



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 18, 2017

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Community Survey Results On Unfunded Infrastructure And Program Needs And Possible Sales Tax Measure

RECOMMENDATION: That Council:

- A. Receive a report from Fairbanks, Maslin, Maullin, Metz & Associates on community survey results related to the City's unfunded infrastructure and program needs and a possible sales tax measure; and
- B. Consider directing staff to initiate procedural steps to place a sales tax measure on the November 2017 ballot.

DISCUSSION:

Background

Over the past year, Council has been discussing the increasing backlog of deferred maintenance and declining condition of City facilities, including streets and related infrastructure, such as street lights, sidewalks, and storm drains, and many historic buildings where essential community services are provided.

Discussions about the need for additional infrastructure funding have been occurring periodically since 2008 when Council appointed a citizen Ad-Hoc Infrastructure Task Force to assess the shortfall of investment in infrastructure and to make recommendations to increase infrastructure investment. These recommendations coincided with the recession and were not implemented at that time.

This issue was again studied by Council in 2014 through the appointment of a Council Ad Hoc Committee (Mayor Schneider, Councilmember White, and Councilmember Rowse). The Committee conducted extensive public outreach and obtained input on community needs and ideas to close the gap in funding. Council did not reach a consensus to place a sales tax measure on the November 2015 ballot.

The current Council infrastructure discussion was reinitiated in February 2016 with the Finance Committee (Councilmember White, Councilmember Hart, and Councilmember Rowse) conducting an extensive review of all General Fund infrastructure needs. Finance Committee recommendations to Council were presented on November 22, 2016, and included: 1) transferring downtown shuttle expenses to the Downtown Parking and Waterfront Funds; 2) considering borrowing against future Measure A revenues to fund near-term street repairs; and, 3) considering a sales tax measure that would increase the current local sales tax rate by ¼ cent to up to 1 cent. Council approved the Finance Committee recommendations for the first two recommendations and directed staff on January 31, 2017 to conduct a community poll to inform further discussion of a possible sales tax measure.

Community Survey

Council authorized an agreement with Fairbanks, Maslin, Maullin, Metz & Associates (FM3) to conduct a public opinion poll via phone and Internet related to unfunded infrastructure and program needs and a possible sales tax measure. The scientifically valid survey was conducted to gauge voter support for a sales tax increase to improve City facilities and programs, ensuring the broadest participation in terms of voter demographics and geography.

At the April 18 meeting, FM3 will present the survey findings. Based on the results, Council should consider providing direction to staff to initiate the procedural steps to place a sales tax measure on the November 2017 ballot. If Council directs staff to proceed, staff would return to Council by July 2017 with proposed ballot measure language and a resolution directing the City Clerk and City Attorney to prepare all necessary actions and documents to place a sales tax measure before the voters in the November 2017 election.

Information on the City's unfunded infrastructure and program needs is available on the City's website at SantaBarbaraCA.gov.

PREPARED BY: Nina Johnson, Senior Assistant to the City Administrator

SUBMITTED BY: Paul Casey, City Administrator

APPROVED BY: City Administrator's Office

City of Santa Barbara Issues Survey

*Survey Conducted:
March 13-16, 2017*

Fairbank, Maslin, Maullin, Metz & Associates – FM3

PUBLIC OPINION RESEARCH & STRATEGY

Pre-Survey Focus Groups

Methodology

- ✓ Two focus group sessions conducted on March 1, 2017.
- ✓ Sessions included 20 participants.
- ✓ Participants were City of Santa Barbara registered voters who are likely to vote in the November 2017 Municipal Election
- ✓ Respondents were balanced to broadly reflect the demographic diversity of the voter universe.

CAUTION

- » Focus groups do not employ random sampling.
- » Accordingly, the results of the groups may be considered suggestive of the attitudes of voters, but cannot be considered to represent their views with any kind of statistical precision – even on questions where their views are quantified.
- » However, they do provide helpful insights.

Key Findings

- Participants had strongly positive feelings about Santa Barbara, particularly the feeling that it's a healthy and welcoming community, and viewed it as a better place to live than nearby cities.
- The cost of housing, growth/development, homelessness and traffic were their top concerns about living in Santa Barbara.
- Residents did not have a lot of specific information about the City's leadership, budget, plans and needs, but believed that there is at least some need for funding.

Key Findings

- Infrastructure – particularly streets and roads – was seen as the leading priority for investment. Infrastructure was seen as a priority because it is an urgent need now, and investing now can prevent future costs.
- Participants also put a high priority on investing in Community Services such as libraries, parks and recreation, reducing homelessness, senior and disabled services, and after-school programs. Several participants had personal or emotional connections to these services and wanted to see them continued.
- Focus groups helped to inform the drafting of the survey.

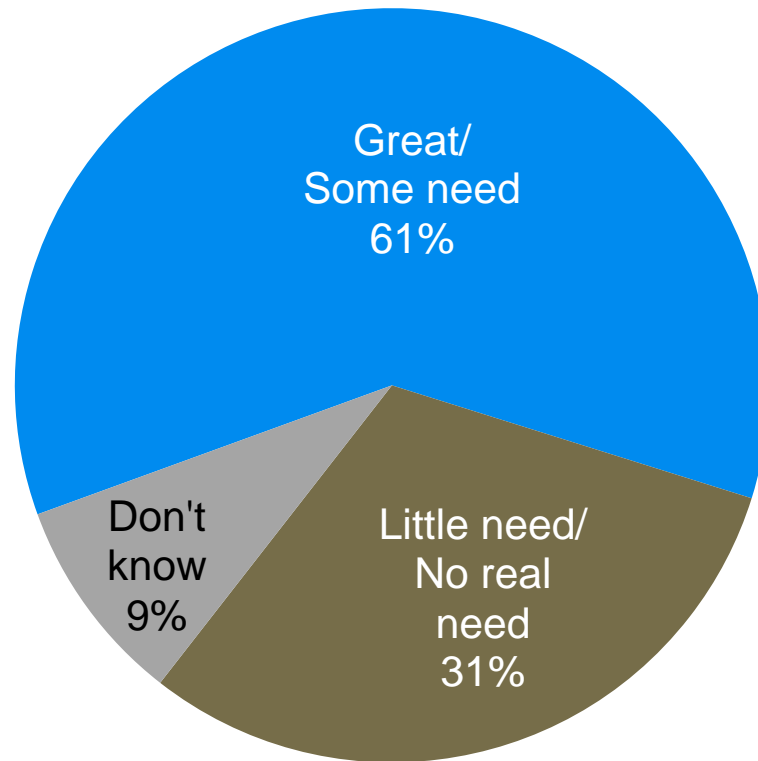
Findings from Survey

Methodology

- ✓ Conducted a Dual Mode Survey online and by telephone (landlines and cell phones), between March 13-16, 2017
- ✓ Surveys were completed using a random sample of 799 City of Santa Barbara registered voters who are likely to vote in the November 2017 Municipal Election
- ✓ Overall margin of error: +/- 3.5% full sample; +/- 4.9% half sample
- ✓ Some percentages may not sum to 100% due to rounding

Perceptions of the City's Need for Additional Funds

About 6 in 10 (61%) perceive a great or some need for additional City funds to provide the level of services Santa Barbara residents need and want.



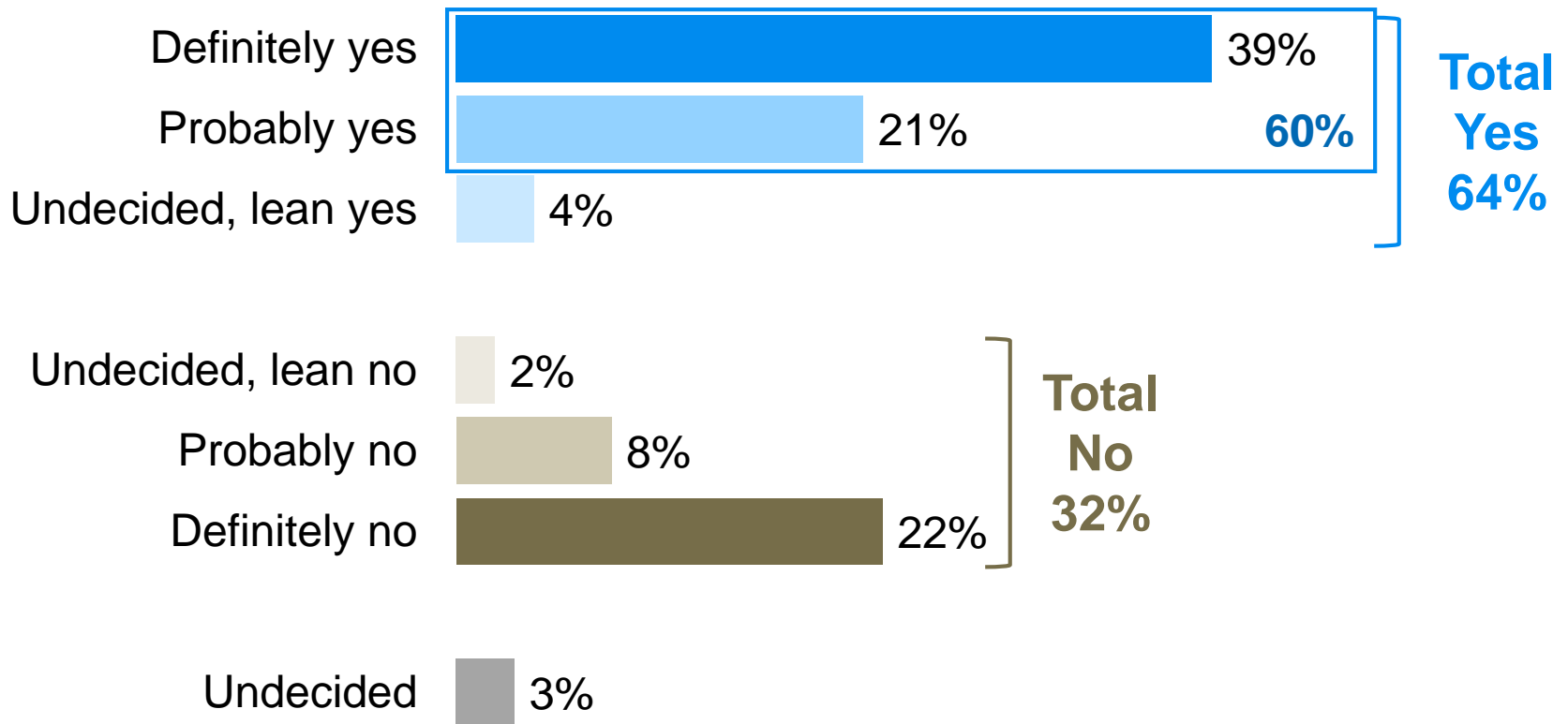
Ballot Measure

Draft Ballot Title and Summary

City of Santa Barbara Infrastructure Repair and Community Services Measure

To maintain and improve police, fire, paramedics and 911 emergency response; repair local streets, potholes, bridges and storm drains; upgrade public safety infrastructure, parks, and libraries; address homelessness; maintain disabled, veterans, youth and senior services; retain and attract jobs and businesses; support other services; shall a City of Santa Barbara ordinance be adopted establishing a one-cent sales tax providing approximately \$22 million annually until ended by voters; requiring citizen's oversight, performance reports, independent financial audits, and all funds used locally?

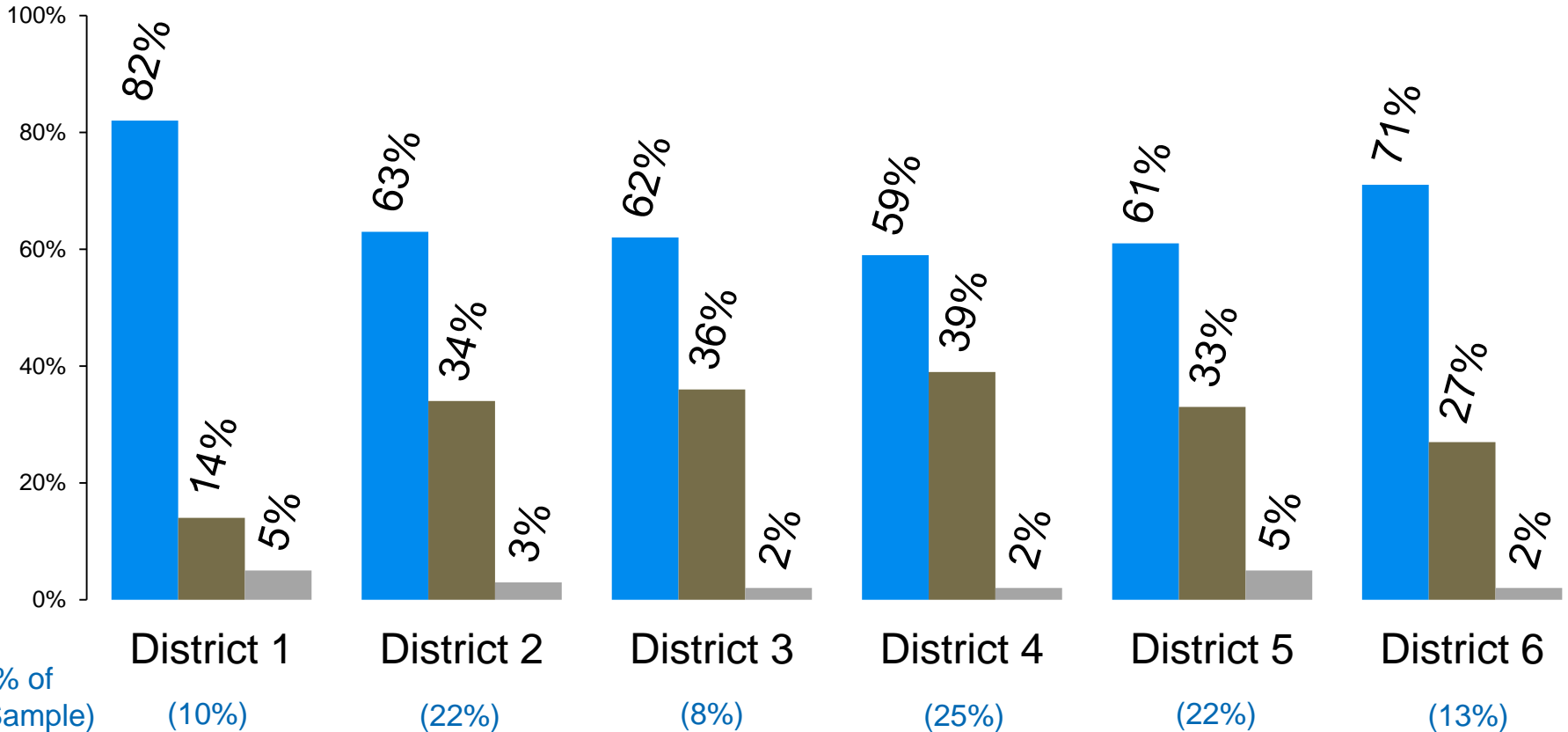
Sixty-four percent of voters would initially vote yes on this simple majority one-cent City sales tax measure, with 39% saying they would definitely vote yes.



Voters from all Districts initially exceed the level of support required for the measure; those living in Districts 1 and 6 are the most supportive.

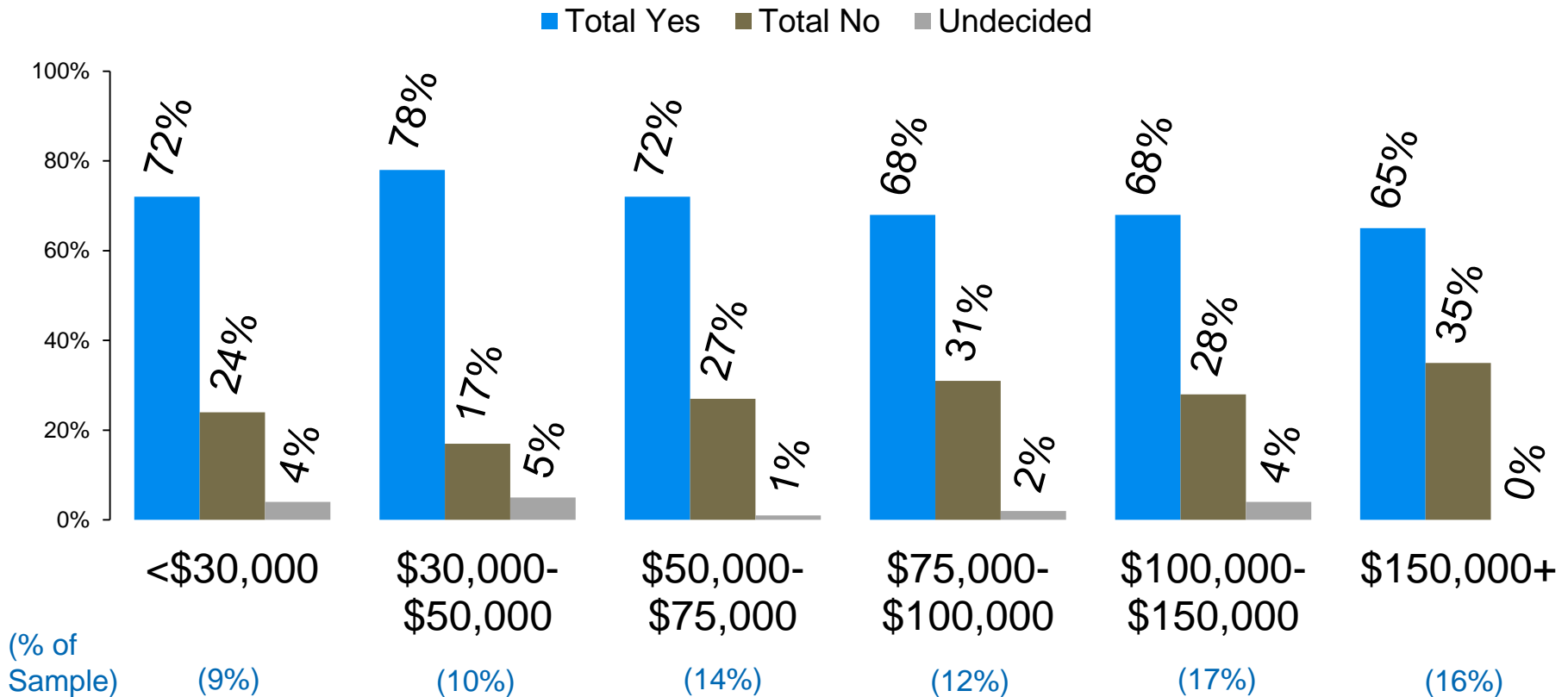
Initial Vote on City of Santa Barbara's One-Cent Sales Tax Measure by City Council District

■ Total Yes ■ Total No ■ Undecided



Those from less affluent households are initially more likely to support the measure, with all income groupings supporting it above the threshold needed to pass.

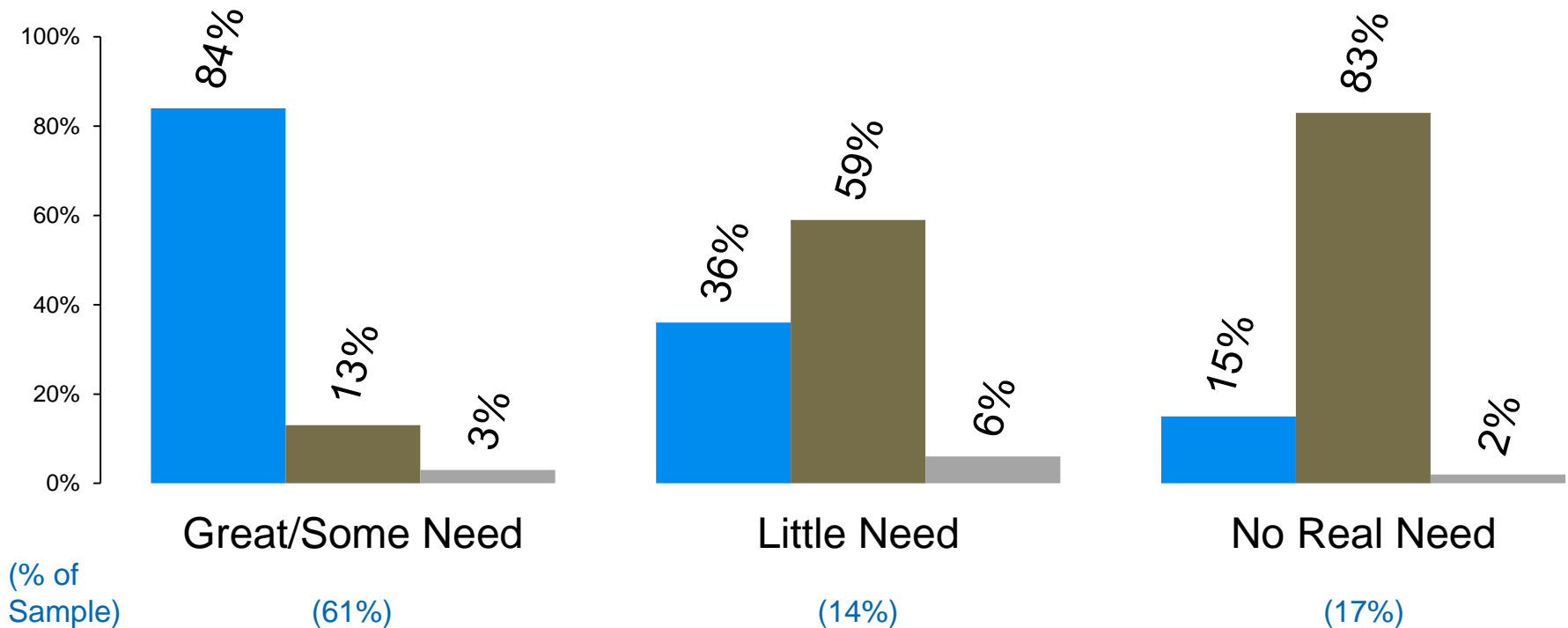
Initial Vote on City of Santa Barbara's One-Cent Sales Tax Measure by Household Income in 2016



The more one perceives a need for additional funds to provide city services, the more likely they are to initially vote yes.

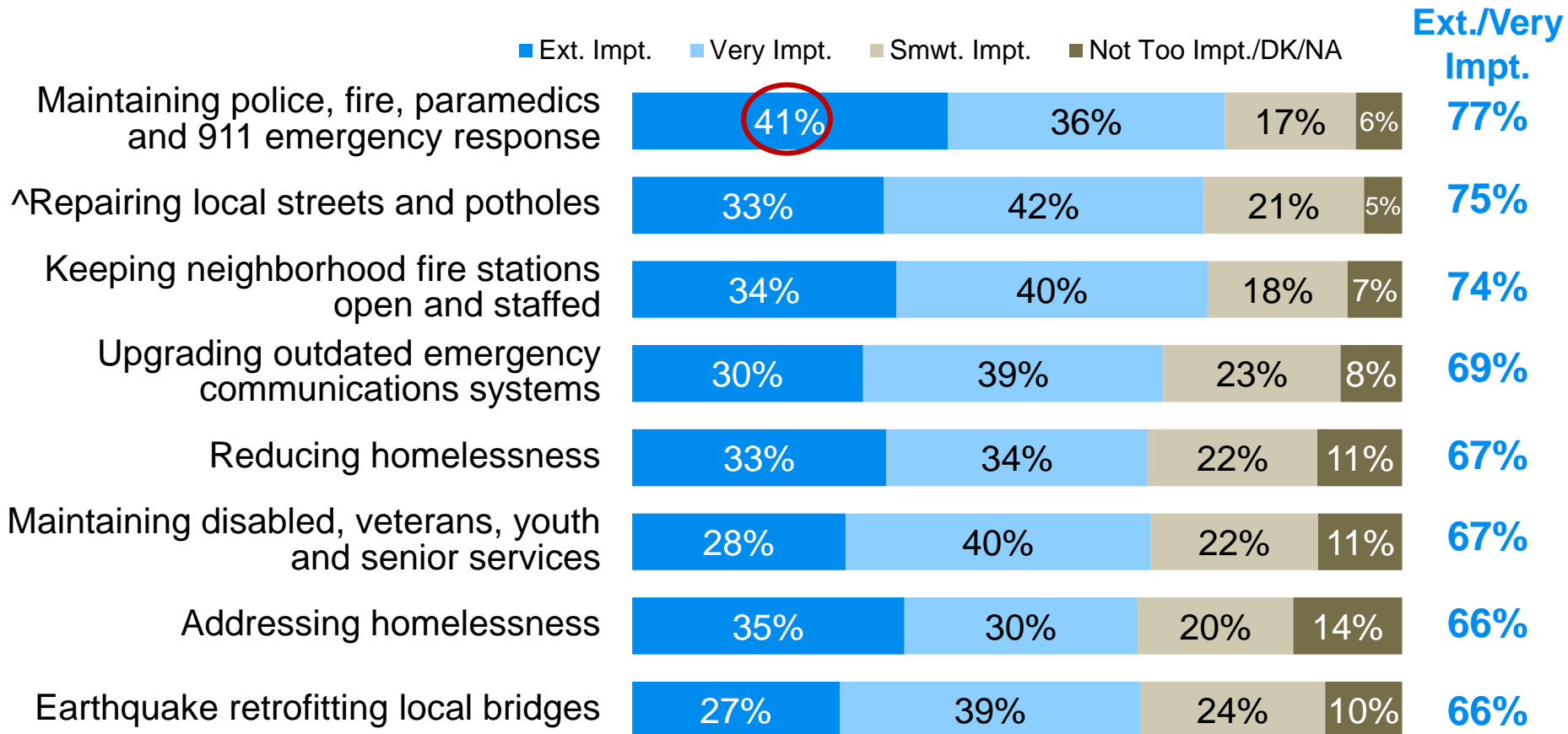
Initial Vote on City of Santa Barbara's One-Cent Sales Tax Measure by Perceived Need for Funding

■ Total Yes ■ Total No ■ Undecided



Maintaining police, fire, paramedics and 911 emergency response, and repairing local streets and potholes are the top features considered extremely or very important.

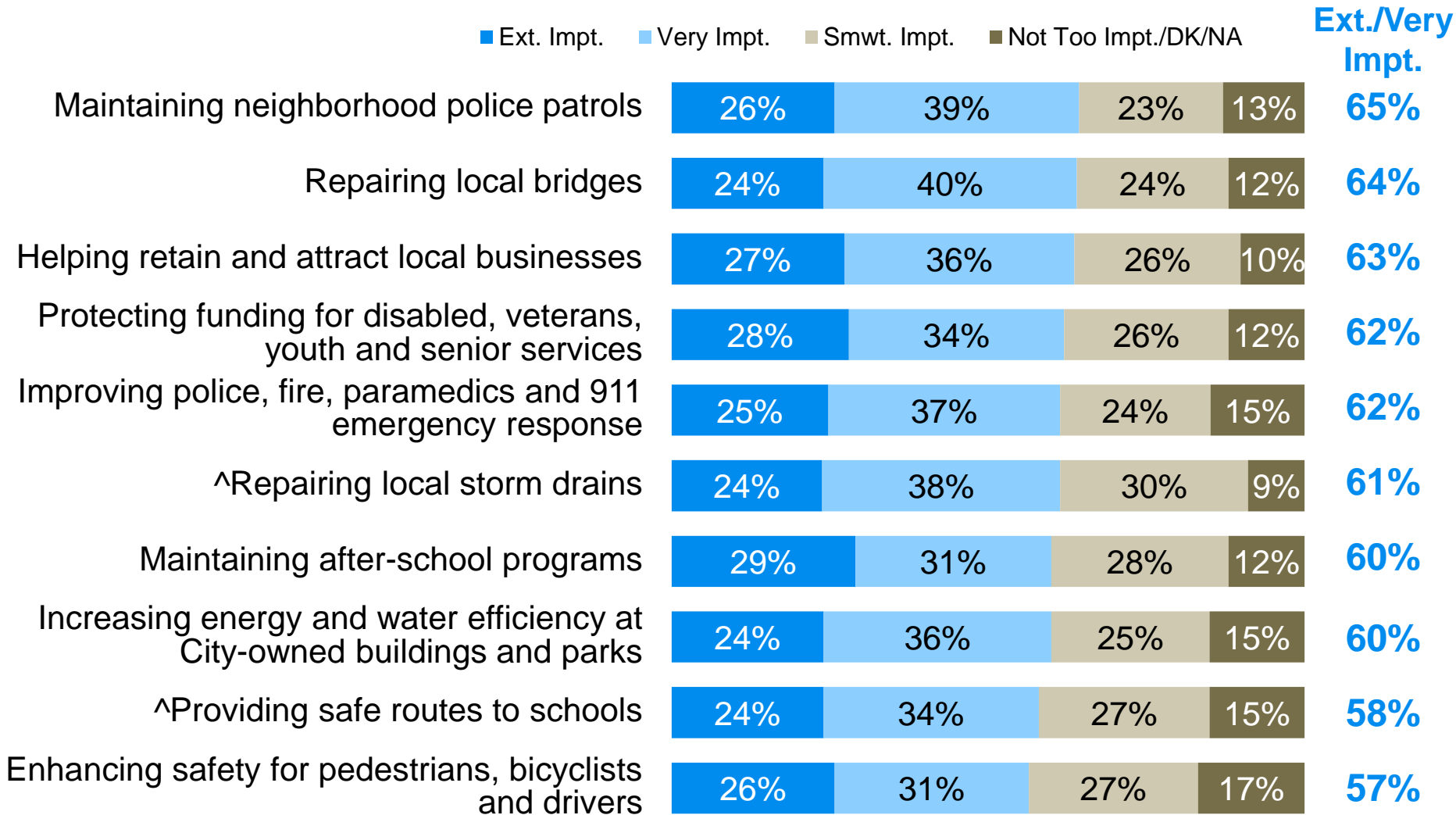
(Ranked by Extremely/Very Important)



Q.. The ballot measure's features and provisions have not yet been finalized. I would like to mention some features and provisions that may be included in the measure. Regardless of whether you support the measure, please tell me how important it is to you that each feature or provision be included in the measure. Is it extremely important, very important, somewhat important, or not too important? ^Not Part of Split Sample

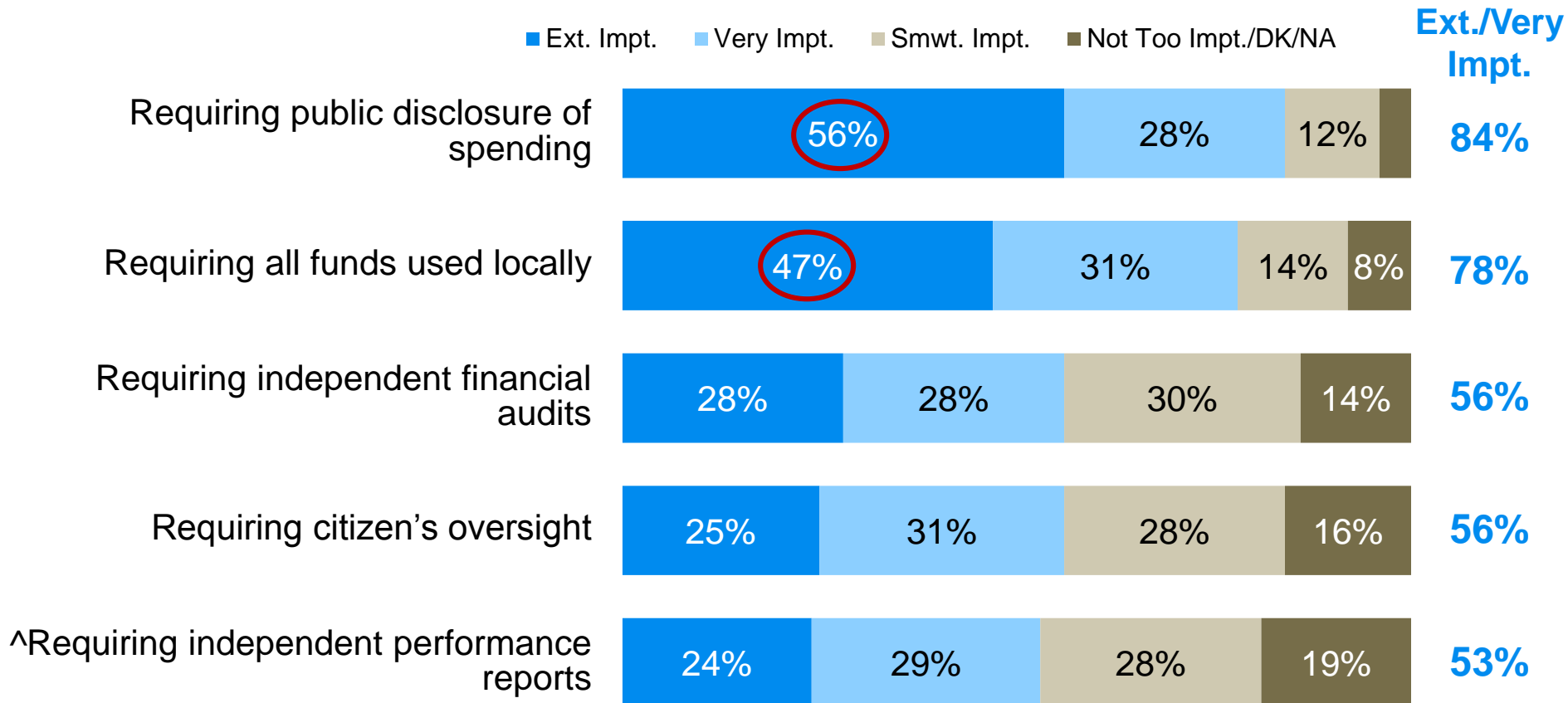
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(Ranked by Extremely/Very Important)



Requiring all funds to be used locally, and public disclosure of spending are considered important accountability provisions to include in the measure.

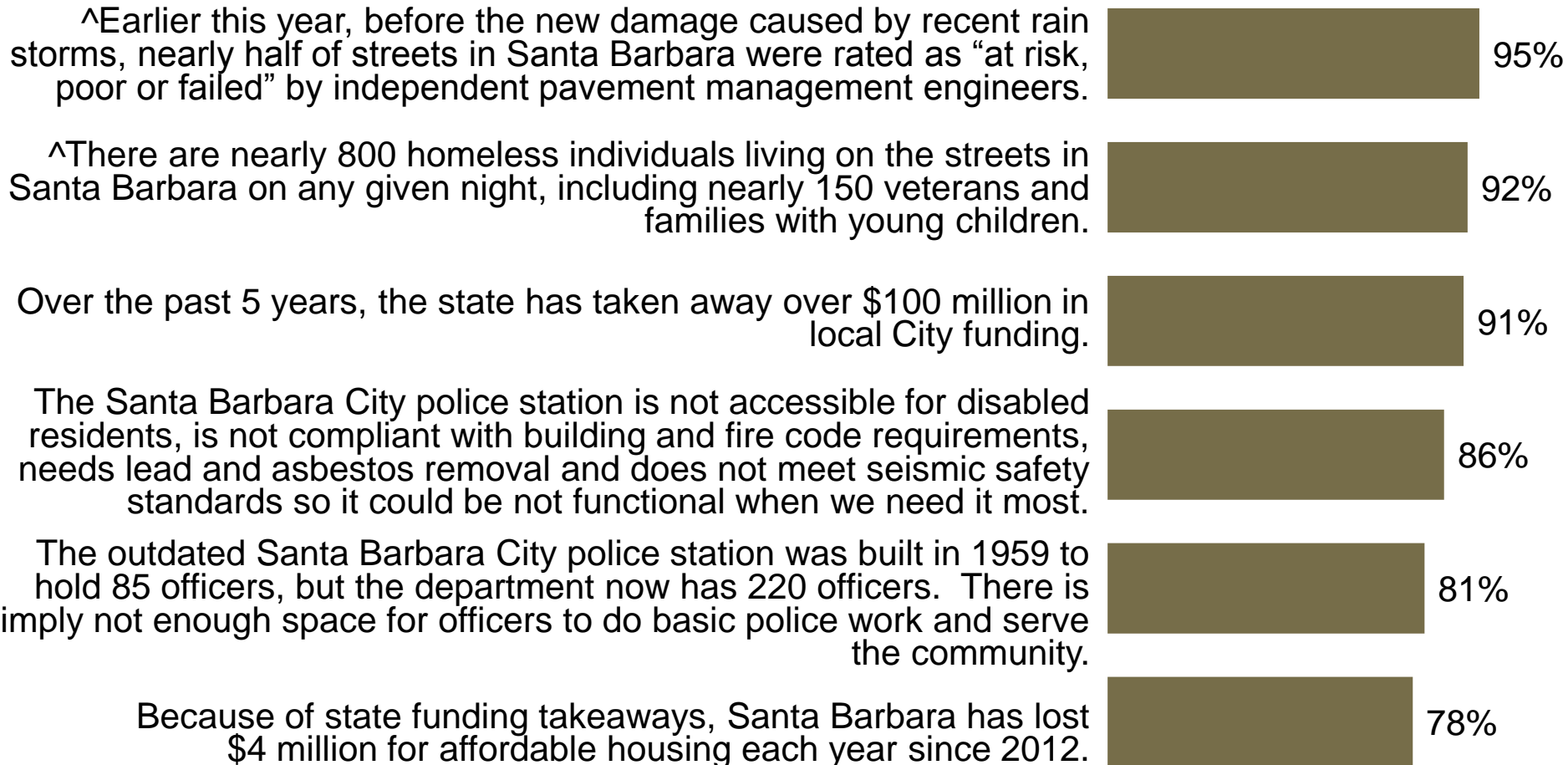
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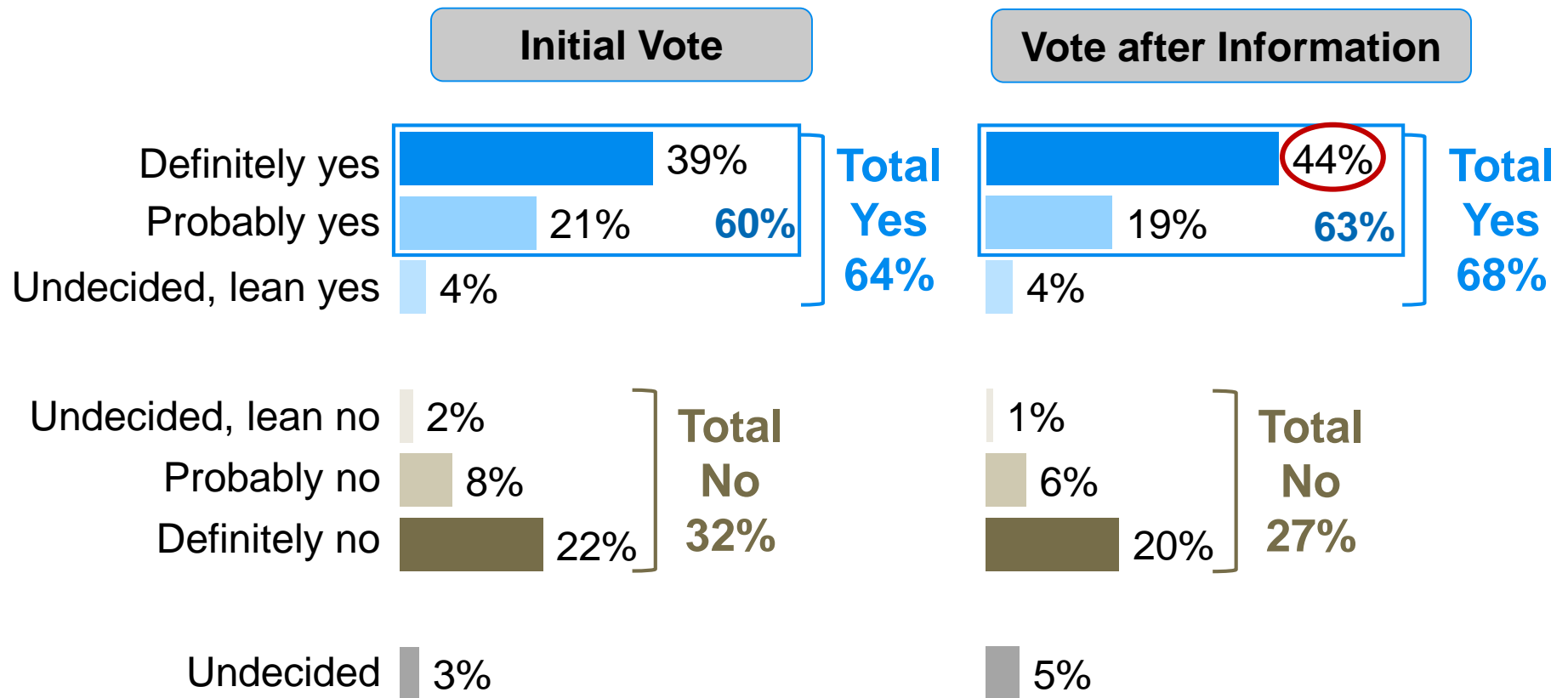
Q6 f, j, y, cc, tt. The ballot measure's features and provisions have not yet been finalized. I would like to mention some features and provisions that may be included in the measure. Regardless of whether you support the measure, please tell me how important it is to you that each feature or provision be included in the measure. Is it extremely important, very important, somewhat important, or not too important? ^Not Part of Split Sample

The highest percentages are concerned with City-related facts associated with the condition of the streets; the number of homeless and; \$100 million in state takeaways.

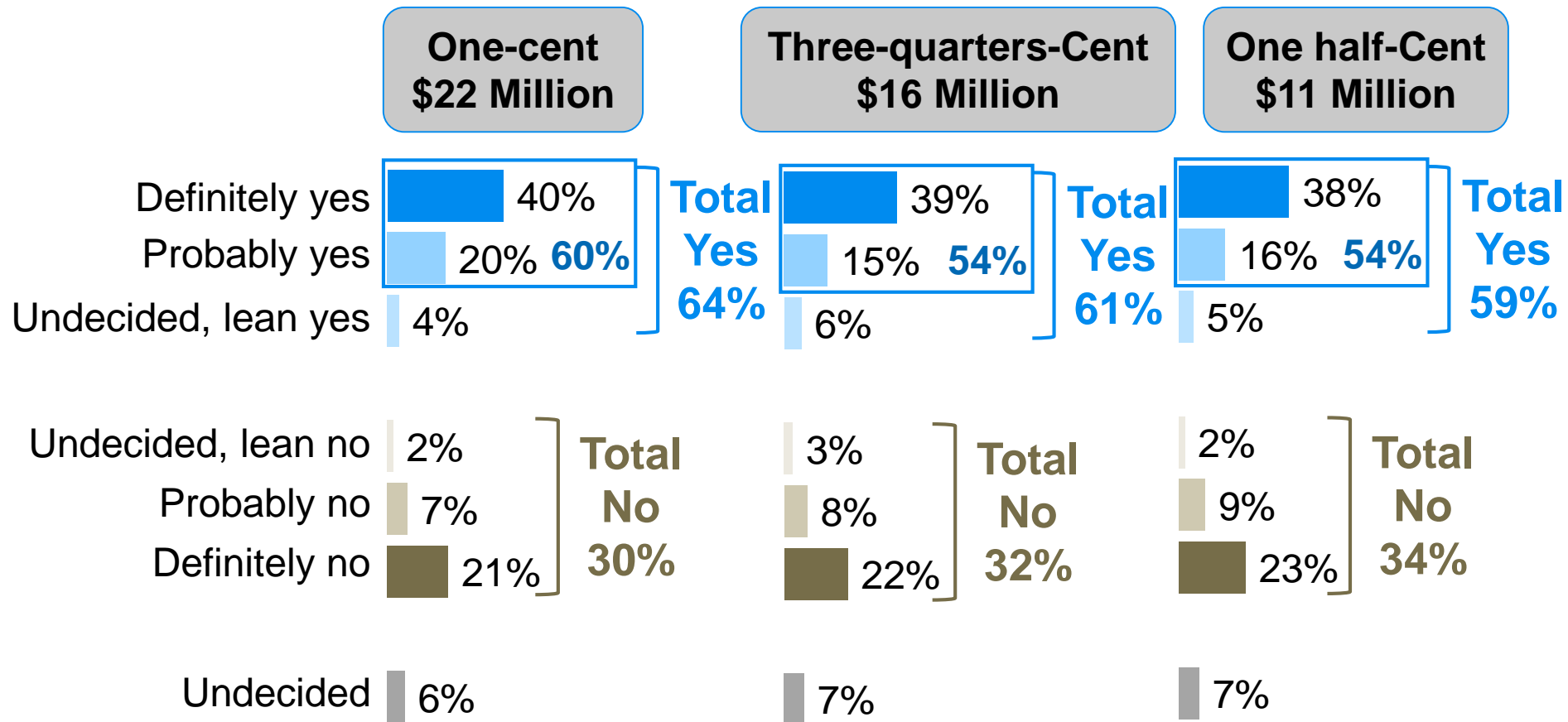
(Ranked by Total Serious Concern)



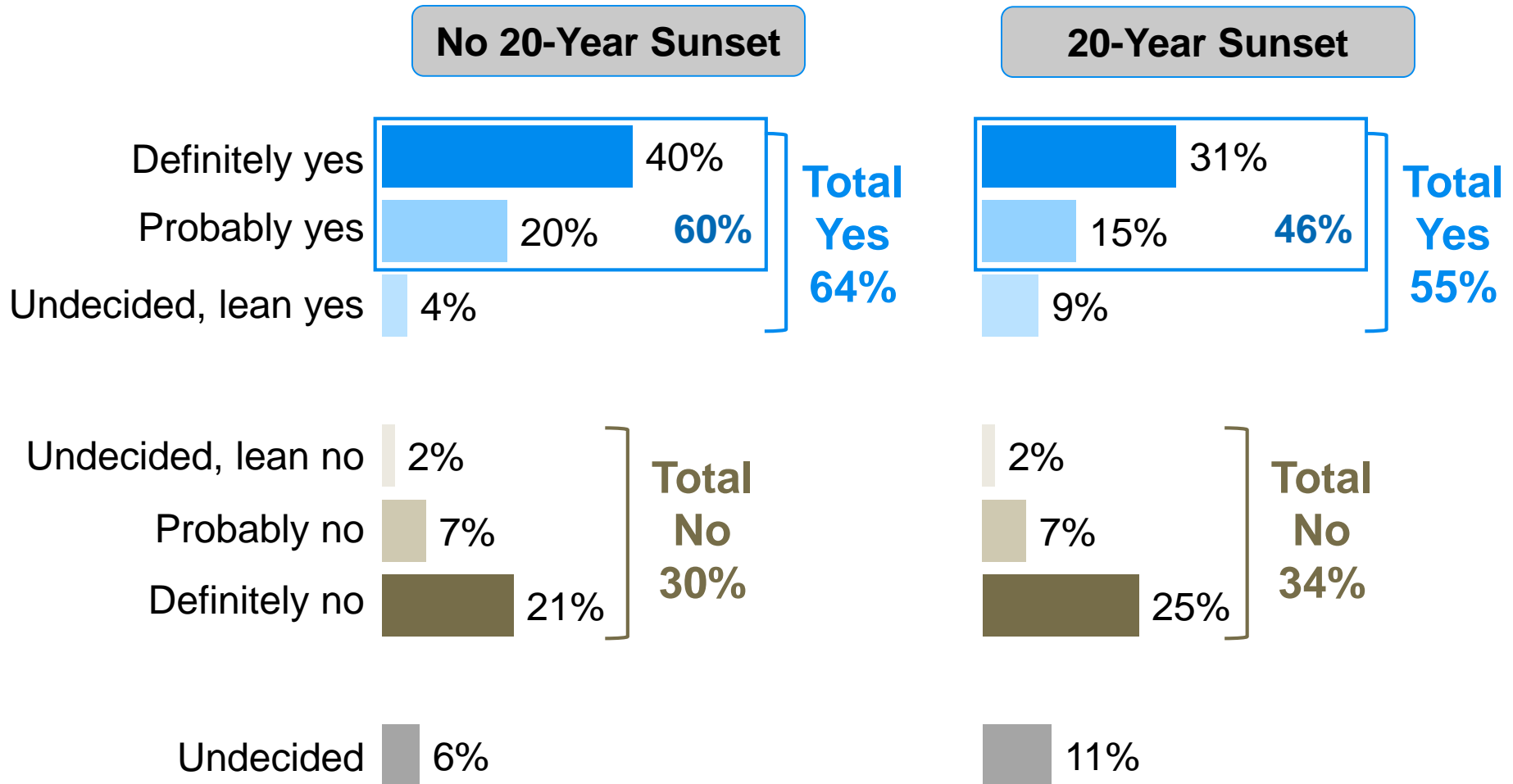
Informational statements about this simple majority measure increases support to about two-thirds (68%), with 44% saying they would definitely vote yes.



Support is stronger for a one-cent measure than lower options tested in the survey.



Support for the one-cent sales tax measure declines when a 20-year sunset clause is introduced.



Q. If the election were held today, would you vote yes in favor of this measure or no to oppose it?
 Q. This measure could be written so that it would be in effect for 20 years and then be legally required to expire at that time. If that were the case, would you vote YES in favor of this measure or NO to oppose it?

Conclusions

Conclusions

- ✓ More than 6 in 10 voters (64%) would initially vote definitely or probably yes or at least lean toward voting yes on a simple majority one-cent City sales tax measure, if the election were held at the time of the survey.
- ✓ After information about the City and the potential measure, overall support increases to slightly more than two-thirds (68%), with 44% saying they would definitely vote yes.
- ✓ There is less support for a measure with a lower sales tax rate and/or a sunset provision.

Conclusions

- ✓ The features of the measure rated most important are a combination of services, programs and infrastructure improvements, including:
 - Maintaining police, fire, paramedics and 911 emergency response;
 - Repairing local streets and potholes;
 - Keeping neighborhood fire stations open and staffed;
 - Upgrading outdated emergency communication systems;
 - Maintaining disabled, veterans, youth and senior services; and
 - Addressing homelessness.

- ✓ Strict accountability requirements are among some of the most important elements of measure, including public disclosure of spending and local control of all funds.

Survey Finding Recommendation

The City of Santa Barbara further explore the potential for a one-cent general purpose sales tax, with strict accountability, but no sunset, to be placed on the November 2017 Municipal Election ballot.