

Reduction in Tax Revenues Caused by Measure B

Misleading Statistics from NO campaign

The NO campaign implies that the city is about to lose \$756,000 in annual revenue.

In FY19/20, the TOT revenues from 390 permitted STVRs were divided as follows:

STVR Type	TOT Revenue
In HOA	257,048
In non-HOA	498,976

The average TOT per STVR was $\$756,000 / 390$, or \$1,923.

Since the end of that financial year the number of permitted properties has fallen. There are approximately 200 STVR permitted properties in R1/R2 zones.

If Measure B passes, only the non-HOA properties would be phased out over a two year period. The HOA properties would remain. Assuming a linear sale of non-HOA properties over two years, 100 STVR properties would be phased out each year. The potential drop in revenue would be a maximum of $\$1,923 \times 100$, or \$192,300.

However, in that same timeframe, the number of permitted properties in HOAs is likely to increase. That is already happening, with new permits being granted in HOA communities like Desert Princess Country Club. We can assume that for the 100 STVRs phased out in each year, 20 new permits are added. The net loss of tax revenue each year would then be 80 units per year, rather than 100.

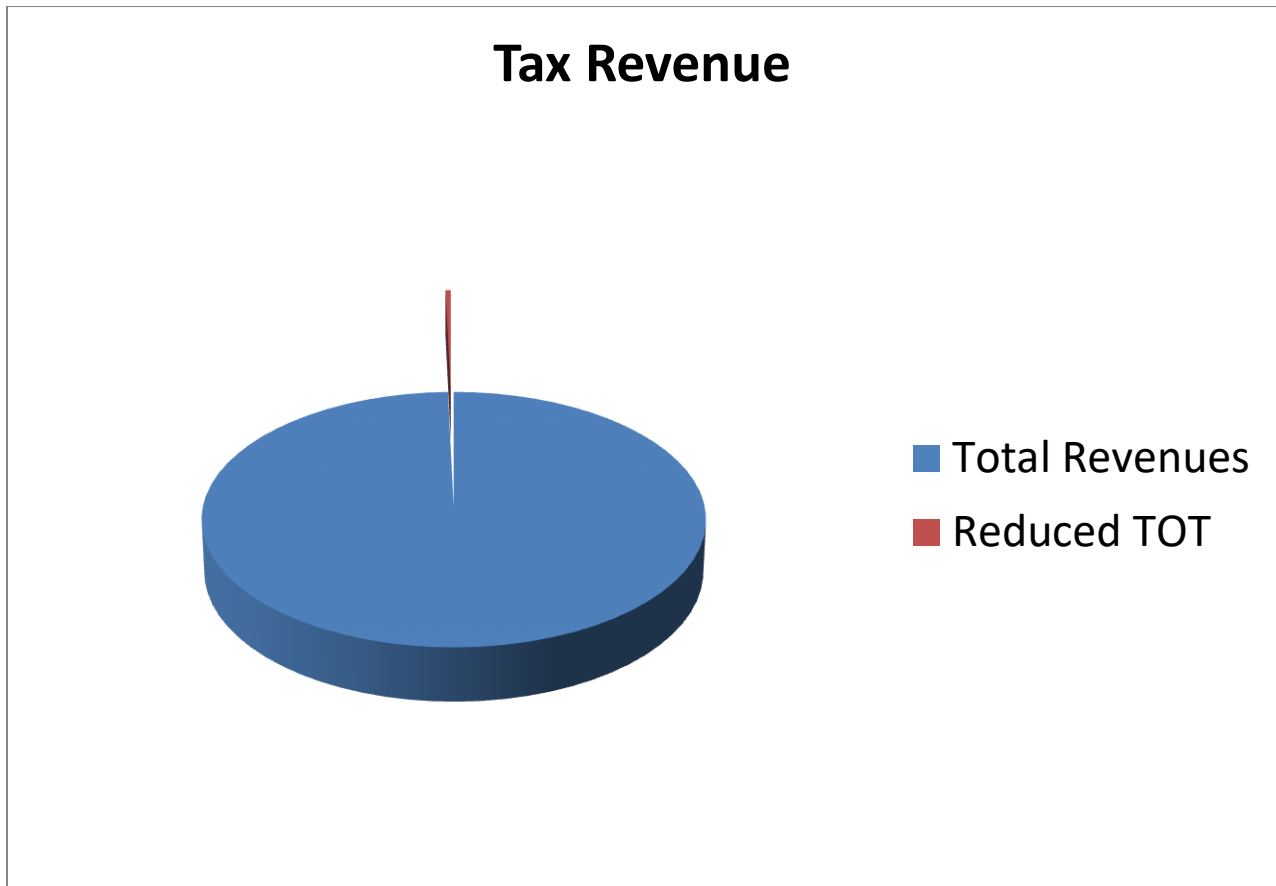
For each of the next two years, we can expect an annual tax revenue decrease of: $80 \times \$1,923$, or \$153,840.

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Loss as a percentage of tax revenues

The city's total tax revenues for the FY 19/20 were \$38,588,503.

A \$153,840 decline represents just 0.39 % of the total tax revenue of the city. That tiny red sliver in the pie chart – that is the reduction in TOT due to Ordinance 842



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Licenses, Permits, Fees and Services Revenue

Service	Revenue (\$)
Fire	156,014
Paramedic Services	1,899,292
Police	2,431,725

Total emergency services revenue: \$4,487,031

The NO campaign also implies that fire and police services might be reduced as a direct consequence of the drop in revenue.

Even if the whole \$153,840 reduction was applied against fire and police services. It would represent only 3% of their combined revenue. In any case, these services are paid for from the general fund, not from the revenues they generate.

There is no risk to staff at the fire department or the police department. Note that in the previous financial year, the city decided to cut \$8 million in expenditures; but they still did not cut any staff in these services. They recently added a six person team to deal with STVR code enforcement.

SOURCE:

City presentations: Obtained through public records request (PRR) of February 08, 2021, Reference # R000997-020821

Documents from that PRR:

FY_1920_YEAR_END-PRESENTATION.pdf

4_Year_STVR-Financial_Trend_Single_Slide.pdf