



## FINANCE DEPARTMENT

# REVENUE TAX MEASURE POLL RESULTS

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March 3, 2026

# Request of City Council

That Council:

- A. Receive a report from staff regarding a recent Revenue Tax Measure Poll that was conducted of likely Santa Barbara voters; and
- B. Provide direction to staff regarding a potential Revenue Tax Measure to place on the November 2026 Ballot.

# Agenda

1. Budget Balancing Options
2. Poll Results
3. Real Property Transfer Tax Information
4. Direction from the Finance Committee
5. Recommendation to Council
6. Questions, Public Comment, & Discussion



# Budget Balancing Options

# Tiers of Options to Consider

**Tier 1** – Can be implemented fairly quickly.

**Tier 2** – May take more time, but still worth exploring & implementing.

**Tier 3** – Do not recommend at this time but to be considered in the future.

# City Council Direction

## Highest priorities (recommending to proceed):

- Cannabis excise tax revenue generators:
  - Increase cannabis excise tax up to the 20.0% voter approved limit; &
  - Consider additional revenue generating sales opportunities.
- **Initiate a poll to assess the viability of possible revenue tax measures** for the November 2026 ballot, including tax rates increases for Real Property Transfer Tax, TOT, Utility Users Tax, & a Parcel Tax; &
- Analyze recreational vehicle camping at the Waterfront parking lots.






## Lowest priorities (not recommending to proceed):

- Library closures or reduced hours of operation;
- Allow short-term rentals throughout the City which would generate additional TOT revenue; &
- Increase parking fees.



# Poll Results

# Survey Methodology

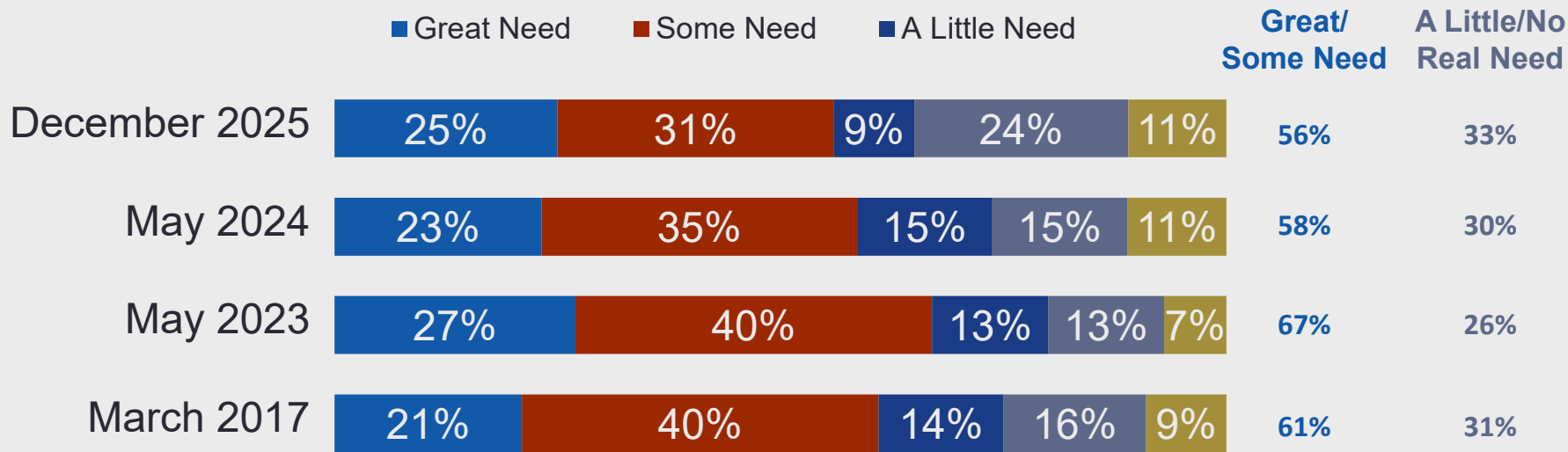
<b>Dates</b>	December 4-11, 2025
<b>Research Population</b>	Likely November 2026 Voters in the City of Santa Barbara
<b>Total Interviews</b>	520
<b>Margin of Sampling Error</b>	(Full Sample) $\pm 4.4\%$ at the 95% Confidence Level (Half Sample) $\pm 6.2\%$ at the 95% Confidence Level
<b>Contact Methods</b>	 Telephone Calls  Email Invitations  Text Invitations
<b>Data Collection Modes</b>	 Telephone Interviews  Online Interviews
<b>Survey Tracking</b>	March 2017, May 2023, May 2024
<b>Languages</b>	English & Spanish

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



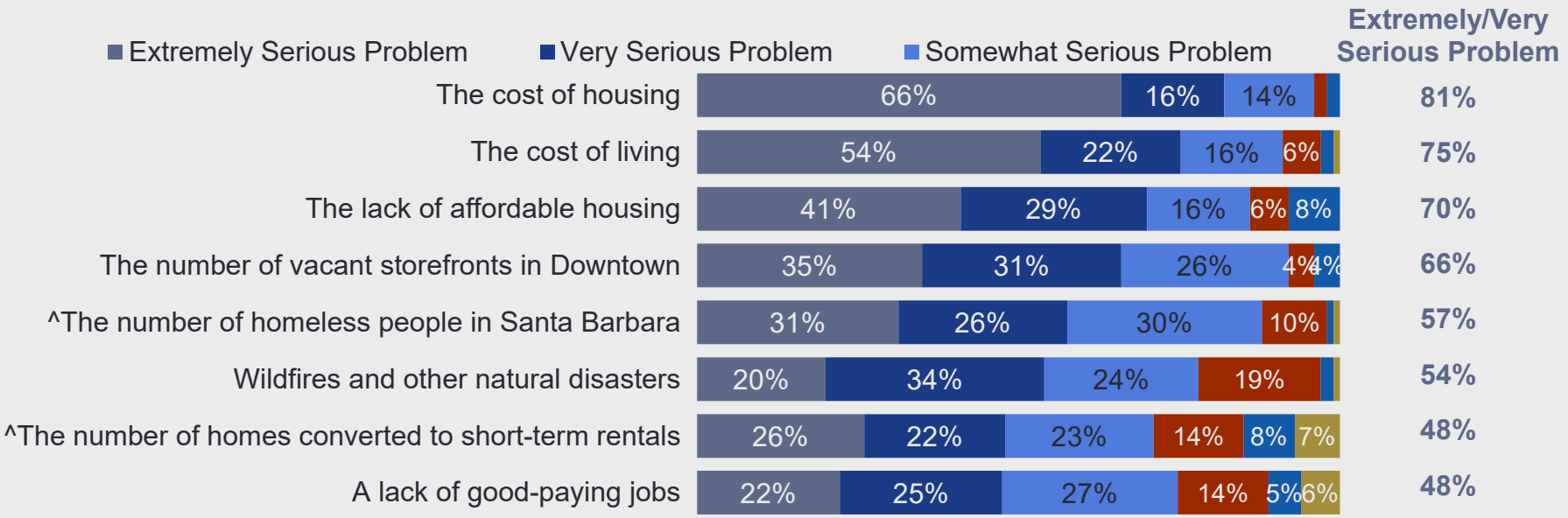
# General Community Attitudes

# A majority continues to perceive that the City needs additional funding.



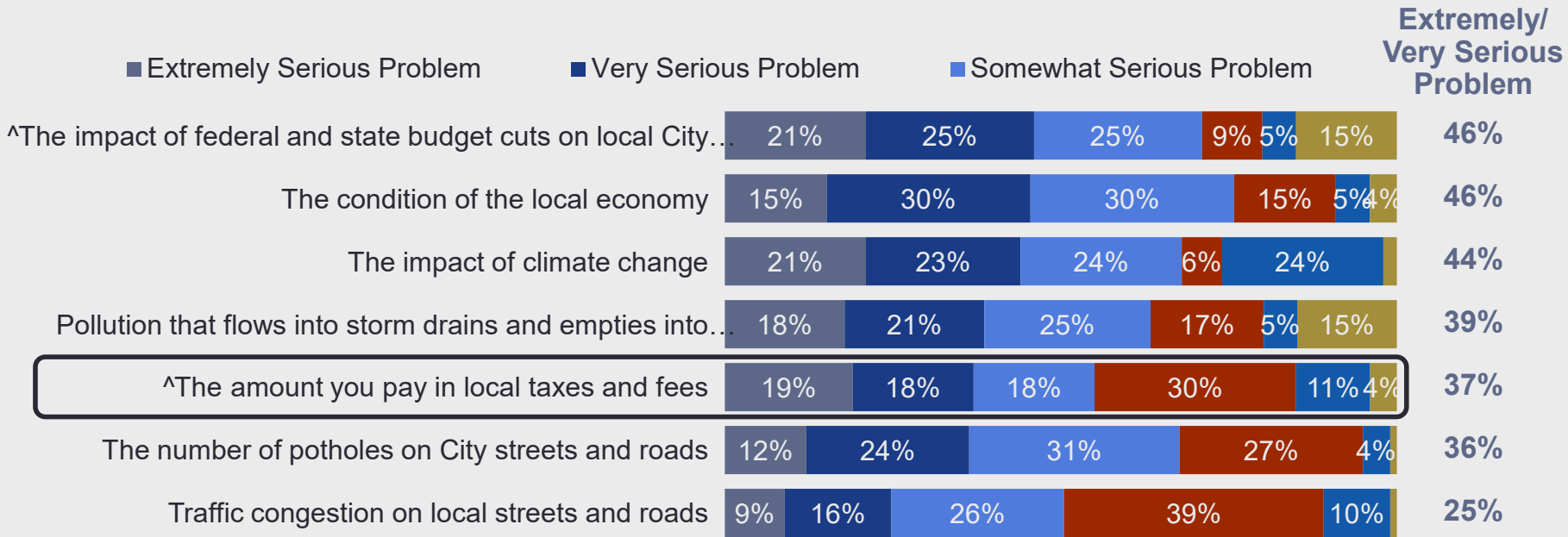
Q. In your personal opinion, do you think there is a great need, some need, a little need, or no real need for additional funds to provide the level of city services that Santa Barbara residents need & want?

# The most serious problems in the minds of voters are the cost of housing, cost of living, lack of affordable housing, & vacant stores Downtown.



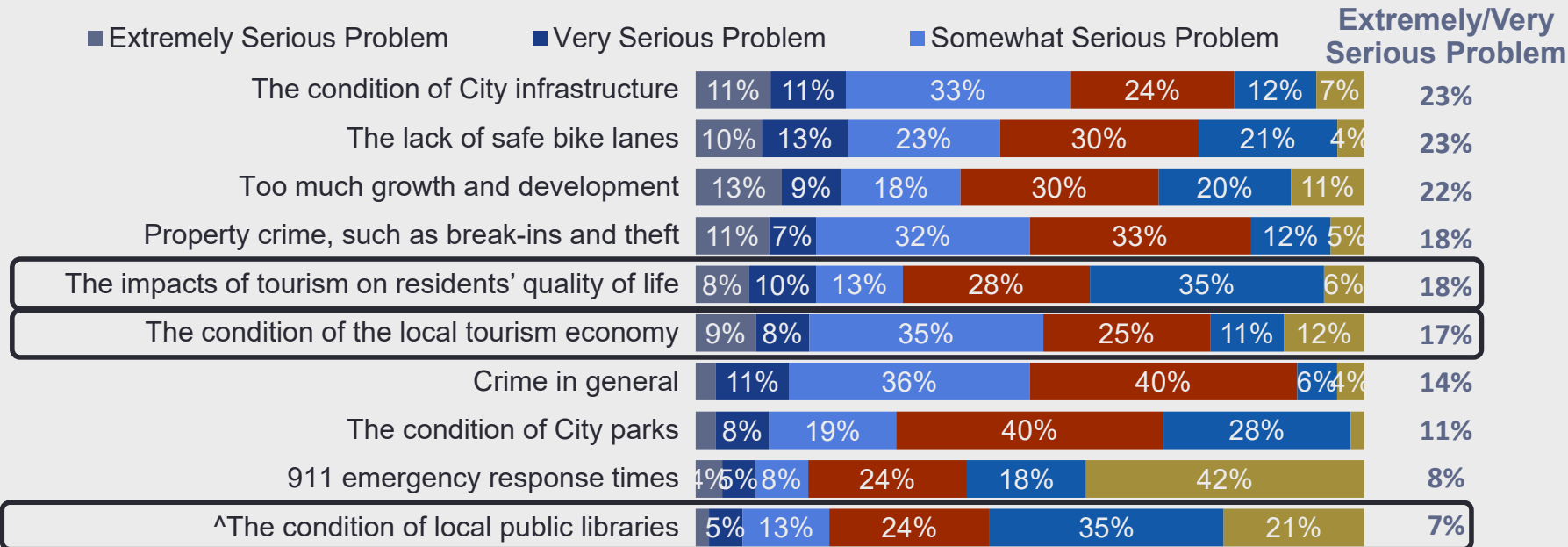
Q. Next, please consider the following issues people in Santa Barbara may be concerned about. For each one, please indicate whether you think it is an extremely serious problem, a very serious problem, a somewhat serious problem, not too serious of a problem or not a problem at all for people who live in Santa Barbara. ^Not Part of Split Sample

# The amount of local taxes & fees is not a top concern.



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# The impacts of tourism, condition of the tourism economy & condition of public libraries are all rated as serious problems by very low percentages of voters.

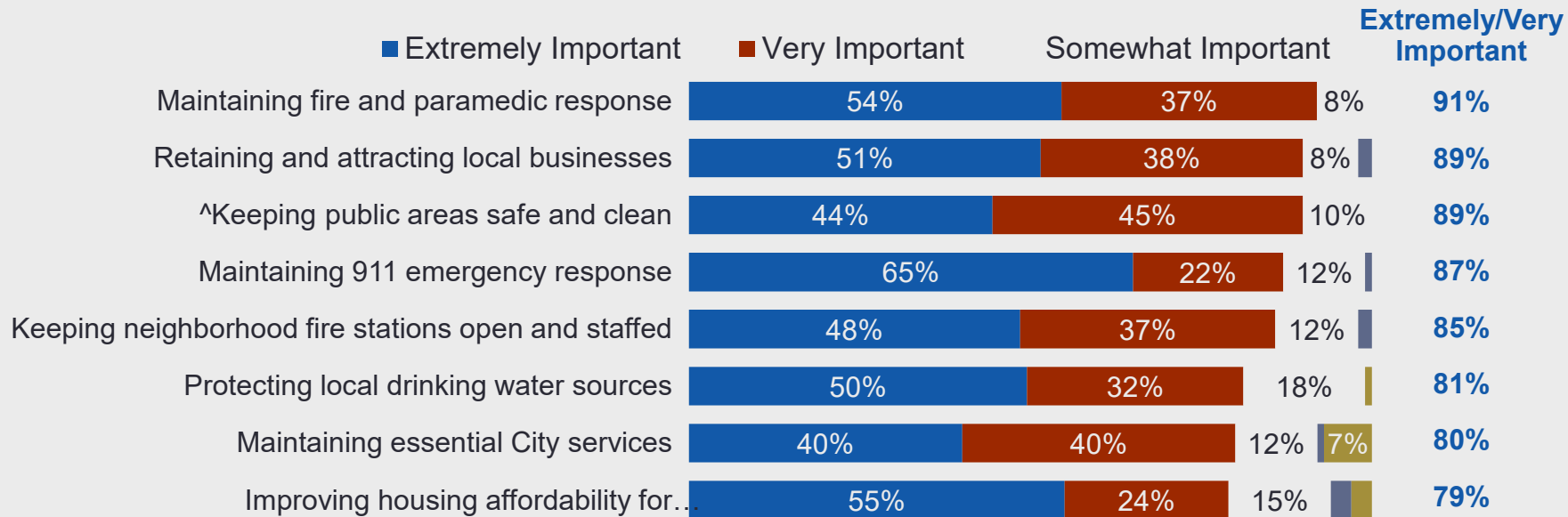


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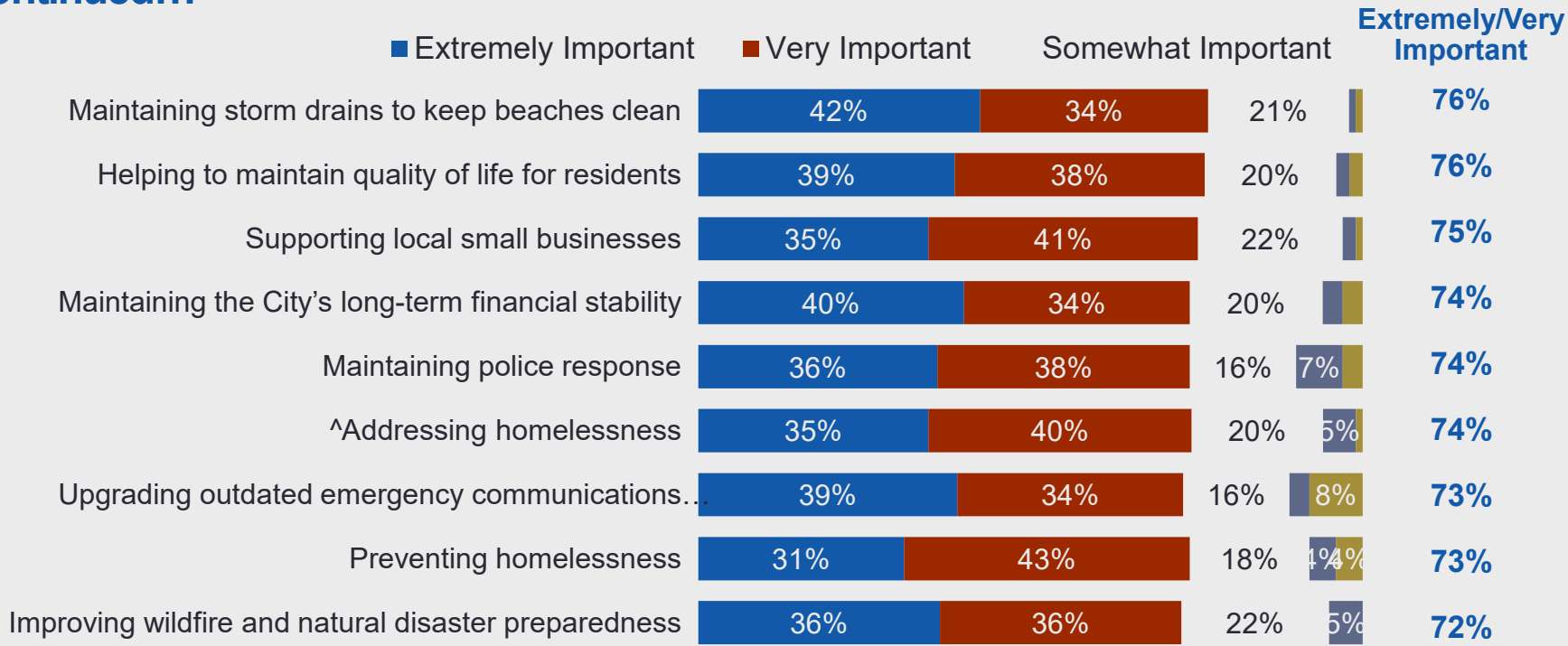
# City Budget Priorities

## The top priorities for the City budget include maintaining public safety in a variety of ways, retaining & attracting local businesses, protecting drinking water sources, & improving housing affordability for the local workforce.



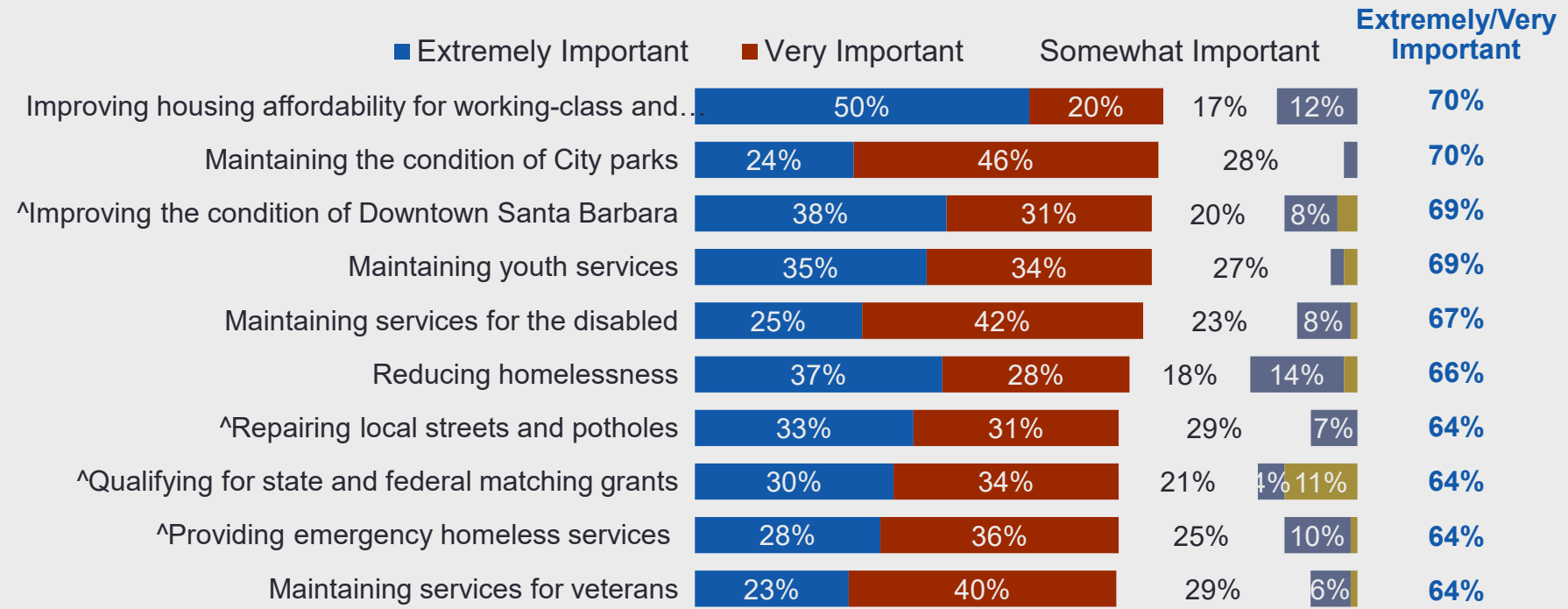
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## Continued...



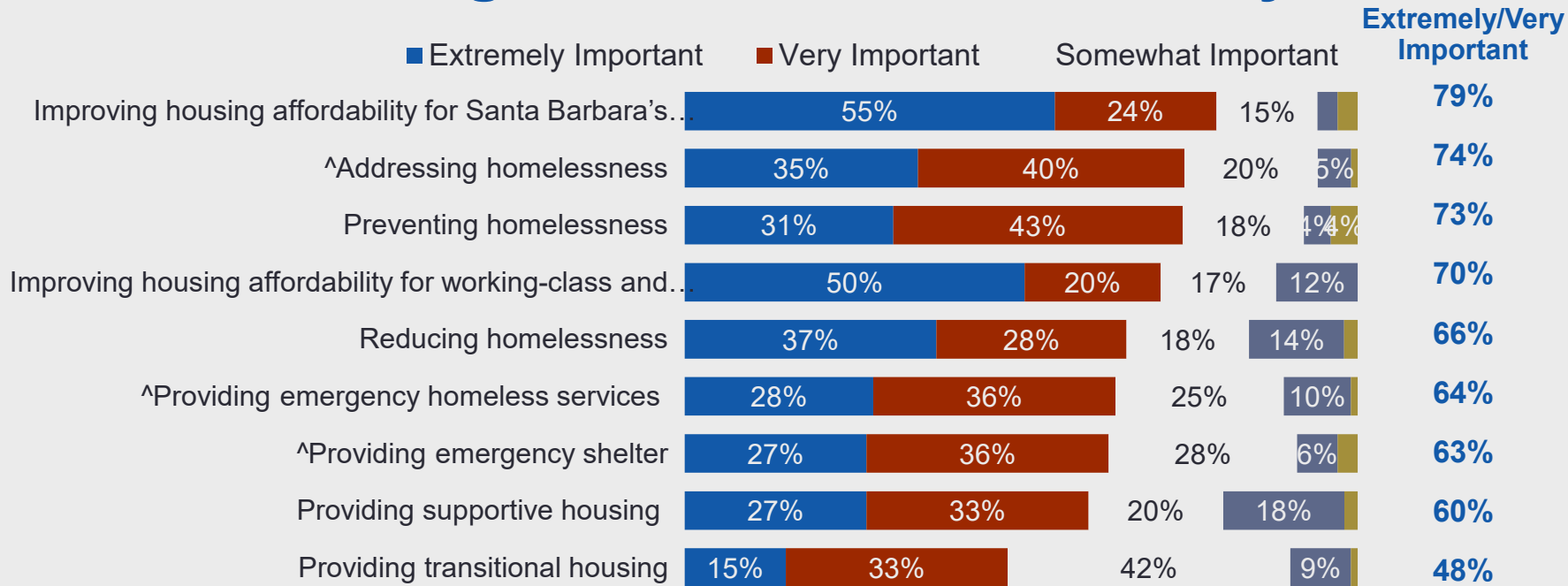
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# Housing Priorities Tested in Survey



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# Initial Opinions on Housing Funding Ballot Measures

# Hypothetical Housing Funding Ballot Questions Tested in Survey

## Transient Occupancy Tax

**CITY OF SANTA BARBARA HOUSING AFFORDABILITY, HOMELESSNESS REDUCTION MEASURE:**

Shall the measure improving housing affordability for Santa Barbara's workforce, working-class/low-income families/individuals, others; addressing/reducing/preventing homelessness, including providing emergency services/shelter, supportive housing; qualifying for state/federal matching grants; by increasing the **transient occupancy tax (paid by hotel/motel guests only)** from 12% to 14%, providing approximately \$5,800,000 annually until ended by voters, requiring audits, public spending disclosure, all funds used locally, be adopted?

## Property Transfer Tax

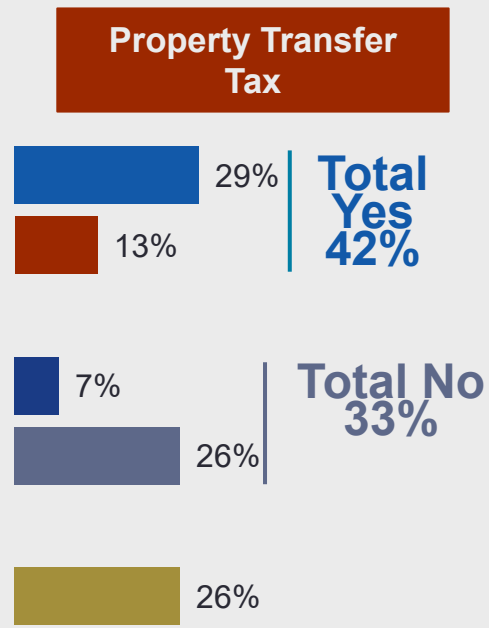
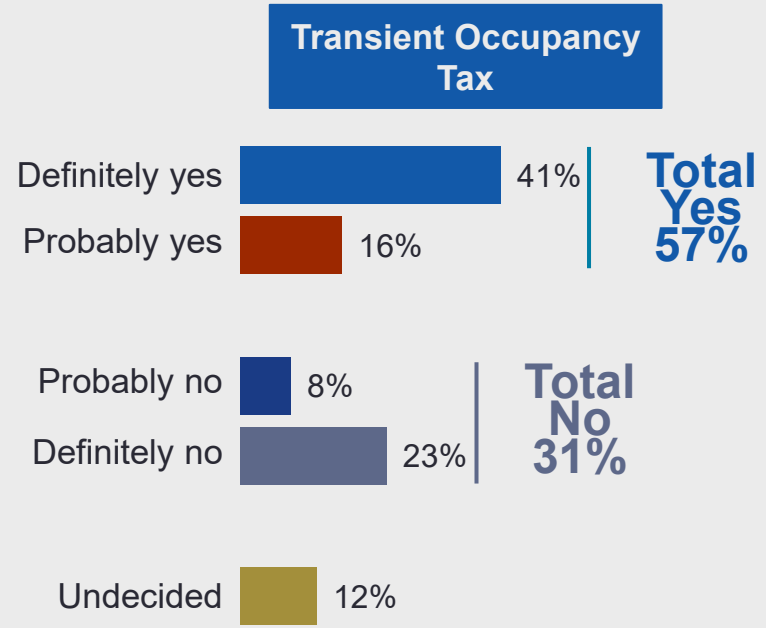
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Q. Do you think you would vote yes or no on this measure? Split Sample



# On the initial vote, neither measure reaches the two-thirds threshold required for passage & the Transfer Tax is under 50%.



Q. Do you think you would vote yes or no on this measure? Split Sample



# Impact of Information

# Several statements about a housing measure are impactful with about two-thirds of voters, including references to workforce housing, keeping children in the city, qualifying for matching funds and addressing homelessness.

■ Much More Inclined ■ Somewhat More Inclined

**(LIVE AND WORK)** Santa Barbara will be a better & stronger community when our local nurses, firefighters, teachers & other essential workers can afford to live here in the city where they work. This measure will help create more affordable housing so that workers can afford to live in the communities where they teach our children & keep us safe.



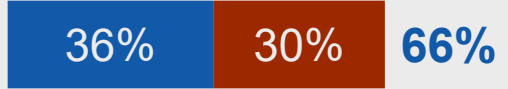
**\*(CHILDREN)** Hundreds of Santa Barbara families are forced to move every year because of rent increases. And many times, parents cannot afford to rent an apartment in the same school district, so they have to pull their kids out of school, putting them behind. This measure will help make it easier for families to find an affordable place to live.



**(MATCHING FUNDS)** This measure will unlock millions of dollars in existing state & federal matching funds to help the City of Santa Barbara provide more of the housing it needs. In fact, for every dollar we contribute, state & federal dollars could match it up to 10 to 1, turning, for example, \$1 million into \$10 million. Without this measure, those state & federal funds will just go to other California cities instead.



**(HOMELESSNESS)** There are over 1,000 homeless individuals living on the streets in Santa Barbara on any given night, including veterans & families with young children. This measure will help the City address homelessness including connecting people with mental health, substance abuse treatment services, shelter, supportive housing and job training, to help them transition away from or stay off the street, as well as to ensure our business districts, parks & other public areas are safe for everyone.

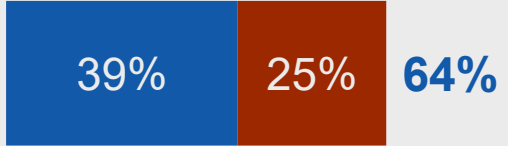


Q. Now please consider the following statements from people who may support the **CITY OF SANTA BARBARA HOUSING AFFORDABILITY AND HOMELESSNESS REDUCTION MEASURE** you considered earlier. For each statement, please indicate if it makes you much more inclined or somewhat more inclined to vote yes on this measure. \*Split Sample

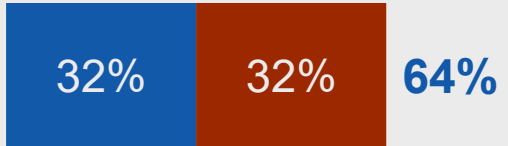
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■ Much More Inclined ■ Somewhat More Inclined

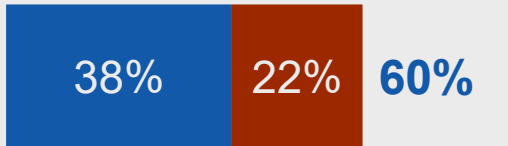
**\*(VISITORS)** This measure will not increase taxes for local Santa Barbara residents. It will be paid only by out-of-town visitors and tourists when they stay at a hotel, motel, or short-term rental in our city. The measure will ensure that visitors from out of town pay their fair share and contribute to making Santa Barbara a more affordable place to live.



**(ACCOUNTABILITY)** This measure includes strict accountability requirements including public disclosure of all spending, and independent annual financial audits which will be available online. And by law, all money from the measure will stay local to benefit residents of the City of Santa Barbara.



**(UNAFFORDABLE)** The cost of renting a home in Santa Barbara causes extreme financial hardship for too many people. About 25% of Santa Barbara's renters spend more than half their income on rent. This measure helps make Santa Barbara a more affordable place for people to live.

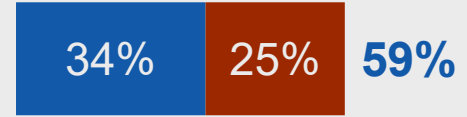


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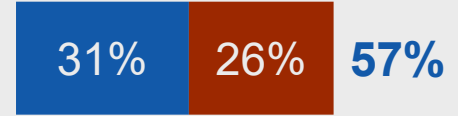
## Continued

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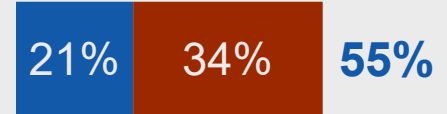
**(AFFORDABLE HOUSING)** The lack of affordable housing is one of the biggest challenges facing the residents of Santa Barbara. This measure will allow the City to do more to make housing affordable, including increasing the supply of affordable housing for workers, low-income families and others who are struggling to afford to live in our city.



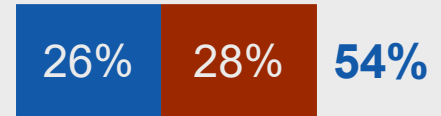
**\*(WAITING LIST)** There is a waiting list of thousands of seniors, veterans, families with children or others who need help finding housing that is affordable enough for them to stay in Santa Barbara. This measure helps to make it possible for more residents to stay in our community and afford the cost of rent.



**\*(WEALTHY PAY MORE)** The measure is designed to be fair and have no impact on the cost of living for residents. It only applies when a home is sold, and those selling very expensive homes contribute more to housing affordability.



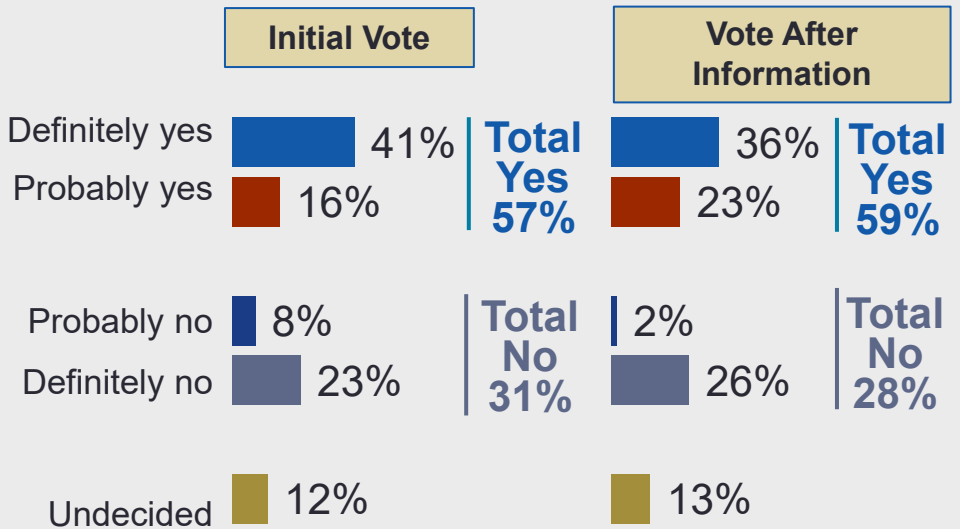
**(PREVENT CUTS)** With the state of the economy and cuts coming to the city from the federal and state government, if there is no additional funding, the City could need to cut funding from the services that residents depend on. This measure will prevent cuts to essential services which could include youth, senior, & parks programs, libraries & more.



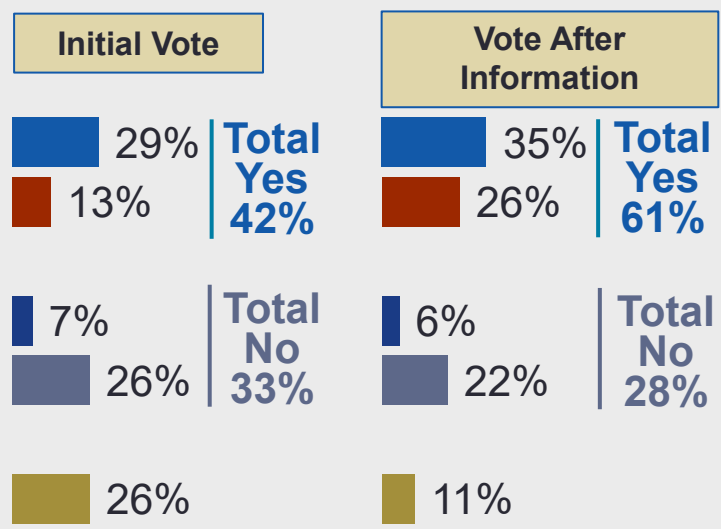
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# Support for the Transfer Tax measure increases substantially after information, but neither measure reaches the two-thirds threshold.

## Transient Occupancy Tax



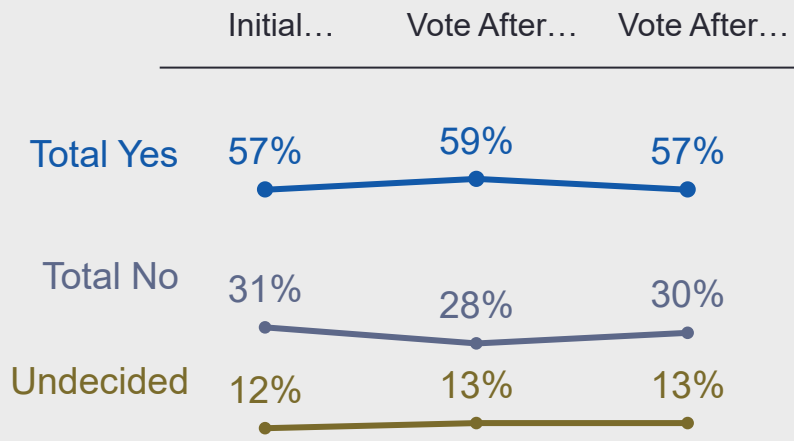
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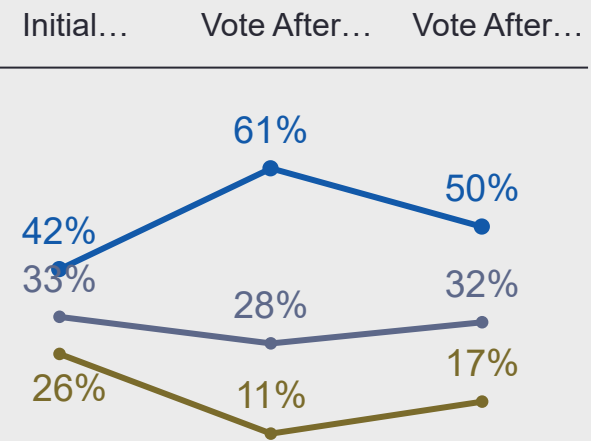
Q. Do you think you would vote yes or no on this measure? Split Sample

# After opposition, support for the TOT drops two points, while the Transfer Tax falls to just 50% support.

## Transient Occupancy Tax

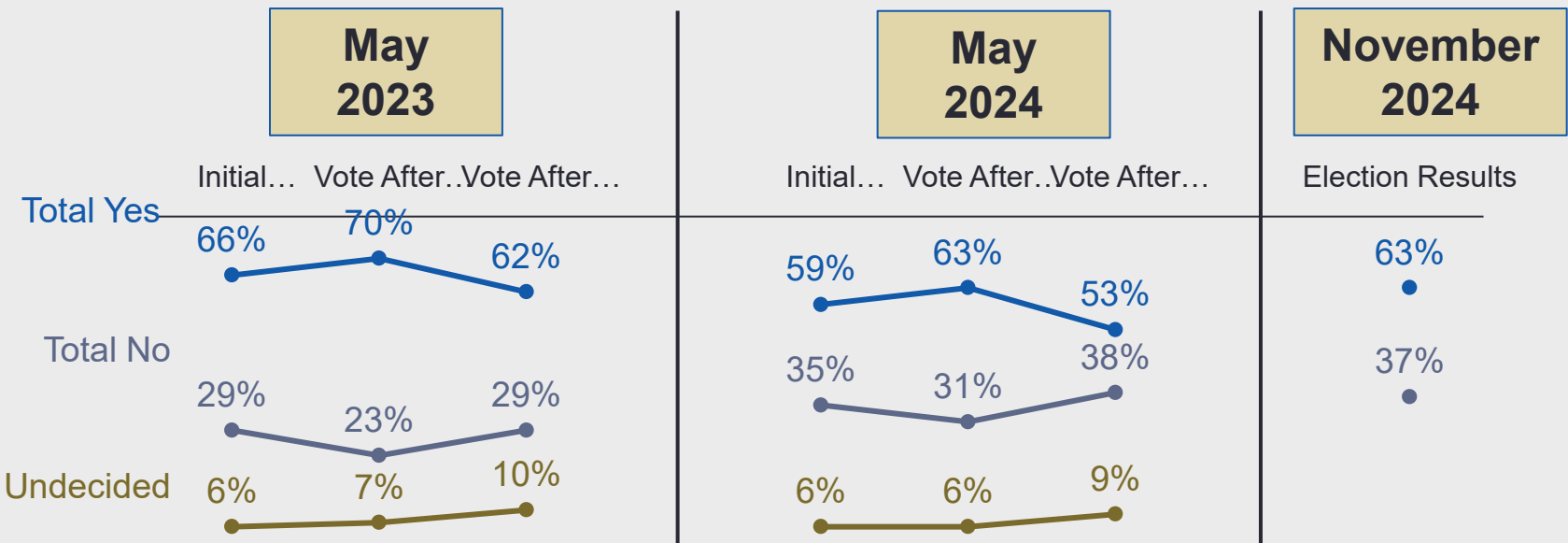


## Property Transfer Tax



Q. Do you think you would vote yes or no on this measure? Split Sample

# Comparison of 2023/2024 Surveys & Measure I Election Results





# Opinions on a Library Measure

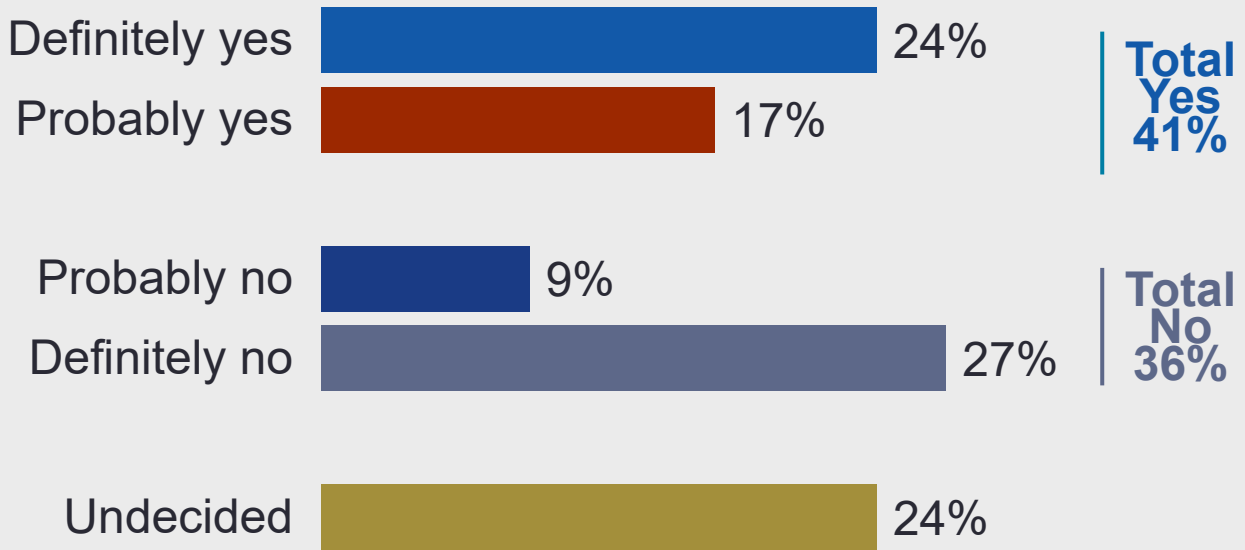
# Hypothetical Library Measure Tested in Survey

## **SANTA BARBARA PUBLIC LIBRARY SAFETY, REPAIR, SERVICES MEASURE.**

Shall the measure maintaining library hours, services, educational programs accessibility for residents of all ages/abilities; repairing deteriorating roofs, plumbing, electrical/gas lines, removing asbestos/mold/lead paint; updating outdated technology; providing homework help for children/teens; keeping qualified librarians, by levying \$49 per parcel, limiting annual adjustments to 3%, providing \$1,300,000 annually until ended by voters, requiring audits, public spending disclosures, all funds used locally, be adopted?

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

# There is less than majority support for a parcel tax for library repair & services.



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



# Conclusions

# Conclusions

- A majority (but less than two-thirds of voters) continues to think that the City needs additional funding.
- While addressing housing affordability is a major priority for Santa Barbara voters, a city ballot measure focused exclusively on the issue & funded by either a Transient Occupancy Tax (TOT) or Property Transfer Tax does not have sufficient support at this point to reach the two-thirds level required for passage.
- Both measures benefit from a dedicated informational effort but fall well below the two-thirds level after simulating some organized opposition.
- A library parcel tax measure is very unlikely to be successful in the November 2026 election.

## Conclusions – Continued

- Although not tested in this survey, a general-purpose TOT measure has a good chance of being viable, given voters' prioritization of elements of the City's budget, & the response to a housing-focused TOT measure.
- The leading concerns in the City are the cost of housing and lack of affordable housing, the cost of living, the number of vacant storefronts Downtown & homelessness.
- The top priorities for City funding include various elements of public safety, retaining & attracting local businesses, protecting local drinking water sources, & improving workforce housing affordability.
- Additional top housing-related priorities include addressing, preventing, &/or reducing homelessness (including emergency homeless services and shelter) & improving affordability for working-class & low-income families & individuals.



# Real Property Transfer Tax Information

# Real Property Transfer Tax

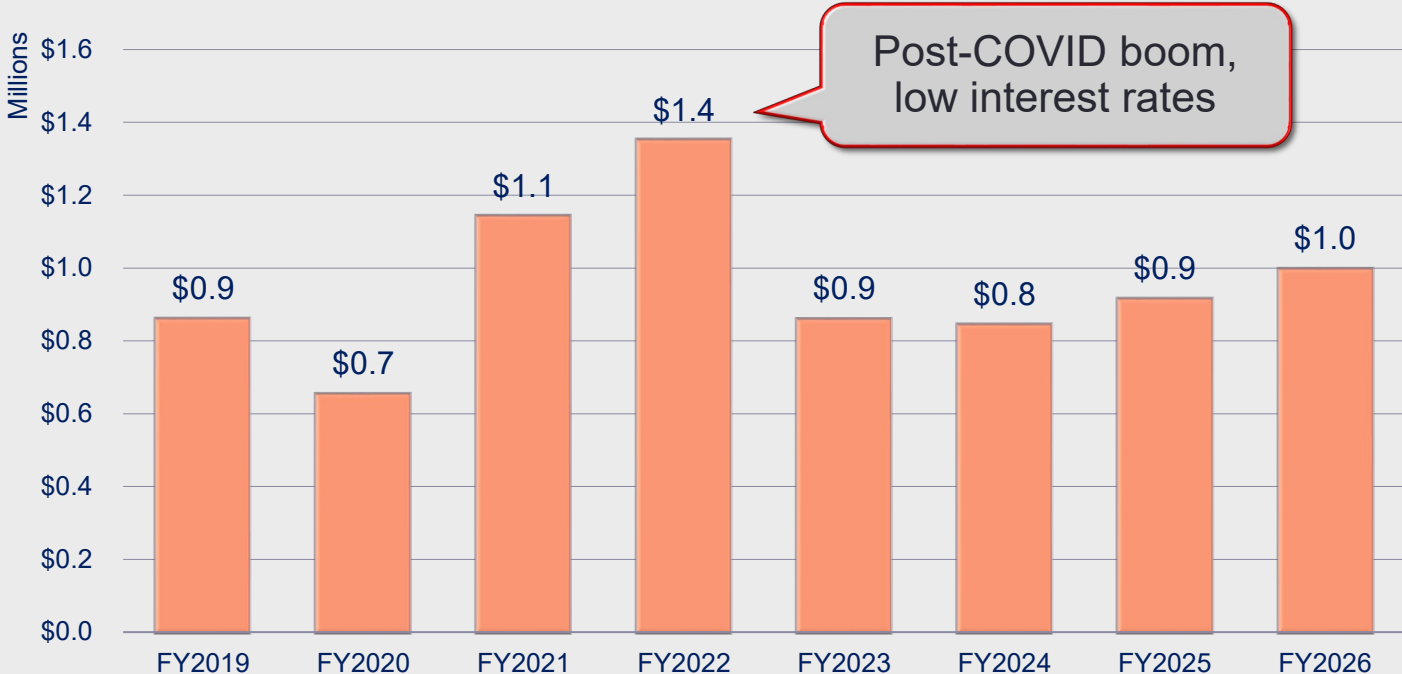
## **Santa Barbara Municipal Code 4.20**

- \$0.55 per \$1,000 value when a property is sold
- County collects tax & remits it to the City

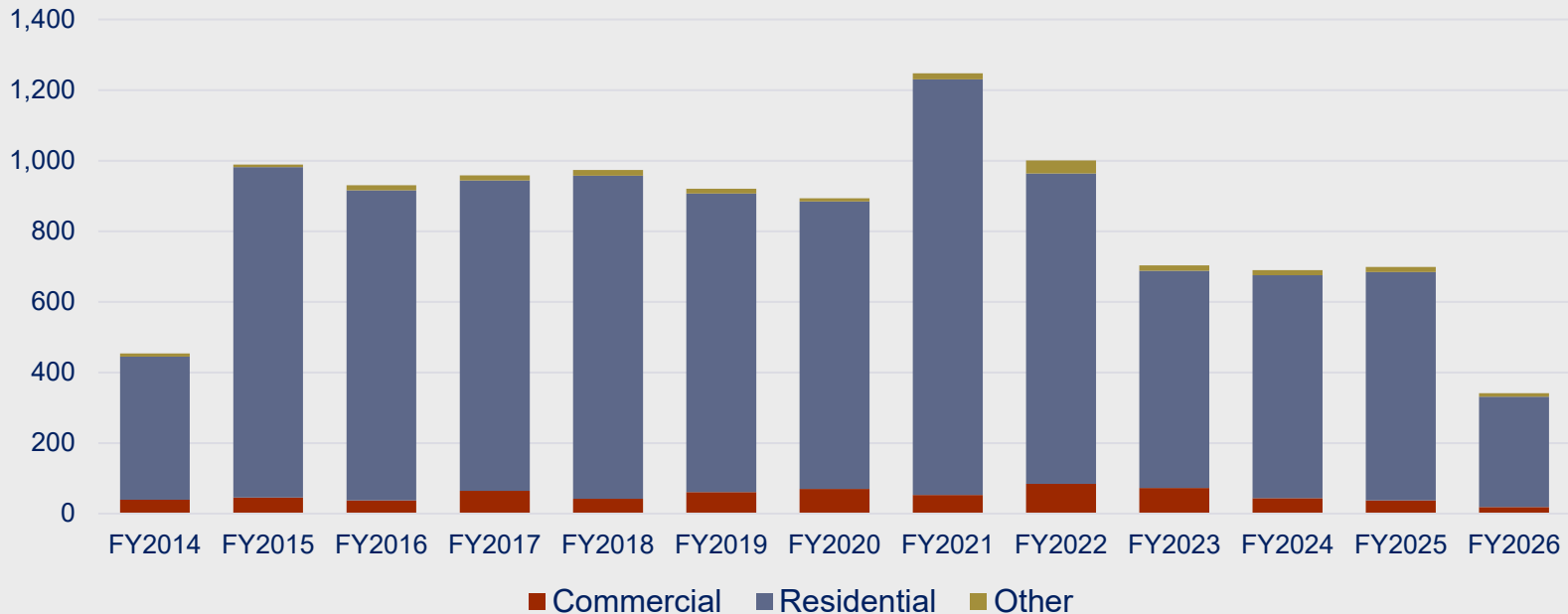
## **Economic Factors Impacting Tax Collection**

- Inventory of properties on the market
- Interest rates
- Sale price
- Others

# Real Property Transfer Tax Revenue Trends

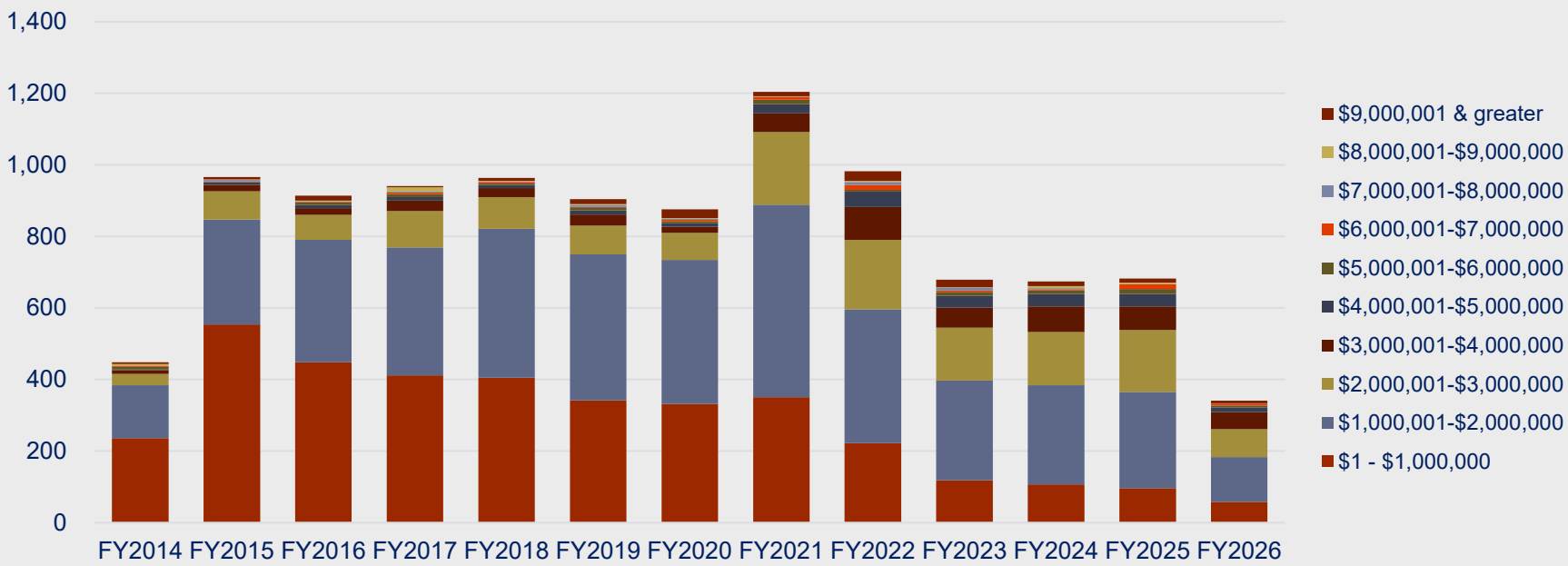


# Recent Property Transactions



Note: FY2026 represents 50.0% of a fiscal year of data.

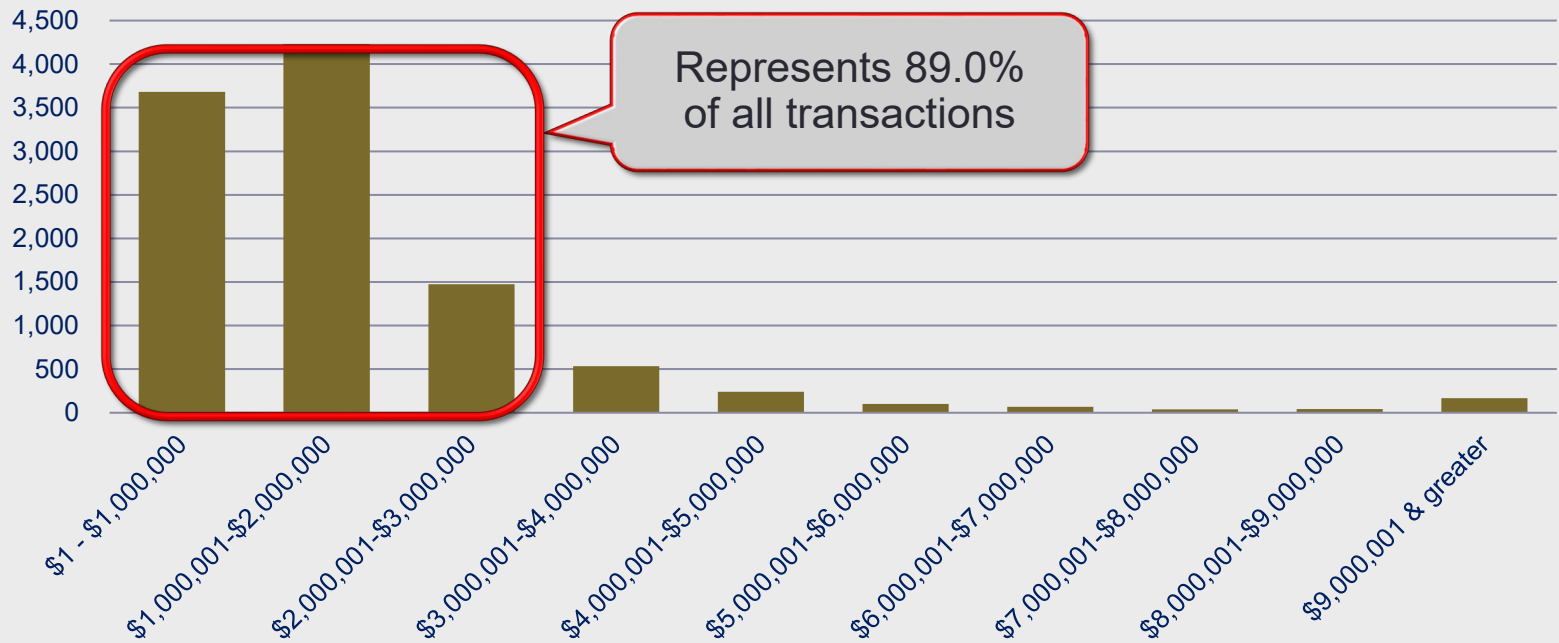
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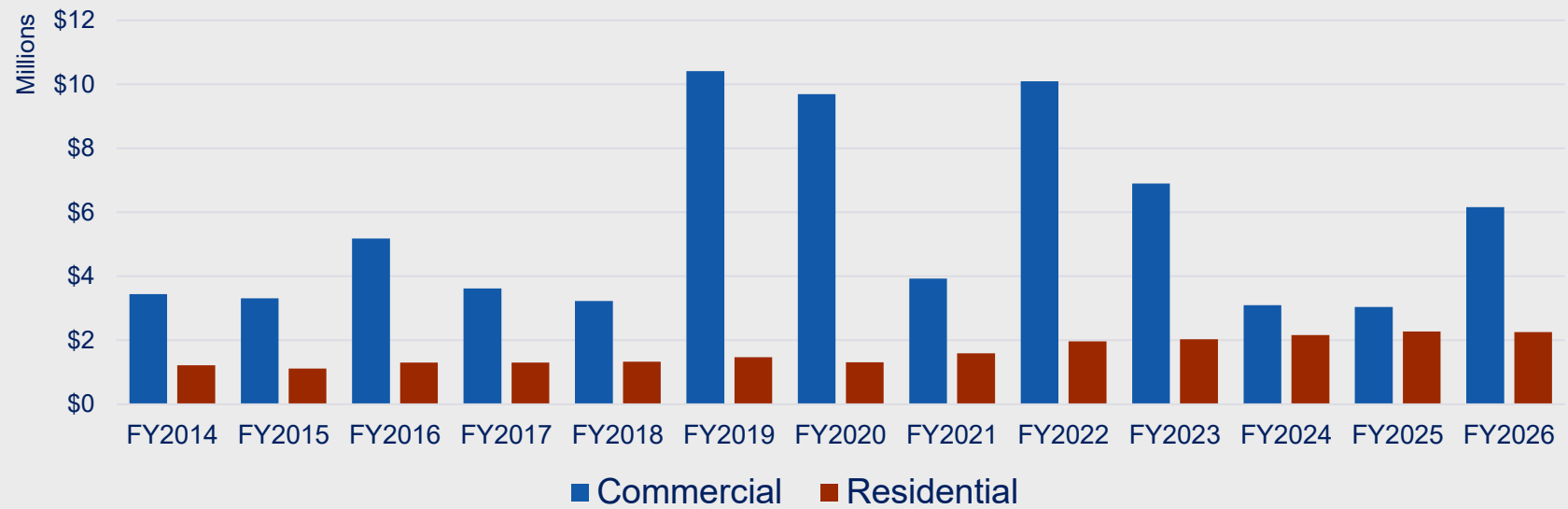
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# Recent Property Transactions



# Recent Property Transactions – Average Sale Price



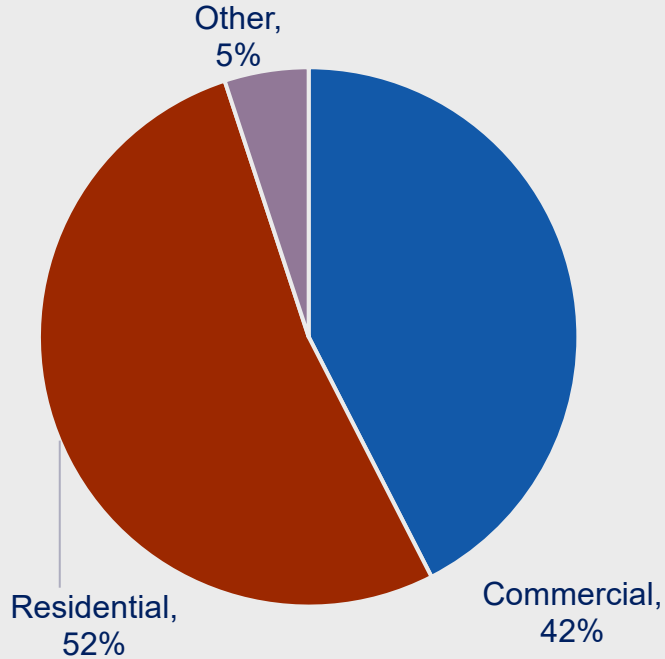
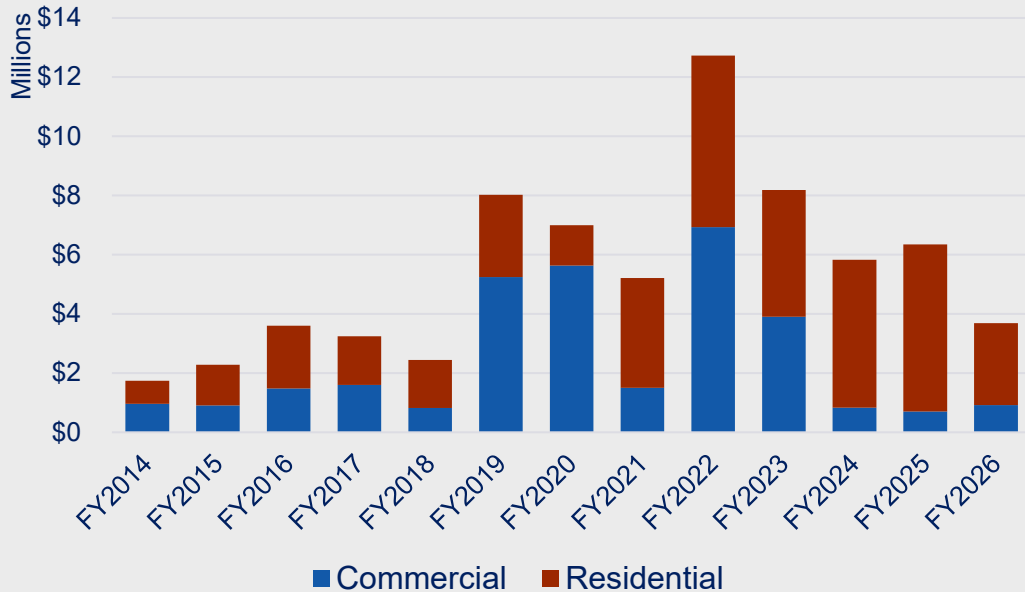
Note: FY2026 represents 50.0% of a fiscal year of data.

# Current vs. Proposed Tax Comparison

Fiscal Year	Current Tax (\$0.55 per \$1,000)	Proposed Tax (\$9.50 per \$1,000 for \$3.0 Million or higher)	Difference
FY2014	\$370,234	\$2,451,274	\$2,081,041
FY2015	\$661,999	\$2,938,606	\$2,276,607
FY2016	\$747,934	\$4,382,815	\$3,634,881
FY2017	\$794,991	\$4,462,705	\$3,667,714
FY2018	\$767,592	\$3,419,307	\$2,651,715
FY2019	\$1,047,983	\$9,150,373	\$8,102,390
FY2020	\$969,222	\$8,002,619	\$7,033,398
FY2021	\$1,175,690	\$6,756,113	\$5,580,423
FY2022	\$1,482,246	\$14,930,095	\$13,447,849
FY2023	\$984,326	\$9,347,493	\$8,363,166
FY2024	\$866,509	\$7,241,249	\$6,374,740
FY2025	\$919,242	\$7,887,439	\$6,968,197
FY2026	\$468,842	\$4,322,614	\$3,853,772
<b>Total</b>	<b>\$11,256,809</b>	<b>\$85,292,704</b>	<b>\$74,035,895</b>

Note: FY2026 represents 50.0% of a fiscal year of data.

# Additional Tax by Property Type



Note: FY2026 represents 50.0% of a fiscal year of data.



# Current vs. Proposed Tax Comparison – Multi-Family Residential

Fiscal Year	Current Tax (\$0.55 per \$1,000)	Proposed Tax (\$9.50 per \$1,000 for \$3.0 Million or higher)	Difference
FY2014	\$44,662	\$455,243	\$410,581
FY2015	\$77,666	\$706,784	\$629,118
FY2016	\$132,977	\$1,508,906	\$1,375,928
FY2017	\$98,954	\$806,004	\$707,050
FY2018	\$83,632	\$459,487	\$375,855
FY2019	\$108,355	\$1,176,851	\$1,068,496
FY2020	\$81,737	\$510,666	\$428,929
FY2021	\$85,596	\$403,097	\$317,501
FY2022	\$111,623	\$833,498	\$721,876
FY2023	\$72,931	\$478,653	\$405,721
FY2024	\$117,639	\$1,104,466	\$986,827
FY2025	\$121,837	\$1,090,938	\$969,102
FY2026	\$32,486	\$184,905	\$152,419
<b>Total</b>	<b>\$1,170,096</b>	<b>\$9,719,498</b>	<b>\$8,549,402</b>

Note: FY2026 represents 50.0% of a fiscal year of data.

# Recent Property Transactions

Option	Tax Rate	Property Value	Additional Tax Revenue (\$Million)
Current Tax	\$0.55 per \$1,000	All	\$1.0
<b>Proposed Tax</b>	<b>\$0.55 per \$1,000</b> <b>\$9.50 per \$1,000</b>	<b>Less than \$3.0M</b> <b>\$3.0M or higher</b>	<b>\$5.0 – 6.0</b>
Option 1	\$0.55 per \$1,000 \$40.00 per \$1,000	Less than \$5.0M \$5.0M or higher	\$17.0 – 18.0
Option 2	\$0.55 per \$1,000 \$40.00 per \$1,000 (no multi-family)	Less than \$5.0M \$5.0M or higher	\$16.0 – 17.0
Option 3	\$0.55 per \$1,000 \$60.00 per \$1,000 (no multi-family)	Less than \$6.0M \$6.0M or higher	\$25.0 – 26.0

# Recent Tax Measure Comparison

Jurisdiction	Real Property Transfer Tax
City of Santa Barbara CURRENT	\$0.55 per \$1,000 of value (most other California cities)
City of Santa Barbara PROPOSED	<b>\$0.55 per \$1,000 of value – less than \$3.0M</b> <b>\$9.50 per \$1,000 of value – \$3.0M or higher</b>
City of Santa Monica	\$56.00 per \$1,000 of value – \$8.0M or more Special purpose (schools, homeless, housing)
City of Culver City	0.45% of value Adding 1.5% of value - \$1.5M to \$3.0M Adding 3.0% of value - \$3.0M to \$10.0M Adding 4.0% of value - \$10.0M or higher
City of Los Angeles (ULA)	4.0% of value – \$5.0M to \$10.0M 5.5% of value – \$10.0M or higher Special purpose (housing)
City of Palo Alto	\$3.30 per \$1,000 of value
City of Mountain View	\$3.30 per \$1,000 of value – less than \$6.0M \$15.00 per \$1,000 of value – \$6.0M or higher

# Factors Supporting Proposed Tax

Affordability concerns with housing – not increasing tax for the majority of property transactions.

Tax needs to be applicable for a large enough population of transactions.

Rate increase should be high enough, but not too high.

Residential, multi-family & commercial considerations.

Dollar threshold when higher tax applies.

Flat dollar versus percent.

# Individual Transaction – Tax Comparison

Sale Price	Current Tax Revenue (\$0.55 per \$1,000)	Proposed Tax Revenue (\$9.50 per \$1,000 over \$3.0 Million)	Tax Increase
\$1,000,000	\$550	\$550	\$0
\$2,000,000	\$1,100	\$1,100	\$0
\$3,000,000	\$1,650	\$28,500	\$26,850
\$4,000,000	\$2,200	\$38,000	\$35,800
\$5,000,000	\$2,750	\$47,500	\$44,750
\$6,000,000	\$3,300	\$57,000	\$53,700
\$7,000,000	\$3,850	\$66,500	\$62,650
\$8,000,000	\$4,400	\$76,000	\$71,600
\$9,000,000	\$4,950	\$85,500	\$80,550
\$10,000,000	\$5,500	\$95,000	\$89,500

# Potential Revenue Tax Measures

Staff  
Recommendation

- **Real Property Transfer Tax**
  - Increase current rate of \$0.55 per \$1,000 assessed valuation to \$9.50 for properties that sell for \$3,000,000 or greater.
  - Generate approximately \$5.1 Million per year.
  - Effective Date – January 1, 2027.
- **Transient Occupancy Tax**
  - Increase current rate of 12.0% to 14.0%.
  - Generate approximately \$5.8 Million per year.
  - Effective Date – January 1, 2027.
- **Council can adopt a resolution prioritizing funding allocations.**



# Direction from Finance Committee

# Finance Committee Recommendation

- **On February 3, 2026, the Finance Committee recommended the following:**
  - Concur with staff's recommendation.
  - Pursue a general-purpose Real Property Transfer Tax (RPT), increasing the rate from \$0.55 to \$9.50 per \$1,000 for properties sold for \$3.0 Million or greater.
  - Consider oversight from the existing Citizen's Oversight Committee.
  - Discuss the potential measure with the local realtor community.
  - Analyze impact if commercial properties were excluded.
  - Consider a resolution prioritizing funding.



# Recommendation to City Council

# Timeline

Date	Item
March 3	City Council direction
March - June	Public outreach, community engagement, & educational materials
Late June or Early July	City Council to adopt a resolution placing a revenue measure on the ballot
November 3	Election
January 1	New tax rate to be implemented

# Request of City Council

That Council:

- A. Receive a report from staff regarding a recent Revenue Tax Measure Poll that was conducted of likely Santa Barbara voters; and
- B. Provide direction to staff regarding a potential Revenue Tax Measure to place on the November 2026 Ballot.

# Questions, Public Comment, & Discussion