

## ARGUMENT IN FAVOR OF MEASURE P

Alameda is a safe, well run city thanks to the quality of our fire and police services, our Parks, Libraries and Public Works department. Recently, our City budget has been devastated by factors beyond our control. In 2007-2008 alone, the State has taken \$5.1 million from Alameda and costs have risen dramatically. Because of a faltering economy, continuing diversion of our tax dollars to address the State's budget, decreases in local revenue and increases in costs of delivering services, Alameda now has its own budget crisis.

To balance the 2008-2009 budget the City was forced to cut nearly \$5 million, deferring important capital projects and eliminating staff positions. We are faced with more cuts jeopardizing essential services, potentially shutting down a fire truck and reducing police services.

To address Alameda's fiscal crisis, an increase in the real property transfer tax set in 1993 from \$5.40 per \$1000 of property's sale price to \$12.00 per \$1,000 is proposed. This transfer tax would be paid only when property is sold. For example, a home or commercial property selling for \$700,000 would generate a one-time additional tax of \$8,400.

There's no tax on transfers/gifts of property in or out of a trust or between family members. There's no tax for a transfer involving a divorce, no tax when there is a transfer when someone inherits upon the owner's death, no tax if someone is forced to relocate because of foreclosure or in lieu of foreclosure when the sale price doesn't exceed what's owed.

We support this measure because the new revenues generated will stay in Alameda and cannot be taken by Sacramento. Revenues will be used to maintain our critical services such as fire and police. Protect Alameda's future. Preserve quality services for Alameda. Please Vote Yes on P.

s/Beverly J. Johnson

Mayor

s/Ben Reyes

Attorney/Alameda Homeowner

s/Ruth Belikove

President of Alameda Free Library Board

s/William Schaff

President, AUSD Board of Trustees

s/Gail A. Wetzork, CLU, ChFC

Pres. Friends of the Parks

## REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE P

This measure is bad public policy, plain and simple.

The substantial increase in transfer tax is unfair because it places the burden of the entire city budget deficit on the relatively few people who buy and sell property in any given year. Sound public policy would allocate the required revenue over a greater portion of our population so everybody contributes a little, rather than a few having to pay a potentially devastating sum.

This proposal will reduce housing affordability in Alameda. If it passes, it will have a significant impact on the costs of a real estate transaction. Cash strapped sellers, many of whom have no equity, will be forced to pay more than double the tax that currently exists. Buyers, who are having an increasingly difficult time obtaining loans, will have to pay significantly more to purchase.

This source of revenue has been shown to be extremely volatile. As the number of transactions change, so does the transfer tax revenue. Given the sharp drop in real estate transactions, it is possible that the proposal will not accomplish the goals of City Hall.

Don't be fooled. This is not a one-time tax. This tax is imposed on each sale and purchase of property.

We oppose this measure because it is bad public policy. It is unfair, unduly burdensome on a few members of our community and bad for housing affordability.

Vote No on P.

s/C. Richard Bartalini

Superior Court Judge, Retired

s/Bruce A. Edwards

Alameda Police Captain (Retired)

s/Dianne Richmond

President Alameda Association of Realtors

s/Troy Staten

Realtor and Homeowner

s/Deidra Ostrofsky-Williams

Homeowner