

19 DEC -2 PM 4:46

CITY ATTORNEY'S BALLOT TITLE AND SUMMARY OF MEASURE _____

The City Attorney has prepared the following title and summary of the chief purpose and points of the proposed measure:

BALLOT TITLE:

A Proposed Ordinance to Approve a Parcel Tax to Fund Parks & Recreational Facilities, Services for Unhoused and Unsheltered Persons, and Maintenance of Stormwater Trash Collection Systems.

BALLOT SUMMARY:

This measure would approve an ordinance, "The 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act," and authorize a twenty-year annual special parcel tax.

The tax revenue would be limited to the following purposes:

- 64% for parks, landscape maintenance, and recreational services.
- 30% for services to address homelessness and enable unhoused and unhoused residents to access temporary shelters, transitional and supportive housing, and permanent housing.
- 5% for services and projects to address water quality and litter reduction, including by maintaining and cleaning stormwater trash collection systems.
- 1% to cover the costs of auditing and evaluating programs, strategies, and services undertaken pursuant to this measure.

The parcel tax would be imposed beginning fiscal year 2020–2021 through the fiscal year 2039–2040.

Tax rates would be as follows:

- Single-family residential parcels: \$148.00 per parcel.
- Multiple-unit residential parcels: \$101.08 per residential unit.
- Non-residential parcels: Varied depending on parcel frontage and square footage.
- Hotels: Either the rate applicable to multiple-unit residential parcels or non-residential parcels, depending upon percentage of transient occupancy.


The measure requires that the City maintain current ongoing funding levels for homeless services and the City's stormwater system; and no more than 55% of the revenue allocated to parks, landscape maintenance, and recreational services may be used to preserve current parks operational services, unless the City Council suspends such requirements by resolution to meet urgent and changing needs in the event of extreme fiscal necessity.

Exemptions from the parcel tax would be available to qualifying low-income households, senior households, and certain religious organizations and schools. The City would provide a rebate of 50% of the tax to qualifying tenants in single-family homes that have been foreclosed and to owners of certain affordable housing projects. Prior to the initial collection of the tax, the measure requires that the City adopt an exemption for certain "distressed homeowners," as that term would be defined by the City Council.

Beginning in the fiscal year 2021-2022, and each year thereafter, the City Council could increase the parcel tax for inflation by a percentage that is up to the greater of:

- The change in cost of living in the immediate San Francisco Bay Area, as determined by the U.S. Department of Labor; or
- The change in California per capita personal income, as determined by the California Department of Finance.

Passage of this measure requires approval by two-thirds of voters who cast ballots. A "yes" vote will approve the parcel tax; a "no" vote will reject the parcel tax.

A handwritten signature in black ink, appearing to read "Barbara J. Parker". The signature is written in a cursive, flowing style.

BARBARA J. PARKER
City Attorney

19 DEC -2 PM 4:47

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE ____

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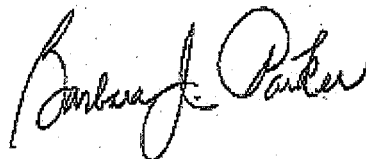
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- The change in cost of living in the immediate San Francisco Bay Area, as determined by the U.S. Department of Labor; or
- The change in California per capita personal income, as determined by the California Department of Finance.

This measure was placed on the ballot by the Oakland City Council. Passage of this measure requires approval by two-thirds of voters who cast ballots.

A handwritten signature in cursive script, reading "Barbara J. Parker".

BARBARA J. PARKER
City Attorney

19 DEC -2 PM 2:45

Summary

The measure, if approved by two-thirds of the voters, authorizes the City of Oakland to impose an annual parcel tax for 20 years to provide funding for 1) maintaining and improving parks, landscape maintenance, and recreational facilities and services, 2) providing homeless services, and 3) reducing trash and litter in the City’s watershed and storm drain system.

Financial Impact

The City estimates that it would receive approximately \$21 million in FY 2020-21 by imposing the following tax rates on the parcel types shown below:

| Type of Parcel | Annual Tax Rate |
|---|---|
| Single-family | \$148.00 |
| Multiple residential units | \$101.08 per residential unit |
| Non-residential/residential hotels/transient hotels | Various rates based on established formulas |

Revenues from this parcel tax will be deposited into a restricted fund(s) and allocated for spending in the following service categories, net of any collection and tax levy costs and fees:

| Service Categories | Tax Allocation Percentage | Estimated Amount for FY 2020-21* |
|---|---------------------------|----------------------------------|
| Parks, Landscape Maintenance and Recreational Facilities and Services | Not less than 64% | \$13.4 million |
| Homeless Services | 30% | \$6.3 million |
| Water Quality and Related Litter Reduction Services | 5% | \$1.1 million |
| Audit and Evaluation of the Strategies and Services | 1% | \$0.2 million |

*Finance staff estimate that the FY 2020-21 allocation may be reduced by \$1 million due to costs associated with the election.

The City Council may approve minor variations to these allocations in the future.

Central Services Overhead costs (the City’s cost of internal services such as human resources, information technology, legal, accounting, etc.) may not be recovered from this revenue. The City, however, may recover other administrative costs from the tax revenues.

Low-income seniors, very low-income residents, and other groups can request an exemption or reduction from this tax.

Beginning in FY 2021-22, the City Council may annually increase the tax rates based on the greater of the Consumer Price Index for the San Francisco Bay Area or the percentage change in California's per capita personal income.

The City may impose a one-time penalty, for delinquent tax payments, at a rate up to 25 percent of the tax due each fiscal year. Additionally, the City Council may assess interest at the rate of one percent per month on unpaid taxes and penalties.

The measure includes maintenance of effort language, which requires the City to maintain a minimum level of funding for each service category, in order to spend the revenues received in any year this tax is in effect. The minimum level of funding for each service category will be based on FY 2019-20 funding levels for these services.

In the event of an extreme fiscal crisis, the City Council may approve a resolution to forego the maintenance of effort requirements and still spend the tax revenues.

The measure is subject to biennial audits by the City Auditor, annual financial audits, and citizen oversight.

References to information in our independent analysis represents the best information at the time of this analysis.