

CITY OF OAKLAND

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OAKLAND

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# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Stephanie Hom  
Deputy City Administrator

**SUBJECT:** Potential Ballot Measures For 2020

**DATE:** August 19, 2019

City Administrator Approval

Date:

8/29/19

## RECOMMENDATION

**Staff Recommends That The City Council Receive An Informational Report And Discussion Of Potential Ballot Measures For The March 3, 2020 Election, Including, But Not Limited To, A Potential Park, Open Space, Fire Safety Measure, As A Special Parcel Tax, And A Police Commission Charter Change.**

## EXECUTIVE SUMMARY

As requested by the Rules Committee, this informational report provides a description and status of ballot measures that the City Council may place on the ballot for voter consideration in the March or November 2020 elections, as well as beyond 2020. Also included are potential and/or qualified measures under consideration by the State, region and Oakland Unified School District. This information is provided to assist the City Council in its consideration of the timing and type of measures to prioritize for placement on the ballot.

## BACKGROUND / LEGISLATIVE HISTORY

At the July 11, 2019 Rules & Legislation Committee meeting, the Committee requested an informational report of potential ballot measures for the March 2020 election. The sponsor of the request, President Kaplan, cited several reasons for requesting this report, including to initiate discussion about ballot measures well in advance of elections so that the City Council may conduct proper vetting and analysis of proposed measures, as well as to allow Councilmembers the opportunity to publicly share those initiatives they plan to author and/or sponsor. In addition, the Rules Committee approved an agenda item related to formalizing the City Council ballot measure development process through an ordinance that was requested by Councilmember McElhaney for the June 25, 2019 Finance and Management Committee. The Finance and Management Committee has not yet made a recommendation on the item to the full City Council.

Item: \_\_\_\_\_  
Rules & Legislation Committee  
September 12, 2019

## **ANALYSIS AND POLICY ALTERNATIVES**

The horizon of potential ballot measures is presented below. Measures are organized based on election date and the entity leading the effort.

### **CITY OF OAKLAND - MARCH 2020**

#### ***1. Parcel Tax for Parks and Recreation Services (New Measure)***

**Description:**

A Parks and Recreation Services special parcel tax would augment existing funding provided through the Landscaping and Lighting Assessment District (LLAD or Fund 2310). The LLAD has no provision for a cost of living adjustment. Expenditures reliant upon the LLAD have exponentially outpaced funding available to support critical City services such as parks maintenance, tree maintenance and street lighting.

**Lead Department:**

Oakland Public Works (OPW).

**Status and Deadlines:**

On July 5, 2019, the City of Oakland issued a Request for Proposals (RFP) for polling services, ballot measure development, and community engagement related to a potential parcel tax. RFP proposals were due to the City by July 26, 2019, and the City has selected the firm CliffordMoss. Staff will report the poll results as well as other feedback received at the October 22, 2019 Public Works and Finance and Management Committee meetings.

Per the Alameda County Registrar of Voters Office, the 88-day deadline for submission of qualified ballot measures for the March 2020 election is December 6, 2019. This special parcel tax requires approval by a two-thirds supermajority of Oakland voters to pass.

#### ***2. Authorization to Increase Appropriations Limit ("Gann Limit") (New Measure)***

**Description:**

Article XIII B of the California Constitution, created by the passage of Proposition 4 in 1979, establishes a limit on the amount of tax revenue which can be appropriated by government jurisdictions (also known as the "Gann Limit"). This limit is recalculated every year by multiplying the previous year's limit by adjustment factors for population growth and inflation. Only certain City appropriations, known as "proceeds of taxes", are subject to the limitation – this includes property taxes, local taxes such as the Sugar Sweetened Beverage Tax and Transient Occupancy Tax, as well as State taxes with unrestricted uses that are passed on to the City – each count against the City's appropriations limit. Other City revenues, such as State subventions that are restricted in use, franchise fees, special benefit assessment districts such as the LLAD, fines and penalties, federal grants, and internal service revenues are considered non-proceeds of taxes and do not count against the City's appropriations limit. The 2019-2020 Appropriation Limit for the City of Oakland is \$664,870,535 (Resolution No. 87712 C.M.S., June 4, 2019), while the amount of the City's adopted appropriations subject to limitation in 2019-2020 is \$640,110,000, which is compliant with the City's Appropriations Limit by \$24,760,000.

To the extent that proposed new proceeds of taxes (general or special) may cause the City to exceed the appropriations limit, the City must seek voter approval from a majority of Oakland voters to increase the City's Gann Limit.

Lead Department:  
Finance Department

Status and Deadlines:

Per the Alameda County Registrar of Voters Office, the 88-day deadline for submission of qualified ballot measures for the March 2020 election is December 6, 2019. This ballot measure requires approval by a majority of Oakland voters to pass.

## **CITY OF OAKLAND - NOVEMBER 2020**

### **1. Measure D: Kids First Funding (Renewal of Existing Measure)**

Description:

Measure D: Kids First Funding was approved by Oakland voters in 2009. The measure amended City Charter Section 1300 to require that the City set aside three percent (3%) of the City's annual, actual unrestricted General Purpose Fund revenue for the Kids First! Oakland Fund for Children and Youth (Fund 1780). This fund provides funding for children and youth services. Measure D requires the three percent set-aside each year for twelve years beginning July 1, 2009 and sunsets on June 30, 2021.

Status and Deadlines:

In accordance with the City Charter Section 1300, the City Council:

- A. May extend City Charter Section 1300 in the first half of 2020 for an additional twelve years by a simple majority vote of the Council. A majority City Council vote would extend the measure to June 30, 2033.
- B. If the City Council does not extend the measure, it shall place the measure for renewal to the voters on the November 2020 ballot. Per the Alameda County Registrar of Voters Office, the 88-day deadline for submission of qualified ballot measures for the November 2020 election is August 7, 2020.

## **STATE AND REGIONAL MEASURES - 2020**

### **1. Alameda County: Two Potential Initiatives to Increase Sales Tax for Homeless Services and Childcare Services**

- A. **Early Childhood Services:** In 2017, Senate Bill 703 (Skinner) authorized Alameda County to place on the ballot a 0.5 percent sales tax increase to fund critical, underfunded, county services such as improving access to and quality wages for childcare providers serving low-income families. A resulting June 2018 ballot measure for implementing the tax to support childcare services (Measure A) did not pass. The

2017 authorization enabled by Senate Bill 703 is still in effect until December 31, 2022. In light of the failure of Measure A to reach the required two-thirds majority of voter approval in the June 5, 2018 election, the Alameda County Board of Supervisors considered a motion to put the measure on the November 2018 ballot at their meeting on July 24, 2018. However, the Board voted at that time to table the motion, expressing interest in returning the measure to the ballot in March or November 2020.

- B. **Homelessness Services:** As of June 2019, Alameda County entered the pre-introduction planning stage to propose an additional bill at the State level to grant Alameda County the authority to seek voter approval for an additional 0.5 percent sales tax increase to fund critical County programs and services to address homelessness. The bill would repeal the authorization on December 31, 2022 if an ordinance proposing the tax has not been approved by that date by the voters and County of Alameda. If an ordinance proposing the tax is approved, the County has stated that the additional revenue would be used for homelessness prevention and response measures, including operating subsidies for deeply affordable permanent supportive housing, development and operations of additional interim housing, increased outreach, intensive supportive services, and other homelessness prevention services and programs.

## **2. Bay Area Region: November 2020 – Regional Transportation Megameasure for the Bay Area**

A regional transportation ballot “megameasure” for the November 2020 election is being contemplated by transportation agencies, the business community and nonprofits aiming to generate between \$50 billion to \$100 billion in 40 years. The revenue sources are still being evaluated and will likely include a sales tax, potentially with other funding sources. The FASTER Coalition, which includes SPUR, the Bay Area Council and the Silicon Valley Leadership Group is engaging transit service providers, counties, cities, and non-governmental organizations in developing principles to inform the expenditure plan, with a goal of developing a truly regional transit system through infrastructure and operational investments. Placement of this initiative on the ballot in all nine Bay Area counties is first contingent upon state legislation granting tax authority to a regional agency, and this legislation would have to pass early next year (2020) to meet the deadlines for the November 2020 election. The measure would require a two-thirds supermajority to pass.

## **3. State of California: November 2020 – Three Qualified Ballot Measures**

As of August 5, 2019, there are three statewide ballot propositions that have qualified for the ballot in California for elections on November 3, 2020. All three measures were citizen-initiated; two pertain to law enforcement and civil and criminal trials, while the third measure is an amendment to Proposition 13. The three measures are described in further detail below.

- A. The California Criminal Sentencing, Parole, and DNA Collection Initiative would make specific types of theft and fraud crimes (such as firearm theft, vehicle theft, and unlawful use of a credit card) chargeable as misdemeanors or felonies, rather than misdemeanors. Additionally, the measure would establish serial crime and organized

retail crime as additional types of crimes in state code and charge them as wobblers – crimes chargeable as misdemeanors or felonies. Lastly, the measure would require persons convicted of certain misdemeanors that were classified as wobblers or felonies before 2014, such as shoplifting, grand theft, drug possession, domestic violence and prostitution with a minor, to submit to collection of DNA samples for state and federal databases.

- B. The California Replace Cash Bail with Risk Assessments Referendum is a veto referendum to overturn Senate Bill 10 (Hertzberg), signed by Governor Brown on Aug. 28, 2018. The referendum requires a majority of voters to approve Senate Bill 10 in order for it to take effect. Senate Bill 10 would end the use of cash bail for all detained suspects awaiting trial. The state's cash bail system would be replaced with risk assessment, a process for pretrial release from jail based on a determination of an individual's flight risk and/or risk to public safety. Superior courts would be required to establish pretrial assessment divisions, which would be tasked with conducting risk assessments and making recommendations for conditions of release.
- C. The California Tax on Commercial and Industrial Properties for Education and Local Government Funding Initiative would amend the State Constitution (Proposition 13) to require commercial and industrial properties, except those zoned as commercial agriculture, to be taxed based on their market value. Currently, Proposition 13 requires the taxable value of residential, commercial, and industrial properties to be based on 1 percent of the property's purchase price, with an annual adjustment equal to the rate of inflation or 2 percent, whichever is lower. The proposed initiative would create a process in the State Constitution for distributing revenue from the revised tax on commercial and industrial properties. Revenue would be distributed to specific areas, not the General Fund, to be used for: a) the state to supplement decreases in revenue from the state's personal income tax and corporation tax, and b) for counties to cover the costs of implementing the measure; estimated to be about \$500 million of the \$6.5 to \$10.5 billion in additional revenue that the revised tax would generate. Sixty percent of the remaining \$6 to \$10 billion would be distributed to local governments and special districts, and 40 percent would be distributed to school districts and community colleges.

## FUTURE LOCAL MEASURES

### **1. *City of Oakland – Measure Z: Public Safety and Services Violence Prevention Services of 2014 (Renewal of Existing Measure)***

Measure Z, the Oakland Public Safety and Services Violence Prevention Act, was approved by a supermajority of Oakland voters in 2014. The 2014 measure renewed and extended for an additional ten years an 8.5 percent parking tax surcharge and parcel tax that were initially approved via Measure Y in 2004. As established in Ordinance No. 13536 C.M.S., for Fiscal Year 2019-20, the single-family residential parcel tax rate is set at \$113.04, the multi-family residential rate is \$77.22 per unit, and the non-residential parcel tax rate is \$57.89. The taxes can only be used for expenses related to the following objectives: reduction of homicides, robberies, burglaries, and gun-related violence; improving police and fire emergency 911 response times and other police services; and investing in community-focused violence

prevention and intervention strategies to support at-risk youth and young adults. Measure Z requires that the City budget for, hire and maintain a minimum of 678 sworn police personnel, and restricts the City's ability to collect the taxes if this requirement is not met. The Measure also established a nine-member "Public Safety and Services Violence Prevention Oversight Commission" to review and evaluate the measure's implementation.

The parcel tax authorized by Measure Z will sunset on June 30, 2025; the parking surcharge tax will sunset on December 31, 2024. Renewal of both taxes will require submission of new ballot measure language to the Alameda County Registrar of Voters Office by the 88-day deadline in December 2023 to meet the March 2024 election or by August 2024 to meet the November 2024 election. The measure will require approval by a two-thirds supermajority of Oakland voters.

**2. City of Oakland – Measure Q: Library Parcel Tax Extension and Measure D: Parcel Tax to Maintain, Protect, and Improve Library Services (Renewal of Existing Measure)**

Measure Q, the Library Services Retention Enhancement initiative, is a parcel tax approved by a supermajority of Oakland voters in March 2004. Tax proceeds must only be used to maintain and/or expand neighborhood branch library services, days, and hours; after school homework and tutoring programs; literacy and children's programs; librarian services to schools; computer and technology access; and new books and materials. As established in Ordinance No. 13536 C.M.S., for Fiscal Year 2019-2020, the single-family residential parcel tax rate for Measure Q is set at \$109.00, the multi-family residential rate is \$74.45 per unit, and the non-residential parcel tax rate is \$55.83. The measure will sunset on June 30, 2024.

Measure D, the Parcel Tax to Maintain, Protect and Improve Library Services initiative, was approved by a supermajority of Oakland voters in June 2018. Tax proceeds from Measure D are dedicated to providing safe places for youth after school; preventing library closures; providing youth reading and senior programs; extending evening/weekend hours for students and families; and adult literacy services. As established in Ordinance No. 13536 C.M.S., for Fiscal Year 2019-2020, the single-family residential parcel tax rate for Measure D is set at \$77.93, the multi-family residential rate is \$53.24 per unit, and the non-residential parcel tax rate is \$39.91. The measure will sunset on June 30, 2038.

Although Measure D was only recently enacted, with the approaching sunset of Measure Q the City may wish to consider options for combining or consolidating the two measures into a single parcel tax.

**3. City of Oakland – Wildfire Prevention Assessment District (new)**

The City's first Wildfire Prevention Assessment District was formed in 1992 via Ordinance No. 11526 C.M.S., but subsequently lapsed after failing to receive voter approval in 1997. The Oakland Wildfire Prevention Assessment District (WPAD) was enacted November 2003 through a mail-in protest vote in which a majority of property owners within the boundaries of the proposed District approved the formation of the WPAD, subsequently ratified by City Council Resolution No. 78305 C.M.S. on January 20, 2004. Single family residential properties within

the WPAD were assessed \$65.00 annually per parcel for the 10-year duration of the WPAD. The funds raised by the District financed the costs and expenses related to vegetation management, yard waste disposal, community wildfire prevention education, and fire patrols in the Oakland hills. In 2013, the City of Oakland attempted to renew and increase funding for the WPAD but the measure failed by a narrow margin from voting property owners within the District.

The WPAD prepared and enforced the City's 2011-2014 Vegetation Management Plan (VMP), but after the failed renewal of the District, remaining WPAD funds were exhausted in 2017. The final meeting of the WPAD Citizen's Advisory Committee took place in June 2017. Since that time, City staff have been working to prepare a new VMP, which will dictate the work and responsibilities of a future WPAD. As of July 17, 2018, several steps remained before completion of the draft VMP, including release of a Notice of Preparation as required by CEQA, consultation with Native American organizations as required by California law, hosting of CEQA Scoping Meetings and receipt of public comment, and preparation of a Draft Environmental Impact Report. At this time, staff expects the draft VMP to be completed in 2020 and submitted to the City Council for review and adoption.

#### **4. *City of Oakland – Oakland Police and Fire Retirement System (PFRS) Charter Amendment***

Currently, staff does not anticipate needing a charter amendment to modify the requirement that the Police and Fire Retirement System (PFRS) be fully funded on an actuarial basis by July 1, 2026. However, it is anticipated that PFRS will require a charter amendment subject to voter approval in the near-term, to implement oversight changes and streamline the administrative functions of the Retirement Board. Staff may also further explore options to annuitize the system.

#### **5. *City of Oakland – Measure LL Police Commission Charter Amendment***

Measure LL, approved by Oakland voters November 2016, amended the Oakland City Charter to establish a Police Commission to oversee the Police Department's policies and procedures, and the Community Police Review Agency that investigates police misconduct and recommends discipline. There has been public discussion about proposing Measure LL amendments to the voters.

#### **6. *City of Oakland – Measure AA Education Parcel Tax Charter Amendment***

Measure AA was a 30-year parcel tax of \$198 per single-family residential parcel and \$135.25 for multiple unit residential parcels (non-residential based on formula) to fund education services for pre-K through college students and career readiness on the November 6, 2018 ballot. The measure received 62 percent approval by voters. On April 16, 2019, the City Council voted to not collect the tax in the first fiscal year, 2019-2020.

## **7. Oakland Unified School District – Measure N: College and Career Readiness for All Fund**

Oakland Unified School District's (OUSD) Measure N: College and Career Readiness for All Fund was approved by a two-thirds supermajority of Oakland voters on November 4, 2014. The Measure is a \$120 parcel tax used by OUSD to reduce the drop-out rate, provide high school students with real-world work and learning opportunities, prepare students for college admissions, and expand mentoring, tutoring, counseling, support services and transition to job training programs. OUSD's Measure N will sunset on June 30, 2024 and will likely be placed on the ballot for renewal during the same election cycle as several of the City of Oakland's ballot initiatives.

### **FISCAL IMPACT**

This report is an informational purposes report and does not have a direct fiscal impact.

However, each measure placed on the ballot will have direct costs associated with each. Costs may include polling, holding of elections in coordination with Alameda County or to conduct a mail-in process.

### **PUBLIC OUTREACH / INTEREST**

No outreach was deemed necessary for this informational report beyond the standard City Council noticing procedures.

### **COORDINATION**

This informational report was prepared in coordination between the City Administrator's Office, the Finance Department, Oakland Public Works, and the Oakland Department of Transportation.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** New and existing tax revenues enable the City to provide vital programs and services to the community at large. Each tax also has a direct impact on residents and property owners.

**Environmental:** Certain tax revenues, as permitted, may be used by the City to support environmental goals such as blight and waste remediation, improved energy efficiencies in City facilities, and other efforts.

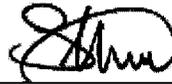
**Social Equity:** Tax revenues, in general, may be used to support efforts to advance racial equity and mitigate racial disparities over time.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City Council receive an Informational Report and discussion of potential ballot measures for the March 3, 2020 election, including, but not limited to, a potential park, open space, fire safety measure, as a special parcel tax, and a Police Commission Charter change.

For questions regarding this report, please contact Rose Rubel, City Administrator Analyst, at 510-238-6587.

Respectfully submitted,



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