

Capitola City Council

Agenda Report



Meeting: May 26, 2022

From: City Manager Department

Subject: Receive Community Survey Results

Recommended Action: Receive report and provide direction to staff regarding potential measures to place on November 2022 ballot.

Background: The City Council authorized a contract with Gene Bregman and Associates for a community survey on April 14, 2022. At that meeting, Council directed two key topics for polling: 1) a second home tax, 2) a new District sales tax.

Discussion: Mr. Bregman will present the polling results at the meeting. Following the presentation Council will be asked to provide direction regarding potential ballot measures. Suggested potential actions include:

- Direct staff to gather additional information about a second home tax and/or new District sales tax for City Council review on June 9
- Determine the City, based on the polling results, should not consider any ballot measures for the November 2022 election

The deadline to place measures on the ballot is August 12, 2022. There are three regular Council meetings prior to that date; on June 9, June 23, and July 28. Should Council wish to place an item on the November 7, 2022, ballot Council must adopt the appropriate resolutions before August 12.

Fiscal Impact: Fiscal impacts of any new potential tax would be dependent on the details of that tax. One quarter percent District sales taxes in Capitola generate about \$1 million per year. Potential revenue from a second home tax would depend on the tax level and ultimate number of homes subject to the tax. Based off data from the Census, and the second home tax rate used by other cities, such a tax could generate approximately \$2 million per year.

Report Prepared/Approved By: Jamie Goldstein, City Manager

Reviewed By: Chloé Woodmansee, City Clerk