

## CITY OF SAN JOSÉ

### MEASURE E

To fund general City of San José services, including affordable housing for seniors, veterans, disabled, and low-income families, and helping homeless residents move into shelters/permanent housing, shall an ordinance be adopted enacting a real property transfer tax including unrecorded transfers at these rates: EXEMPT transfers under \$2,000,000 adjusted for inflation, \$2,000,000 to \$5,000,000 at 0.75%, \$5,000,000.01 to \$10,000,000 at 1.0%, and over \$10,000,000 at 1.5%; generating approximately \$70,000,000 annually, until repealed, with all money staying local?

YES  
NO

### CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE E

Measure E was placed on the ballot by the City Council and, if approved by a majority of the voters, would enact a real property transfer tax ("Transfer Tax"). The Transfer Tax is a proposed general tax which means the City of San José could use the revenue for any governmental purpose including, but not limited to, assisting the homeless and providing affordable housing. The proposed Transfer Tax is in addition to the existing real property conveyance tax ("Conveyance Tax"), also imposed on a transfer of real property, which is a special tax that is required to be used for certain specified purposes.

The Transfer Tax would be imposed whenever a deed, instrument, or writing, whether recorded or not, transfers real property in the City of San José for consideration. Consideration means the amount paid for, or the value of, the transferred property and includes the amount of any debt and special assessments secured by the transferred property. The Transfer Tax would also apply to a transfer of ownership interests in a legal entity (e.g., a corporation, partnership, or limited liability company) that would be considered an ownership change of real property under State law. Payment of the tax is the responsibility of the parties to the transfer and may be paid by either party.

Transfers under \$2,000,000 would be exempt from the Transfer Tax. Transfers of \$2,000,000 or more would be taxed at one of the following rates applied to the full value of the consideration:

Value of Consideration	Rate
\$2,000,000 to \$5,000,000	0.75%
\$5,000,000.01 to \$10,000,000	1%
Over \$10,000,000	1.5%

For example, a transfer of real property where the value of consideration is \$11,000,000 would be taxed at a rate of 1.5% on the entire \$11,000,000. The tax owed would be \$165,000.

Beginning July 1, 2025, the exemption threshold of under \$2,000,000 (i.e., \$1,999,999.99) will automatically adjust based on a consumer price index every 5 years. The City Council may also increase the exemption threshold at any time, but in no event can the exemption threshold be less than \$1,999,999.99.

## CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE E-Continued

The Transfer Tax includes other exemptions as well including transfers involving gifts, inheritance, divorce, and bankruptcy, in certain circumstances.

Measure E would also require annual financial audits and yearly reports of the revenue collected from the Transfer Tax. The City Council would also be required to appoint a community oversight committee to review expenditures of Transfer Tax revenues.

If approved, the Transfer Tax would be effective July 1, 2020 and would continue until repealed by the voters or suspended in whole or in part by the City Council.

A "Yes" vote is a vote to approve the Transfer Tax.

A "No" vote is a vote to reject the Transfer Tax.

Richard Doyle  
City Attorney, City of San Jose

**The above statement is an impartial analysis of Measure E. If you would like to read the full text of the measure, see [www.sanjoseca.gov/measureE](http://www.sanjoseca.gov/measureE) or call 408-535-1260 and a copy will be sent at no cost to you.**

## ARGUMENT IN FAVOR OF MEASURE E

The population of unsheltered people living on our streets increased 40% percent since 2017, including a shocking number of seniors, veterans and college students.

The time for common-sense action is now.

**Measure E has won the support of a broad coalition of community groups** because it will support proven solutions like affordable housing that transitions homeless people out of creeks, streets, and parks, and into permanent shelter.

**The cost of housing is not just driving neighbors into homelessness, it is driving friends and family out of San Jose.** We are losing the people who keep our city safe including firefighters, nurses, and police officers. We are losing the middle-class workers who keep San Jose running, including teachers, mechanics, and bus drivers. **Measure E will help make it easier for many of our hard-working residents to afford to live in San Jose.**

**Measure E will only tax the sale of properties worth more than \$2 million**—owned by less than two percent of all property owners, with **almost all of the revenue generated by developers and large companies.** And San Jose will still have the lowest transfer tax among major Bay Area cities.

We need solutions like Measure E that help create more housing options **near frequent transit, to reduce housing costs without creating traffic gridlock.**

**Housing experts support Measure E** because working parents, seniors, and veterans should be able to afford housing, and still have enough money for groceries, medication, and basic necessities.

Measure E has won the support of small business owners, seniors, veterans, educators, and **neighborhood leaders because we need proven solutions now.**

Please join us at [AffordableSJ.com](http://AffordableSJ.com) for Yes on E.

Sam Liccardo  
Mayor, City of San Jose

Tito Cortez  
Founder, Veterans Supportive Services Agency

Ivy Vuong  
Small Business Owner

Leslye Corsiglia  
Executive Director, Silicon Valley at Home

Janice Jensen  
President and CEO, Habitat for Humanity of East Bay/Silicon Valley

## REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE E

Measure E is not for five, ten, or twenty years. It is FOREVER. There is no sunset.

Measure E is not the solution to our housing crisis. It is a new \$70 million tax with no guarantee that one cent will go toward affordable housing or preventing homelessness.

Don't be fooled by the misleading language. The money goes to the City's General Fund and despite votes by the current Council, future Councils can spend it on anything they want. By law, Measure E tax dollars cannot be guaranteed for specific purposes. For example, both City Measure B & Measure G mention fixing potholes but little to none of these taxes now go to fixing potholes.

Measure E is a **Blank Check** that could go to pensions, pay increases, or special-interest projects.

Measure E will make it more expensive to buy land for development of new homes and raise the costs of buying an existing home. Cash-poor seniors will be locked into costly houses and less supply will make it harder for young families to find and afford a home. Measure E will hit first-time home buyers by forcing them to pay thousands more up front when buying a home.

We want to find real solutions to our housing crisis, but we are voting No on E because it does not guarantee one single new unit of housing or that one person will find a home.

Join San José families, small businesses, and seniors—**vote No on Measure E.**

For the facts about Measure E visit [www.svtaxpayers.org](http://www.svtaxpayers.org).

Yong (Jenny) Zhao  
President, Bay Area Homeowners Network

Johnny Khamis  
Councilmember, City of San Jose

Mark W.A. Hinkle  
President, Silicon Valley Taxpayers Association

Pat Waite  
President, Citizens for Fiscal Responsibility

## ARGUMENT AGAINST MEASURE E

We must address housing for the unhoused, but **enough is enough**. Since 2014, San José voters have passed THREE new City-wide taxes and a \$650 million infrastructure tax, costing taxpayers \$92 million annually. County-wide, voters have approved two new taxes—including a general tax measure. School and college districts have had new tax measures approved. Regional bodies VTA & MTC received voter approval for new taxes and fees. At the same time, we have new General Fund dollars coming in from eBay, while Apple, Google, and Facebook have pledged billions for housing.

On top of all these taxes, many more may be on the way including: a state measure to alter Proposition 13, a new regional transportation "mega tax", and another general 5/8-cent County sales tax. The City is also studying a new Commercial Linkage Fee to fund housing, on top of existing residential impact and inclusionary housing fees. When will it be enough?

Measure E is a GENERAL TAX. Despite the nice wording about affordable housing and helping the unhoused, future City Councils can spend this money on anything they choose. If they spend just \$1 on housing, they can say they have kept their commitment.

This new tax, Measure E will make it more expensive to acquire properties for development. Increasing costs has NEVER led to increased affordability. It will make it harder to finance the projects we desperately need in San Jose, so FEWER homes will get built, and our housing crisis will get WORSE.

As voters, taxpayers, and officeholders, we want to see RESULTS for the taxes we've already authorized. Instead of raising taxes, let's focus on REDUCING costs. Let's focus on using the housing money we already have more effectively. Let's focus on living within our means—because Enough IS Enough!

Vote NO on this General tax. Vote no on Measure E

Mark W.A. Hinkle  
President, Silicon Valley Taxpayers Association

Pat Waite  
President, Citizens for Fiscal Responsibility

Johnny Khamis  
Councilmember, City of San José

## REBUTTAL TO ARGUMENT AGAINST MEASURE E

The facts are clear. San José has seen its homeless population soar as we have become the least affordable city in the nation.

**See the facts for yourself at [AffordableSJ.com/facts](https://AffordableSJ.com/facts).**

We can't call the lack of affordable housing a crisis, but refuse to take action. **Measure E is the thoughtful action we need now.**

We can't keep losing our middle class and preserve the city we love. We can't see our first responders driven from San José and stay safe. **Measure E helps keep first responders and middle-class workers in San José.**

**San José is already leading in innovations to get housing built more cost-effectively.** We are rapidly expanding low-cost backyard cottages, tiny homes, modular and prefabricated construction, rehabilitated motel conversions, and other proven means to house homeless and expand affordable options for working families. Measure E accelerates these innovations.

**See how Measure E will fund cost-effective innovations at [AffordableSJ.com/innovation](https://AffordableSJ.com/innovation).**

A broad and growing coalition of **housing experts and neighborhood and community leaders are uniting in support of Measure E** because it helps fund the cost-effective programs that create affordable homes for those who need them most.

A Citizens Oversight committee will ensure the Council focuses Measure E dollars on housing our homeless, and on making San José more affordable for nurses, teachers, first responders, and other working San Joséans.

If you agree that **we need to help house the homeless and keep the middle class in San José**—please join us at [AffordableSJ.com/join](https://AffordableSJ.com/join).

Vote **Yes on Measure E**.

Raul Peralez  
Councilmember, City of San Jose

Michele Lew  
CEO/The Health Trust

Alma Castillo  
Small Business Owner, Contribution Solutions, LLC

Kristen Bernhardt  
Fourth Grade Teacher, Graystone Elementary

Burton Smith  
Member, Vietnam Veterans of America