

CITY OF OAKLAND

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OFFICE OF THE CITY CLERK
OAKLAND

2018 JAN 11 PM 5:36

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Gerry G. Garzón
Director of Library Services

SUBJECT: Adoption of Legislation to Place A
Library Parcel Tax Measure on the
June 5, 2018 Ballot

DATE: January 10, 2018

City Administrator Approval

Date:

1/11/18

RECOMMENDATION

Staff Recommends The City Council Adopt A Resolution On The City Council's Own Motion Submitting To The June 5, 2018 Statewide Primary Election, A Proposed Ordinance To Adopt A Special Parcel Tax To Maintain, Protect and Improve City Of Oakland Direct Library Services; And Directing The City Clerk To Fix The Date For Submission Of Arguments And Provide For Notice And Publication In Accordance With The June 5, 2018 Statewide General Election.

EXECUTIVE SUMMARY

As part of the Fiscal Year (FY) 2017-19 Adopted Policy Budget, the Library budgeted for and City Council approved one time funding for the development of a potential ballot measure related to maintaining, protecting and enhancing Library services. In the fall of 2017, the Library engaged EMC Research (a local market & opinion services consulting firm) that conducted a community survey to assess voter interests in such a measure. Follow-up polling is occurring in January 2018. On Tuesday, January 9, 2018, both the Finance and Life Enrichment Committees heard informational presentations regarding a potential parcel tax measure for the June 5, 2018 election.

ANALYSIS

At the January 9, 2018 Committee meetings, staff presented a proposed parcel tax measure estimated at \$10 million annually that would fund several areas of need. The proposed parcel tax language is:

"To maintain, protect and improve library services throughout Oakland, including: Providing safe places for children and teens after school; Preventing library closures; Maintaining youth reading programs and senior services; Keeping libraries safe and welcoming; Providing evening and weekend hours for students and working families; Providing literacy services for adults; shall the City of Oakland establish a \$75 per parcel tax for 20 years, providing about \$10,000,000 annually, subject to independent audits and citizens' oversight"

Item: _____
Rules and Legislation Comte
January 25, 2018

Based on current funding levels from Fund 2241 (Measure Q) and Fund 1010 (General Fund), the addition of this proposed library parcel tax revenue is projected to provide the following:

- | | |
|---|---------|
| ➤ Prevent branch closures by resolving Measure Q shortfall | \$4.0M |
| ➤ Increase branch hours and convert TPT positions | \$1.5M* |
| ➤ Complement iBond funds with new public furniture & equipment, including leased facilities | \$2.0M* |
| ➤ Self-Service technology & online enhancements | \$1.0M* |
| ➤ Increase book budget and other materials available for check out | \$1.0M* |
| ➤ Children's & Teens, Branch & AAMLO programming | \$0.5M* |

** These are estimated figures based on high ranking priorities and existing needs*

The proposed ordinance has language requiring a Citizen Oversight Commission, and gives the City Council the ability to establish the Commission by passage of this Ordinance and approval by voters. The City Council would have the ability to establish a new commission or to assign the role to an existing commission.

The proposed measure also provides specific exemptions for low-income households, low-income senior households, and affordable housing projects.

Please refer to **Attachment A** for a presentation that outlines the background, how the Library got to this point, planning and proposed structure, and features of a potential library parcel tax measure. Please refer to **Attachment B** for the results of public polling conducted by EMC Research during September 20 – 25, 2017. This information was presented to the January 9, 2018 Finance and Life Enrichment committees.

FISCAL IMPACT

In order to reverse the downward trend in customer service that has resulted from erosion of General Purpose Fund support and the growing inadequacy of Measure Q funding, staff recommends that Council support implementing a parcel tax at \$75 per parcel for a single-family homeowner, and adjusted for multiple resident unit parcels, vacant residential parcels, and non-residential parcels. The parcel tax at this level would significantly increase the crucial library and education services for the residents of Oakland by providing approximately \$10 million annually to:

- Keep libraries open
- Allow additional weekend and evening hours of service
- Increase the book and other materials for checkout budget
- Provide funding for Adult, Children's and Teen programs
- Technology upgrades and online enhancements
- Purchase furniture, fixtures and equipment (FFE) and other capital items for libraries.

Item: _____
Rules and Legislation Comte
January 23, 2018

The objectives outlined in the proposed measure specifically state that:

"The tax proceeds raised by these special taxes may be used only to pay for costs or expenses relating to or arising from efforts to achieve the stabilization of funding for the Library and allow for Library enhancements, following desired outcomes and objectives":

1. *Increase Public Library availability and resources for Oakland's students and residents;*
2. *Enhance library services providing regular open hours at City libraries, maintaining staffing at levels to retain and expand hours at libraries;*
3. *Upgrade and enhance library facilities expanding free access to computers, the internet and technology; and*
4. *Maintain and protect existing direct library services and provide future improvements for library operations and capital needs that directly serve Oakland Public Library patrons."*

Additionally, the proposed legislation requires that the revenue can only be used in connection with programs and services that further the above objectives.

At the discretion of the City Council, special tax revenues collected by the City pursuant to this Ordinance may be used to reimburse the City for costs incurred in connection with the election seeking voter approval of this Ordinance.

Staff is also recommending that the legislation establish collection of the tax for 20 years.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends The City Council Adopt A Resolution On The City Council's Own Motion Submitting To The June 5, 2018 Statewide General Election, A Proposed Ordinance To Authorize Imposition of A Parcel Tax To Fund the Oakland Public Library; And Directing The City Clerk To Fix The Date For Submission Of Arguments And Provide For Notice And Publication In Accordance With The June 5, 2018 Statewide General Election.

Item: _____
Rules and Legislation Comte
January 23, 2018

Sabrina B. Landreth, City Administrator


Subject: Adoption of Legislation to Place a Library Tax Measure on the June 5, 2018 Ballot

Date: January 10, 2018

Page 4

For questions regarding this report, please contact Gerry Garzón, Director of Library Services, 510-238-6608.

Respectfully submitted,


GERRY G GARZÓN
Director of Library Services

Attachments (2):

A: Oakland Public Library – June 2018 Potential Parcel Tax Measure

B: EMC Research. – Executive Summary – September 2017 PowerPoint Presentation

Item: _____
Rules and Legislation Comte
January 23, 2018

ATTACHMENT A

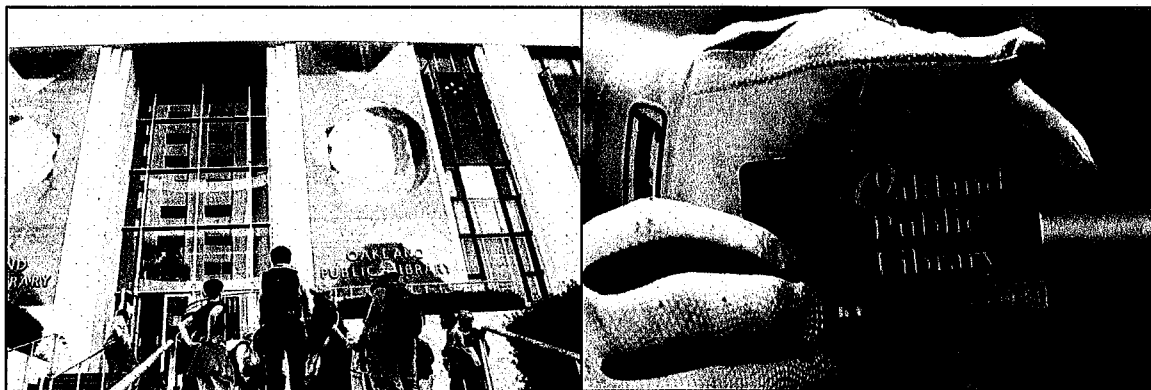
Oakland Public Library

June 2018

Parcel Tax Measure

Finance and Life Enrichment Committees

January 9, 2018

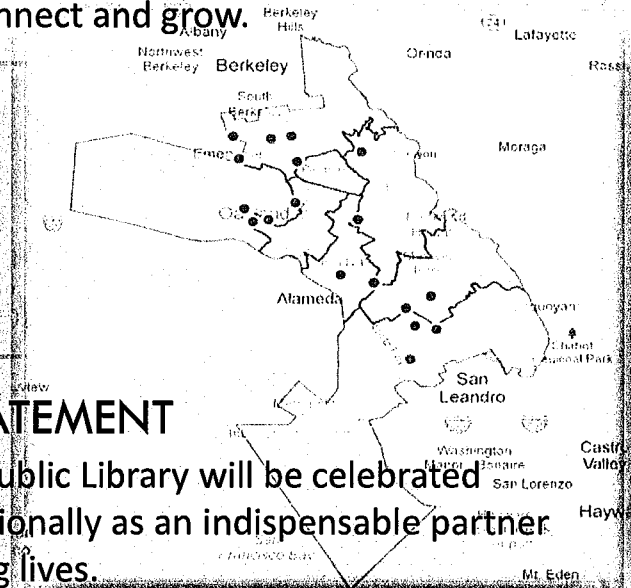


Library Overview

18 Locations across the City.
Services to all ages, with an emphasis on Oakland youth.

MISSION STATEMENT

Your Oakland Public Library empowers all people to explore, connect and grow.



VISION STATEMENT

The Oakland Public Library will be celebrated locally and nationally as an indispensable partner in transforming lives.

THE
OAKLAND
PUBLIC
LIBRARY
VALUES...



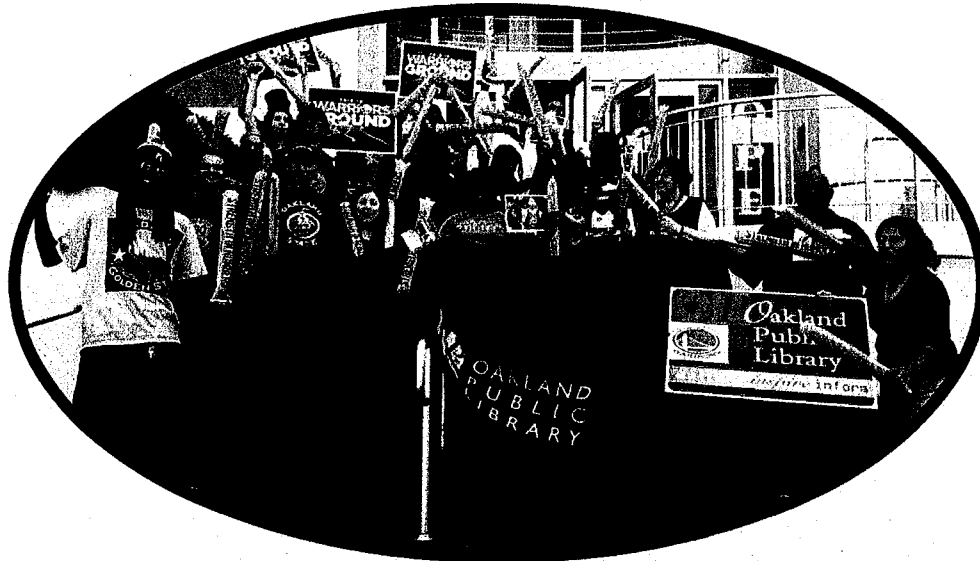
Diversity
Equity
Community
Responsive Service
Adaptability
Empowerment
Joy



Library Overview

Number of Employees – 221.07 FTE

Department Budget FY 2017-18 - \$31,464,606

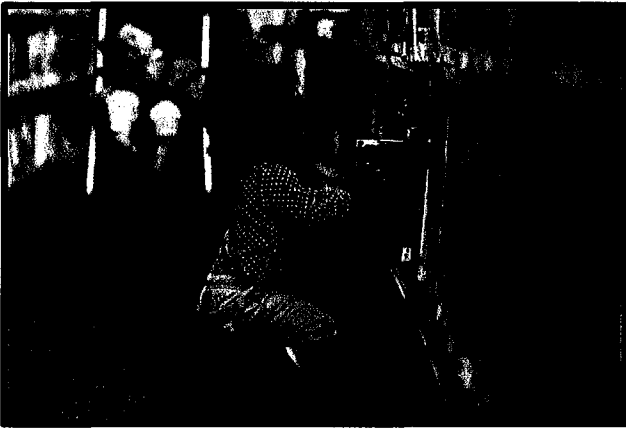


Library Overview

Oakland Public Library Offers:

- 28 story time programs each week to help children ages 0-5 learn to read.
- Class visits for students and their teachers to learn about the free resources available at their library.
- Teen-friendly, safe spaces and programming where young adults can thrive and learn.
- Free summer lunch programs for students during the school break—addressing a large population (three quarters of Oakland students) who are eligible for free and reduced lunches during the school year.
- Safe and welcoming programs to help adults who struggle to read to improve and make progress toward their goals.
- Books, magazines, videos, music, eBooks, streaming movies and music—free to check-out.
- And much more!

Children's Services



WE PUT MORE THAN **1.0 MILLION** CHILDREN'S BOOKS, TOYS, MATERIALS, IN CHILDREN'S HANDS IN FY 2016-17: (44% OF ALL LIBRARY MATERIALS CHECKED OUT)

OVER 156,00 CHILDREN ATTENDED PROGRAMS

Teen Services



Ready, Set, Connect!
Preparing Alameda County Youth between the ages of 16-24 for careers in the Technology Industry.

Almost 30,000 Teens attended 1,400 Programs

Adult Services — 24,000 Adults attended Programs in FY 2016-17

Second Start Adult Literacy
Extended Services for Patrons with Disabilities
Public Meeting Rooms
Lawyers in the Library
Tax Preparation Service
Section 8 Housing Registration
Affordable Care Act and Medicare Assistance
Veteran's Resource Center
Craft Workshops



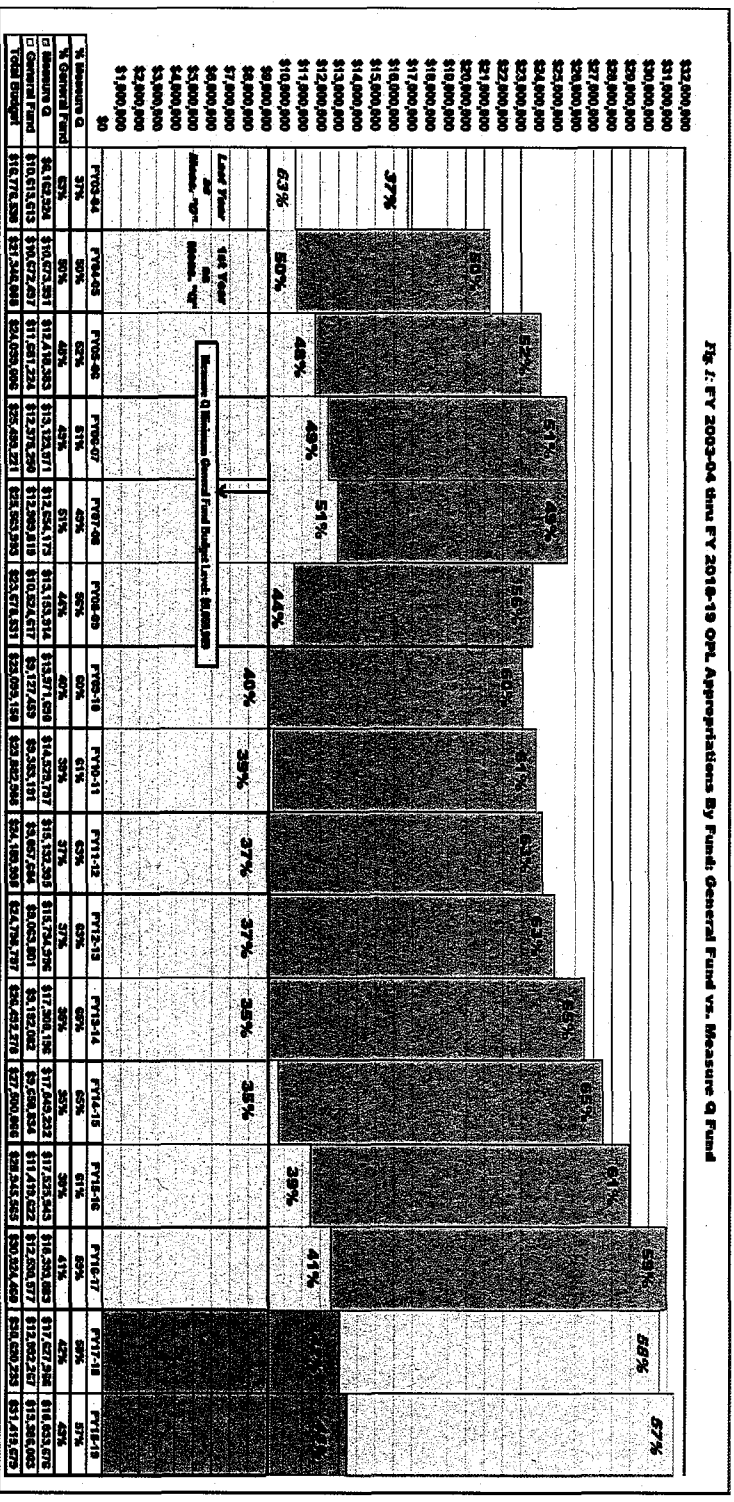
Immigrant Rights Workshops
Citizenship Workshops
Reader's Advisory
ESL Conversation Clubs
Job Search Classes and Resumé Workshops
Author Talks
Book Clubs
Writer's Support Groups
Grant Writing Workshops
Genealogy Resources

Why A Parcel Tax?

- Over the last 5 years, the Measure Q fund has become increasingly overburdened, and it now faces a \$3.5-\$4.0 million shortfall.
- As a result of the Great Recession in 2008-09 and the resulting decline in City funding sources, branch service was cut from six days per week to only five.
- Oakland Public Library services are partially funded by the City of Oakland's General Purpose Fund which is increasingly constricted.
- Oakland has the lowest number of average open hours among our neighboring Libraries (Berkeley, Alameda County, San Francisco, Contra Costa County).
- It also spends the lowest percentage on buying collections (books, eBooks, children's books, videos, magazines, etc.) for its residents.
- It spends less than ½ per capita of what Berkeley and San Francisco Public Libraries spend on total expenditures for their residents.

Budget Comparison

Fig. 1. FY 2003-04 thru FY 2018-19 OPL Appropriations By Fund: General Fund vs. Measure Q Fund



Budget Shortfall

The Library's Annual Projected Measure Q Budget Shortfall in FY 2017-2019 is Projected as follows:

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
➤ Measure Q Expenditures:	\$17,627,966	\$18,033,676
➤ Measure Q Tax Revenue:	<u>\$15,384,906</u>	<u>\$15,800,293</u>
➤ Measure Q Operating Deficit:	(\$2,243,060)	(\$2,233,383)

High Ranking Priorities

The Library's Three-Year Strategic Plan inform its priorities.

- ✓ **Reach More People Where They Are**
- ✓ **Improve Our Physical Spaces**
- ✓ **Increase Operational Efficiencies**
- ✓ **Increase Funding**
- ✓ **Develop, Retain and Attract Quality Staff**

Based on these Goals, several priorities rise to the top for the use of new funds:

- **Convert** more TPT positions to Permanent with full benefits.
- **Increase** hours and subsequent staffing at Branch Libraries to allow families, students and children more access.
- **Complement** the iBond funding for Libraries, by purchasing new public desks, furniture, equipment, maker spaces, & technology for patrons.
- **Implement** Self Check & Automated Returns throughout the city.
- **Increase** the lending materials budget for books, children's books, eBooks, Books on CD, e-Audiobooks, streaming music & video, magazines, tablets, laptops, tools, WiFi Hotspots, and toys.
- **Increase** staff training and opportunities for advancement.

Proposed Library Parcel Tax Measure

To maintain, protect and improve library services throughout Oakland, including:

Providing safe places for children and teens after school;

Preventing library closures;

Maintaining youth reading programs and senior services;

Keeping libraries safe and welcoming;

Providing evening and weekend hours for students and working families;

Providing literacy services for adults;

shall the City of Oakland establish a \$75 per parcel tax for 20 years, providing about \$10,000,000 annually, subject to independent audits and citizens' oversight?

Proposed Library Parcel Tax Measure

Based on current funding levels from Fund 2241 (Measure Q) and Fund 1010 (General Fund), the addition of this proposed library parcel tax revenue is projected to provide the following:

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| ➤ Prevent branch closures by resolving Measure Q shortfall | \$4.0M |
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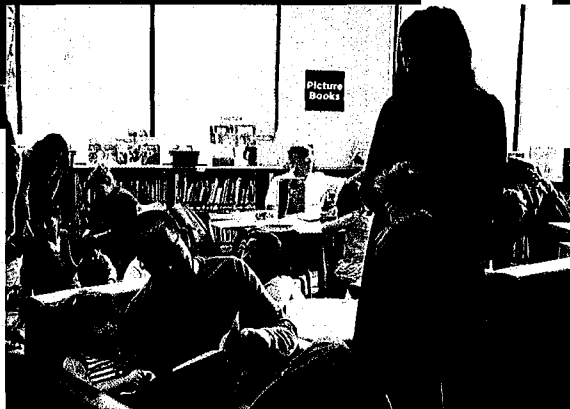
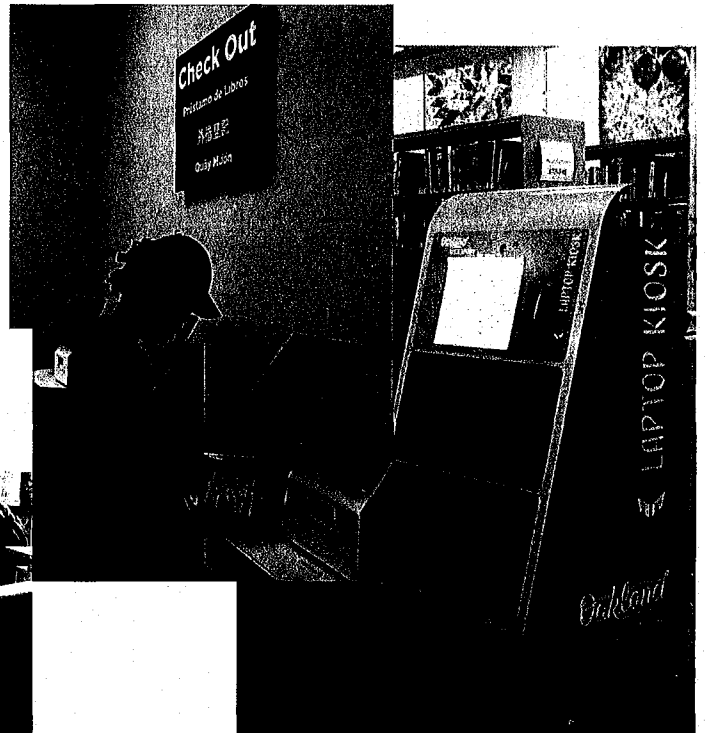
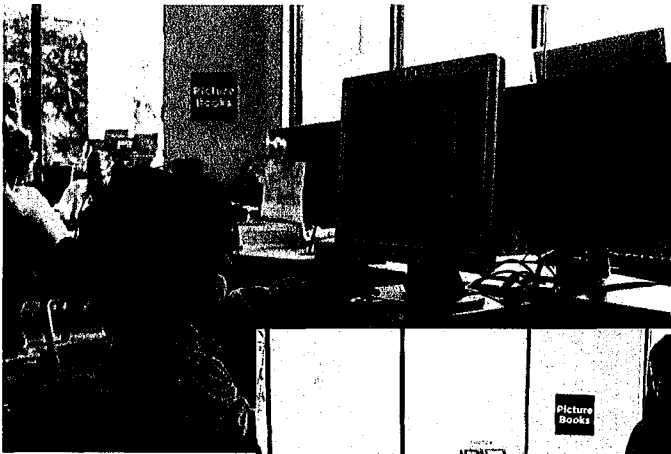
** These are estimated figures based on high ranking priorities and existing needs*

Timeline

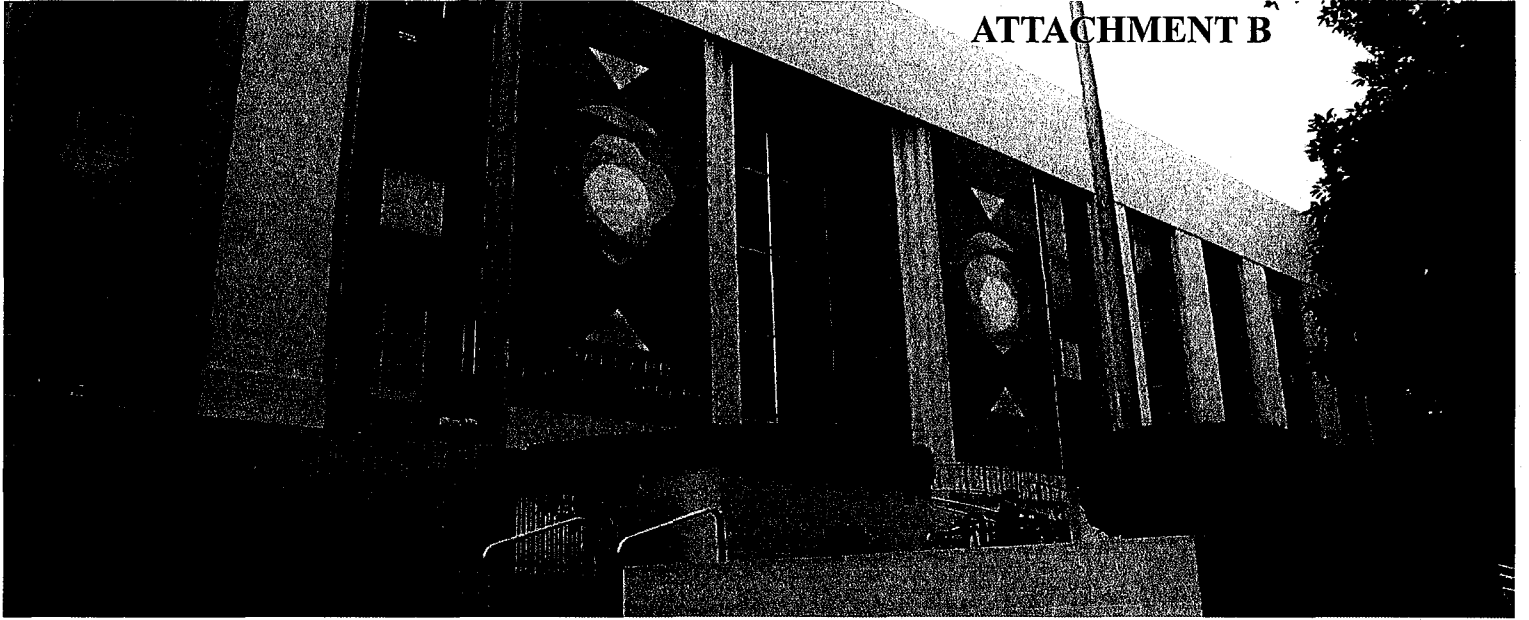
Draft Timeline for a June, 2018 Ballot Measure:

- **January 9, 2018** – Information Report to Finance & Life Enrichment Committees with Poll Results & Draft Ballot Language
- **January 23, 2018** – Enabling Legislation Presented to Finance & Life Enrichment Committees
- **January 30, 2018** – Enabling Legislation Presented to City Council for approval
- **February 2, 2018** – City Attorney submit Text of Measure to City Clerk
- **March 9, 2018** – 88 Day Deadline to County

Questions?



ATTACHMENT B



Hybrid Email-to-Web & Telephone Survey of City of Oakland Voters Executive Summary

MARKET
& OPINION
RESEARCH
SERVICES

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 **Oakland**
Public Library

September 2017

Methodology

- ▶ Hybrid email-to-web and telephone survey of Likely November 2018 voters in the City of Oakland
- ▶ Survey conducted September 20-25, 2017
- ▶ Interviews conducted in English, Spanish and Chinese
- ▶ 735 total interviews; overall margin of error ± 4.0 percentage points
 - Web - 435 interviews
 - Phone - 300 interviews
- ▶ 356 interviews among likely June 2018 voters; margin of error ± 5.7 percentage points
- ▶ Where applicable, results compared with a previous phone survey conducted February 2016 (n=400)

Please note that due to rounding, some percentages may not add up to exactly 100%

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Key Findings

- ▶ Oakland voters are invested in the future of the City's public libraries.
 - The vast majority of Oakland voters have visited an Oakland public library in the last year.
 - Voters approve of the job the Oakland Public Library is doing.
 - More than two-thirds of voters see a need for additional funding for the Oakland Public Library.

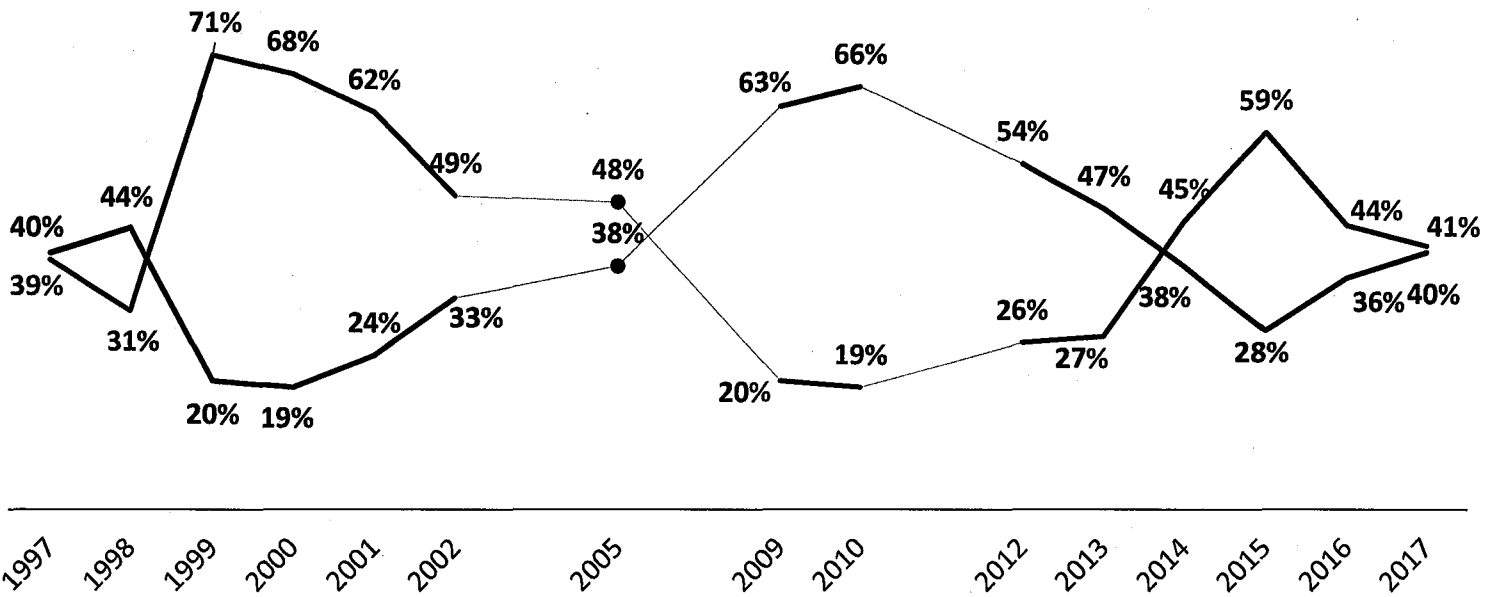
- ▶ Voters are willing to tax themselves to improve and maintain library services: support for a potential parcel tax measure is well above the two-thirds threshold needed for passage.

- ▶ Voters prioritize programs that future funding could help pay for, including library services for children and teens, and preventing library closures.

Direction of Oakland

Voter optimism is on the decline.

— Right Direction — Wrong Track



Q4. Do you feel that things in Oakland are generally going in the right direction or do you feel things have gotten pretty seriously off on the wrong track?

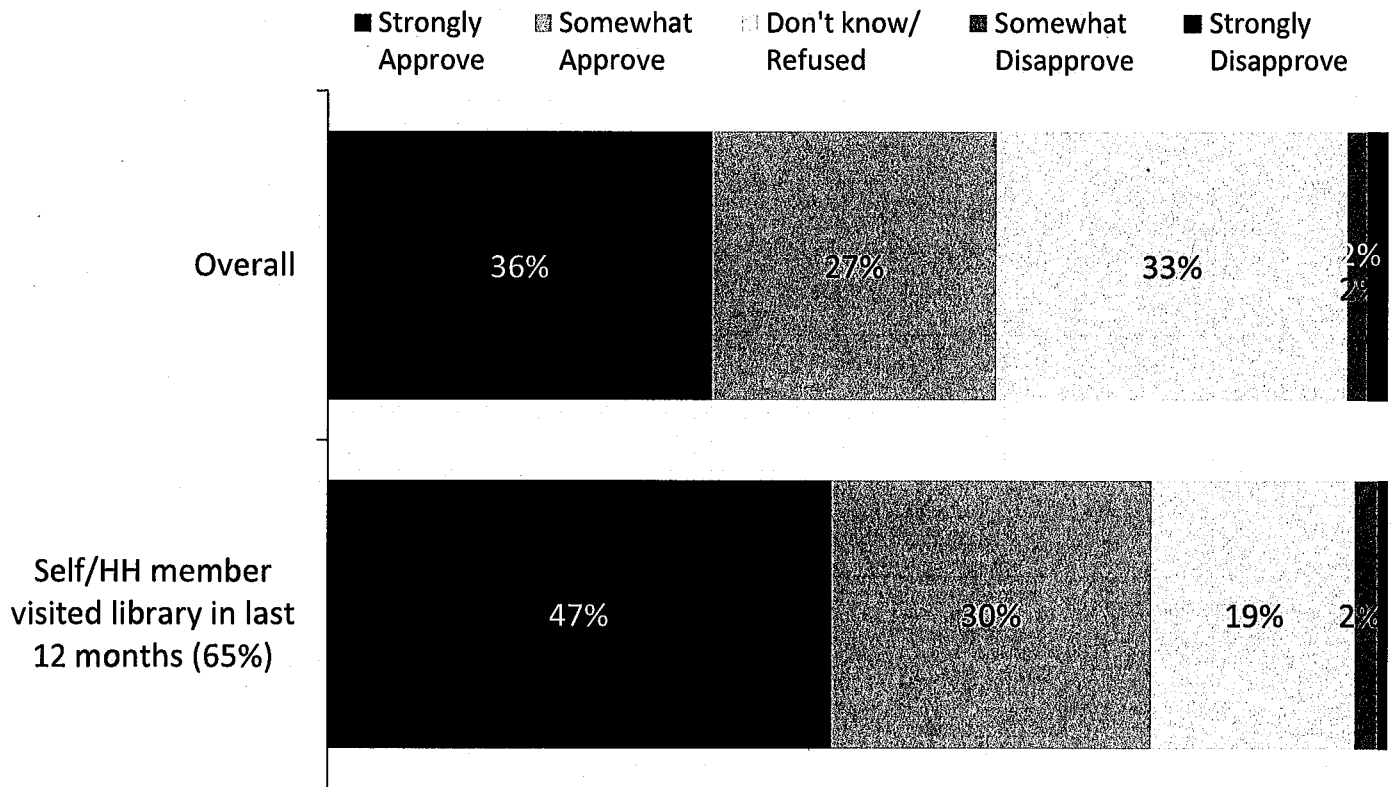
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DRAFT EMC 17-6532 OPL Parcel Tax Measure | 4

Job Rating by Personal Experience

Two-thirds have personal experience with the library in the last year, and their satisfaction is overwhelmingly positive.



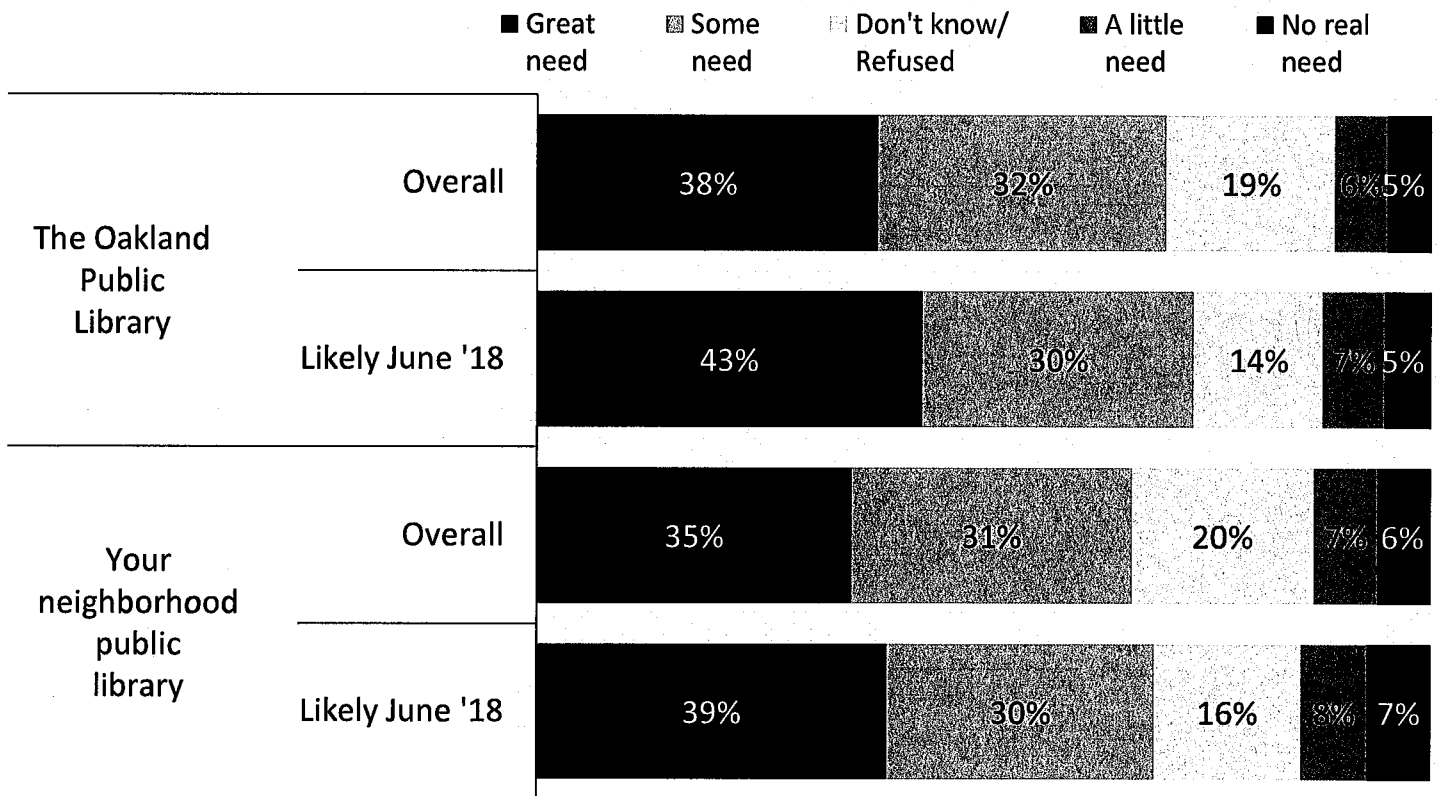
Q5. Do you approve or disapprove of the job the Oakland Public Library is doing?

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Need for Funding

Oakland voters are aware that the libraries need more money; they will not have to be educated about the issue.



Q6-7. For each of the following, please tell me if you think it has a great need for additional funding, some need, a little need, or no real need for additional funding.

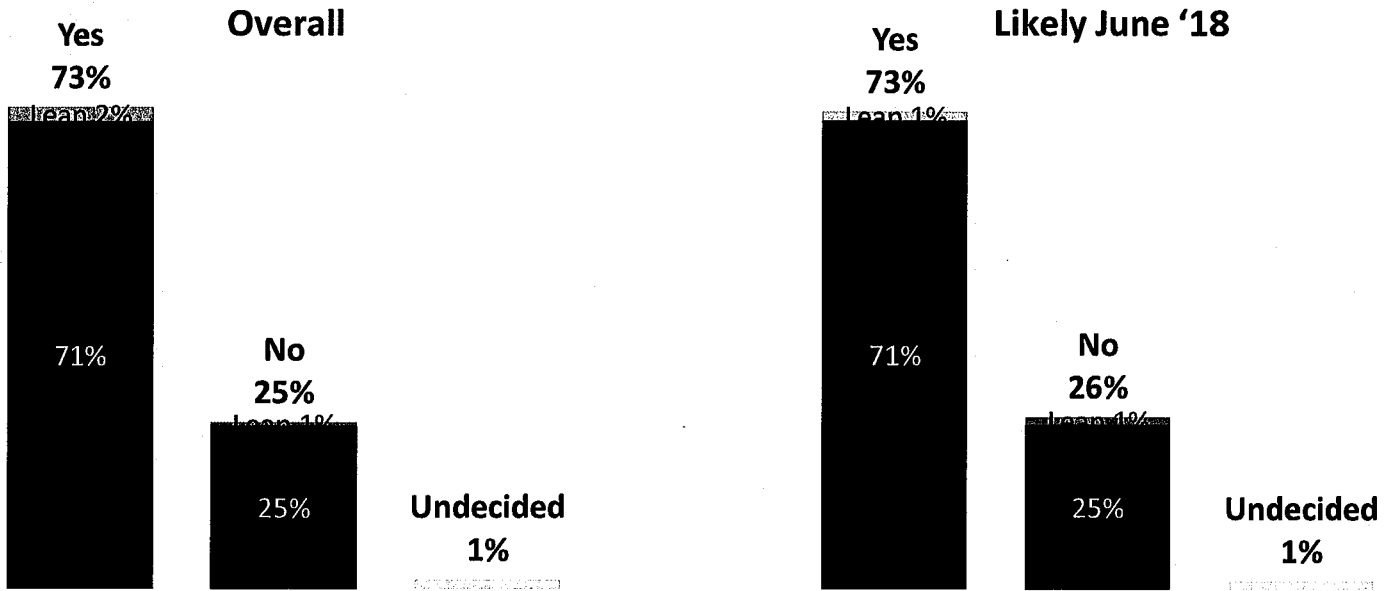
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Initial Support

Initial support for a \$75 parcel tax is above the two-thirds threshold required for passage.

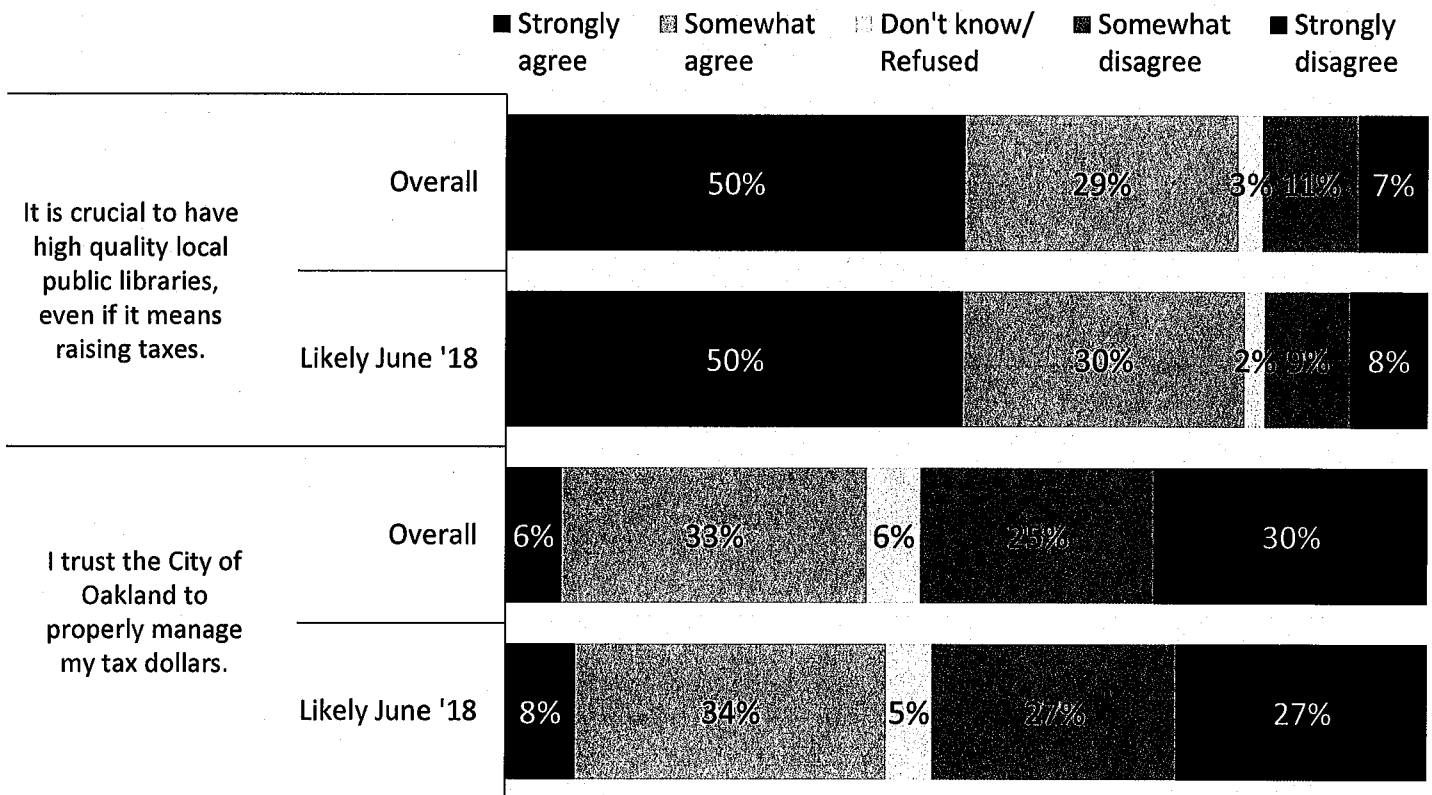
"To maintain and improve library services throughout Oakland, including: Providing safe places for children and teens after school; Providing literacy services for families and adults; Increasing library resources for local schools; Preventing library closures; Maintaining up-to-date books and computers to increase technology access; Keeping libraries safe and clean; shall the City of Oakland establish a \$75 per parcel tax for 20 years, providing about \$10,000,000 annually, subject to independent annual audits and citizens' oversight?"



Q8. Now I'm going to read you a measure that may be on a future ballot in Oakland. The measure reads:

Attitudes Toward Taxes

Half of voters strongly agree that it's crucial to have quality local libraries, even if it means raising taxes. However, trust in the City's tax dollar management is somewhat weak.



Q10-Q12. Please tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements.

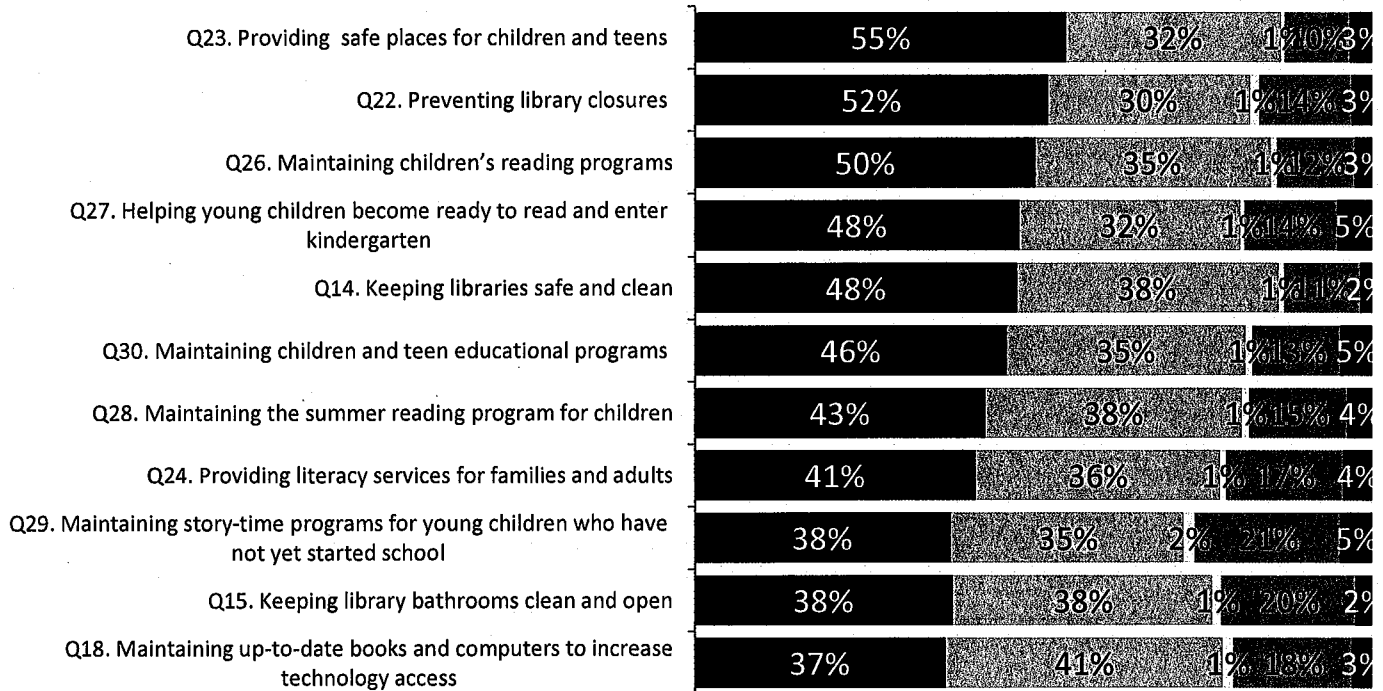
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RESEARCH

Measure Components

Keeping libraries open, safe and clean, and providing programs for children and youth resonate strongly with voters.

■ Extremely important ■ Very important ■ (Don't Know/Refused) ■ Somewhat important ■ Not too important



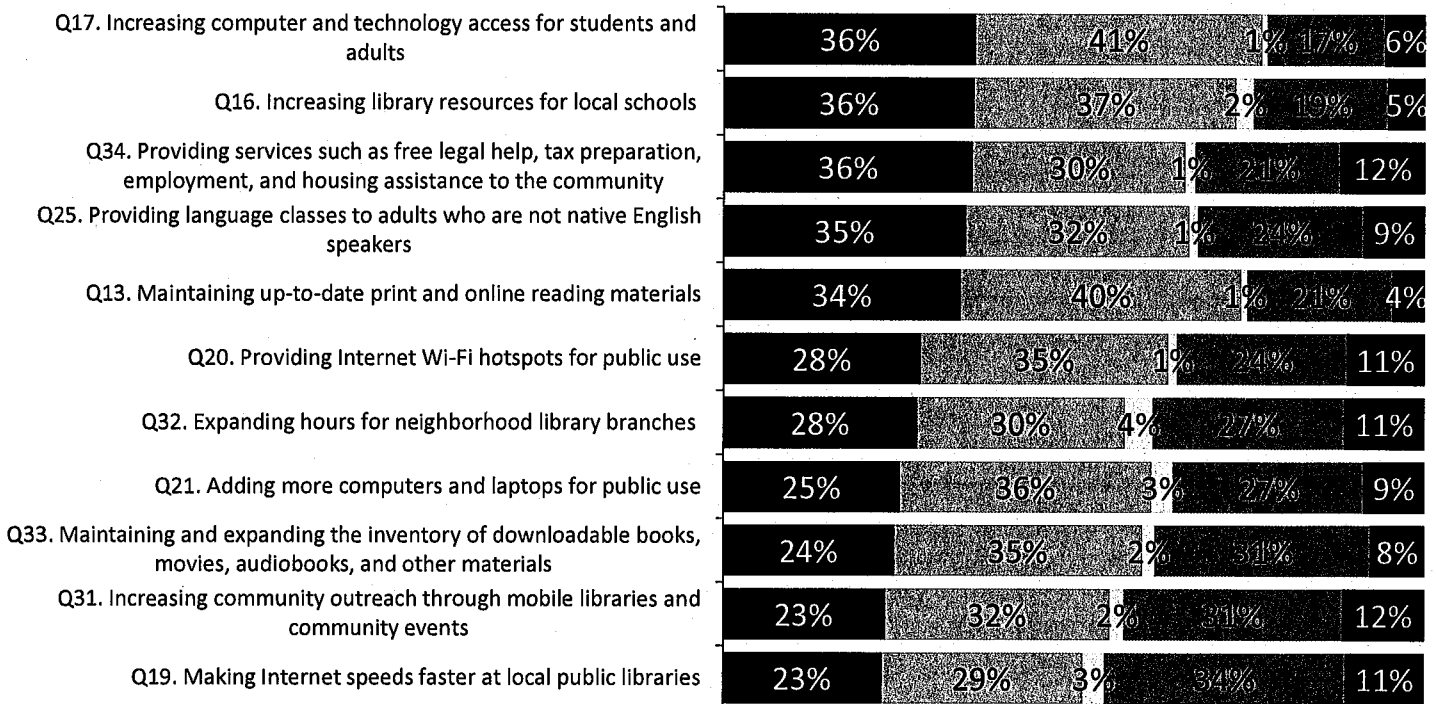
Q13-Q34. I'm going to read you a list of items that could be included in the Oakland Public Library parcel tax measure. After each one, please tell me if that item is extremely important, very important, somewhat important, or not too important to you.



Measure Components (Cont'd)

Specific projects and programs are all positive, but do not receive the same intensity as the broader goals.

■ Extremely important ■ Very important ■ (Don't Know/Refused) ■ Somewhat important ■ Not too important



Q13-Q34. I'm going to read you a list of items that could be included in the Oakland Public Library parcel tax measure. After each one, please tell me if that item is extremely important, very important, somewhat important, or not too important to you.

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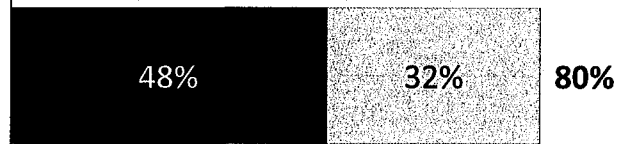


Support Messaging

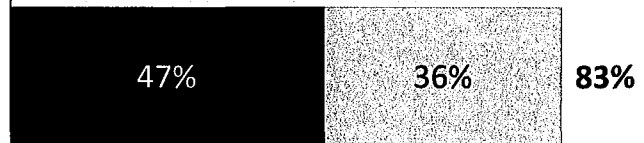
Messaging about expanded hours, improved resources and providing safe places for youth resonate widely.

■ Very convincing ■ Somewhat convincing **Total convincing**

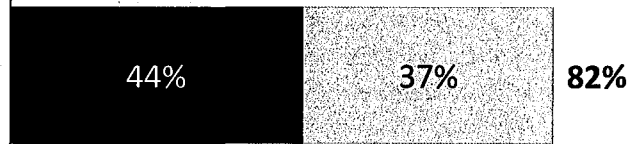
Q35. Oakland's libraries provide a safe place for children and teens to do their homework and participate in afterschool programs. This measure helps keep kids and teens off the street and protects them from gangs and drugs.



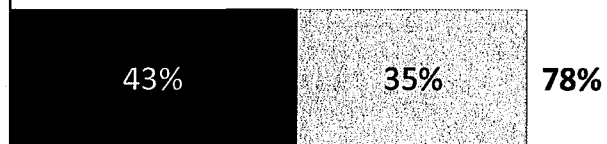
Q38. Oakland's neighborhood branch libraries are currently closed two days a week and have limited evening hours. This measure would expand library hours to allow students, children, and working families to have access to library services throughout the week.



Q37. Many of Oakland's public schools lost their libraries and librarians after years of severe budget cuts. This measure will provide additional library resources dedicated to supporting children and teens in our local schools.



Q42. Oakland's libraries are valuable community resources that help Oakland residents find jobs, learn how to open small businesses, get free legal and tax advice, learn about housing assistance, borrow tools for home improvements and repairs, enroll in health insurance, and learn other important life skills.



Q35-Q43. Next I'd like to read you statements from people who support an Oakland Public Library parcel tax measure. After each one, please tell me how convincing that statement is as a reason to vote FOR the measure – very convincing, somewhat convincing, not too convincing, or not at all convincing.

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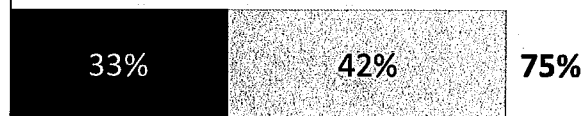


Support Messaging (Cont'd)

Even the cost of the tax is a positive for almost 2/3 of voters..

■ Very convincing ■ Somewhat convincing Total convincing

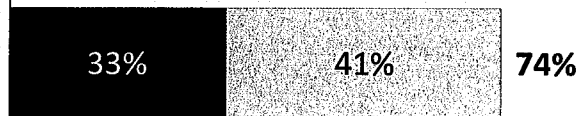
Q41. Oakland's libraries prepare young children for kindergarten by offering story time programs that encourage reading, singing, and playing together.



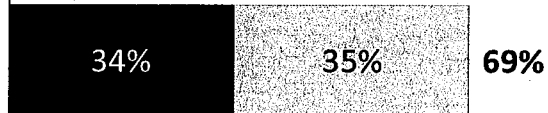
Q43. This measure makes sure that we have a dedicated source of funding for Oakland's libraries. Without this funding, the City will be forced to close some library branches.



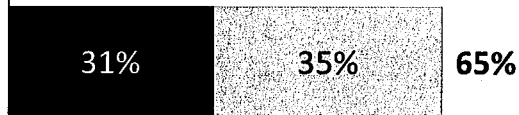
Q40. Oakland's libraries do not have enough computers to meet the needs of students and adults who don't have computers and internet at home. This measure will increase the number of computers in our libraries and help make sure that they are up-to-date.



Q39. Oakland's libraries provide essential services to individuals experiencing homelessness, including free access to computers, the Internet, medical help, and social workers. This measure will help those experiencing homelessness get back on their feet.



Q36. This measure will only cost the average Oakland household about \$6 per month and will ensure that Oakland residents continue to have access to convenient, high-quality neighborhood libraries.



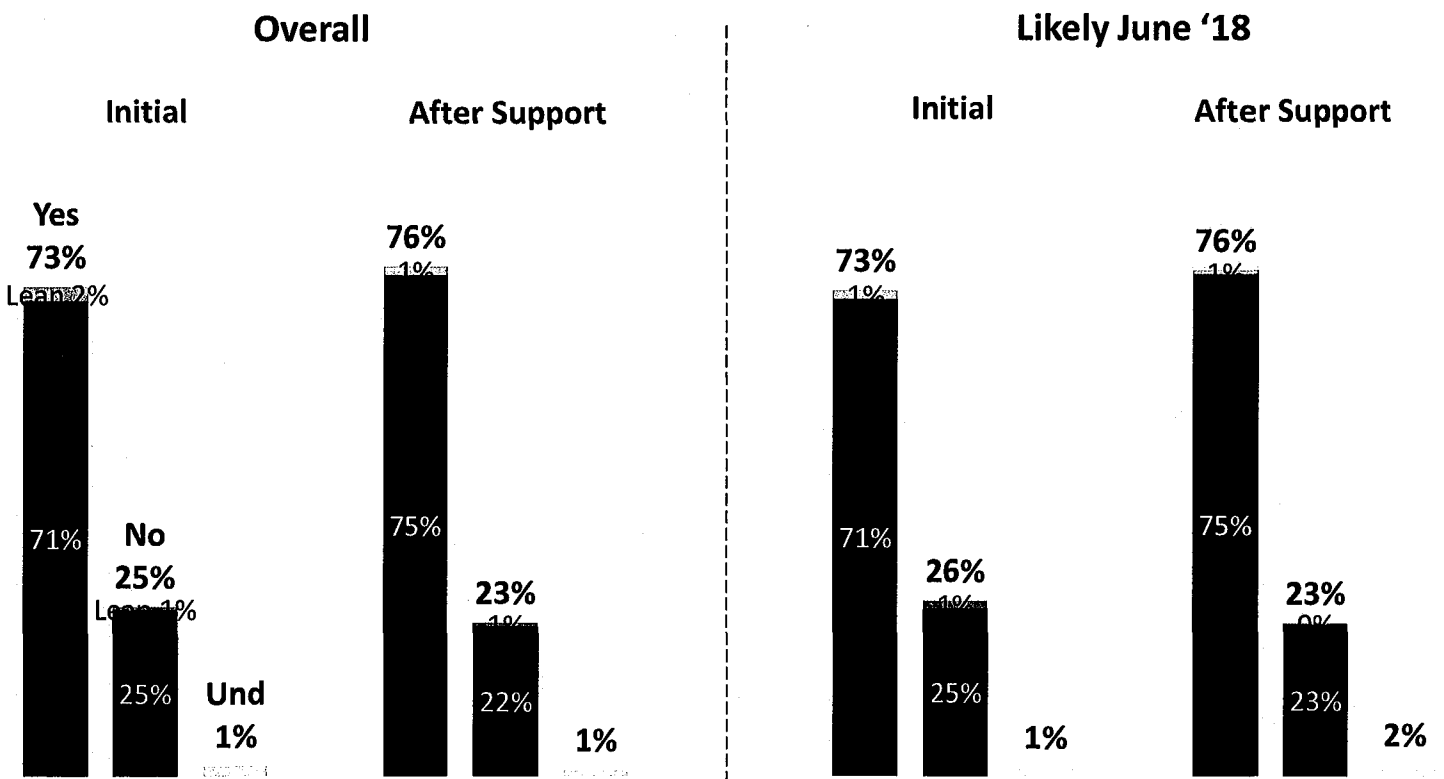
Q35-Q43. Next I'd like to read you statements from people who support an Oakland Public Library parcel tax measure. After each one, please tell me how convincing that statement is as a reason to vote FOR the measure – very convincing, somewhat convincing, not too convincing, or not at all convincing.

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Measure Support After Support Messaging

There is a slight increase in support after voters learn more about the benefits of the measure.



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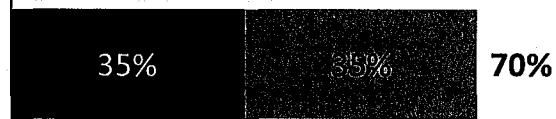
Q44. Given what you've heard, would you vote yes to approve or no to reject a measure that reads: **DRAFT EMC 17-6532 OPL Parcel Tax Measure** | 13

Opposition Messaging

Potential opposition messages about Measure Q, reducing waste in the City's budget, and the high cost of living are very convincing to about a third of likely voters.

■ Very convincing ■ Somewhat convincing **Total convincing**

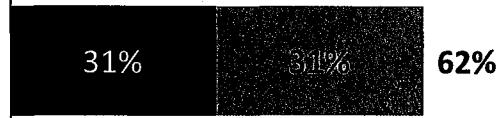
Q48. The Oakland Public Library is already collecting taxpayer money from an existing parcel tax from Measure Q, but they haven't made all of the improvements that they promised us. We just can't trust the City of Oakland to properly manage our tax dollars and shouldn't pass a new parcel tax.



Q47. Instead of asking taxpayers for more money, politicians should find more funding for libraries in the City's budget by reducing waste and cutting excessive pay and benefits.



Q46. Many hard-working Oakland families are struggling to make ends meet as housing prices and the cost of living keeps going up. We simply cannot afford any more taxes.



Q45. This measure misses the mark. We are raising taxes for libraries when Oakland children and families are homeless and sleeping in tents across the City. We need to address much more important priorities.



Q49. The simple truth is that people are just not using libraries anymore since everything is available on the internet. We should just close some of Oakland's 18 library branches instead of raising taxes for something we just don't need.



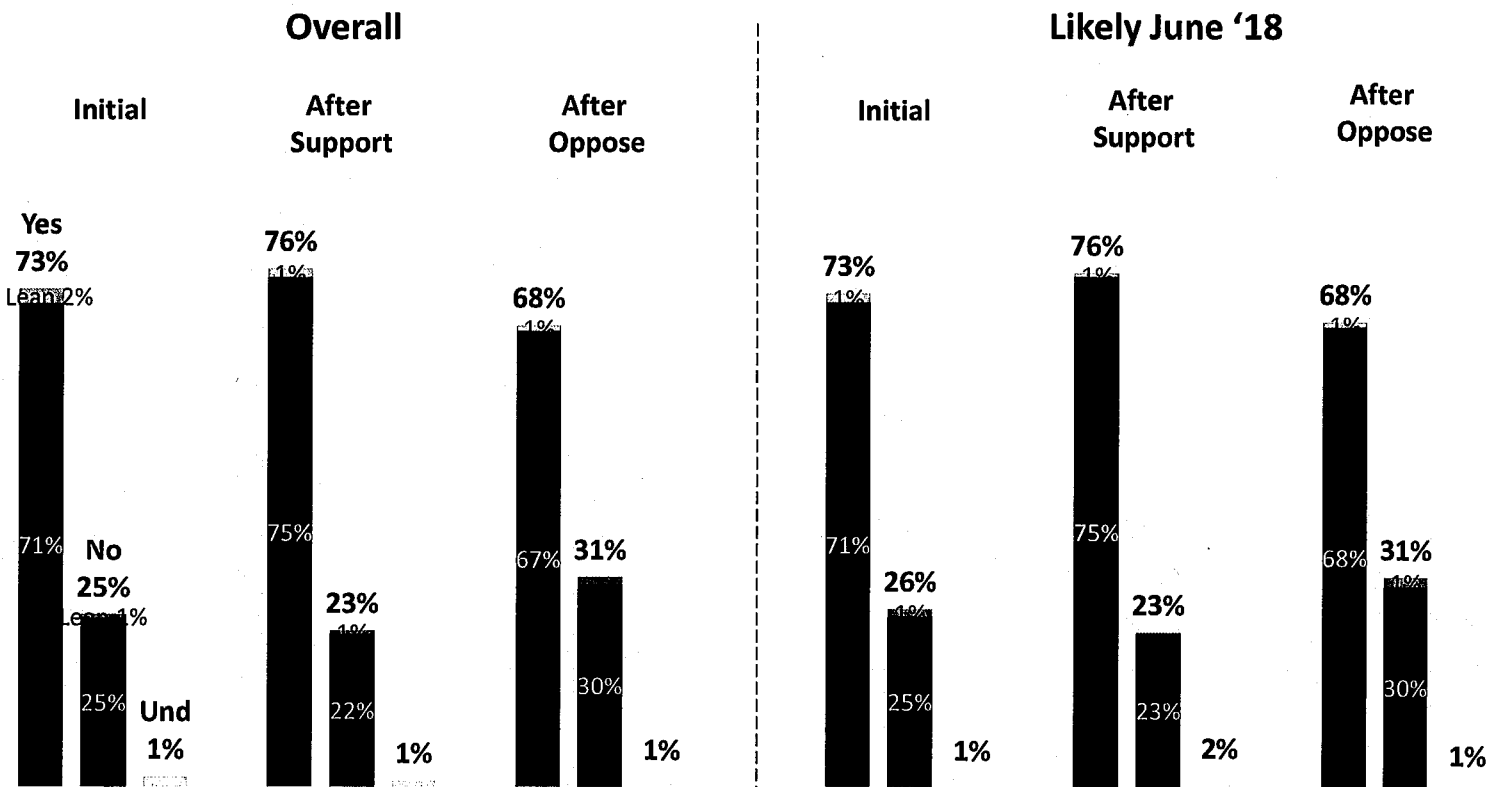
Q45-Q49. Next I'd like to read you statements from people who oppose the Oakland Public Library parcel tax measure. After each one, please tell me how convincing that statement is as a reason to vote AGAINST the measure – very convincing, somewhat convincing, not too convincing, or not at all convincing.

CliffordMoss.
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Measure Support After Opposition Messaging

A significant, vocal opposition effort does diminish support, although it stays just above the two-thirds threshold.



Q50. Given everything you've heard, would you vote yes to approve or no to reject a measure that would establish a \$75 parcel tax to fund Oakland libraries?

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RESEARCH

Conclusions

- ▶ Oakland voters are very supportive of the libraries, and recognize the need for more funding.
- ▶ Support for a parcel tax is consistently above the two thirds threshold.
- ▶ Without vocal opposition, a measure should be well positioned for success.
- ▶ Data suggests that a potential measure would be feasible in either June 2018 or November 2018, but the challenge of a potentially crowded ballot in November is worth considering.

Contact



MARKET
& OPINION
RESEARCH
SERVICES

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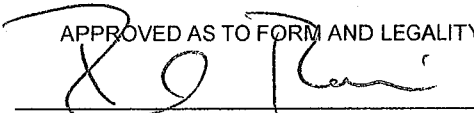
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DRAFT EMC 17-6532 OPL Parcel Tax Measure | 17

2018 JAN 11 PM 5:36


for KSJ CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBERS _____

RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE JUNE 5, 2018 STATEWIDE PRIMARY ELECTION, A PROPOSED ORDINANCE TO ADOPT A SPECIAL PARCEL TAX TO MAINTAIN, PROTECT AND IMPROVE DIRECT LIBRARY SERVICES THROUGHOUT OAKLAND; AND DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS AND PROVIDE FOR NOTICE AND PUBLICATION IN ACCORDANCE WITH THE JUNE 5, 2018 STATEWIDE PRIMARY ELECTION

WHEREAS, in 2004 the City of Oakland voters approved, by more than a two-thirds majority, Measure Q, the reauthorization of the Library Services Retention and Enhancement Act, a dedicated parcel tax to be used exclusively to provide library services, materials and programs; and

WHEREAS, the City's libraries also serve as community centers offering a broad selection of services including teen and early literacy programs, internet and wireless access, online reference and databases, as well as public instruction; and

WHEREAS, the library system is among the City's most widely used services and provides the community with public meeting spaces; and

WHEREAS, the Library, in the last 14 years since passage of Measure Q, is now operating at an annual deficit estimated at over \$2.0 million dollars annually; and

WHEREAS, this deficit, projected at over \$4.0 million dollars in this current budget cycle, will impact every facet of the Library's operation if not addressed, including branch libraries remaining open for children and students, evening hours, collections, technology, programs, adult literacy, veterans' and immigration assistance, and community spaces; and

WHEREAS, the City and its residents value its public library system and its commitment and significant contributions to community education programs, literacy programs, lifelong learning, information technology and the literary heritage of our City; and

WHEREAS, the City Council on its own motion, desires to submit to the qualified electors of the City a proposed ordinance to adopt a special parcel tax dedicated to Direct Library services; and

WHEREAS, all revenues received from the Act will be expended exclusively for direct library services; and now therefore be it

RESOLVED: That the Oakland City Council finds and determines the forgoing recitals are true and correct and hereby adopts and incorporates them into this Resolution; and be it

FURTHER RESOLVED: That the Oakland City Council does hereby submit to the voters, at the June 5, 2018, Statewide Primary Election, an Ordinance that shall read as follows:

PART 1. GENERAL

Section 1. TITLE AND PURPOSE.

(A) **TITLE**. This Ordinance may be cited as the "The 2018 Oakland Public Library Preservation Act".

(B) **PURPOSE**. The taxes imposed under this Ordinance are solely for the purpose of raising revenue necessary to maintain, protect and improve direct library services throughout Oakland.

Because the proceeds of the parcel tax will be deposited in a special fund restricted for the services and programs specified in Section 3, the tax is a special tax.

Section 2. FINDINGS.

This Ordinance is exempt from the California Environmental Quality Act, Public Resources Code section 21000 *et seq.* ("CEQA"), since in accordance with CEQA Guidelines Section 15061, subd. (b)(3), it can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment.

Section 3. USE OF PROCEEDS.

(A) **Objectives**. The tax proceeds raised by these special taxes may be used only to pay for costs or expenses relating to or arising from efforts to achieve the stabilization of funding for the Library and allow for Library enhancements, following desired outcomes and objectives:

1. Increase Public Library availability and resources for Oakland's students and residents;
2. Enhance direct library services providing regular open hours at City libraries, maintaining staffing at levels to retain and expand hours at libraries;
3. Upgrade and enhance existing library facilities expanding free access to computers, the internet and technology; and

4. Maintain and protect existing direct library services and provide future improvements for library operations and resources that directly serve Oakland Public Library patrons.

(B) Uses. Taxes collected pursuant to the special taxes imposed herein shall be used only in connection with programs and services that further the objectives set forth in Section 3(A), such as the following:

1. Direct Library services. Includes costs associated with maintaining, protecting, and improving library services throughout Oakland:

(a) Provide a wide range of programs for children, teens, and adults including early childhood literacy and student homework support;

(b) Employee staffing costs sufficient to maintain current hours and expand library hours;

(c) Community outreach to promote community awareness of the full range of services available at Oakland public libraries;

(d) Acquisition of furniture, fixtures, and equipment costs associated with enhancing direct library services.

2. Library materials and resources that enrich the exploration, connection and growth of the Oakland community, its children, teens and adults, such as:

(a) Acquisition of books, magazines, newspapers, e-Resources, eBooks, and streaming media;

(b) Acquisition of technology necessary to provide the full range of discovery tools for the patrons of Oakland;

(c) Acquisition of items necessary to create and maintain a modern learning and library experience for the residents of Oakland. This could include, but is not limited to, non-structural interior library makeovers to support learning labs, makerspaces, specialized areas tailored to the needs of children, teens, and adults to create a more welcoming environment and to allow the Library to keep up with changing technology and community needs. This does not include acquisition or construction of new facilities or structural changes, additions or construction on existing facilities.

(C) Authorized Uses of Tax Revenues: Except as otherwise expressly authorized by this Ordinance, the special taxes authorized and collected pursuant to this Ordinance shall be used only for the purposes and projects set forth in Section 3.

Section 4. ANNUAL AUDIT AND CITIZEN OVERSIGHT.

The City Auditor shall perform an annual audit to ensure accountability and proper disbursement of all revenue collected by the City from the special tax imposed by this Ordinance, in accordance with the objectives stated herein and in compliance with provisions of State Law.

The City Council shall assign to an existing Board or Commission, the responsibility for citizen oversight of this measure. This Board or Commission shall review reports related to the expenditure of all revenue collected by the City from the special tax imposed by this Ordinance and provide reports to the City Council when necessary.

Section 5. SPECIAL FUND.

All funds collected by the City from the special tax imposed by this Ordinance shall be deposited into a special fund in the City treasury and appropriated and expended only for the purposes and uses authorized by this Ordinance.

Section 6. EFFECTIVE DATE.

The taxes imposed by this Ordinance shall be effective only if approved by two-thirds of the voters voting in the election held on June 5, 2018 and shall go into effect ten (10) days after the vote is declared by the City Council.

Section 7. TERM OF TAX IMPOSITION.

The taxes enacted by this Ordinance shall be imposed and levied for a period of twenty (20) years. The City shall place delinquencies on subsequent tax bills.

Section 8. SAVINGS CLAUSE.

If any provision, sentence, clause, section or part of this Ordinance is found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, such unconstitutionality, illegality, or invalidity shall affect only such provision, sentence, clause, section or part of this Ordinance and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance. It is hereby declared that the City would have adopted this Ordinance had such unconstitutional, illegal or invalid provision, sentence, clause, section or part thereof not been included herein.

If any tax imposed by this Ordinance is found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, the amounts, services, programs and personnel required to be funded from such tax shall be reduced proportionately by any revenues lost due to such unconstitutionality, illegality or invalidity.

Section 9. REIMBURSEMENT.

At the discretion of the City Council, special tax revenues collected by the City pursuant to this Ordinance may be used to reimburse the City for costs incurred in connection with the election seeking voter approval of this Ordinance.

Section 10. NO AMENDMENT.

Except as otherwise expressly provided herein, the tax rates set forth herein may not be increased by action of the City Council without the applicable voter approval but the City Council may make any other changes to this Ordinance as are consistent with its purpose.

PART 2. PARCEL TAX

Section 1. DEFINITIONS.

For purposes of this Ordinance, the following terms shall be defined as set forth below:

(A) "Building" shall mean any structure having a roof supported by columns or by walls and designed for the shelter or housing of any person, chattel or property of any kind. The word "Building" includes the word "structure."

(B) "Direct library services" shall mean any Library program, project, service, or initiative which is provided by the Library Department and directly benefits Library patrons. "Direct library services" shall not include general, ongoing, or preventative maintenance and repairs.

(C) "Family" shall mean one or more persons related by blood, marriage, domestic partnership, or adoption, who are living together in a single residential unit and maintaining a common household. Family shall also mean all unrelated persons who live together in a single Residential Unit and maintain a common household.

(D) "Hotel" shall mean as defined by Oakland Municipal Code section 4.24.020.

(E) "Multiple Residential Unit Parcel" shall mean a parcel zoned for a Building, or those portions thereof, which accommodates or is intended to contain two or more residential units.

(F) "Non-Residential" shall mean all parcels that are not classified by this Ordinance as Residential Parcels, and shall include, but not be limited to, parcels for industrial, commercial and institutional improvements, whether or not currently developed.

(G) "Occupancy" shall be as defined by Oakland Municipal Code section 4.24.020.

(H) "Operator" shall be as defined by Oakland Municipal Code section 4.24.020.

(I) "Owner" shall mean the Person having title to real estate as shown on the most current official assessment role of the Alameda County Assessor.

(J) "Parcel" shall mean a unit of real estate in the City of Oakland as shown on the most current official assessment role of the Alameda County Assessor.

(K) "Person" shall mean an individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

(L) "Possessory Interest" as it applies to property owned by any agency of the government of the United States, the State of California, or any political subdivision thereof, shall mean possession of, claim to, or right to the possession of, land or Improvements and shall include any exclusive right to the use of such land or Improvements.

(M) "Residential Unit" shall mean a Building or portion of a Building designed for or occupied exclusively by one Family.

(N) "Single Family Residential Parcel" shall mean a parcel zoned for single-family residences, whether or not developed.

(O) "Transient" shall mean any individual who exercises Occupancy of a hotel or is entitled to Occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days. Any individual so occupying space in a Hotel shall be deemed to be a Transient until the period of thirty (30) consecutive days has elapsed.

Section 2. IMPOSITION OF PARCEL TAX.

There is hereby imposed a special tax on all Owners of parcels in the City of Oakland for the privilege of using municipal services and the availability of such services. The tax imposed by this Section shall be assessed on the Owner unless the Owner is by law exempt from taxation, in which case, the tax imposed shall be assessed to the holder of any Possessory Interest in such parcel, unless such holder is also by law exempt from taxation. The tax is imposed as of July 1 of each year on the person who owned the parcel on that date. The tax shall be collected at the same time, by the same officials, and pursuant to the same procedures as the one percent property tax imposed pursuant to Article XIII A of the California Constitution.

Base Amount of Tax. The tax hereby imposed shall be set as follows subject to adjustment as provided in Section 4 below:

(A) For owners of all Single Family Residential Parcels, the tax shall be at the annual rate of \$75.00 per parcel.

(B) For owners of all Multiple Residential Unit Parcels, the tax is the annual rate of \$51.24 multiplied by the total number of Residential Units located on the parcel.

Owners of Multiple Residential Unit Parcels that have units that are vacant for six months or more per year may apply to the Director of Finance to have the annual rate per vacant Residential Unit located on the Parcel, reduced to \$25.62, 50% of the annual rate for an occupied Residential Unit located on the parcel.

(C) The tax for Non-Residential Parcels is calculated using both frontage and square footage measurements to determine total Single Family Residential Unit Equivalents (SFE). A frontage of 80 feet for a commercial/industrial parcel, for example, is equal to one (1) single family resident unit equivalent. (See matrix.) An area of 6,400 square feet for the commercial industrial parcel is equal to one (1) single family resident unit equivalent. The tax is the annual rate of \$38.41 multiplied by the total number of Single Family Equivalents (determined by the frontage and square footage).

LAND USE CATEGORY	FRONTAGE	AREA (SF)
Commercial Institutional	80	6,400
Industrial	100	10,000
Public Utility	1,000	100,000
Golf Course	500	100,000
Quarry	1,000	250,000

Example: assessment calculation for a Commercial Institutional Parcel with a Frontage of 160 feet and an Area of 12,800 square feet:

Frontage 160 feet ÷ 80 = 2 SFE

Area 12,800 square feet ÷ 6,400 = 2 SFE

2 SFE + 2 SFE = 4 SFE

4 SFE x \$38.41 = \$153.64 tax

(D) An Owner of An Undeveloped Parcel is exempt from this parcel tax if the owner can prove that the parcel was undeveloped for at least six months of the year in question.

(E) The tax imposed by this Ordinance shall be imposed on each Hotel within the City as follows:

1. Residential Hotels. Rooms in a Hotel occupied by individuals who were not Transients for 80% or more of the previous Fiscal Year shall be deemed Residential Units and the parcel on which they are located shall be subject to the Parcel tax imposed on Multiple Residential Unit Parcels. The remainder of the Building shall be subject to the applicable tax computed in accordance with the Single Family Residential Unit Equivalent formula set forth in Section 2(C).

2. Transient Hotels. Notwithstanding the previous subsection, if 80% or more of the Operator's gross receipts for the previous Fiscal Year were reported as rent received from Transients on a return filed by the Operator in compliance with section 4.24.010 of the Oakland Municipal Code (commonly known as the Uniform Transient Occupancy Tax

of the City of Oakland), such Hotel shall be deemed a Transient Hotel. The entire Building shall be deemed a Non-Residential Parcel, categorized as Commercial/Institutional, and shall be subject to the applicable tax computed in accordance with the Single Family Residential Unit Equivalent formula set forth in Section 2(C), and the parcel tax imposed on Multiple Residential Units shall not apply.

Section 3. EXEMPTIONS

(A) Very Low income household exemption. The following is exempt from this tax: an Owner of a single family residential unit (1) who resides in such unit and (2) whose combined family income, from all sources for the previous fiscal year, is at or below the income level qualifying as "very low income" for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.,) for such fiscal year. Owners must apply for the exemption provided for in this section annually by petition to the Director of the Finance of the City of Oakland ("Director of Finance") or City Administrator designee in the manner and time set forth in procedures established by the Director of Finance. Such petitions shall be on forms provided by the Director of Finance and shall provide such information as the Director of Finance shall require, including, but not limited to, federal income tax returns and W-2 forms of owner-occupants eligible for this exemption.

(B) Fifty percent reduction for affordable housing projects. Rental housing owned by nonprofit corporations and nonprofit-controlled partnerships for senior, disabled and low income households that are exempt from ad valorem property tax pursuant California Revenue and Taxation Code 214(f), (g) and (h) shall be liable for only 50% of the parcel tax. The exemption shall apply in the same proportion that is exempted from ad valorem property tax.

(C) Senior household exemption. The following is exempt from this tax: an Owner and Occupier of a single family residential unit (1) who is 65 years of age or older and (2) whose combined family income, from all sources for the previous fiscal year, is at or below the income level qualifying as "low income" for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.,) for such fiscal year. Owners must apply for the exemption provided for in this section annually by petition to the Director of the Finance of the City of Oakland ("Director of Finance") or City Administrator designee in the manner and time set forth in procedures established by the Director of Finance. Such petitions shall be on forms provided by the Director of Finance and shall provide such information as the Director of Finance shall require, including, but not limited to, federal income tax returns and W-2 forms of owner-occupants eligible for this exemption.

Section 4. REDUCTION IN TAX; RATE ADJUSTMENT

(A) Subject to paragraph (B) of this section, the tax rates imposed by this Ordinance are maximum rates and may not be increased by the City Council above such maximum rates. The tax imposed by the Ordinance may be suspended, reduced or eliminated by the City Council for a subsequent fiscal year upon a vote of the City Council on or before June 30th of the year in which the City Council determines that after such suspension, reduction or elimination, there will be sufficient revenues

available to balance the City Council's Adopted Policy Budget and provide the services and programs described in Part I, Section 3 above. Such suspension, reduction or elimination shall be effective the fiscal year following such vote.

(B) Beginning in the Fiscal Year 2019-2020, and each year thereafter, the City Council may increase the tax imposed hereby only upon making one of the following findings:

1) That the cost of living in the immediate San Francisco Bay Area, as determined by the 12-month Annual Percentage Change in the Consumer Price Index (CPI) for all items in the San Francisco Bay Area as published by the Bureau of Labor Statistics of the U.S. Department of Labor, has increased; or

2) That the fiscal year change in California per capita personal income, as determined by the California State Department of Finance and shown in the Price Factor and Population Information Report issued each May, has increased.

The increase of the taxes imposed hereby shall not exceed the verified increase in either 1) the cost of living in the immediate San Francisco Bay Area, using 2018 as the index year, or 2) California per capita personal income, using Fiscal Year 2018-2019 as the index year, whichever is greater.

Section 5. DUTIES OF THE DIRECTOR OF FINANCE

It shall be the duty of the Director of the Finance to collect and receive all taxes imposed by this Ordinance. The Director of Finance is charged with the enforcement of this Ordinance and may adopt rules and regulations relating to such enforcement.

Section 6. EXAMINATION OF BOOKS, RECORDS, WITNESSES; PENALTIES.

The Director of Finance or his/her designee is hereby authorized to examine assessment rolls, property tax records, records of the Alameda County Recorder and any other records of the County of Alameda deemed necessary in order to determine ownership of Parcels and computation of the tax imposed by this Ordinance.

The Director of Finance or his/her designee is hereby authorized to examine the books, papers and records of any person subject to the tax imposed by this Ordinance for the purpose of verifying the accuracy of any petition, claim or return filed and to ascertain the tax due. The Director of Finance, or his/her designee is hereby authorized to examine any person, under oath, for the purpose of verifying the accuracy of any petition, claim or return filed or to ascertain the tax due under this Ordinance and for this purpose may compel the production of books, papers and records before him/her, whether as parties or witnesses, whenever s/he believes such persons have knowledge of such matters. The refusal of such examination by any person subject to the tax shall be deemed a violation of this Ordinance and of the Oakland Municipal Code and subject to any and all remedies specified therein.

Section 7. COLLECTION OF TAX; INTEREST AND PENALTIES.

The tax shall be delinquent if the City does not receive it on or before the delinquency date set forth in the notice mailed to the Owner's address as shown on the most current assessment roll of the Alameda County Tax Collector; and the tax shall be collected in such a manner as the City Council may decide. The City may place delinquencies on a subsequent tax bill.

A one-time penalty at a rate set by the City Council, which in no event shall exceed 25% of the tax due per fiscal year, is hereby imposed by this ordinance on all taxpayers who fail to timely pay the tax provided by this ordinance; in addition, the City Council may assess interest at the rate of 1% per month on the unpaid tax and the penalty thereon.

Every penalty imposed and such interest as accrues under the provisions of this ordinance shall become a part of the tax herein required to be paid.

The City may authorize the County of Alameda to collect the taxes imposed by this ordinance in conjunction with and at the same time and in the same manner as the County collects property taxes for the City. If the City elects to authorize the County of Alameda to collect the tax, penalties and interest shall be those applicable to the nonpayment of property taxes.

Section 8. COLLECTION OF UNPAID TAXES.

The amount of any tax, penalty, and interest imposed under the provisions of this ordinance shall be deemed a debt to the City. Any person owing money under the provisions of this ordinance shall be liable to an action brought in the name of the City for the recovery for such amount.

Section 9. REFUND OF TAX, PENALTY, OR INTEREST PAID MORE THAN ONCE; OR ERRONEOUSLY OR ILLEGALLY COLLECTED.

Whenever the amount of any tax, penalty, or interest imposed by this ordinance has been paid more than once, or has been erroneously or illegally collected or received by the City it may be refunded provided a verified written claim for refund, stating the specific ground upon which such claim is founded, is received by the Director of Finance within one (1) year of the date of payment. The claim shall be filed by the person who paid the tax or such person's guardian, conservator, or the executor of her or his estate. No representative claim may be filed on behalf of a taxpayers or a class of taxpayers. The claim shall be reviewed by the Director of Finance and shall be made on forms provided by the Director of Finance. If the claim is approved by the Director of Finance, the excess amount collected or paid may be refunded or may be credited against any amounts then due and payable from the Person from whom it was collected or by whom paid, and the balance may be refunded to such Person, his/her administrators or executors. Filing a claim shall be a condition precedent to legal action against the City for a refund of the tax.

and be it,

FURTHER RESOLVED: That the City Council of the City of Oakland does hereby request that the Board of Supervisors of Alameda County order the

consolidation of the Oakland Municipal election with the state primary election of June 5, 2018, consistent with provisions of State Law; and be it

FURTHER RESOLVED, that each ballot used at said election shall have printed therein, in addition to any other matter required by law, the following:

AN ORDINANCE APPROVING A PARCEL TAX TO MAINTAIN, PROTECT AND IMPROVE LIBRARY SERVICES THROUGHOUT OAKLAND.

Measure ____. "To maintain, protect and improve library services throughout Oakland, including: Providing safe places for children and teens after school; Preventing library closures; Maintaining youth reading programs and senior services; Keeping libraries safe and welcoming; Providing evening and weekend hours for students and working families; and, Providing literacy services for adults; shall the City of Oakland establish a \$75 per parcel tax for 20 years, providing about \$10,000,000 annually, subject to independent audits and citizens' oversight?"	Yes	
	No	

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Clerk of the City of Oakland (the "City Clerk") at least 88 days prior to June 5, 2018, to file with the Alameda County Clerk certified copies of this resolution; and be it

FURTHER RESOLVED: That the City Council does hereby request that the Board of Supervisors of Alameda County include on the ballots and sample ballots recitals and measure language to be voted on by the voters of the qualified electors of the City of Oakland; and be it

FURTHER RESOLVED: That the City Clerk is hereby directed to cause the posting, publication and printing of notices, pursuant to the requirements of the Charter of the City of Oakland, Chapter 3 of the Oakland Municipal Code, the Government Code and the Election Code of the State of California; and be it

FURTHER RESOLVED: That the City Council does hereby request that the Registrar of Voters of the County of Alameda perform necessary services in connection with said election; and be it

FURTHER RESOLVED: That in accordance with the Elections Code and Chapter 11 of the Oakland Municipal Code, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed Ordinance and rebuttals, and said date shall be posted in the Office of the City Clerk; and be it

FURTHER RESOLVED: That the City Clerk and City Administrator are hereby authorized and directed to take any and all actions necessary under law to prepare for and conduct the 2018 state primary election and appropriate all monies necessary for the City Administrator and City Clerk to prepare and conduct the June 5, 2018 state primary election, consistent with law.

IN COUNCIL, OAKLAND, CALIFORNIA _____, 2018

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, AND PRESIDENT REID

NOES

ABSENT

ABSTENTION

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council
Of the City of Oakland, California

Date: