

Our Next Parcel Tax

Should Fremont Union High School District submit to voters for approval a parcel tax based on property square footage instead of a fixed amount?



Parcel Tax Provides Needed Funds

- **Hiring teachers and classified staff is becoming increasingly difficult due to high cost of living (especially housing)**
- **Revenue from district's share of property tax, state and federal sources will soon fall short of need**
- **Voters are prohibited by Proposition 13 from raising value-based property tax**
- **A parcel tax is the only way to increase funds to meet district financial need**

Can't Unnecessary Programs be Cut? Isn't There Some Waste Somewhere?

- Compared to comparable school districts, Fremont Union spends the highest proportion of funds on school personnel (about 87%)**
- All district programs are needed to serve students. The district routinely evaluates all programs to ensure they are necessary**
- Fremont Union's AAA bond rating is evidence that Fremont Union is fiscally responsible. The district works hard to ensure every dollar is spent wisely.**

Current Parcel Tax: \$98

- **Renewed in 2014, Expires in 2022**
- **2017-2018 Estimated total: \$5,180,000**
- **All parcels pay the same amount**
 - **Parcel X: One-bedroom condo in San Jose**
 - **700 sq ft total floor space**
 - **Assessed Value: \$482,763**
 - **Parcel Tax: \$98**
 - **Parcel Y: 410 apartments on 17 acres in Sunnyvale**
 - **306,768 sq ft total floor space**
 - **Assessed Value: \$98,539,376**
 - **Parcel Tax: \$98**

Goal: Increase Funding Without Unduly Burdening Taxpayers

Options

- **Parcel tax based on improvements floor area (building square foot parcel tax)**
- **Parcel tax based on land area**
- **Replace existing fixed-value parcel tax with higher fixed-value parcel tax**
- **Pass a second fixed-value parcel tax to run concurrently with existing parcel tax**
- **Renew existing \$98 parcel tax before it expires in 2022 (doesn't meet goal)**

Comparison of Land Area to Building Floor Area

Parcel Tax Based on \$0.0135 per Land square foot

	Parcel Tax	Avg \$/Parcel	Largest Parcel Tax
Agricultural	\$1,561,993	\$11,237	\$344,574
Commercial	\$2,298,577	\$1,099	\$120,394
Multifamily	\$850,124	\$294	\$13,002
Residential*	\$4,772,580	\$98	\$24,965
Total	\$9,483,274		

Parcel Tax Based on \$0.056 per Building square foot

	Parcel Tax	Avg \$/Parcel	Largest Parcel Tax
Agricultural	Information not currently available		
Commercial	\$3,367,791	\$1,624	\$108,632
Multifamily	\$1,685,111	\$588	\$45,619
Residential*	\$4,800,571	\$98	\$797
Total	\$9,853,472		

* Residential \$ reduced 7.3% for anticipated senior exemption

Largest Parcels – Land Square Feet Agricultural

Land Square Feet	Land Parcel Tax*	Current Tax	Parcel Tax Δ%	Assessed Value
25,523,982	\$344,574	\$95,814	359.5%	\$8,116,322
14,173,117	\$191,337	\$53,418	358.0%	\$4,508,754
11,768,213	\$158,871	\$45,621	348.0%	\$3,846,288
6,015,636	\$81,211	\$22,928	353.8%	\$1,914,389
4,819,042	\$65,057	\$55,795	116.4%	\$4,754,159
3,332,340	\$44,987	\$1,755,499	2.6%	\$1,344,092
3,273,098	\$44,187	\$126,151	34.9%	\$10,798,991
2,535,192	\$34,225	\$5,680	600.8%	\$8,952,981
2,399,720	\$32,396	\$2,542	1270.4%	\$155,029
2,374,020	\$32,049	\$2,967	1076.8%	\$197,426
2,357,902	\$31,832	\$33,090	95.9%	\$2,797,642
2,186,712	\$29,521	\$21,531	136.7%	\$1,655,195
1,742,400	\$23,522	\$7,902	296.4%	\$640,274
1,742,400	\$23,522	\$7,902	296.4%	\$640,274
1,708,423	\$23,064	\$6,844	335.6%	\$545,086

* \$0.0135 per square foot

Largest Parcels – Land Square Feet Commercial / Industrial

Land Square Feet	Land Parcel Tax*	Current Tax	Parcel Tax Δ%	Assessed Value
8,918,039	\$120,394	\$9,088,171	1.3%	\$362,743,390
6,599,340	\$89,091	\$58,062	153.3%	\$2,156,908
3,383,741	\$45,681	\$7,125,290	0.6%	\$575,308,951
2,475,077	\$33,414	\$6,780,047	0.5%	\$577,257,133
2,428,470	\$32,784	\$962,011	3.4%	\$32,535,845
2,402,334	\$32,432	\$3,445,183	0.9%	\$235,084,571
2,222,431	\$30,003	\$4,665	641.1%	\$330,120
1,972,832	\$26,633	\$118,393	22.4%	\$4,886,684
1,877,436	\$25,345	\$1,200,289	2.1%	\$101,271,539
1,777,248	\$23,993	\$5,132	465.6%	\$268,304
1,633,936	\$22,058	\$111,242	19.7%	\$9,571,915
1,503,386	\$20,296	\$1,077,978	1.9%	\$91,171,275
1,214,409	\$16,395	\$62,449	26.1%	\$4,189,279
1,109,909	\$14,984	\$881,235	1.7%	\$74,673,352
1,045,875	\$14,119	\$3,657,855	0.4%	\$253,457,366

* \$0.0135 per square foot

Largest Parcels – Building Square Feet Commercial / Industrial

Building Square Feet	Building Parcel Tax*	Current Tax	Parcel Tax Δ%	Assessed Value
1,939,860	\$108,632	\$9,088,171	1.2%	\$362,743,390
1,101,260	\$61,671	\$962,011	6.4%	\$32,535,845
768,434	\$43,032	\$1,200,289	3.6%	\$101,271,539
487,987	\$27,327	\$4,152,056	0.7%	\$357,512,744
458,824	\$25,694	\$1,821,003	1.4%	\$134,749,809
424,316	\$23,762	\$5,416,498	0.4%	\$96,078,688
353,745	\$19,810	\$3,445,008	0.6%	\$132,264,208
319,254	\$17,878	\$7,125,290	0.2%	\$575,308,951
318,172	\$17,818	\$7,125,290	0.2%	\$575,308,951
314,352	\$17,604	\$1,522,396	1.1%	\$131,310,352
314,352	\$17,604	\$1,320,665	1.3%	\$113,899,401
314,352	\$17,604	\$1,321,015	1.3%	\$113,929,573
314,352	\$17,604	\$869,393	2.0%	\$74,816,476
304,000	\$17,024	\$2,503,500	0.7%	\$212,796,195
294,620	\$16,499	\$881,235	1.9%	\$74,673,352

* \$0.056 per square foot

Largest Parcels – Land Square Feet Multifamily

Land Square Feet	Land Parcel Tax*	Current Tax	Parcel Tax Δ%	Assessed Value
963,111	\$13,002	\$1,736,178	0.7%	\$148,578,065
929,134	\$12,543	\$1,976,186	0.6%	\$170,710,659
911,275	\$12,302	\$187,154	6.5%	\$15,375,898
889,494	\$12,008	\$1,226,571	1.0%	\$83,859,824
859,003	\$11,597	\$345,859	3.3%	\$13,769,666
767,527	\$10,362	\$226,582	4.5%	\$19,445,294
738,218	\$9,966	\$1,152,773	0.9%	\$98,539,376
634,539	\$8,566	\$1,492,019	0.6%	\$113,797,380
607,662	\$8,203	\$502,826	1.6%	\$42,469,494
558,177	\$7,535	\$976,544	0.8%	\$84,418,259
552,776	\$7,462	\$455,509	1.6%	\$38,442,779
523,397	\$7,066	\$144,035	4.8%	\$11,834,145
510,523	\$6,892	\$34,121	19.9%	\$2,426,117
506,167	\$6,833	\$177,166	3.8%	\$6,486,101
464,349	\$6,269	\$463,155	1.3%	\$39,322,044

* \$0.0135 per square foot

Largest Parcels – Building Square Feet Multifamily

Building Square Feet	Building Parcel Tax*	Current Tax	Parcel Tax Δ%	Assessed Value
814,622	\$45,619	\$1,492,019	3.1%	\$113,797,380
657,500	\$36,820	\$226,582	16.2%	\$19,445,294
609,890	\$34,154	\$1,736,178	2.0%	\$148,578,065
531,132	\$29,743	\$1,976,186	1.5%	\$170,710,659
482,783	\$27,036	\$177,166	15.2%	\$6,486,101
397,249	\$22,246	\$737,348	3.0%	\$63,320,882
381,064	\$21,340	\$1,226,571	1.7%	\$83,859,824
346,229	\$19,389	\$502,015	3.8%	\$43,083,593
328,292	\$18,384	\$345,859	5.3%	\$13,769,666
322,000	\$18,032	\$455,509	3.9%	\$38,442,779
306,768	\$17,179	\$1,152,773	1.5%	\$98,539,376
290,498	\$16,268	\$463,155	3.5%	\$39,322,044
281,736	\$15,777	\$1,112,936	1.4%	\$83,905,221
277,654	\$15,549	\$408,507	3.8%	\$30,028,921
274,368	\$15,365	\$502,826	3.0%	\$42,469,494

* \$0.056 per square foot

Largest Parcels – Land Square Feet Residential

Land Square Feet	Land Parcel Tax*	Current Tax	Parcel Tax Δ%	Assessed Value	Zillow Value
1,849,296	\$24,965	\$95,734	26.0%	\$8,037,090	not available
1,636,984	\$22,099	\$156,361	14.1%	\$13,337,841	\$16,068,392
984,456	\$13,290	\$20,013	65.9%	\$1,672,387	\$2,662,627
978,793	\$13,214	\$2,552	513.9%	\$165,830	not available
635,373	\$8,578	\$10,327	82.1%	\$840,708	not available
623,779	\$8,421	\$2,064	403.2%	\$126,980	\$2,295,122
623,499	\$8,417	\$30,633	27.2%	\$2,588,656	\$5,317,834
616,374	\$8,321	\$11,233	73.2%	\$921,895	\$3,760,498
596,336	\$8,051	\$18,826	42.2%	\$1,565,224	\$2,705,864
550,073	\$7,426	\$11,187	65.5%	\$918,678	\$2,432,832
485,258	\$6,551	\$16,602	38.9%	\$1,384,562	\$2,858,783
482,644	\$6,516	\$21,126	30.4%	\$1,766,246	\$2,618,039
463,478	\$6,257	\$8,581	71.8%	\$695,702	\$3,537,815
435,164	\$5,875	\$23,524	24.6%	\$1,979,852	\$4,129,143
435,164	\$5,875	\$14,458	40.0%	\$1,094,136	\$2,746,977

* \$0.0135 per square foot

Largest Parcels – Building Square Feet Residential

Building Square Feet	Building Parcel Tax*	Current Tax	Parcel Tax Δ%	Assessed Value	Zillow Value
14,237	\$797	\$143,323	0.5%	\$12,270,998	\$12,030,391
10,265	\$575	\$41,476	1.1%	\$3,475,060	\$5,283,505
9,794	\$548	\$122,046	0.4%	\$10,360,836	\$14,309,879
9,451	\$529	\$69,055	0.6%	\$5,848,882	\$8,424,817
8,700	\$487	\$50,349	0.8%	\$4,222,437	\$5,845,842
8,306	\$465	\$54,905	0.7%	\$4,584,096	\$5,873,853
8,264	\$463	\$53,962	0.7%	\$4,538,987	\$6,490,637
8,145	\$456	\$48,465	0.7%	\$4,044,603	\$5,800,048
8,073	\$452	\$44,141	0.8%	\$3,708,585	\$5,590,857
7,413	\$415	\$39,817	0.8%	\$3,375,718	\$5,862,107
7,406	\$415	\$68,607	0.5%	\$5,755,900	\$7,762,023
7,295	\$409	\$30,162	1.0%	\$2,555,284	\$5,001,636
6,939	\$389	\$32,222	0.9%	\$2,682,301	\$3,805,977
6,789	\$380	\$72,666	0.4%	\$6,100,670	\$7,600,268
6,750	\$378	\$44,164	0.6%	\$3,667,281	\$3,507,460

* \$0.056 per square foot

Advantages of a Building Square Foot Parcel Tax

- **Expanding the tax base could raise receipts from about \$5 million to \$10 million**
- **Rate can be chosen so the change for homeowners is low**
- **A majority of homeowners could see a decrease in their parcel tax payment**
- **Contribution from renters would be very low**
- **Very few property owners would see a significant change in total property tax**
- **Square-footage tax is fairer than current fixed-amount parcel tax**

Cal Gov Code 50079 Empowers School Districts to Impose Qualified Special Taxes

- **Must apply uniformly to all taxpayers or all real property within the school district (allows exemptions for seniors, disabled)**
 - Does “uniformly” mean same rate or same amount?
- **Cannot be imposed on a particular class of property or taxpayers**
 - Is a building per-square-foot parcel tax imposed only on the Improved Property class?

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Other Districts with Per-Square-Foot of Building Floor Area Parcel Tax

- **West Contra Costa Unified: 0.072/sq ft**
- **Berkeley Unified: 0.37/sq ft**
- **Alameda Unified: 0.32/sq ft**
 - Caps maximum at \$7,999
 - Current legal challenge

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