



2016 APR 14 PM 3:50

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Office of the Honorable Lynette Gibson McElhaney
COUNCILMEMBER ~ DISTRICT 3

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Date: Thursday, April 14, 2016

To: Members of the City Council

Dan Kalb
Abel Guillén
Vice Mayor Annie Campbell Washington
Noel Gallo
Desley Brooks
President Pro Tempore Larry Reid
Rebecca Kaplan

Cc: LaTonda Simmons, City Clerk
Barbara Parker, City Attorney

From: Council President Lynette Gibson McElhaney

Re: Supplemental Information On Low Income Tax Refund Resolution

Dear Members of the City Council:

On April 12th, the Finance Committee considered a resolution that intends to make sure that low income property owners understand how to access available refunds for several parcel taxes. The Committee raised questions around the specifics of how notice will be given to property owners, the potential cost of this notice, and requested clarification of the resolution's intent in regards to coordinating with other government agencies.

My staff in conjunction with the City Attorney's Office and the Revenue Management Bureau have prepared a resolution for the City Council's consideration that reflects the Finance Committee's recommendations. First, the changes clarify that the availability of low income tax refunds shall be noticed annually. Secondly, the city will coordinate to the extent possible with other local agencies to provide this notice at the lowest possible cost. This does not mean that the City is responsible for providing notice on behalf of any other agency. Instead, the hope is that the administration is able to work with other agencies, such as OUSD which also provides notice to owners of property tax refunds, to reduce costs.

In addition, the Revenue Management Bureau provided rough estimates of the fiscal impact of this resolution. They estimate the maximum cost of notifying owners to be approximately \$35,000 at the most. There may be ways to significantly reduce the cost below this estimate.



The Revenue Management Bureau also estimated the potential fiscal impact of more eligible residents applying for and receiving refunds. Per the Census, there are approximately 6,500 households who own a home and earn less than \$25,000 annually and so may be eligible for a tax refund. If all of these owners received a refund this would have the following estimated fiscal impact:

- LLAD \$669,500 (average rebate \$103 x 6,500)
- Measure O \$624,000 (average rebate \$96 x 6,500)
- Measure Z \$650,000 (average rebate \$100 x 6,500)

Thank you for your consideration of this item. I hope that you will join me in ensuring that thousands of low income homeowners in Oakland are better able to stay in their homes.

Signed,



Councilmember Lynette Gibson McElhaney



DRAFT

City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCIL PRESIDENT LYNETTE GIBSON MCELHANEY

FILED
OFFICE OF THE CITY CLERK
OAKLAND

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RESOLUTION ESTABLISHING A CITY COUNCIL POLICY TO WIDELY PUBLICIZE THE AVAILABILITY OF LOW INCOME TAX REFUNDS TO THE PUBLIC.

WHEREAS, the City of Oakland has previously adopted exemptions to property taxes for low income property owners in order to maintain an equitable tax system that does not unduly burden those least able to afford additional taxes; and

WHEREAS, Measure Z as approved by voters in 2014 established that property owners who occupy their own single family home, whose combined family income qualifies as very low income under federal guidelines and who apply for an exemption shall receive an exemption from the parcel tax; and

WHEREAS, the landscape and lighting assessment district first authorized in Oakland in 1989 includes an exemption for low income property owners; and

WHEREAS, Measure O as approved by voters in 1994 includes an exemption for low income property owners; and

WHEREAS, the 2014 American Community Survey estimates that just over 6,500 housing units are owned by households that earn less than \$25,000 annually and also that the almost 2,000 households both own homes and earn below the poverty line; and

WHEREAS, very few low income property owners have taken advantage of the available exemption as evidenced by city records showing that only 186 owners received the exemption in FY2012/13, 165 in FY2013/14 and 166 in 2014/15 which is approximately less than approximately a 10% of eligible households; and

WHEREAS, the City Council wishes to adopt a policy to provide information on the City's website to notify the public of low income tax exemptions and explain on how to apply for the exemption; now, therefore be it

RESOLVED, that the City of Oakland hereby finds and determines that the foregoing recitals are true and correct and declares it shall be the policy of the City to provide

notice to property owners by mail annually of voter approved low income tax exemptions at the time such tax is initially levied; and be it

FURTHER RESOLVED, it shall be the policy of the City to widely publicize the availability and method of claiming low income tax exemptions by posting such information on the City's website and at City facilities such as senior centers, libraries and other public facilities as needed to adequately publicize the exemption; and be it

FURTHER RESOLVED, it shall be the policy of the City to attempt to mitigate the costs of such noticing and information distribution activities to the extent possible through coordination with the County of Alameda, the Oakland Unified School District, and other local government agencies; ~~but however, the City this shall not be interpreted to required the City to provide notice on behalf of any other government agency;~~ and be it

FURTHER RESOLVED, that this resolution shall be effective immediately upon passage.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California