



DATE: December 18, 2018

TO: Mayor and City Council

FROM: City Manager
City Attorney

SUBJECT: Adoption of a Resolution Delaying Imposition of Measure T - Real Property Transfer Tax Increase to January 1, 2019

RECOMMENDATION

That the City Council adopts the attached Resolution (Attachment II) directing the City Manager to delay imposition of Measure T - Real Property Transfer Tax increase to January 1, 2019.

SUMMARY

Measure T, an ordinance increasing the City's Real Property Transfer Tax, was approved by the voters during the November 6, 2018 General Municipal Election and becomes effective ten calendar days from the date the City Council declares the results of the election. This item recommends that the City Council adopts a resolution directing the City Manager to delay imposition of the new tax rate until January 1, 2019.

BACKGROUND

On November 6, 2018, the City of Hayward conducted a General Municipal Election, which was consolidated with the General Election. The voters approved Measure T, a proposed ordinance that would increase the City's real property transfer tax from \$4.50 per \$1,000 of property value to \$8.50 per \$1,000 of property value. The City Council received the results from the Registrar of Voters and accepted the results of the election during the meeting of December 11, 2018. Pursuant to Elections Code Section 9217, an ordinance approved by the voters goes into effect ten (10) days after the date the election results are declared and accepted by the legislative body. In the case of Measure T, it would become effective on December 21, 2018.

Staff recommends that the City Council adopts a resolution delaying imposition of the new real property transfer tax rate until January 1, 2019. It is not uncommon to delay implementation of measures adopted by the voters until the beginning of the following calendar year. Commencing implementation on January 1, 2019 would provide clarity for the public and enhance administrative efficiency.

ECONOMIC AND FISCAL IMPACT

Based on staff analysis, the increase in the Real Property Transfer Tax (RPTT) would result in approximately \$6,492,000 of additional revenues, that is, revenues would increase from approximately \$7,303,000 annually to approximately \$13,795,000 annually. Staff does not anticipate that the delay in implementation by ten days would significantly impact the revenues generated by the RPTT.

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

PUBLIC CONTACT

This item was noticed in accordance with the Brown Act.

Prepared by: Michael G. Vigilia, Senior Assistant City Attorney

Recommended by: Kelly McAdoo, City Manager
Michael S. Lawson, City Attorney

Approved by:



Kelly McAdoo, City Manager