

Frequently Asked Questions

What is Measure T?

Measure T is a revenue measure that will appear on the November 6, 2018, general election ballot. It asks voters to consider an increase in the City of Hayward *Real Property Transfer Tax (RPTT)*.

Define the RPTT – What does that mean?

The RPTT is a *one-time* levy on the transfer of ownership of residential and commercial real estate pursuant to a purchase or sale. Local governments rely on RPTT revenue to fund delivery of local public services.

How much does the RPTT cost?

In Hayward, the city RPTT rate is \$4.50 per \$1,000 of property value. For example, on the purchase or sale of a \$700,000 home, the current RPTT would be \$3,150.

How much is the proposed Measure T increase?

If approved, the city RPTT rate would increase \$4 per \$1,000 of property value—moving to \$8.50 per \$1,000 of value. On a \$700,000 home, the RPTT would be \$2,800 higher, totaling \$5,950.

How is RPTT revenue used by the City of Hayward?

RPTT revenue goes into the City of Hayward General Fund for essential and priority services—such as police (45 percent), firefighters and 911 paramedic response (24 percent), pothole and other street and sidewalk repairs, library services, graffiti removal, litter collection and other maintenance needs (8 percent).

Why are voters being asked to consider an increase?

General Fund costs associated with delivery of essential and priority public services are rising faster than revenue to pay for them. This is due to multiple factors including increased service demands and the impact of online shopping on local sales tax revenue.

What is being done to control City of Hayward operating costs?

As in other service organizations, employee salaries and benefits are the City of Hayward's biggest operating cost. The City is saving money by working smarter with fewer employees—despite a growing population—and by asking its workers to pay a greater share of the costs of health insurance and other benefits.

How can I be sure Measure T revenue will be used as promised?

By law, Hayward RPTT revenue cannot be diverted for county, state or federal purposes. All general fund expenditures are subject to public hearings and third-party review as part of the City's annual budgeting and auditing processes and practices.

How does Hayward's RPTT compare to other cities?

Not all cities in California can set their own city RPTT rates. That authority is limited to *charter cities* whose governing systems are defined by a city charter rather than by California general law. Hayward has the lowest city RPTT rate among Alameda County charter cities. If voters pass Measure T, Hayward's rate

would still be second lowest. Current rates per \$1,000 of property value among charter cities in Alameda County are:

- \$15 in Oakland and Berkeley
- \$13 in Piedmont
- \$12 in Emeryville and Alameda
- \$11.50 in Albany
- \$6 in San Leandro
- \$4.50 in Hayward

Who pays the RPTT?

Payment of the one-time RPTT is the joint responsibility of the parties to a real estate transaction—the buyer(s) and seller(s). Which party pays what portion of the assessment can be a point of negotiation.

When is the RPTT collected?

RPTT revenues are collected with other real estate transaction closing costs—such as title insurance, escrow fees and real estate commissions.

Does the RPTT affect the cost of living in Hayward?

It has no appreciable impact on the cost of living of Hayward residents. Unlike ongoing and annually assessed property taxes, the RPTT is levied only once—when real estate ownership changes due to a purchase or sale.

Are some real estate transactions exempted?

Yes. State law exempts some real estate transactions—specifically, transfers of real estate ownership to a spouse pursuant to divorce, as a gift, by reason of death, into a trust benefitting the seller, and certain dealings involving government agencies and nonprofit organizations.

Does the RPTT affect housing affordability for homebuyers in Hayward?

Practically speaking, no. Mortgage lenders typically require down payments of at least 20 percent of the home's purchase price. The standard real estate agent commission is 6 percent of sales price. Meanwhile, the Hayward RPTT (\$4.50 per \$1,000 of value) equals less than ½ of 1 percent of the sales price. At the proposed Measure T rate (\$8.50 per \$1,000 of value), it would still amount to less than 1 percent of the sales price.

Will Measure T increase my property taxes?

No. Measure T is not a property tax. It is a transactional tax that is applied and collected only once upon the transfer of ownership of commercial or residential property from seller to purchaser.

How can I get more information on Measure T and Transfer Taxes?

Contact Chuck Finnie, Hayward Public Information Officer, by telephone at (510) 583-4434 or by email at chuck.finnie@hayward-ca.gov.