

NOVEMBER 3, 2020 GENERAL ELECTION

**Alameda County Measure W**

Sales tax ordinance  
Requires simple majority (50%+1) vote to pass

**County of Alameda Half Cent Sales and Use Tax**

**The Question**

Shall a County of Alameda ordinance be adopted to establish a half percent sales tax for 10 years, to maintain and improve essential County services, to include housing and services for those experiencing homelessness, mental health services, health services, job training, social safety net and other general fund services, providing approximately \$150,000,000 annually, with annual audits and citizen oversight?

**The Situation**

The number of homeless people in Alameda County has doubled in the last four years. The county's point-in-time count in 2019 indicates that approximately 8,000 people experience homelessness on any given night. The Alameda County Health Care Services Agency identifies a lack of affordable housing as the primary driver of this crisis, particularly when coupled with growing economic inequality and insufficient access to social services.

Alameda County's Vision 2026 set ambitious goals to eliminate homelessness by ensuring the availability of diverse and affordable housing for all residents. In 2016 Alameda County voters approved Measure A1 to authorize the sale of up to \$580 million in general obligation bonds for the construction and renovation of affordable housing.

Existing funding sources are insufficient to provide the services necessary to assist individuals secure affordable housing and avoid homelessness. Due to the economic downturn caused by COVID-19 shutdowns, the county anticipates significant reductions in revenue. In May 2020, Alameda County forecasted as much as a 10% drop in sales tax revenue.

The sales tax in most of Alameda County, including in Oakland, is 9.25%. Five cities in the county have a 9.75% sales tax. In March 2020, a new county sales tax of 0.5% was approved for the funding of early childhood and education services (Measure C). The legitimacy of the vote for that tax is under court challenge, and the tax is not being collected. It will be at least several months before it will be known if that tax can be implemented.

## **The Proposal**

Measure W imposes an additional half-percent (0.5%) sales and use tax effective for 10 years from April 1, 2021 through March 31, 2031. The sales tax will be 9.75% in Oakland.

Proceeds will go to the county's general fund and can be used for general governmental purposes. The stated intention of the Board of Supervisors is to allocate funds from the Measure W sales and use tax to maintain and improve essential county services that have been prioritized in the Vision 2026 campaign. These include housing and services for those experiencing homelessness, mental health services, job training, social safety net and other general fund services.

A Citizen Oversight Committee appointed by the Board of Supervisors will review the expenditures of Measure W funds to ensure they are appropriate. Annual audits will be done by independent certified public accountants.

## **Fiscal effects**

Measure W proposes a 10-year, one-half percent (0.5%) countywide increase to the sales and use tax. The sales tax in Oakland will become 9.75%. If and when the courts determine that the tax for Measure C can be collected, the tax will go to 10.25%.

The Measure W tax was anticipated to yield about \$150 million every year. The actual figure will probably be less because retail sales have decreased because of shutdowns due to COVID-19.

There are no restrictions on the funds because they are going to the county's general purpose fund. The ballot measure resolution gives direction for the funding and declares the political will to use the funds for that purpose. However, the funds could be used for other purposes, most notably in the case of a fiscal emergency.

## **Supporters say**

- Alameda County should allocate as many resources as possible to helping people avoid homelessness.
- The economic downturn created by COVID-19 has exacerbated the homelessness crisis in Alameda County and across the Bay Area.
- Measure W not only assists those who are experiencing homelessness, but also those most at risk of becoming homeless, and expands shelter and street-based assistance.

## **Opponents say**

- Sales taxes are regressive; this additional tax will further strain individuals during an unprecedented health and economic crisis.
- The sales tax throughout Alameda County is already one of the state's highest.
- The framing of a general use tax for homelessness services is misleading since tax proceeds will go into the general fund and have no limitations on usage.