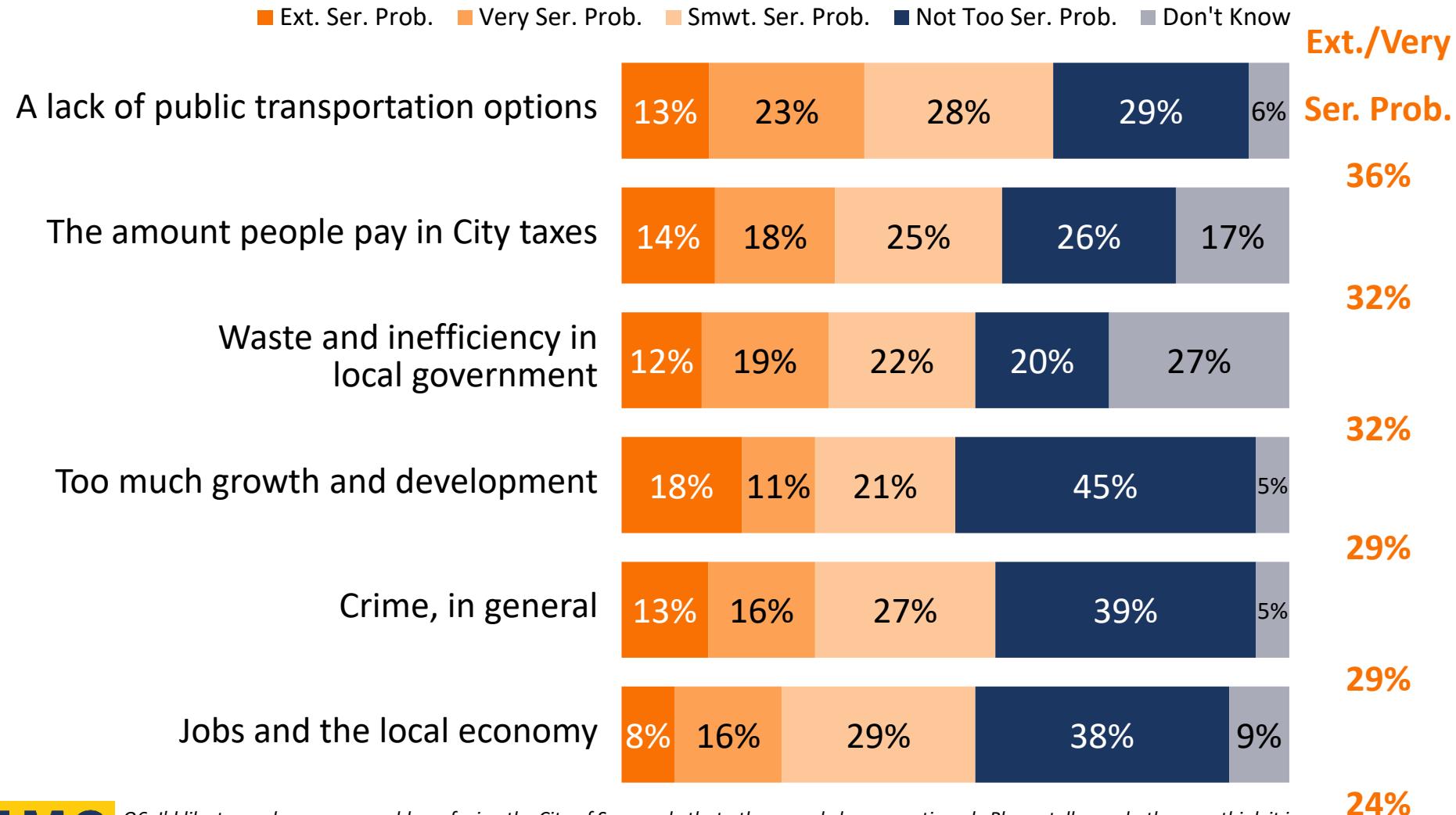
Q2.

Cost of living issues—particularly housing costs—top the list of voter concerns by a wide margin.

I'd like to read you some problems facing the City of Sunnyvale that other people have mentioned. Please tell me whether you think it is an extremely serious problem, a very serious problem, somewhat serious problem, or a not too serious problem in Sunnyvale.



Only around one-third of voters feel particularly concerned with city taxes or local government waste.



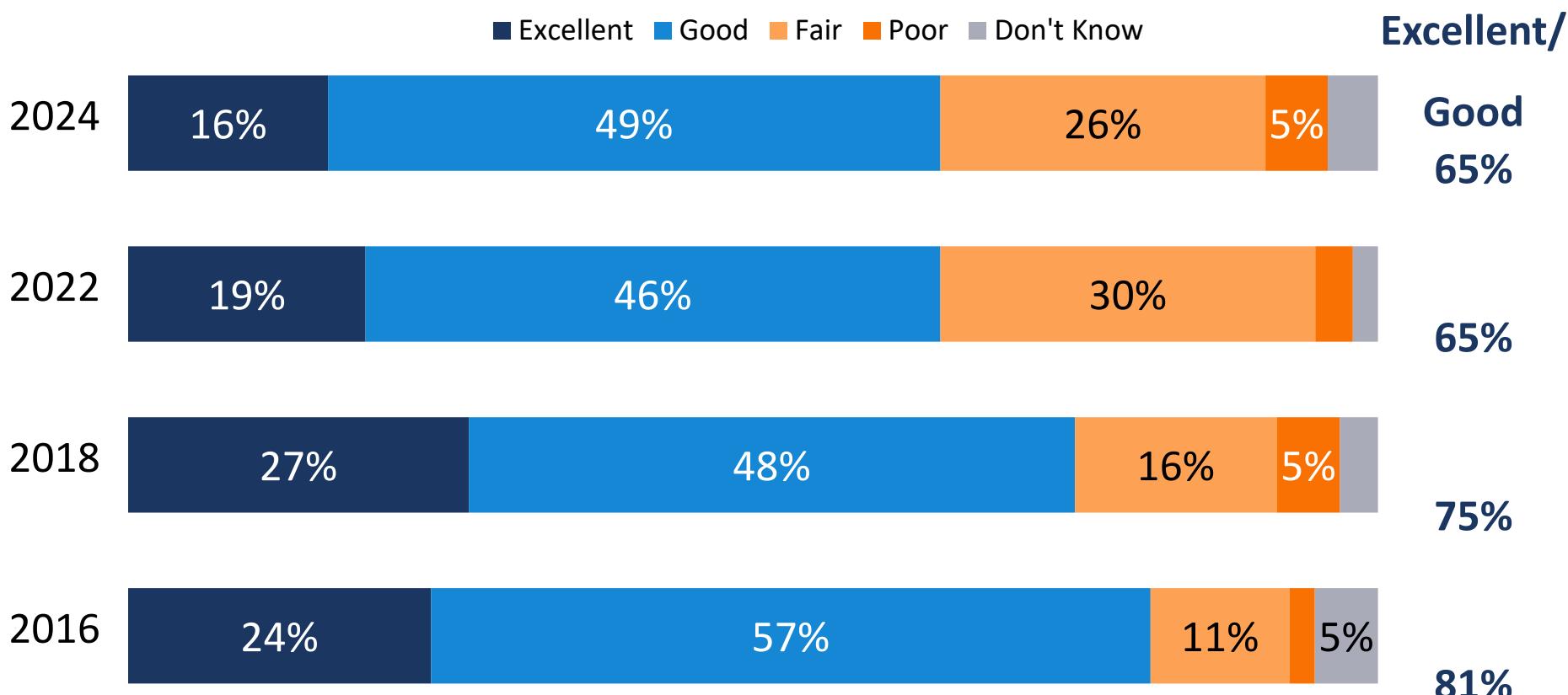
Q6. I'd like to read you some problems facing the City of Sunnyvale that other people have mentioned. Please tell me whether you think it is an extremely serious problem, a very serious problem, somewhat serious problem, or a not too serious problem in Sunnyvale.

Growth concerns have waned, while more feel road conditions are a serious problem; concerns about public transportation have varied since 2018.

Statement	Extremely/Very Serious Problem			
	2018	2022	2024	Difference (2022-2024)
A lack of public transportation options	31%	24%	36%	+12%
Potholes and deteriorating streets and roads	32%	29%	40%	+11%
The amount people pay in City taxes	23%	29%	32%	+3%
The cost of housing	79%	79%	82%	+3%
Jobs and the local economy	21%	22%	24%	+2%
Too many homeless residents	36%	49%	50%	+1%
Traffic and congestion on <u>local</u> streets and roads	64%	35%	36%	+1%
Waste and inefficiency in local government	31%	32%	32%	0%
Crime, in general	20%	30%	29%	-1%
Too much growth and development	44%	42%	29%	-13%

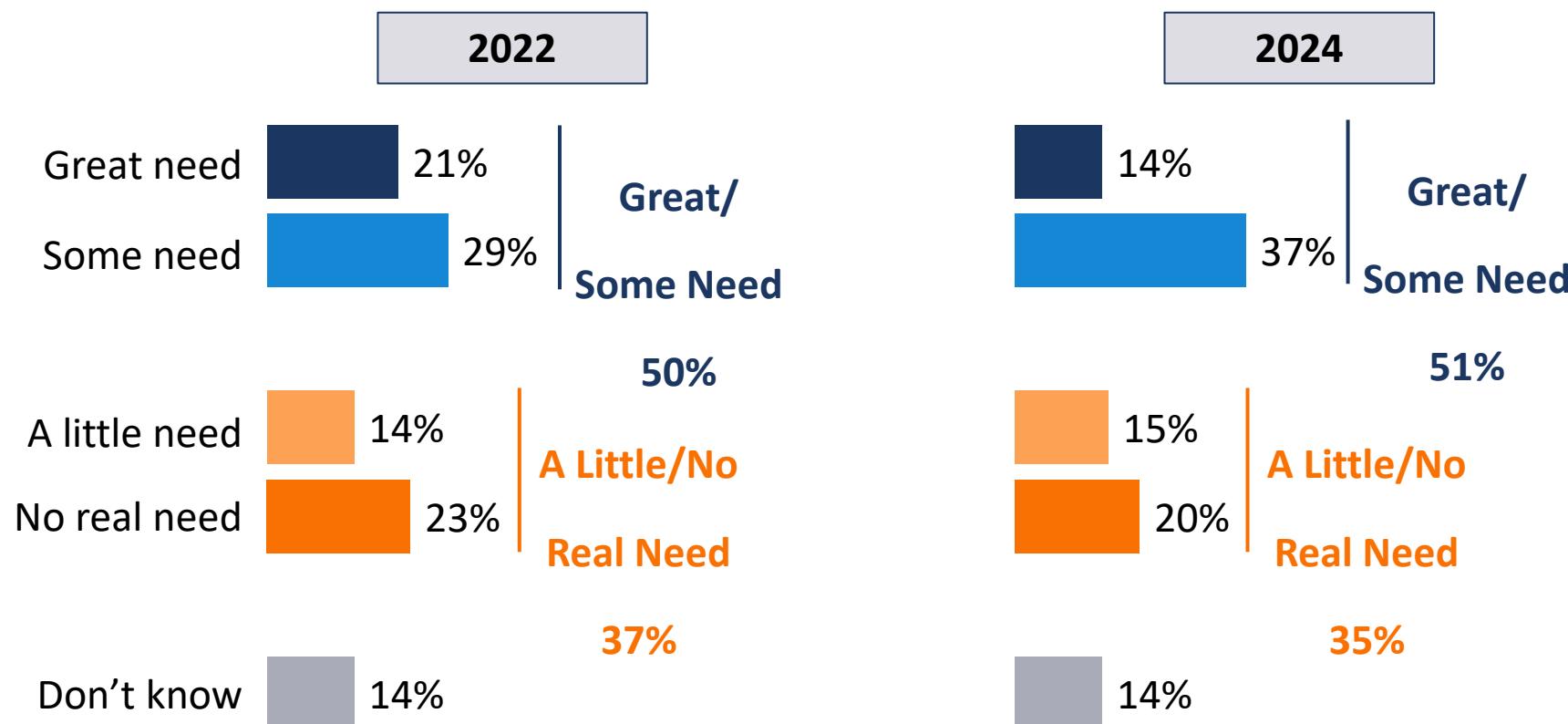
Two-thirds positively rate city services, similarly to 2022, but still down from 2018 & 2016.

*How would you rate the quality of services provided by the City of Sunnyvale:
excellent, good, fair, or poor?*



Half continue to feel the City has an appreciable need for more funding, though not quite as intensely.

In your personal opinion, do you think there is a great need, some need, a little need, or no real need for additional funds to provide the level of city services that residents of the City of Sunnyvale need and want?





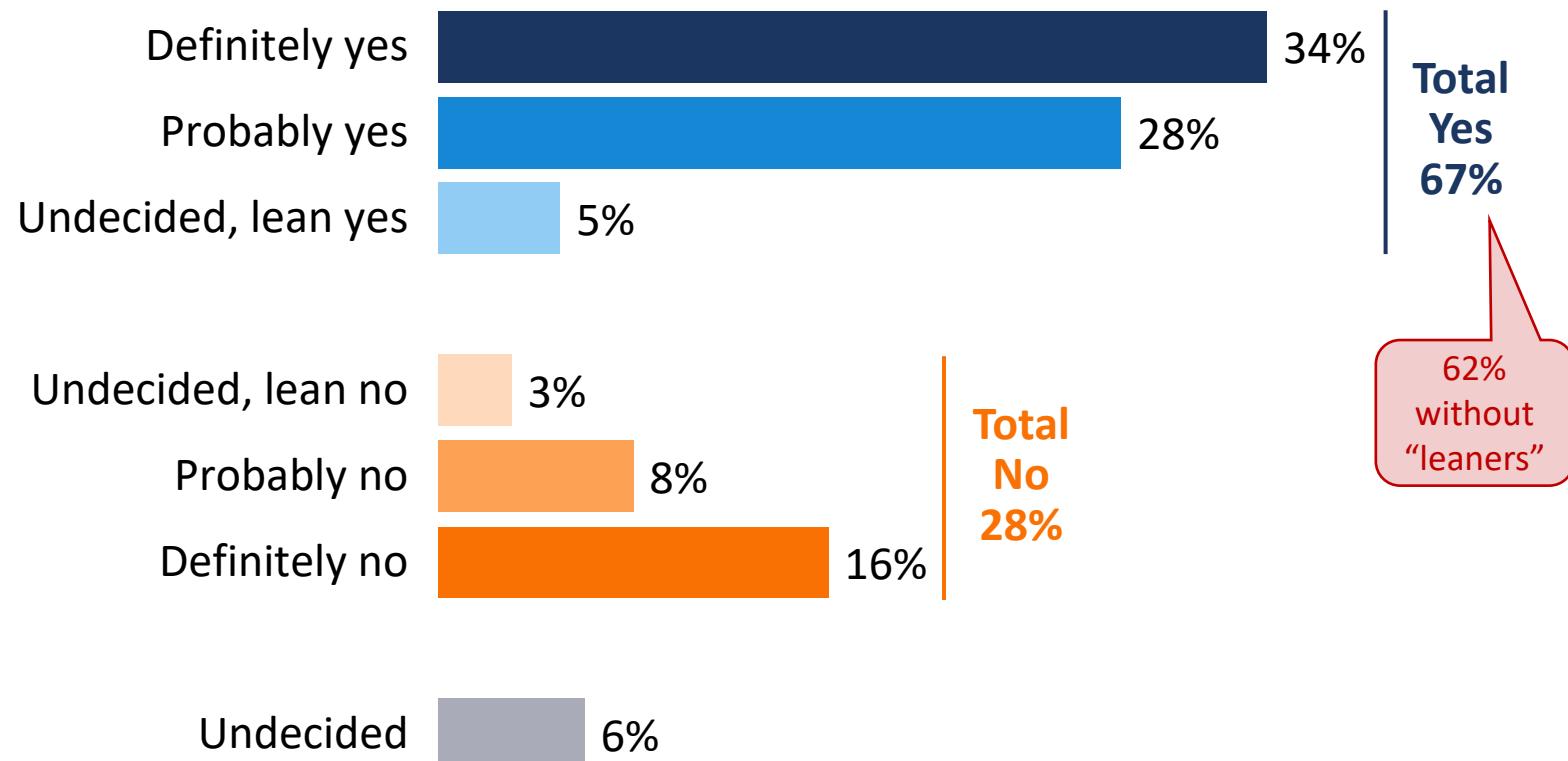
Reactions to a Potential RPTT Measure

Hypothetical Ballot Measure Language

General-purpose; 50% Vote Threshold

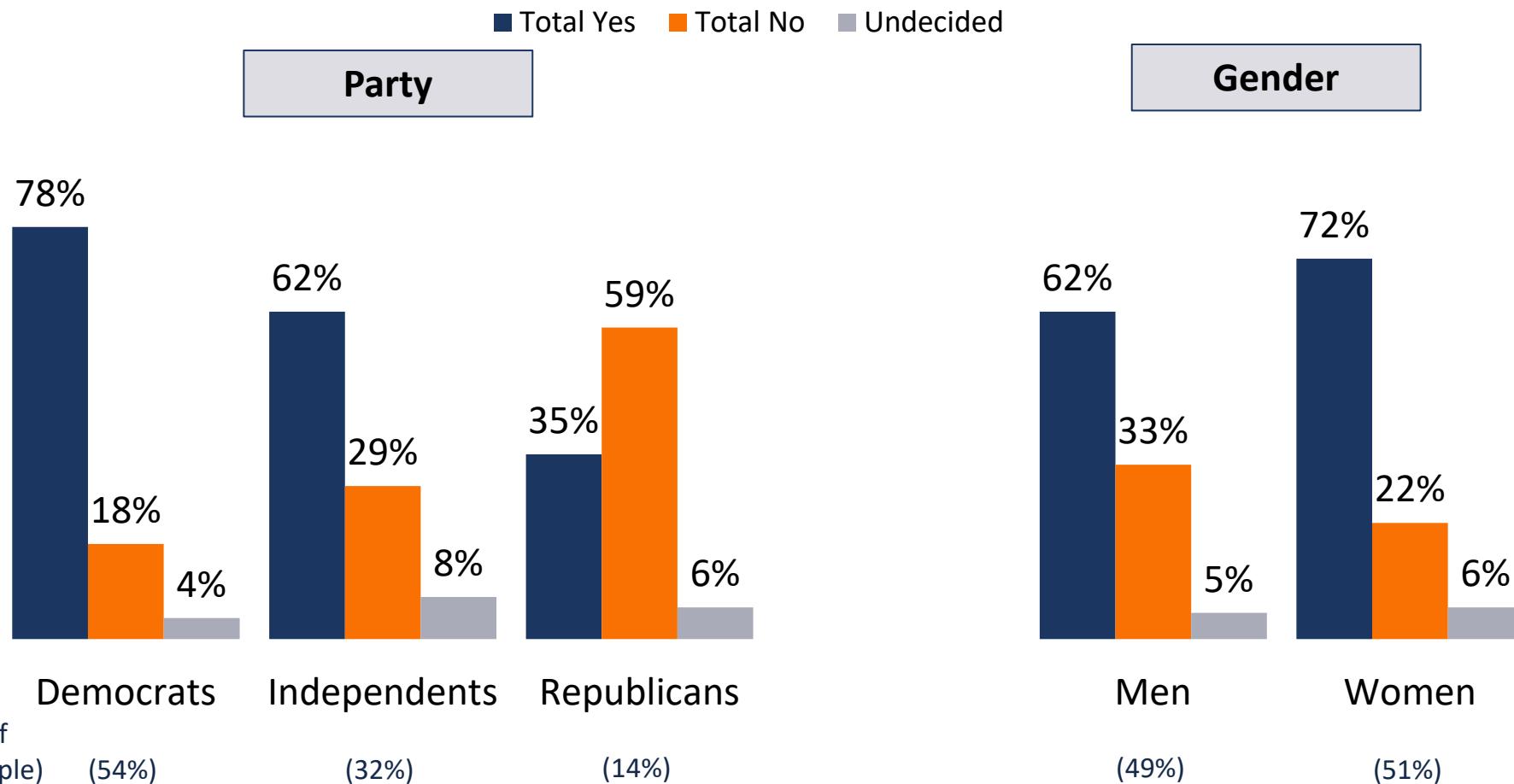
Sunnyvale City Services Funding Measure. To fund essential city services, including police and fire protection; 911 emergency response; disaster preparedness; addressing homelessness; tree, park, and street maintenance; and other services, shall the City of Sunnyvale adopt an ordinance enacting a 0.75% real property transfer tax (paid by buyers and sellers upon sale) on property sales over \$4,000,000, and generating approximately \$6,100,000 annually until ended by voters, with required audits and all funds used locally?

Two-thirds expressed initial support for the hypothetical measure, with twice as much intensity among supporters than among opponents.



There is a strong partisan correlation to support and opposition, as well as a modest gender divide.

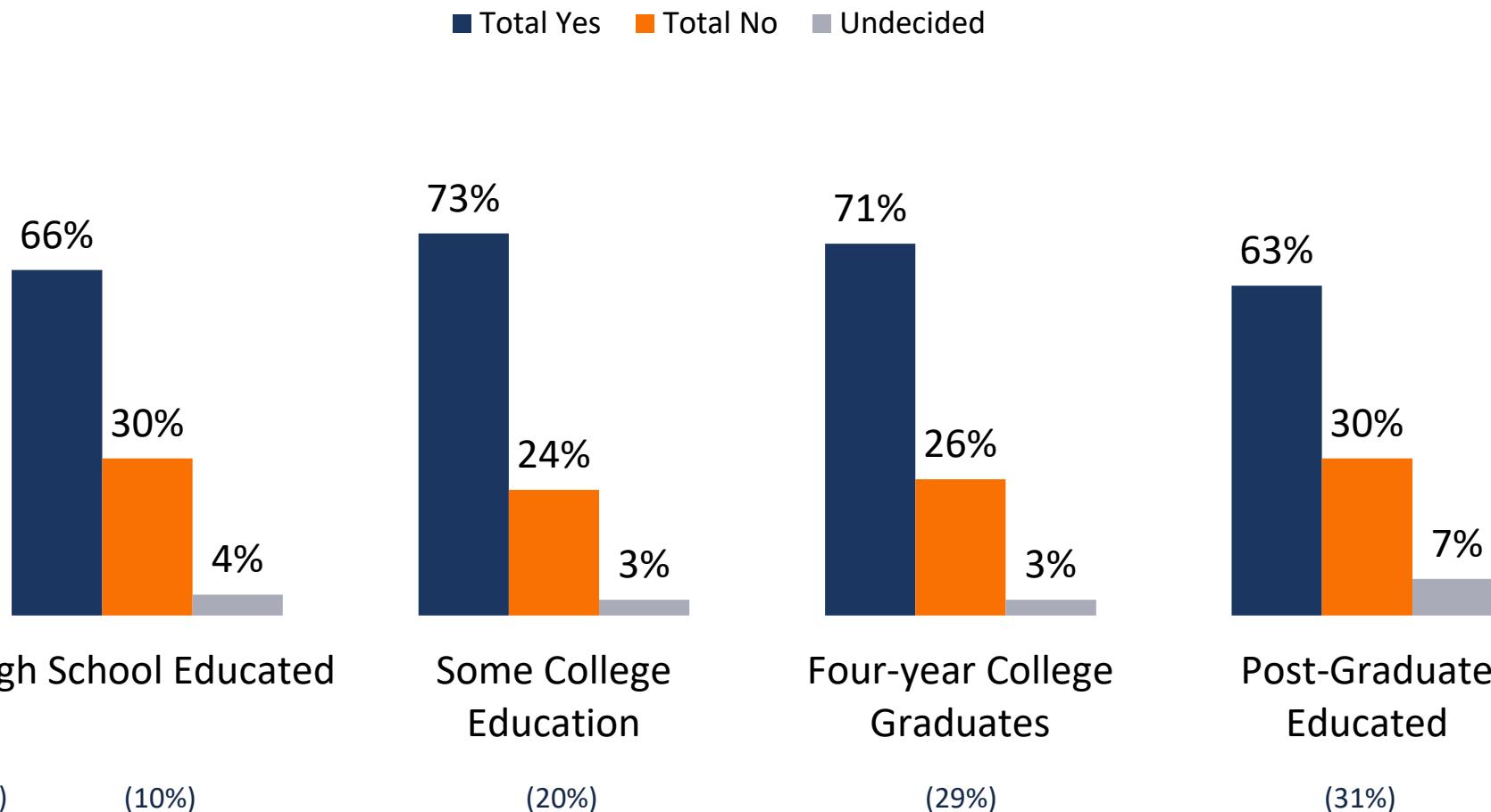
Initial Vote After Hypothetical Ballot Language by Party & Gender



Q4. Do you think you would vote "yes" or "no" on this measure?

Educational attainment plays less of a role.

Initial Vote After Hypothetical Ballot Language by Education

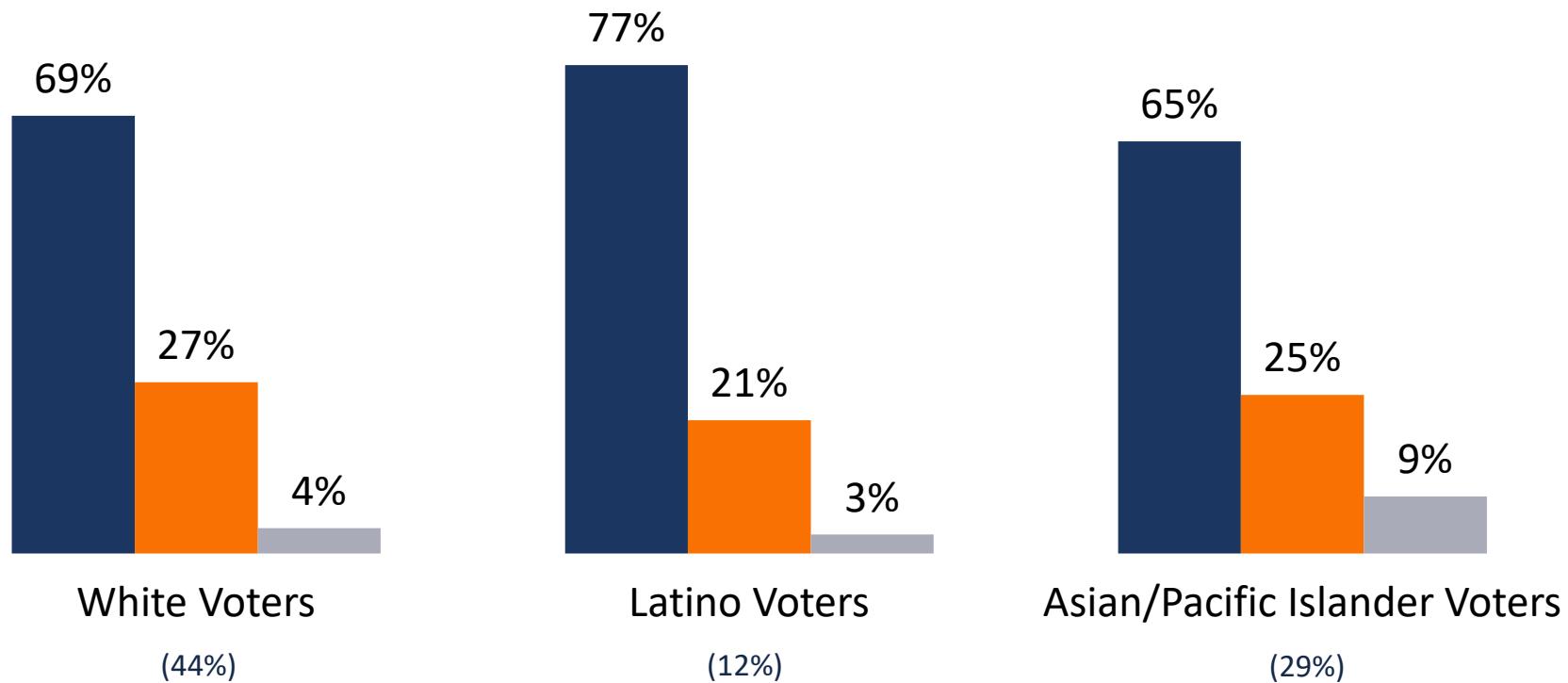


Q4. Do you think you would vote "yes" or "no" on this measure?

Latino voters are more supportive than Asian voters; white voters fall in between.

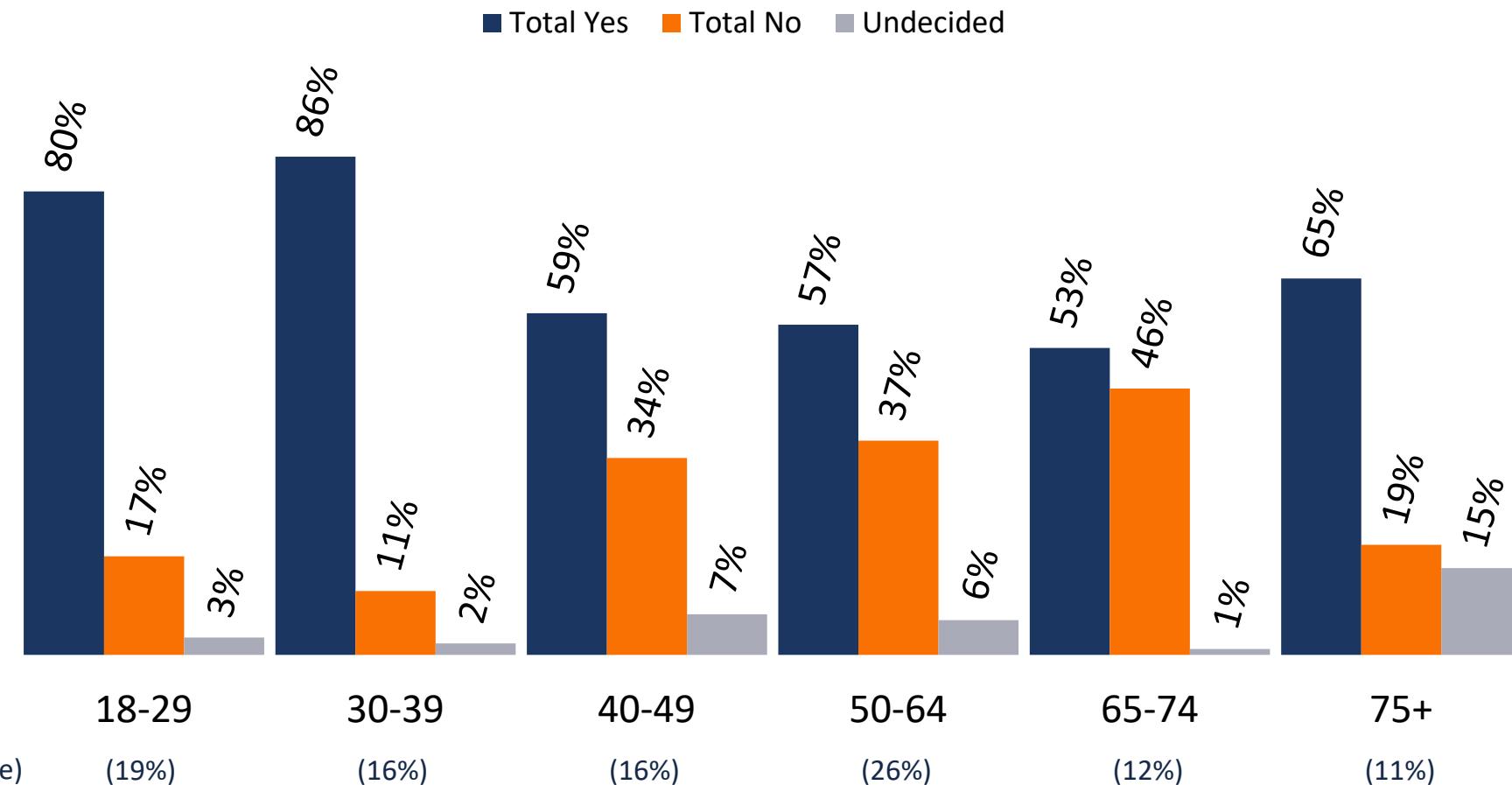
Initial Vote After Hypothetical Ballot Language by Race/Ethnicity

■ Total Yes ■ Total No ■ Undecided



Support is strongest among voters under age 40.

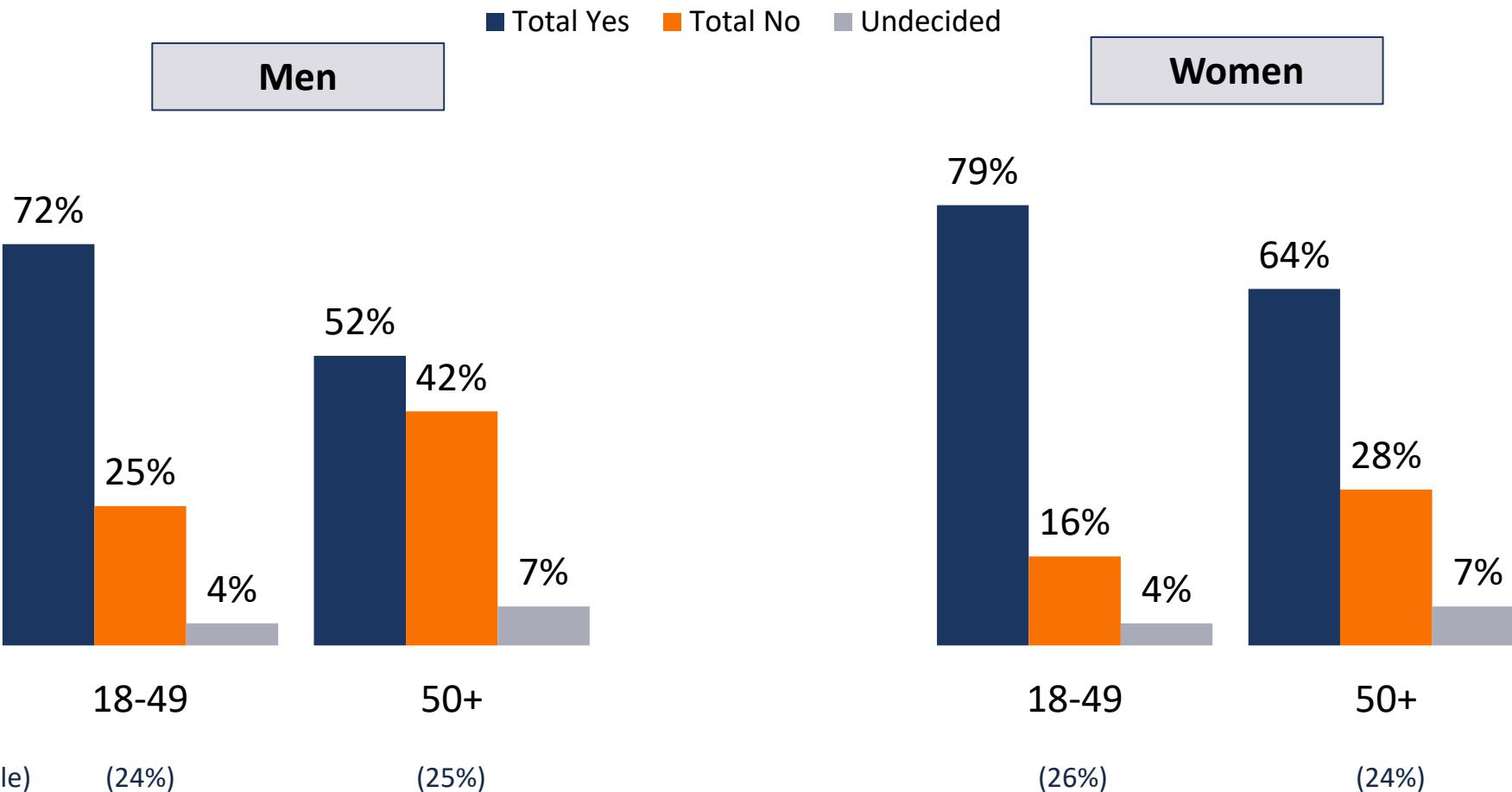
Initial Vote After Hypothetical Ballot Language by Age



Q4. Do you think you would vote "yes" or "no" on this measure?

Older men are only modestly supportive; younger women are particularly supportive.

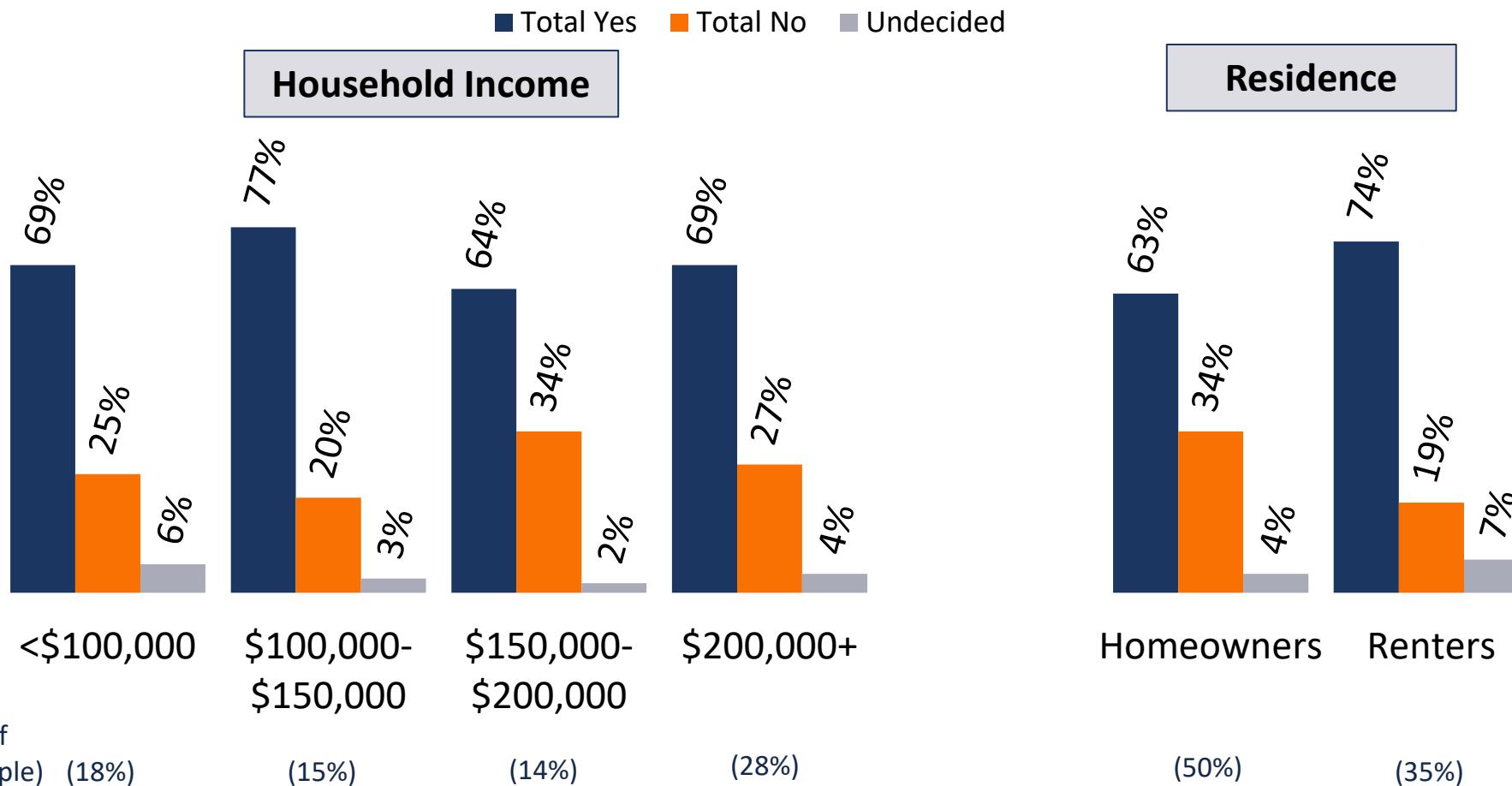
Initial Vote After Hypothetical Ballot Language by Gender by Age



Q4. Do you think you would vote "yes" or "no" on this measure?

Renters are more supportive than homeowners, but majorities of both groups are still supportive.

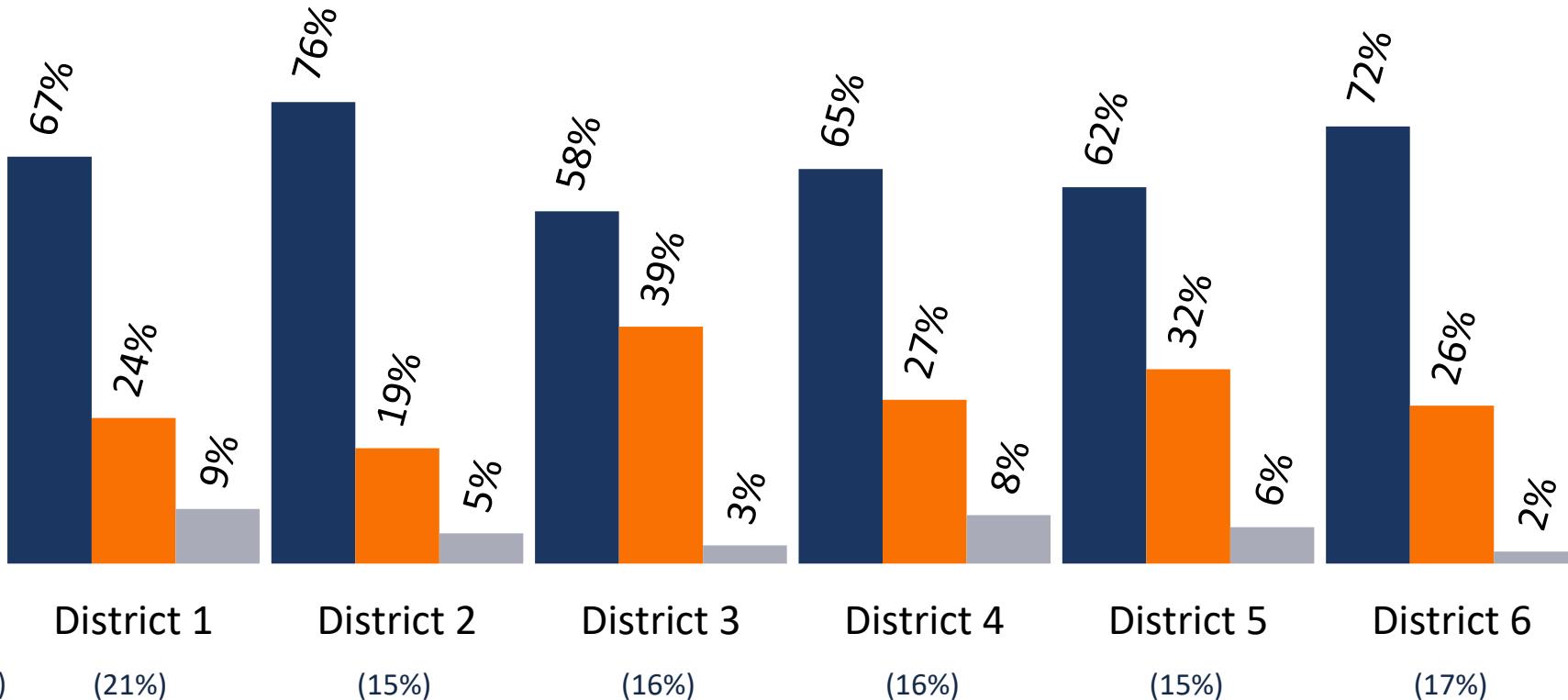
Initial Vote After Hypothetical Ballot Language by Household Income & Residence



Majorities of voters in all City Council districts are supportive, to varying degrees.

*Initial Vote After Hypothetical Ballot Language by City Council District
(MOE ±10% - ±12%)*

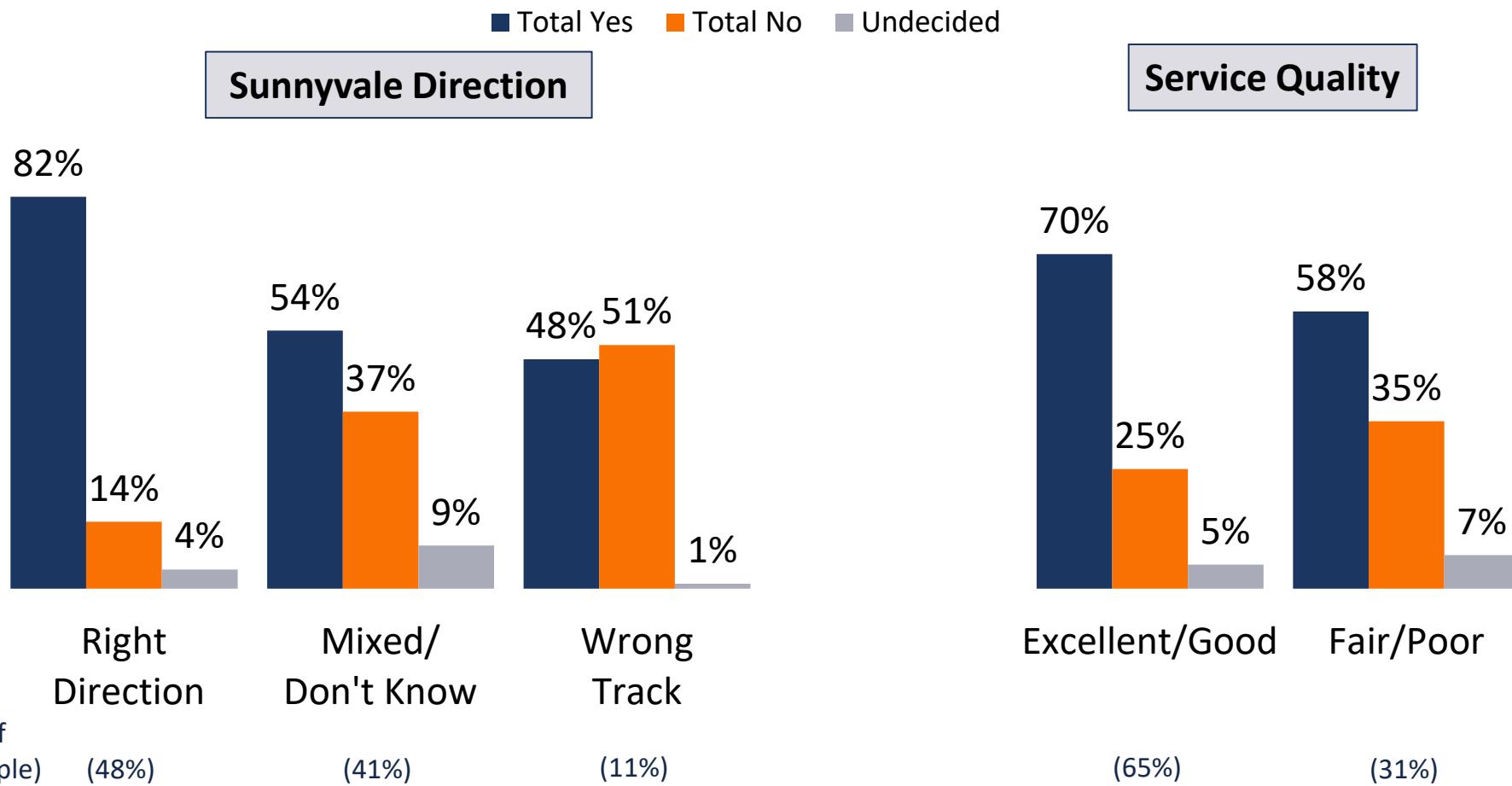
■ Total Yes ■ Total No ■ Undecided



Q4. Do you think you would vote "yes" or "no" on this measure?

Support correlates with views on Sunnyvale's future and the City's provision of services.

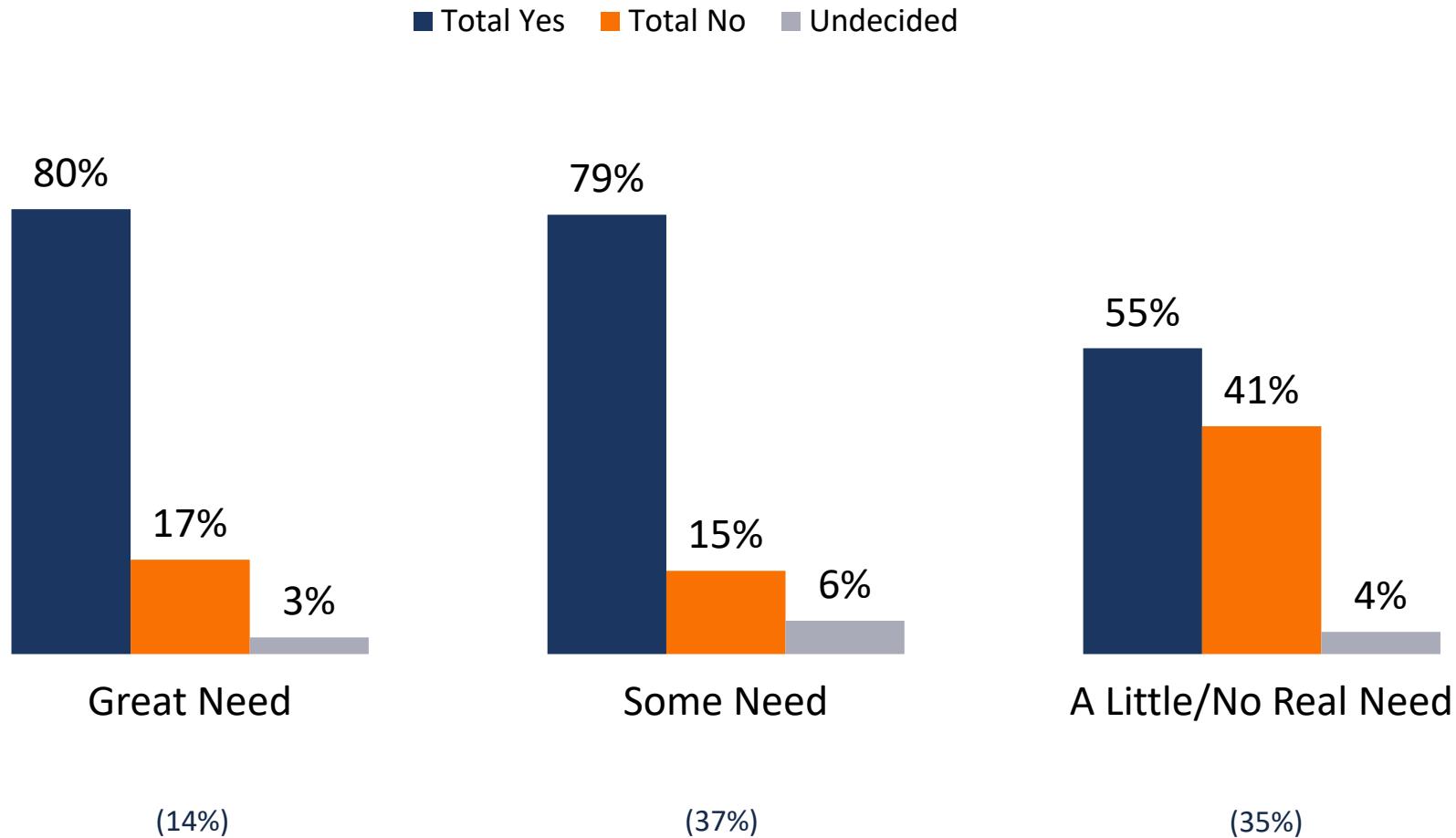
Initial Vote After Hypothetical Ballot Language by Sunnyvale Direction & Service Quality



Q4. Do you think you would vote "yes" or "no" on this measure?

Support also correlates strongly with the perceived need for addition city funding.

Initial Vote After Hypothetical Ballot Language by Funding Need



Q4. Do you think you would vote "yes" or "no" on this measure?

RPPT Ballot Language Tested in Past Surveys

2022

To fund essential City of Sunnyvale services, including police, fire, 911 response, park and street maintenance, homelessness response, and other services, shall the City of Sunnyvale adopt an ordinance enacting a real property transfer tax (paid by buyers and sellers upon sale) on sales over \$3,000,000 paid at the rate of 0.75%, exempting sales of \$3,000,000 or less, and generating approximately \$7,250,000 annually, until ended by voters, with required audits and all funds used locally?

2024

Sunnyvale City Services Funding Measure. To fund essential city services, including police and fire protection; 911 emergency response; disaster preparedness; addressing homelessness; tree, park, and street maintenance; and other services, shall the City of Sunnyvale adopt an ordinance enacting a 0.75% real property transfer tax (paid by buyers and sellers upon sale) on property sales over \$4,000,000, and generating approximately \$6,100,000 annually until ended by voters, with required audits and all funds used locally?

RPTT Ballot Language Tested in Past Surveys

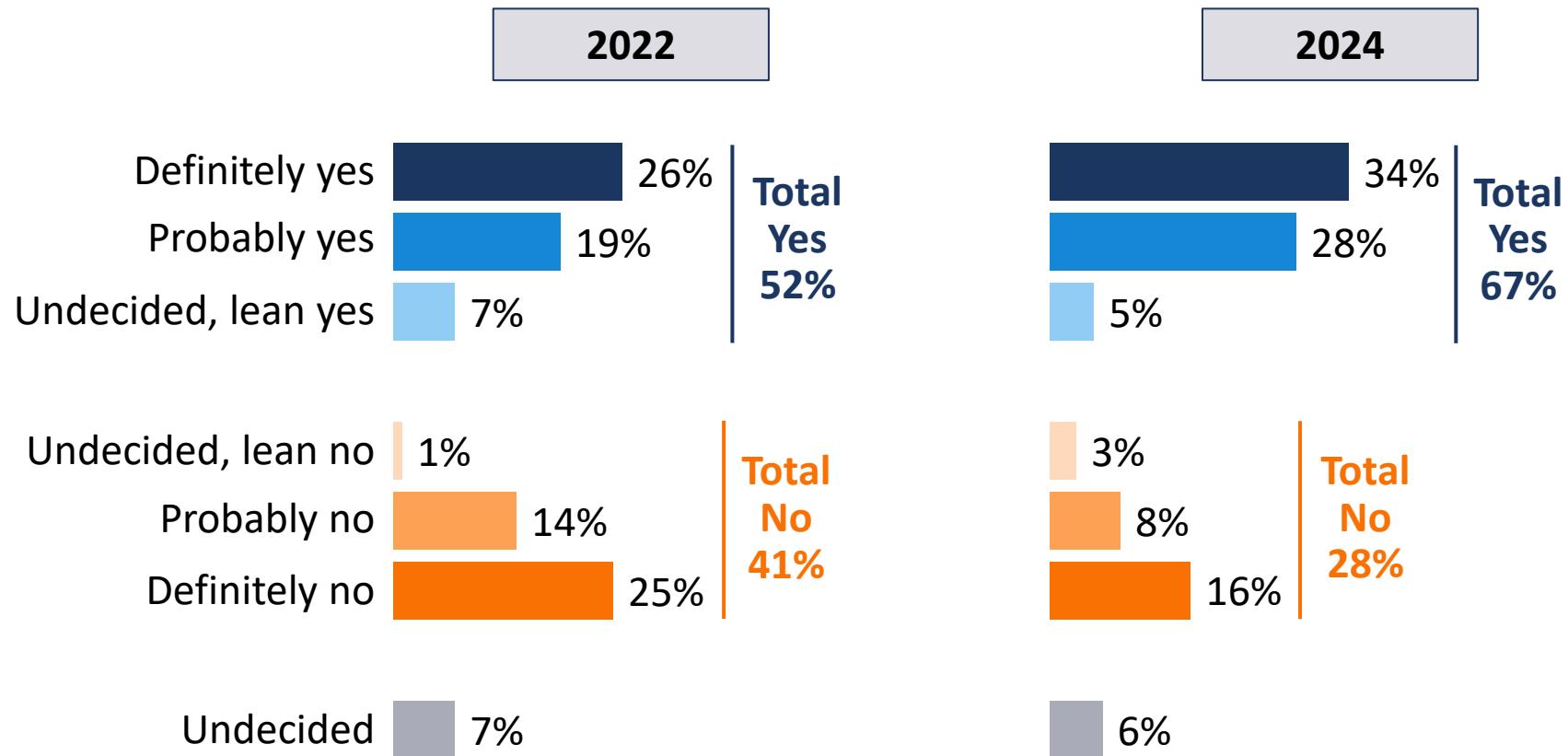
2022

To fund essential City of Sunnyvale services, including police, fire, 911 response, park and street maintenance, homelessness response, and other services, shall the City of Sunnyvale adopt an ordinance enacting a real property transfer tax (paid by buyers and sellers upon sale) on sales over \$3,000,000 paid at the rate of 0.75%, exempting sales of \$3,000,000 or less, and generating approximately \$7,250,000 annually, until ended by voters, with required audits and all funds used locally?

2024

Sunnyvale City Services Funding Measure. To fund essential city services, including police and fire protection; 911 emergency response; disaster preparedness; addressing homelessness; tree, park, and street maintenance; and other services, shall the City of Sunnyvale adopt an ordinance enacting a 0.75% real property transfer tax (paid by buyers and sellers upon sale) on property sales over \$4,000,000, and generating approximately \$6,100,000 annually until ended by voters, with required audits and all funds used locally?

Support is notably higher in the current survey than it was when assessed in the 2022 survey.

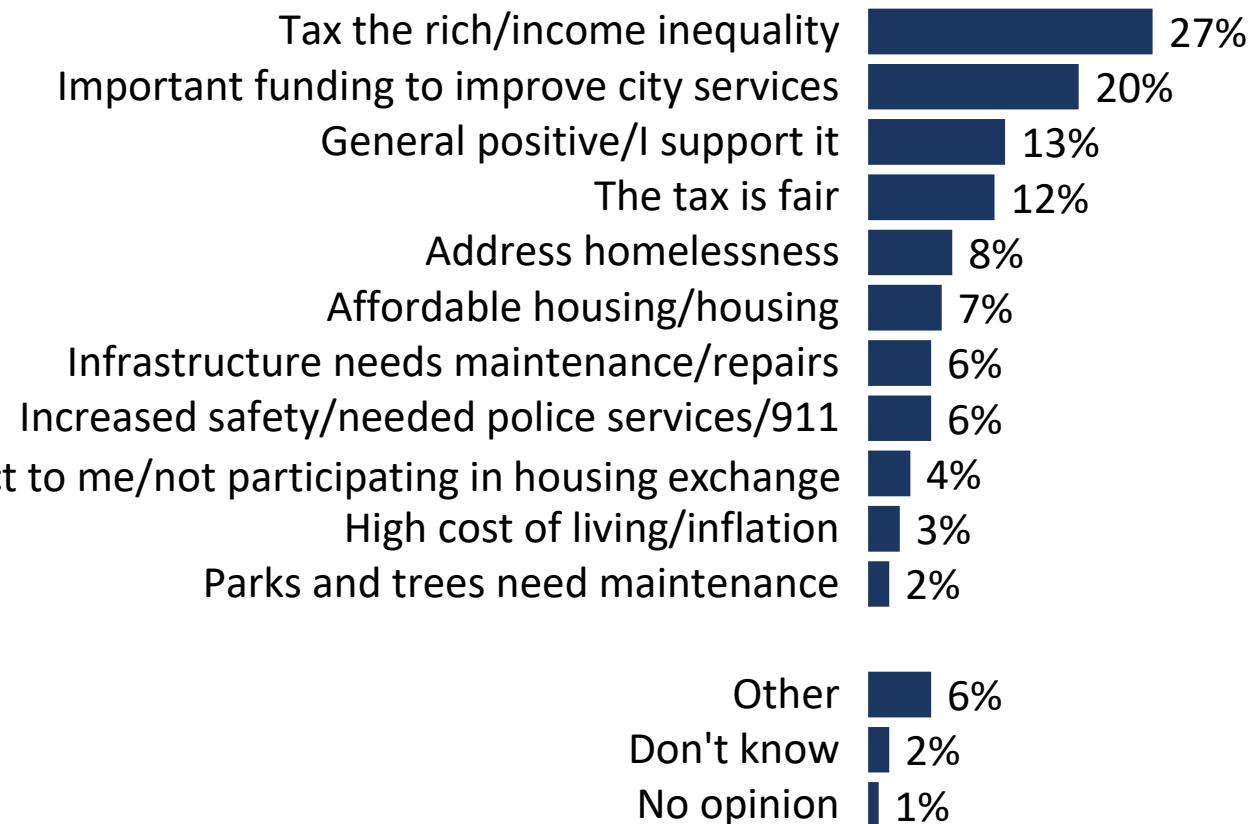


Q4. Do you think you would vote "yes" or "no" on this measure?

The most common rationales for support were related to address inequality and funding city services.

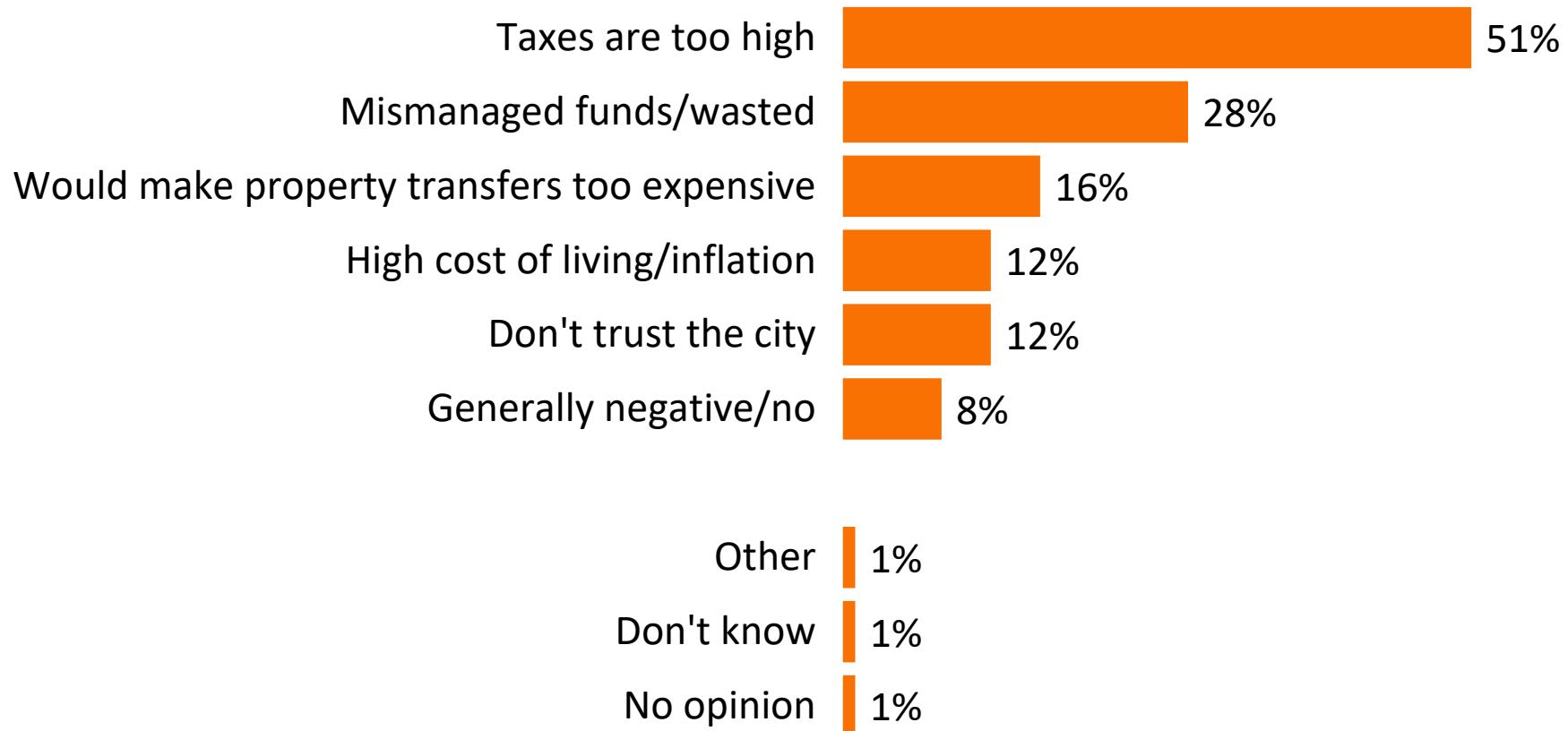
In a few words of your own, why would you vote YES on the property transfer tax measure?

(Open-ended; Asked of "Yes" Voters Only, n=297)

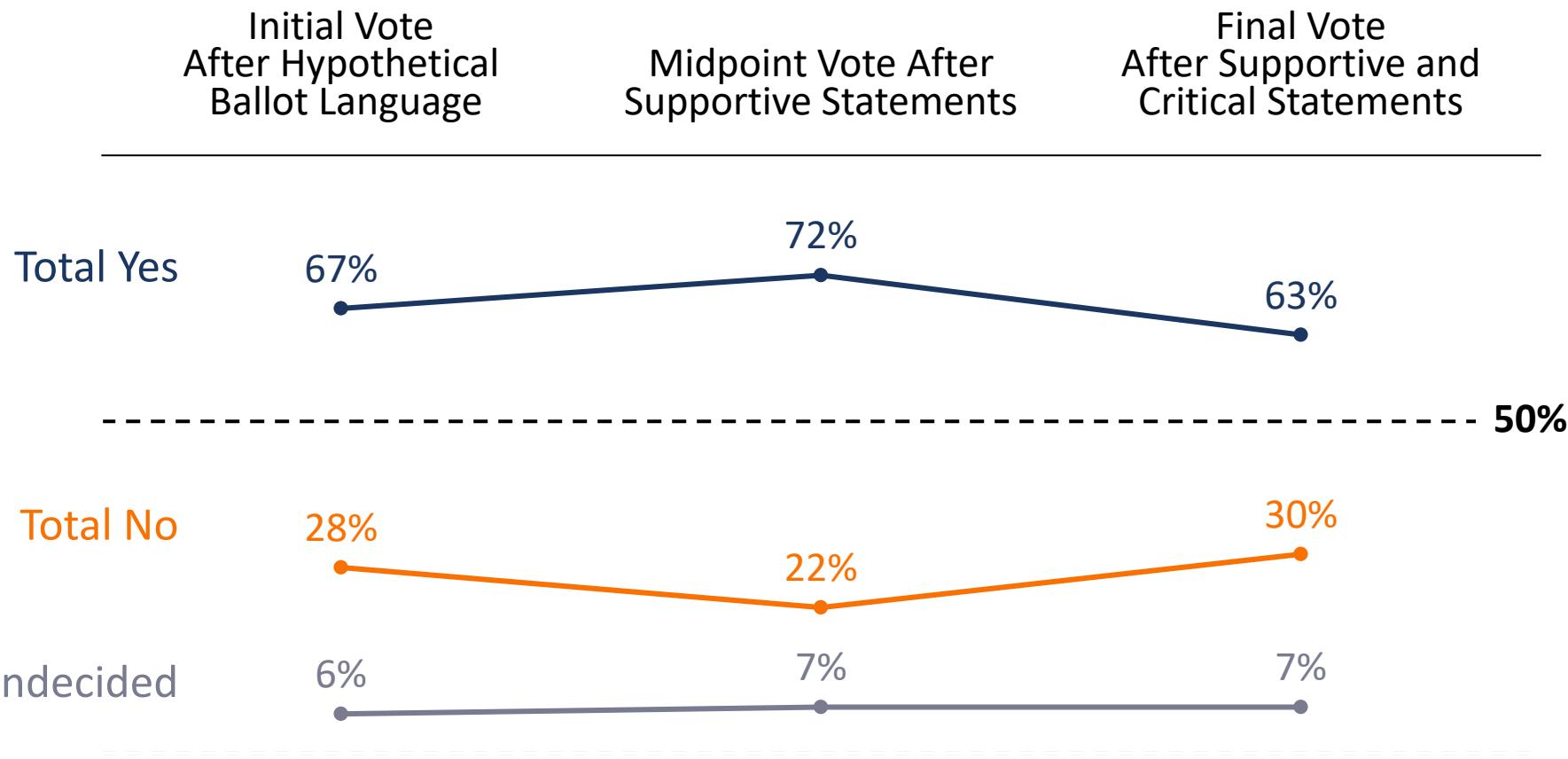


The top opposition rationale was concerns about taxes, followed by the City's financial management.

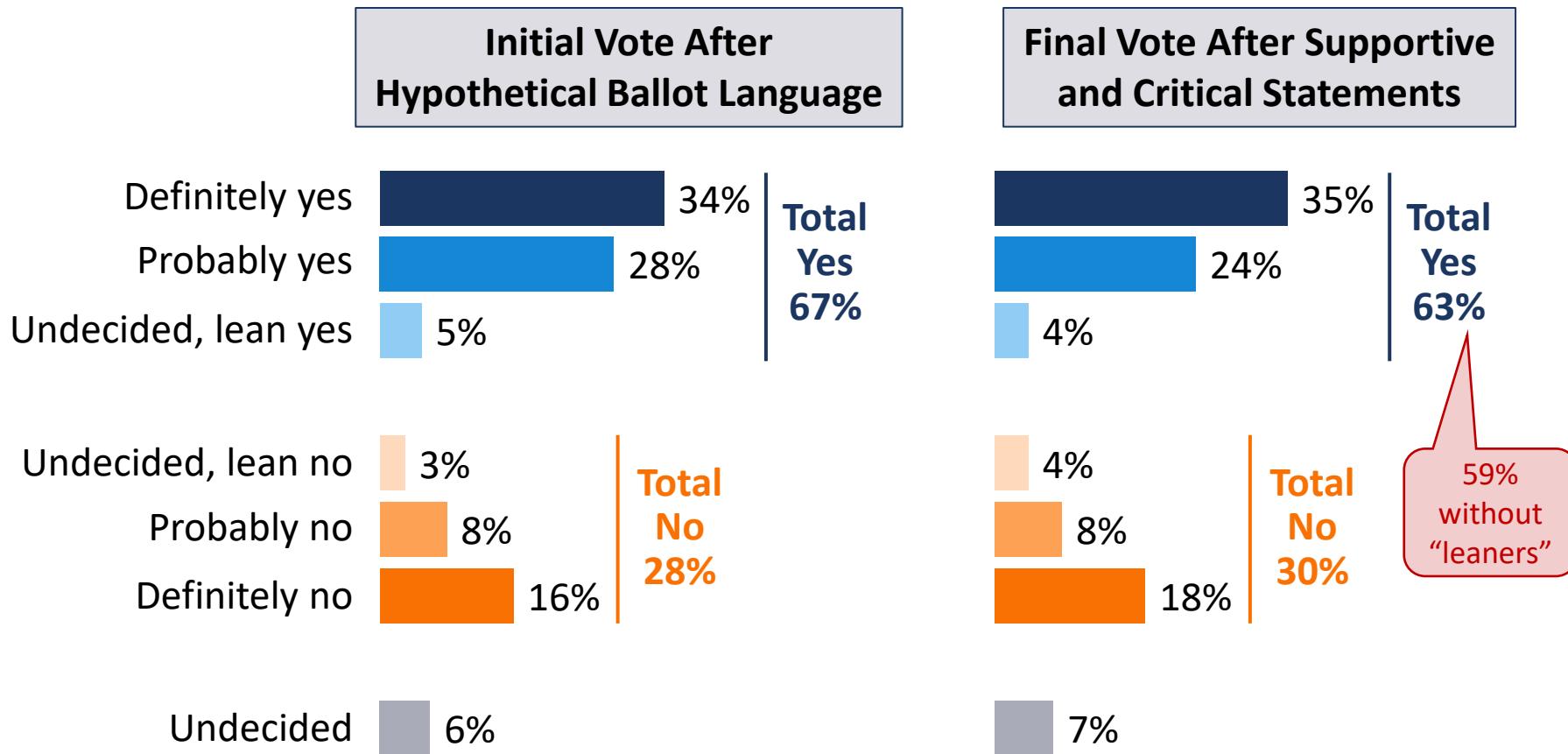
*In a few words of your own, why would you vote **NO** on the property transfer tax measure?*
(Open-ended; Asked of "No" Voters Only, n=122)



Over the course of the survey, support remained above the majority vote threshold.



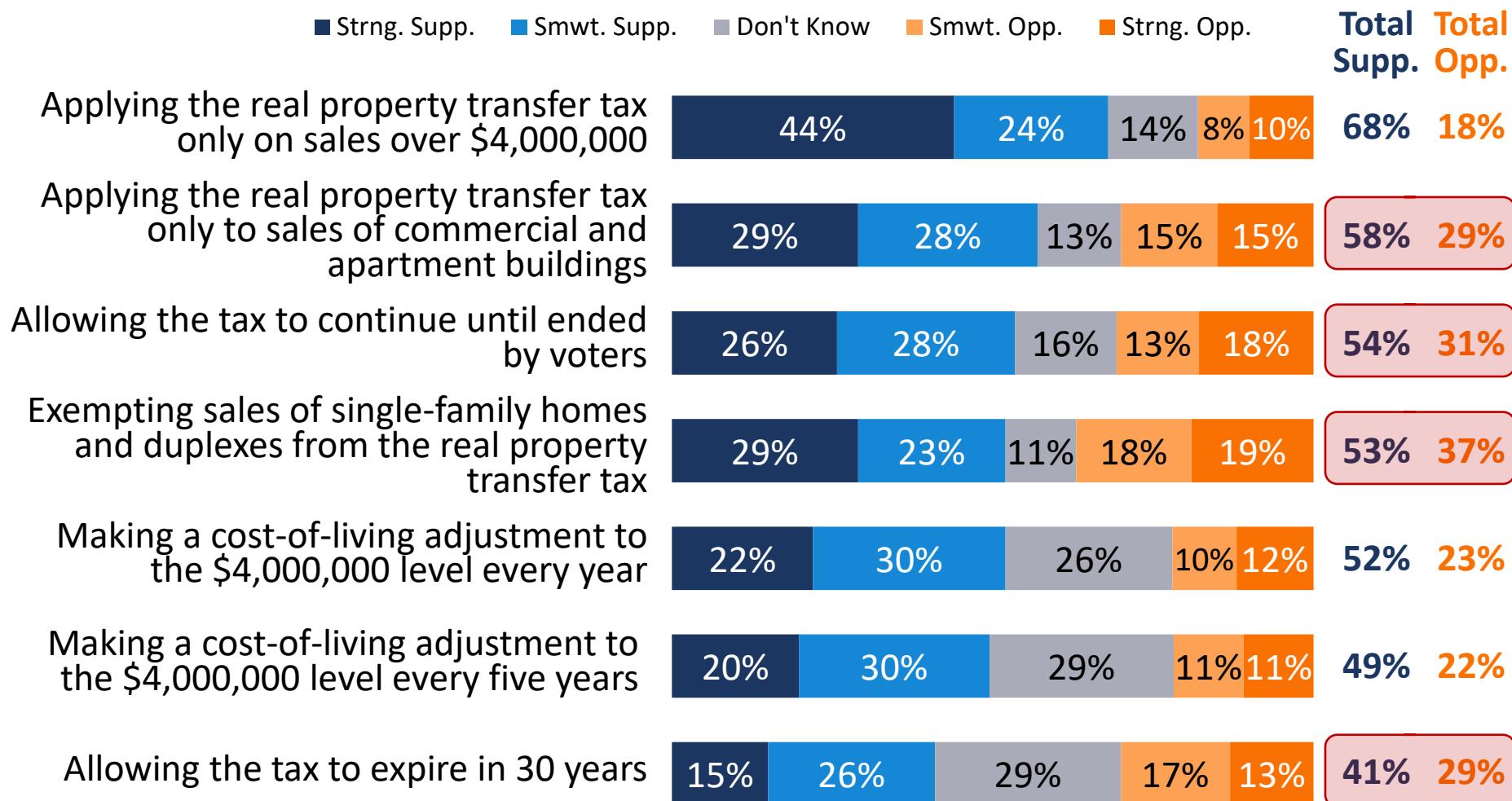
Final support was only slightly lower than initial support, though the intensity of yes/no voters was essentially identical.





Measure Structure & Investment Priorities

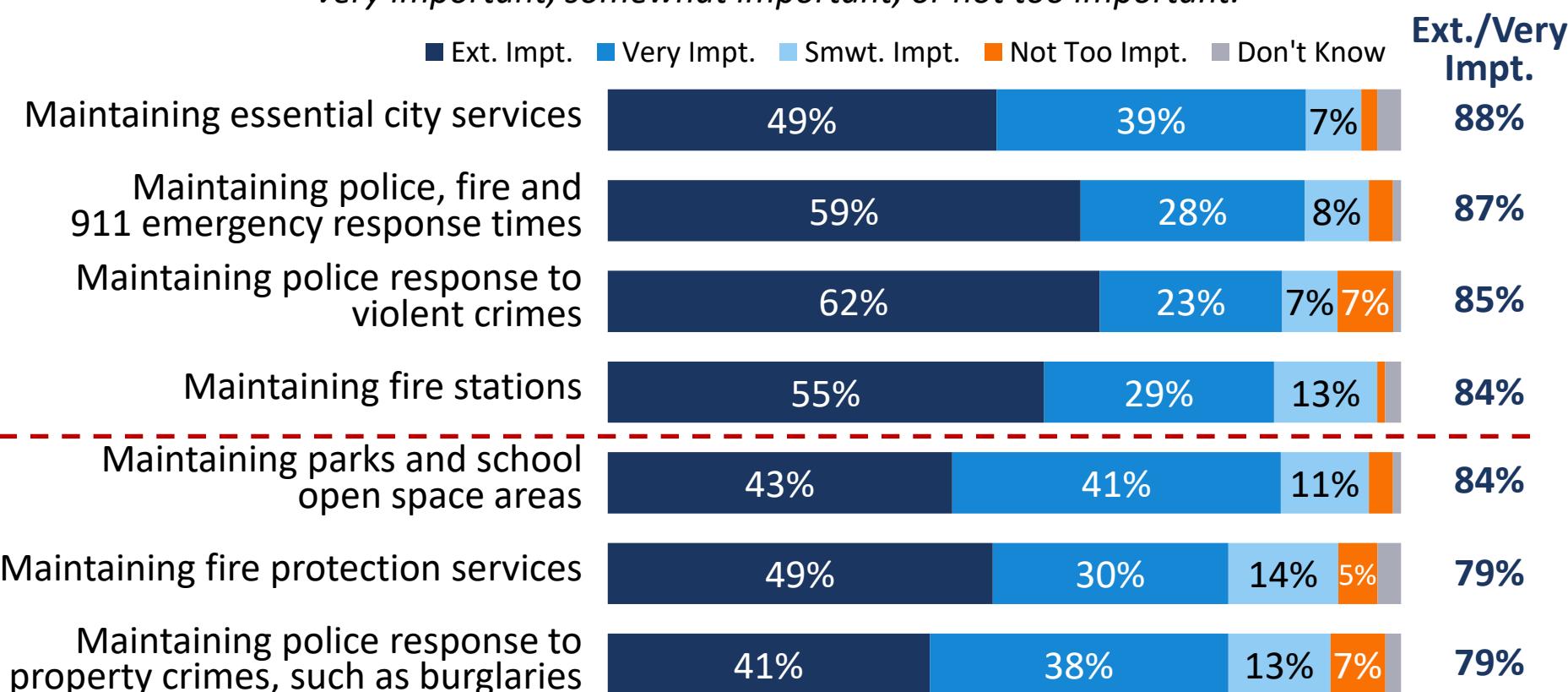
Only applying the RPTT on sales over \$4MM was a particularly popular provision.



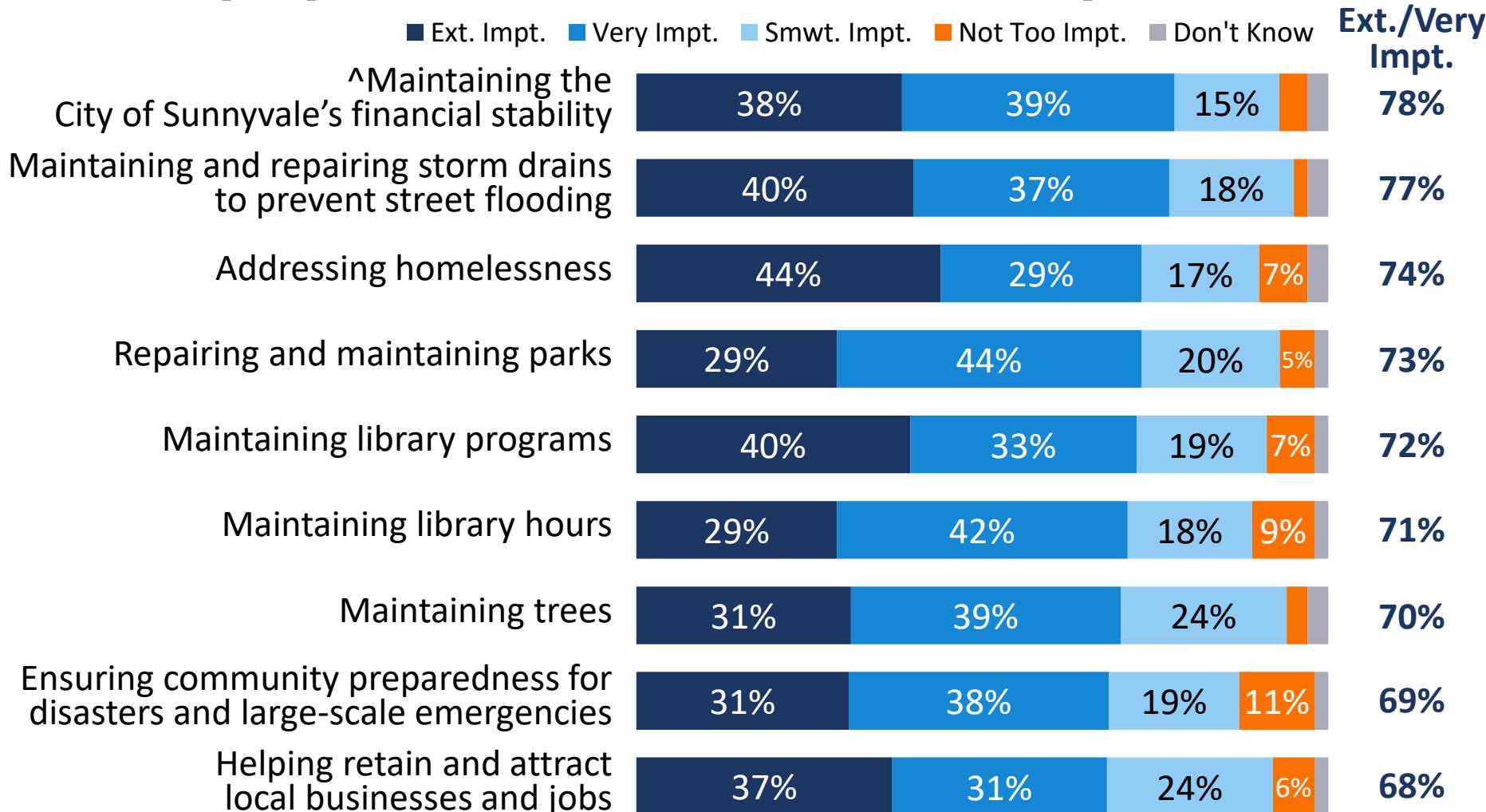
Q8. The structure of this potential measure has not yet been finalized and I am going to read you a list of provisions that could be included in it. Please tell me whether you strongly support, somewhat support, somewhat oppose, or strongly oppose that provision.

Maintaining public safety services was a particularly high priority.

I am going to read you a list of City projects and programs. If additional funds were made available, whether from the ballot measure we previously discussed or from some other means, please tell me how important each spending area is to you personally: extremely important, very important, somewhat important, or not too important.

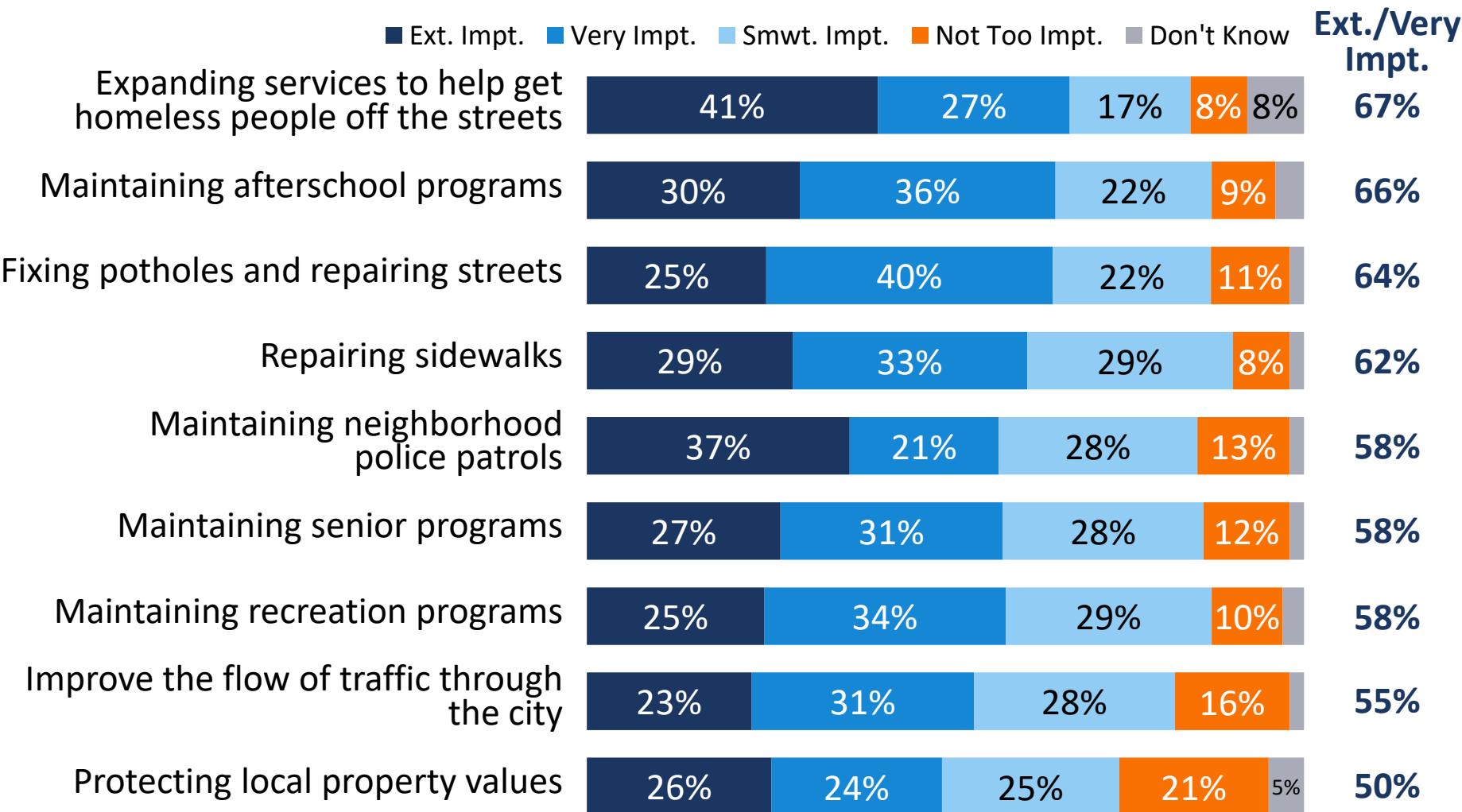


A second tier included storm drains, homelessness, parks, library, trees, disaster preparedness, & economic development.



Q9. I am going to read you a list of City projects and programs. If additional funds were made available, whether from the ballot measure we previously discussed or from some other means, please tell me how important each spending area is to you personally: extremely important, very important, somewhat important, or not too important. ^Not Part of Split Sample

The lowest priority, though still not totally dismissed, was protecting property values.



Q9. I am going to read you a list of City projects and programs. If additional funds were made available, whether from the ballot measure we previously discussed or from some other means, please tell me how important each spending area is to you personally: extremely important, very important, somewhat important, or not too important. Split Sample



Conclusions

Electoral Context

- Overall views of life in Sunnyvale remain positive and haven't changed much since 2022.
- While approval of the city's overall government has come down modestly, a majority continues to approve of its performance and impressions of city services have remained consistently positive.
- Though concerns about road conditions and a lack of public transportation options have increased in the past two years, they are not seen a particularly pressing issues in the big picture; especially compared to how intensely concerned voters are about inflation, the cost of living—and especially—the cost of housing.
- About half of voters feel the City has an appreciable need for additional funding to support its provision of services, though few feel that funding need is especially acute.

Bond Measure Viability Factors

Perceptions of the City	Overall views of Sunnyvale's government and City Council are positive
Perceptions of Need	There is only a modestly held belief that the City has an appreciable need for additional funding
Initial Vote (Total)	The initial "yes" vote exceeded the vote threshold by a wide margin, with few undecided
Initial Vote (Intensity)	There was roughly a two-to-one ratio of "definitely yes" voters compared to "definitely no" voters
Vote Movement	Though support ended lower than its initial levels, that overall movement was modest, and the final support was comfortably above the 50% threshold
Vote Consistency	Only 37% ever indicated they would vote "no" on the measure, with support levels generally consistent, if not in degree in aggregate
Historical Context	Support was much higher for the RPTT measure version tested in the 2024 survey than observed for the similar version tested in 2022

Bond Measure Viability

- It appears that declining to place an RPTT measure on the November 2022 ballot has better positioned the City to consider placing a similar measure on the November 2024 ballot.
- Current support for a measure is much higher than in 2022, even though some of the underlying perceptions of city government and its need for funding are relatively similar to what they were two years ago.
- Specifying a slightly different mixture of services a measure could fund—and especially the inclusion of a higher threshold—appear to have changed how voters view a measure.
- As was the case in the 2022, the most significant obstacle remains persistent concerns that increasing the RPTT would only exacerbate the extreme expense of buying a house in Sunnyvale; however, the higher threshold likely helps mitigate this issue, at least to some extent.

For more information,
contact:



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Other Potential 2024 Revenue Measure

- Current plan to fund Civic Center Phase II – Main Library is to issue bonds to be paid for with a parcel tax, which also requires a ballot measure.
- Staff is working with FM3 on another round of polling to test measure viability
- Multiple measures on the same ballot may hinder the likelihood of either or both measures passing.

Council Action

Alternatives

1. Direct staff to return to Council with actions necessary to place a ballot measure on the November 2024 ballot to levy a City Real Property Transfer Tax of \$7.50/\$1,000 for sales over \$4 million.
2. Direct staff to return to Council with actions necessary to place a ballot measure on the ballot with an alternative tax rate or structure.
3. Do not direct staff to return to Council with actions necessary to place a ballot measure on the November 2024 ballot.
4. Take no action pending the results of the library poll.
5. Provide alternative direction to staff.

Staff Recommendation

4. Take no action pending the results of the library poll.