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OFFICE OF THE CITY CLERK  
OAKLAND  
2016 JUL -8 AM 10:48

# AGENDA REPORT

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

**FROM:** Christine Daniel  
Assistant City Administrator

**SUBJECT:** Adoption of Legislation to Place an  
Infrastructure Bond on the November  
2016 Ballot

**DATE:** July 8, 2016

City Administrator Approval

Date:

7/8/16

## RECOMMENDATION

### Staff recommends the City Council

- (1) Adopt A Resolution On The City Council's Own Motion Submitting To The November 8, 2016 Statewide General Election, A Proposed Ordinance To Authorize Issuance of \$600,000,000 General Obligation Bonds To Fund Various City Infrastructure Projects and Affordable Housing; And Directing The City Clerk To Fix The Date For Submission Of Arguments And Provide For Notice And Publication In Accordance With The November 8, 2016 Statewide General Election
- (2) Direct The City Administrator To Expedite The Analysis Required By Article 14.16 Of The SEIU Local 1021 Memorandum of Agreement (Reviewing the Capital Improvement Plan To Identify Work That May Be Completed By Represented Employees In Lieu Of Contracting Out Such Work), Focusing First On The Types Of Work Anticipated To Be Funded By The Infrastructure Bond And Complete That Element Of The Analysis By October 14, 2016.

## REASON FOR SUPPLEMENTAL

At the June 14, 2016 Finance and Public Works Committees, staff was requested to return with additional information regarding the proposed bond measure. This supplemental report and revised resolution has been prepared in response to this request.

## EXECUTIVE SUMMARY/BACKGROUND

As part of the Fiscal Year (FY) 2015-17 Adopted Policy Budget, the City Council approved one-time funding for the development of a potential ballot measure related to improving City infrastructure. In early 2016, the City engaged a consulting firm who then conducted a community survey to assess voter interests in such a measure. On Tuesday, March 22, 2016, Tuesday, May 24, 2016, and on Tuesday, June 14, 2016 respectively, both the Finance and

Item: \_\_\_\_\_

City Council  
July 5, 2016

Public Works Committees heard informational presentations regarding a potential infrastructure bond measure for the November 2016 Election.

At the May 24 and June 14 Committee meetings, staff presented a proposed General Obligation bond totaling \$600 million that would fund several areas of need, including: Sidewalks and Pedestrian, Bicycle & Traffic Safety; Public Safety and Improving Quality of Life—Libraries, Parks & Recreation, Fire and Police; and, Housing Anti-Displacement Measures.

At the June 14 Committee Meeting, the Committee Members and the public who attended the meetings provided feedback on the content of the potential bond measure. This agenda report provides additional information requested by the Finance and Public Works Committees for forwarding to the City Council, as well as a revised proposed Resolution placing the bond measure on the November 2016 ballot.

## **ANALYSIS**

The following section provides information requested by the Finance and Public Works Committees:

### *City Charter Language*

The Committees requested that language be added reflecting the City's Charter provisions concerning contracting out represented work. Section 902e of the Oakland City Charter (Attachment A) prohibits the City from contracting out services currently performed by City employees. The bond legislation has been revised to include a reference to Section 902e, as well as language reflecting the additional resources that will be available to the City once the measure is approved by the voters and the opportunities that will create to expand the capacity of City staff to undertake various types of capital improvement work. This is consistent with provisions of the current Memoranda of Agreement with SEIU Local 1021 which requires a review of the City's Capital Improvement Plan to identify work that may be completed by represented employees, rather than contracting out. The agreement requires that review to be completed before the end of December; however this item recommends expedited completion of that review by the middle of October.

### *Local Hire*

Members of the Public Works Committee inquired about requiring 50% of individuals working on projects funded by this bond measure to be Oakland residents. The Local Employment Program (LEP), as part of current City of Oakland policy, sets requirements for construction contracts, including 50% of total project work hours performed by Oakland residents, 50% of new hires, and the first new hire, are to be Oakland residents. An apprentice program also requires that 15% of total project work hours are to be performed by Oakland resident apprentices, on a craft by craft basis (not aggregate— the apprentice hours count toward the 50% LEP requirement.

*Tax Relief to Low Income Homeowners*

Members of the Finance and Public Works Committees inquired if there were options to add additional legislation to provide a tax relief to low income homeowners, such as an exemption or a waiver. By law, the City cannot provide taxpayer exemptions or waivers for taxes resulting from a bond measure. A rebate program whereby qualified property owners would essentially receive a refund from the City of that portion of their taxes would have to be offset by another funding source, such as the City's General Purpose Fund (GPF) or through an alternative funding source,

*Rent Ordinance Pass-Through*

Members of the Finance and Public Works Committees asked for information about how the legislation could limit the impact of the new tax resulting from the bond measure on low income renters. Current law does not allow a direct pass through of GO Bond Taxes. The added costs of the bond become a cost to the property owner that could be used to justify a rent increase above the CPI. The draft bond legislation relies on current law.

*Bond Amount*

Members of the Finance Committee inquired about the bond amount proposed by staff. Staff has proposed a General Obligation bond totaling \$600 million that would fund several areas of need at the following allocations:

- Streets, Sidewalks and Pedestrian, Bicycle & Traffic Safety \$350 million
- Public Safety and Improving Quality of Life—Libraries, Parks & Recreation, Fire and Police \$150 million
- Housing Anti-Displacement Measures \$100 million

Staff recommends a \$600 million infrastructure bond measure in the context of reviewing the City's capital needs, including the City's overall unfunded capital need - estimated over \$2.5 billion, and the City's current paving backlog – estimated at \$443 million. In addition, at the March and May Committee meetings, staff initially proposed \$50 million to be allocated for housing displacement measures based on recommendations originally contained in the Oakland Housing Cabinet Report released March 2016. However, in response to subsequent input received from Committees and the public, staff increased the proposed housing allocation in the proposed bond to \$100 million. Finally, a community survey completed in February 2016, and presented to the Finance and Public Works Committees on March 22, 2016 assessed that likely voters would have positive interest in a potential \$600 infrastructure bond measure. This positive interest was subsequently confirmed by results recent survey between June 13 through 19 (Attachment B).

*Project Selection Process*

Members of the Public Works Committee asked how projects would be selected for bond funding and how the City would ensure the distribution of funds would be equitable. As noted in prior informational presentations given to Finance and Public Works Committees, the City's Capital Improvement Program (CIP) is formally reviewed by the City Council and approved

every two years as part of the biennial Policy Budget process. The Fiscal Year (FY) 2017-2019 biennial CIP process will determine which specific capital facilities projects will be prioritized for bond funding in that biennial cycle, within the categories specified in the bond measure.

The public involvement in the CIP development process is governed by the City's Consolidated Fiscal Policy (Ordinance 13279 C.M.S.) which requires that the Administration and Council hold at least three Community Budget Forums at varied times in different neighborhoods away from City Hall and specifies that these meetings are scheduled to maximize residents' access. The policy required that the make efforts to ensure that the forums are accessible to persons with disabilities and non-English language speakers.

The CIP development and prioritization will include (a) social and geographic equity to provide greater benefit to under-served populations and in geographic areas of greatest need, b) impact on the City's existing capital assets; (c) impact on existing operations and maintenance costs; and (d) projects impacts on energy consumption, greenhouse gas emissions, resiliency, and mobility. In addition, staff would develop a bond issuance schedule for the City Council's approval and each bond issuance would specifically identify which projects would be funded with that issuance. The principles of "fix it first" and equitable allocation of resources in the community would be applied to each of these project identification processes. The bond legislation has been revised to include the following requirements:

Projects will be completed as needed according to City Council established priorities, including those set forth within the City's Capital Improvement Plan. Additionally, prior to each issuance of bonds, the City Council shall review the CIP information for the specific projects included in such issuance, including:

- a) How the projects address social and geographic equity, provide greater benefit to under-served populations and in geographic areas of greatest need;
- b) How the projects address improvements to the City's existing core capital assets;
- c) How the projects maintain or decrease the City's existing operations and maintenance costs; and
- d) How the projects address improvements to energy consumption, resiliency and mobility.

#### *Funds Among Categories*

Members of the Finance Committee suggested a limitation on the amount of funding that can be moved among categories if funds in any of the categories have not been obligated or expended within 10 years of enactment of the measure (see section 2e of the proposed legislation). Based on comments from committee members, staff is recommending that 10% of funds can be transferred to other categories included in the measure though a City Council Resolution, if 10 years have passed and funds are not fully obligated or expended.

*Oversight Committee*

In response to comments regarding the role of the Oversight Committee, the legislation now also includes the following language: "In addition, the Board or Commission should evaluate the impacts and outcomes of bond expenditures on the bond measure's stated goals, including social equity, anti-displacement and affordable housing."

*Affordable Housing Bond Law Ordinance*

A separate supplemental report has been submitted that incorporates the work of the Housing Cabinet. It addresses the principles to be included in the necessary Affordable Housing Bond Law ordinance. The supplemental report recommends that the City Council direct staff to prepare an ordinance reflecting those principles and return for approval by the City Council as soon as possible.

**FISCAL IMPACT**

As noted in a previous report, the bonds will be issued incrementally based on a bond issuance schedule approved by the City Council. The bond legislation was revised to reflect a first issuance of up to \$200 million. Taxpayers will only pay an amount per Assessed Value (A/V) of their property based on the amount of bonds sold at that time. For example, the first issuance of bonds would be \$200 million, thus the taxpayer owning an average value property of \$434,208 would pay \$113 annually. As bonds continue to be sold over time, for example, 10 years, the cost to that same property owner would reach \$368 annually when the City has issued the entire \$600 million in bonds. See Attachment C for a schedule of taxpayer costs based on a conceptual bond issuance schedule. The schedule assumes an approximate 10 year time period and corresponding increases in interest rates.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends the City Council:

- (1) Adopt A Resolution On The City Council's Own Motion Submitting To The November 8, 2016 Statewide General Election, A Proposed Ordinance To Authorize Issuance of \$600,000,000 General Obligation Bonds To Fund Various City Infrastructure Projects and Affordable Housing; And Directing The City Clerk To Fix The Date For Submission Of Arguments And Provide For Notice And Publication In Accordance With The November 8, 2016 Statewide General Election
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Respectfully submitted,



CHRISTINE DANIEL  
ASSISTANT CITY ADMINISTRATOR

Attachments (3):

A: Oakland City Charter, Article IX – Personnel Administration, Section 902e

B: June 2016 Public Polling

C: Conceptual Bond Issuance Schedule and Estimated Costs to Taxpayers

## ARTICLE IX - PERSONNEL ADMINISTRATION

**Section 900. Personnel Policy.**

- (a) It is the policy of the City that there shall be a comprehensive personnel system based on merit which considers diversity based upon the relevant labor pool as set forth in section 900(b). Such system shall be continued and maintained for the purpose of providing an equitable and uniform procedure for dealing with personnel matters; to serve the mutual interests of the people, the City as an employer and its employees through accepted modern concepts and practices of public personnel administration; to attract to municipal service the best and most competent person available; to assure that appointments will be based on merit and fitness as ascertained by practical competitive examination and by records of achievement; and to provide the employees security of tenure, with advancement or promotion within the service, where practicable, from among employees having appropriate qualifications, free of discrimination, subject to their adherence to established standards of performance and conduct, all as more particularly hereinafter set forth in this article.
- (b) The City shall study its workforce in comparison to the relevant labor pool to determine if there are manifest racial or gender imbalances in traditionally segregated job classifications. If the study demonstrates such manifest imbalances, the City shall adopt a remedial voluntary affirmative action plan which shall be periodically updated and in effect only until the imbalances are eliminated.

(Amended by: Stats. November 1988 and March 1996.)

**Section 901. Enforcement and Administration.** The provisions of this article, and of the ordinances and rules adopted to give effect thereto, shall be enforced by a Civil Service Board. The Board shall be constituted and appointed as provided in Article VI. The Board shall be responsible for the general supervision of the personnel system, without impairment of the responsibility and duty of the City Administrator, department heads and other supervisory personnel to exercise the administrative discretion vested in them by this Charter, or by ordinance.

(Amended by: Stats. November 1988 and March 2004.)

**Section 902. The Competitive Service.** The Council may establish departments, divisions, offices and positions of employment by ordinance, and may change or abolish the same and prescribe their powers, functions and duties. The Council may by resolution provide for temporary employment of services when required. The competitive Civil Service shall include all offices and employments in the City government except:

- (a) Offices required by this Charter to be filled by election or to be appointed by the Mayor and City Council.
- (b) One secretary and all professional and administrative assistants in the office of the City Administrator the Mayor's secretary and an assistant and such other staff as authorized by Council; one secretary and one assistant to the City Attorney and the Auditor respectively; and the heads of such other departments and an assistant to each as may be provided for by ordinance. The City Administrator, the Mayor, the City Attorney, and the Auditor shall respectively appoint such exempt personnel.
- (c) Department heads, one secretary to the executive director, the secretary of the board, commercial representatives and freight and cargo handlers and checkers employed by the Port Department; also such others engaged in the handling of ships and shipping as are found by both the Board of Port Commissioners and the action of the Civil Service Board as provided for pursuant to Article VI to hold positions peculiar to the operations of the Port as a commercial enterprise.
- (d) Part-time employees who are regularly employed for less than one-half the established working hours throughout the year; or those who are employed in any seasonal employment for not more than 120 days in any consecutive 12 months.
- (e) Individuals or organizations engaged by contract after a finding by the Council or the Board of Port Commissioners, as the jurisdiction may be, that the service is of a professional, scientific or technical nature and is temporary in nature, or after finding by vote of two-thirds of the members of the Council or said Board that the performance of the service by contract, regardless of nature or term, is in the public interest because of economy or better performance; provided, that no such contract for service shall result in the loss of employment or salary by any person having permanent status in the competitive service.
- (f) Such additional positions as may be excepted upon the recommendation of the Council, approved by the Civil Service Board as provided for pursuant to Article VI.

(Amended by: Stats. November 1988 and March 2004.)

**Section 903. Provisional Appointments.** When there is no appropriate eligible list, provisional appointments to positions in the competitive civil service may be made pending the creation of such lists, but such provisional employment may not extend beyond the creation of the list nor in any event may such employment be renewed or extended beyond 120 days.

(Amended by: Stats. November 1988.)

**Section 904. Personnel Ordinance.** The Council shall by ordinance provide a modern system of personnel administration for the competitive civil service.

# Oakland, CA Code of Ordinances

(Amended by: Stats. November 1988.)

**Section 905. Continuation.** Pending adoption of the ordinance required in Section 904, the provisions of Article IX, as the same appeared in the Charter immediately prior to the adoption of this section, shall continue in full force and effect except as the same may hereafter be changed by amendment thereof in the manner provided by law for the amendment of charter provisions. Said provisions of Article IX shall cease to have any force or effect immediately upon the adoption of the ordinance required in Section 904. The rules of the Civil Service Board shall remain effective until modified as authorized by ordinance pursuant to Article VI.

(Amended by: Stats. November 1988.)

**Section 906. (Repealed by: Stats. November 2000.)**

**Section 907. Nepotism.** The Mayor or City Council shall not appoint as an employee or officer, to receive any compensation from the City, any person who is a relative by blood or marriage within the third degree of the Mayor or anyone or more of the members of the Council, nor shall the City Administrator or any other appointing authority appoint to any such position any relative of his or of the Mayor or any member of the Council within such degree of kinship.

(Amended by: Stats. November 1988 and March 2004.)

**Section 908. Social Security.** Provisions for an employee retirement system shall not be construed to prevent the City and its employees from participating in any state or national social security system to the extent permitted by law for public employees.

(Amended by: Stats. November 1988.)

**Section 909. Authority to join Pension System.** Notwithstanding the provisions of Section 1209 the City, by and through its Council, may join or arrange for reciprocity of membership in, or continue as a contracting agency in, any retirement or pension system or systems existing or hereafter created under state or federal law to or in which municipalities and municipal officers or employees are eligible, either for all such officers and employees, or for less than all on the basis of a reasonable classification, provided that no employee or officer or classification thereof shall be unreasonably omitted from all systems referred to in this section or in Section 908 of this Charter.

(Amended by: Stats. November 1988.)

**Section 910. Arbitration for Uniformed Members of the Police and Fire Departments.**

- (a) It is hereby declared to be the policy of the voters of the City to endeavor to establish and maintain, without labor strife and dissension, wages, hours, and other terms and conditions of employment for the uniformed members of the Police and Fire Departments which are fair and comparable to similar private and public employment. To such purpose, the voters of the City hereby recognize the efficiency of and adopt the principle of binding arbitration as an equitable alternative means to arrive at a fair resolution of terms of wages, hours, and other terms and conditions of employment for such employees when the parties have been unable to resolve these questions through negotiations.
- (b) Pursuant to the public policy hereinabove declared, the City or the recognized employee organization for the uniformed members of the Police and Fire Departments may, as the result of an impasse after meeting and conferring in good faith on matters within the scope of representation as required by applicable State law, refer any such matters which are unresolved to binding arbitration under the provisions of this Section; except that the Charter provisions concerning the Police and Fire Retirement System and such other provisions of this Charter which specifically govern wages, hours and other terms and conditions of employment of uniformed members of the Police and Fire Departments shall not be subject to change by arbitration. In any such arbitration, the arbitrator is directed to take into consideration the City's purpose and policy to create and maintain wages, hours and other terms and conditions of employment which are fair and comparable to similar private and public employment and which are responsive to changing conditions and changing costs and standards of living. The arbitrator shall also consider: the interest and welfare of the public; the availability and sources of funds to defray the cost of any changes in wages; hours and conditions of employment; and all existing benefits and provisions relating to wages, hours and terms and conditions of employment of the uniformed members of the Police and Fire Departments, whether contained in this Charter or elsewhere.
- (c) Any unresolved dispute or controversy arising under the provisions of this Section, or any unresolved dispute or controversy pertaining to the interpretation or application of any negotiated agreement covering uniformed members of the Police and Fire Departments shall be submitted to an impartial arbitrator. Representatives designated by the City and representatives of the recognized employee organization affected by the dispute or controversy shall select the arbitrator. In the event that said parties cannot agree upon the selection of the arbitrator within five days from the date of any impasse, then the California State Conciliation Service shall be requested to nominate five (5) persons, all of whom shall be qualified and experienced as labor arbitrators. If the representatives of the recognized employee organization and the City cannot agree on one

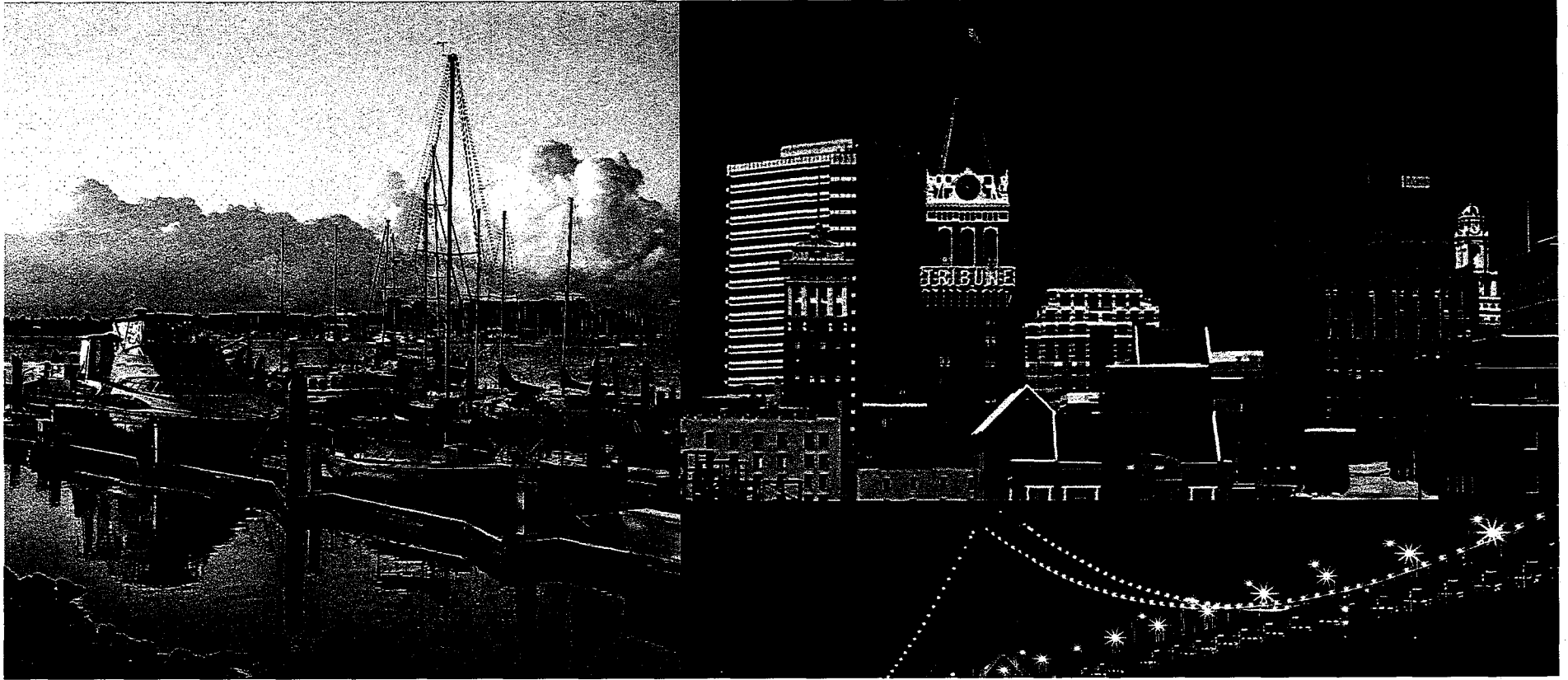


## Oakland, CA Code of Ordinances

of the five to act as arbitrator, they shall strike names from the list of said nominees alternately until the name of one nominee remains who shall thereupon become the arbitrator. The first party to strike a name from the list shall be chosen by lot. Every effort shall be made to secure an award from the impartial arbitrator within thirty (30) calendar days after submission of all issues to him.

- (d) The arbitration proceedings herein provided shall be governed by Sections 1280, et seq., of the California Code of Civil Procedure. The arbitrator's award shall be submitted in writing and shall be final and binding on all parties. The City and the affected employee organization shall take whatever action is necessary to carry out and effectuate the award. The expenses of arbitration, including the fee for the arbitrator's services, shall be borne equally by parties. All other expenses which the parties may incur individually are to be borne by the party incurring such expenses.
- (e) Nothing herein shall be construed to prevent the parties from submitting controversies or disputes to mediation, fact-finding or other reasonable method to finally resolve the dispute should the City and the recognized employee organization in the controversy or dispute so agree. An impasse may be declared by either the City or the recognized employee organization in the event the parties fail to reach an agreement on matters within the scope of representation after meeting and conferring in good faith as required by applicable State law, or after other mutually agreed-upon settlement methods fail to result in agreement between the parties.

(Added by: Stats. 1973. Amended by: Stats. November 1988.)



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& OPINION  
RESEARCH  
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# Telephone Survey of Likely November 2016 Oakland Voters Conducted for: City of Oakland June 2016

Attachment B





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# Telephone Survey of Likely November 2016 Oakland Voters Conducted for: City of Oakland June 2016

Attachment B

# Methodology

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- Telephone Survey of Likely November 2016 Voters in Oakland
- Survey conducted June 19 – 23, 2016
- 400 total interviews conducted citywide
- Margin of Error =  $\pm 4.9$  percentage points
- Interviews conducted by trained, professional interviewers in English, Spanish and Chinese
- Respondent demographics reflect those of likely November 2016 voters
- ▶ Where applicable, results are compared to a previous survey:
  - February 14-18, 2016; n=606, MoE:  $\pm 3.98\%$ , EMC #16-5910

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

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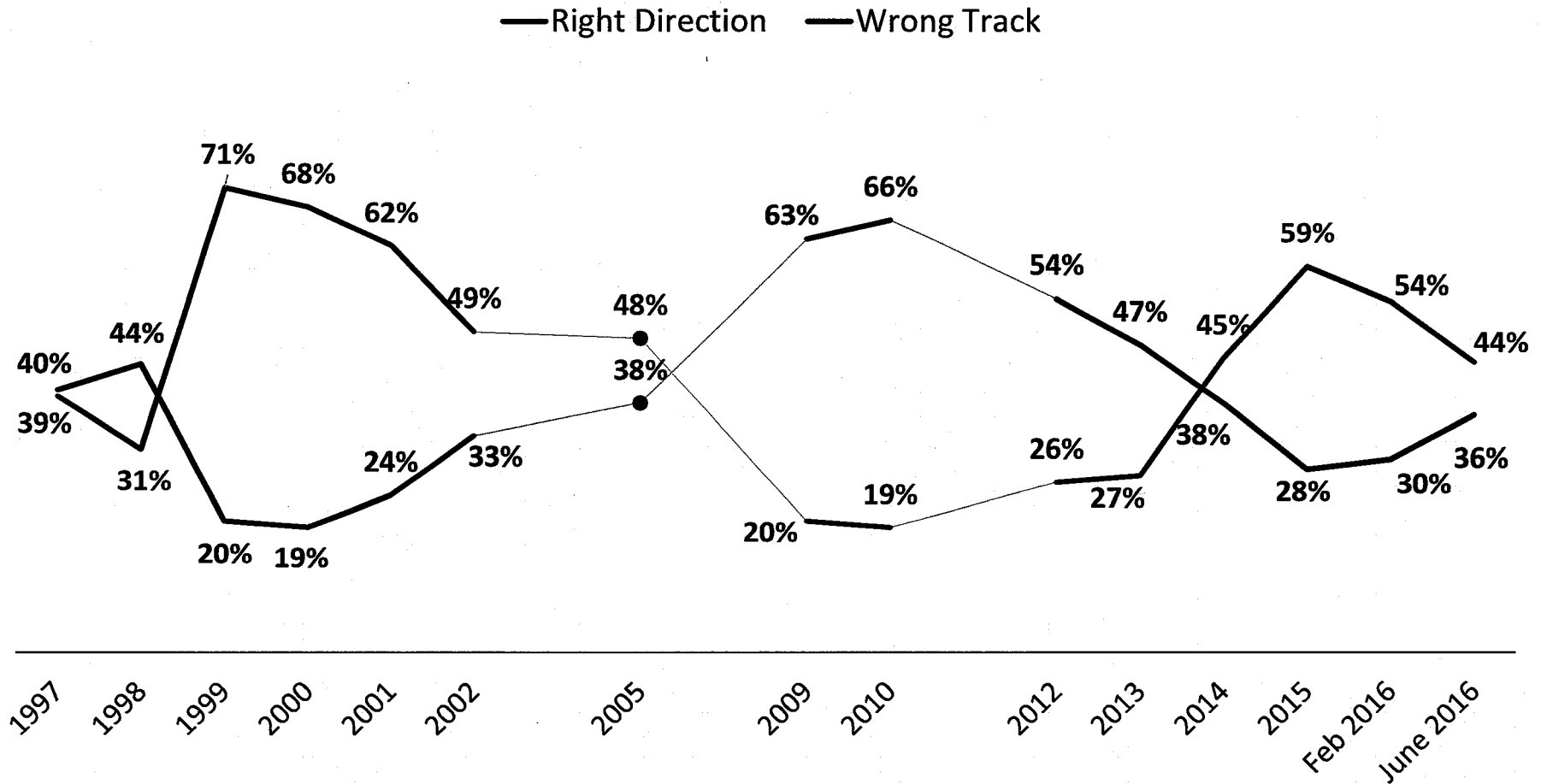
# Key Findings

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- ▶ Support for a \$600 million infrastructure bond measure for the City of Oakland is still strongly above the two-thirds threshold.
- ▶ Even in the context of two other large revenue measures on the November ballot, the Oakland infrastructure bond measure receives strong support.
- ▶ Support grows even stronger after voters hear additional information about protecting Oaklanders from displacement, and making Oakland a safe and vibrant community to live, work and raise a family.
- ▶ Negative information does little to erode support, demonstrating that there is strong support for a \$600 million bond to fund much needed infrastructure improvements throughout Oakland.

# Direction of Oakland

*Voter optimism is on the decline.*



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

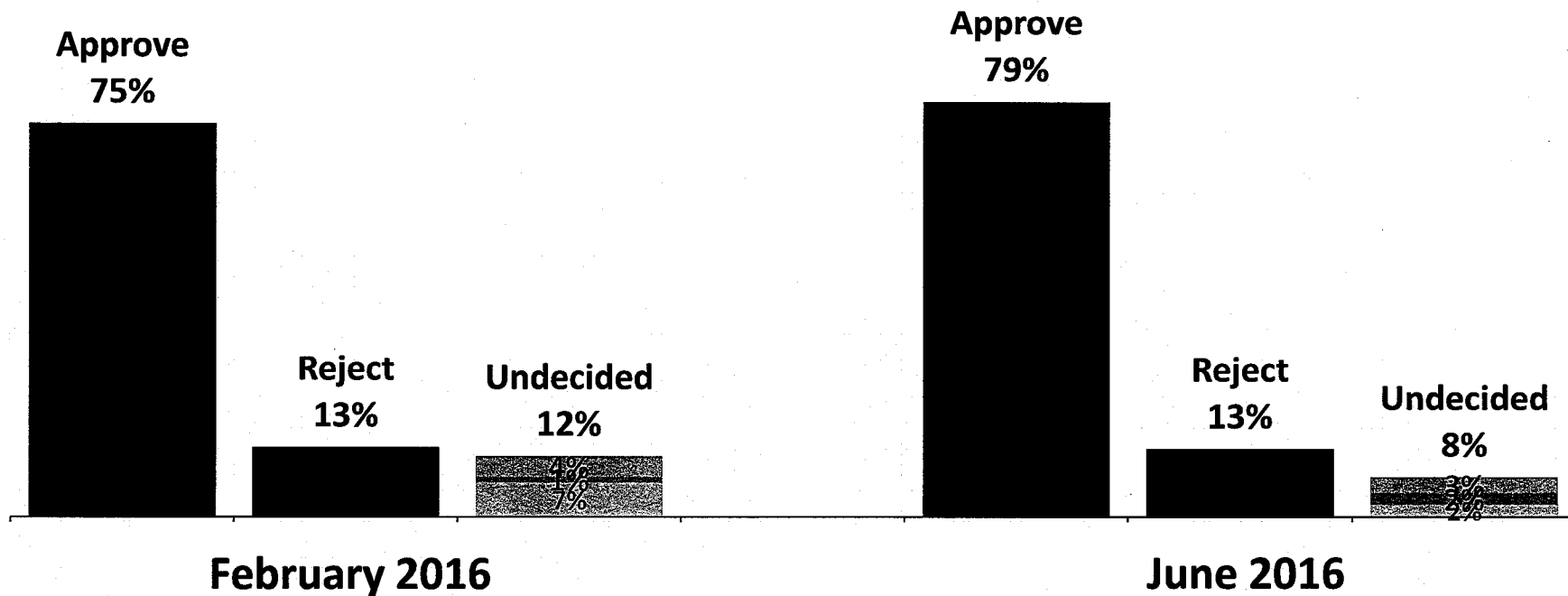
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# Oakland Bond Measure Initial Vote

*Consistent with results from February, support for a \$600 million infrastructure bond is solidly above the two-thirds threshold.*

*To improve public safety and invest in neighborhoods throughout Oakland by re-paving streets to remove potholes, rebuilding cracked and deteriorating sidewalks, improving bicycle and pedestrian safety, protecting affordable housing for Oaklanders, and renovating neighborhood recreation centers, playgrounds and libraries, shall the City of Oakland issue \$600 million in bonds, subject to independent citizen oversight and regular audits?*



Q7. If the election were held today, would you vote yes to approve or no to reject this measure?

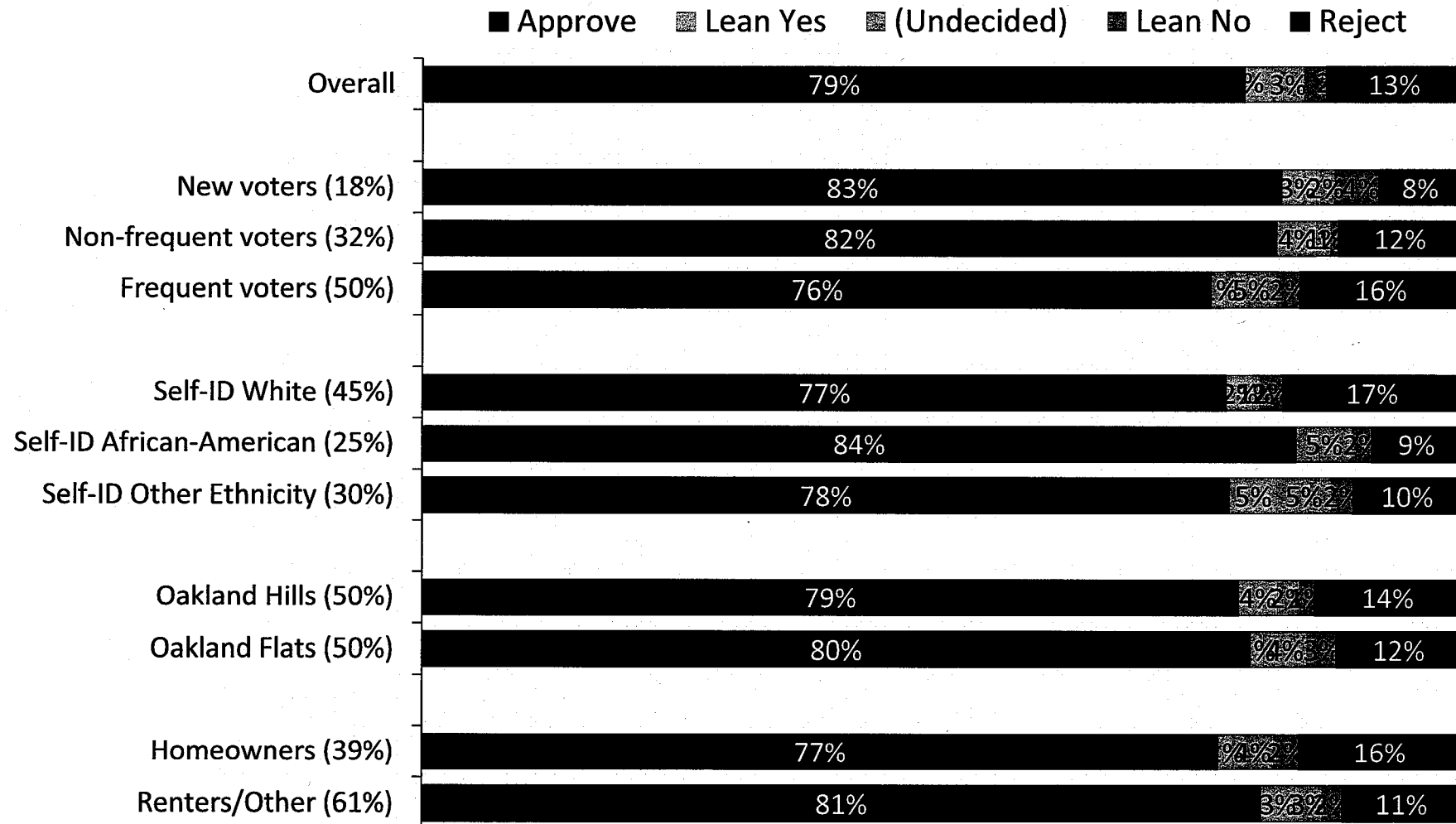
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# Oakland Bond Measure Initial Vote by Subgroup

Support for the Oakland bond measure is very strong across all demographic groups.



Q7. If the election were held today, would you vote yes to approve or no to reject this measure?

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# Ballot Simulation

*Respondents were read three ballot measures in the following order so that all respondents heard the Oakland bond measure AFTER hearing the BART bond and the Alameda County affordable housing bond.*

**BART BOND:** *To keep BART safe; prevent accidents/breakdowns/delays; relieve BART crowding and traffic congestion; reduce pollution; and improve earthquake safety and access for seniors/people with disabilities by replacing and upgrading 90 miles of severely worn tracks; tunnels damaged by water intrusion; 44-year-old control system infrastructure; and other deteriorating/aging infrastructure shall the Bay Area Rapid Transit District issue **\$3.5 billion** of bonds subject to independent oversight and annual audits?*

**ALAMEDA COUNTY AFFORDABLE HOUSING BOND:** *To provide affordable local housing and prevent displacement of vulnerable populations, including low and middle-income individuals and families, working households, veterans, seniors, and persons with disabilities; provide supportive housing for the homeless; and help low and moderate-income households purchase homes and stay in their communities; shall the County of Alameda issue **\$580 million** in general obligation bonds to acquire or improve real property, subject to independent citizen oversight and regular audits?*

**CITY OF OAKLAND INFRASTRUCTURE BOND:** *To improve public safety and invest in neighborhoods throughout Oakland by re-paving streets to remove potholes, rebuilding cracked and deteriorating sidewalks, improving bicycle and pedestrian safety, protecting affordable housing for Oaklanders, and renovating neighborhood recreation centers, playgrounds and libraries, shall the City of Oakland issue **\$600 million** in bonds, subject to independent citizen oversight and regular audits?*

Q5, Q6, Q7. *If the election were held today, would you vote yes to approve or no to reject this measure?*

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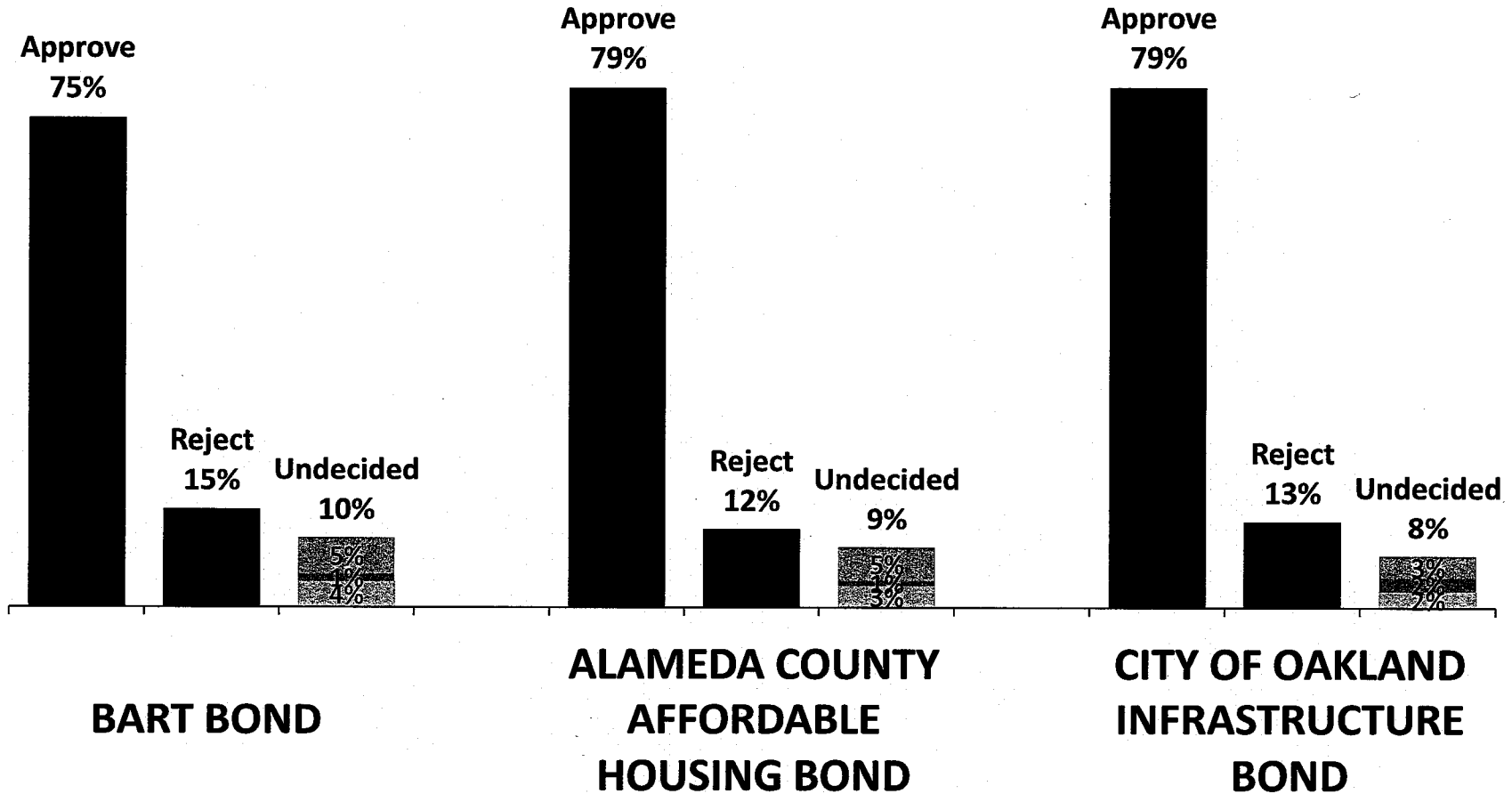


EMC 16-6040 Oakland 2016 Bond Track | 7

# November 2016 Revenue Measures Initial Votes

*Even in the context of two other big revenue measures on the ballot, support for the Oakland bond is solidly above three-quarters.*

## Oakland Voters Only



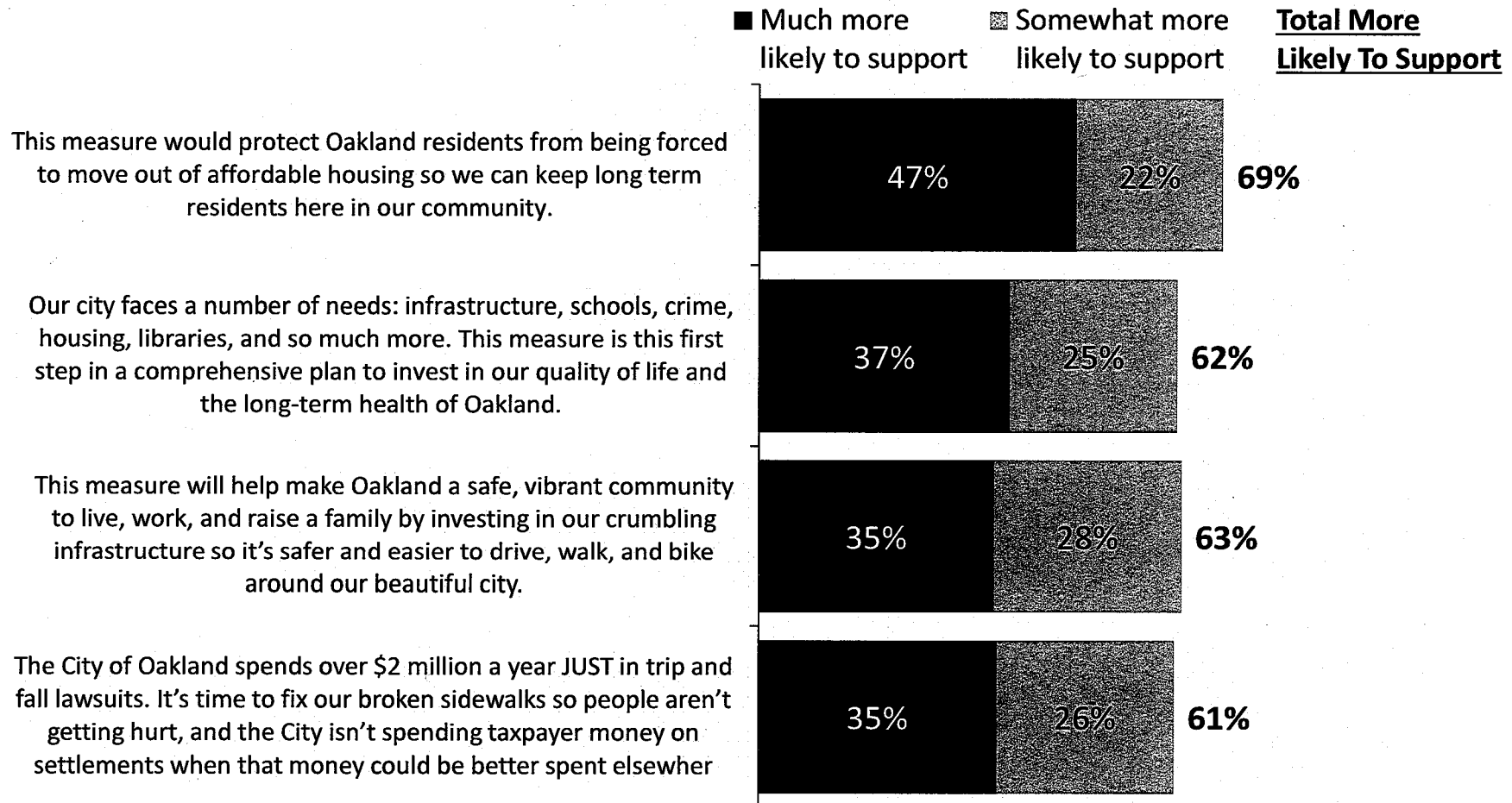
Q5, Q6, Q7. If the election were held today, would you vote yes to approve or no to reject this measure?

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# Support Messages

*Voters are most compelled by information that emphasizes protecting Oaklanders from displacement from their homes, and the need to invest in the quality of life and long-term health of Oakland.*



Q8-Q12. Now I'm going to read you some statements that SUPPORTERS of the proposed bond measure have said. After each one, please tell me if that statement makes you much more likely to support the measure, somewhat more likely to support the measure, or if it does not make a difference to you

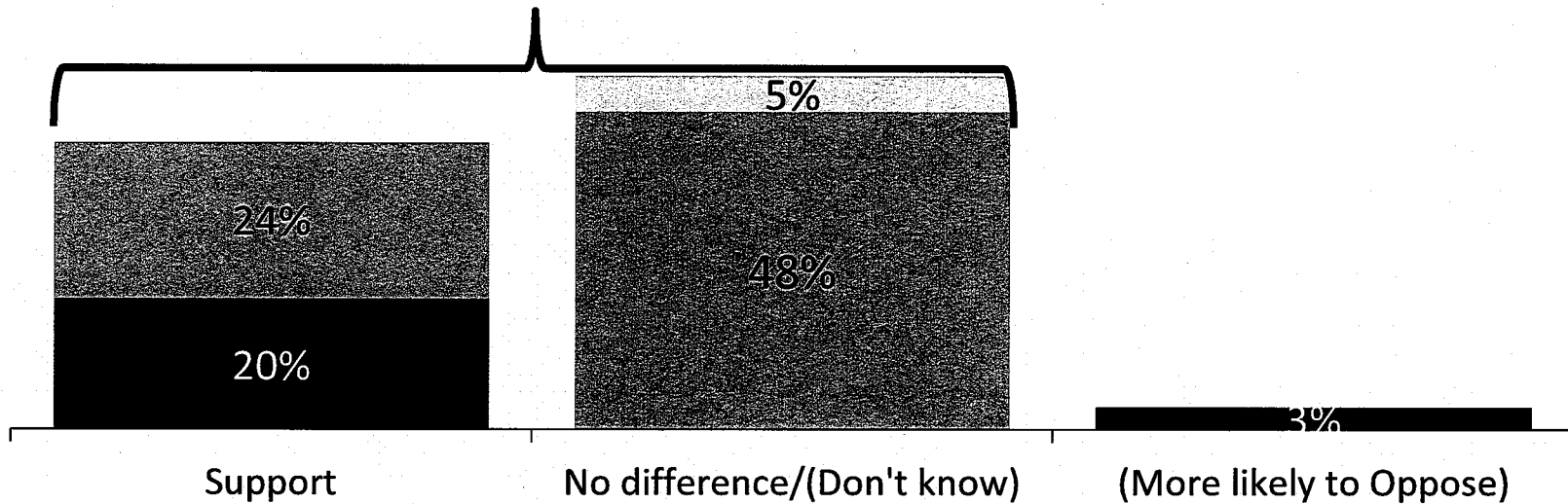
# Cost

*The vast majority of voters indicate that the cost is a positive or makes no difference.*

This measure will cost property owners no more than \$70 per \$100K of assessed value.

- Much More Likely to Support
- No difference
- (More Likely to Oppose)
- Somewhat More Likely to Support
- (Don't know)

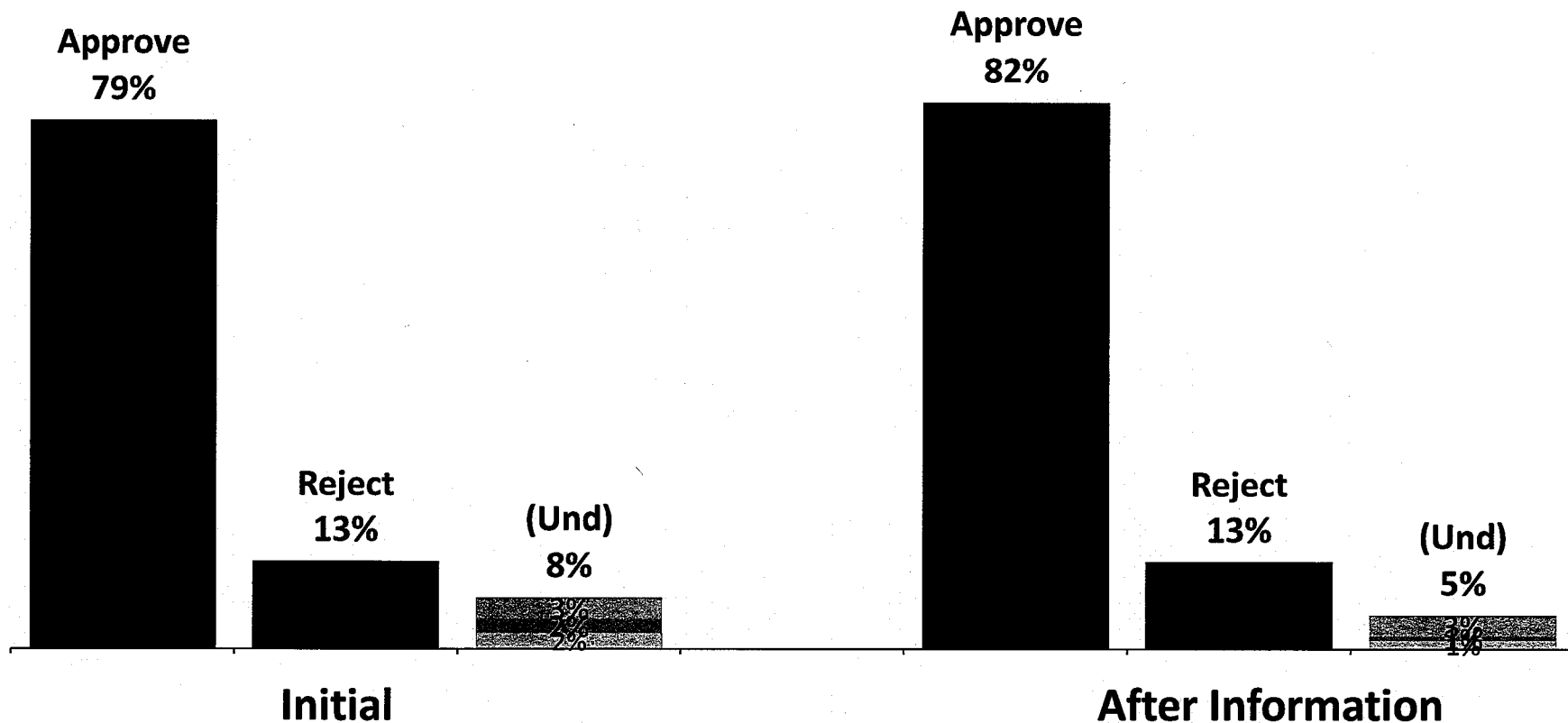
**Total Support/Neutral: 97%**



Q6-12. After each one, please tell me if that statement makes you much more likely to support the measure, somewhat more likely to support the measure, or if it does not make a difference to you.

# Oakland Bond Measure Vote After Information

*After voters hear additional information about the benefits of the bond, support grows even higher, well above three-quarters.*



Q7, Q13. Given what you've heard, would you vote yes to approve or no to reject a measure that reads {City of Oakland Bond Measure}?

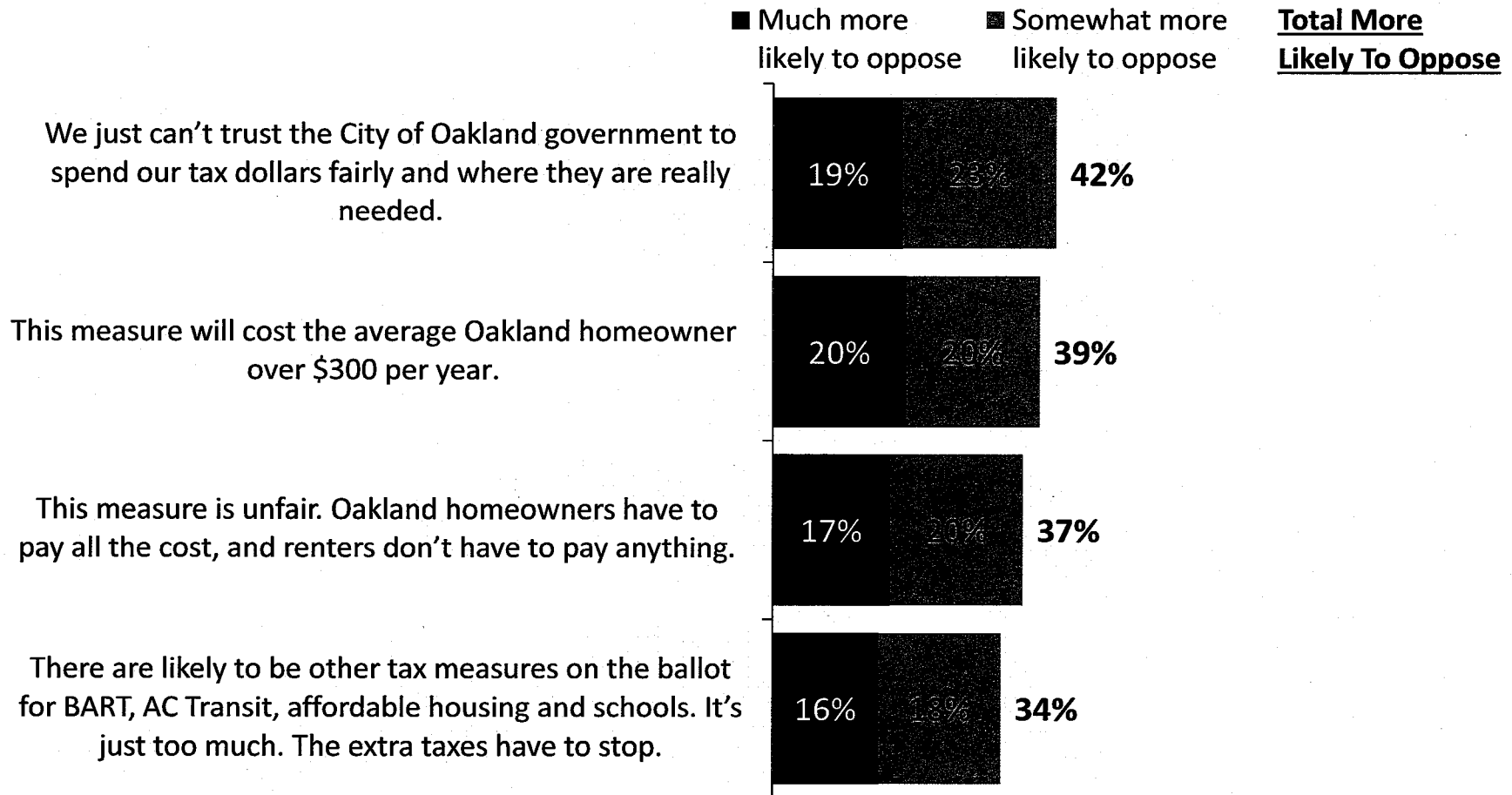
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EMC 16-6040 Oakland 2016 Bond Track | 11

# Opposition Messages

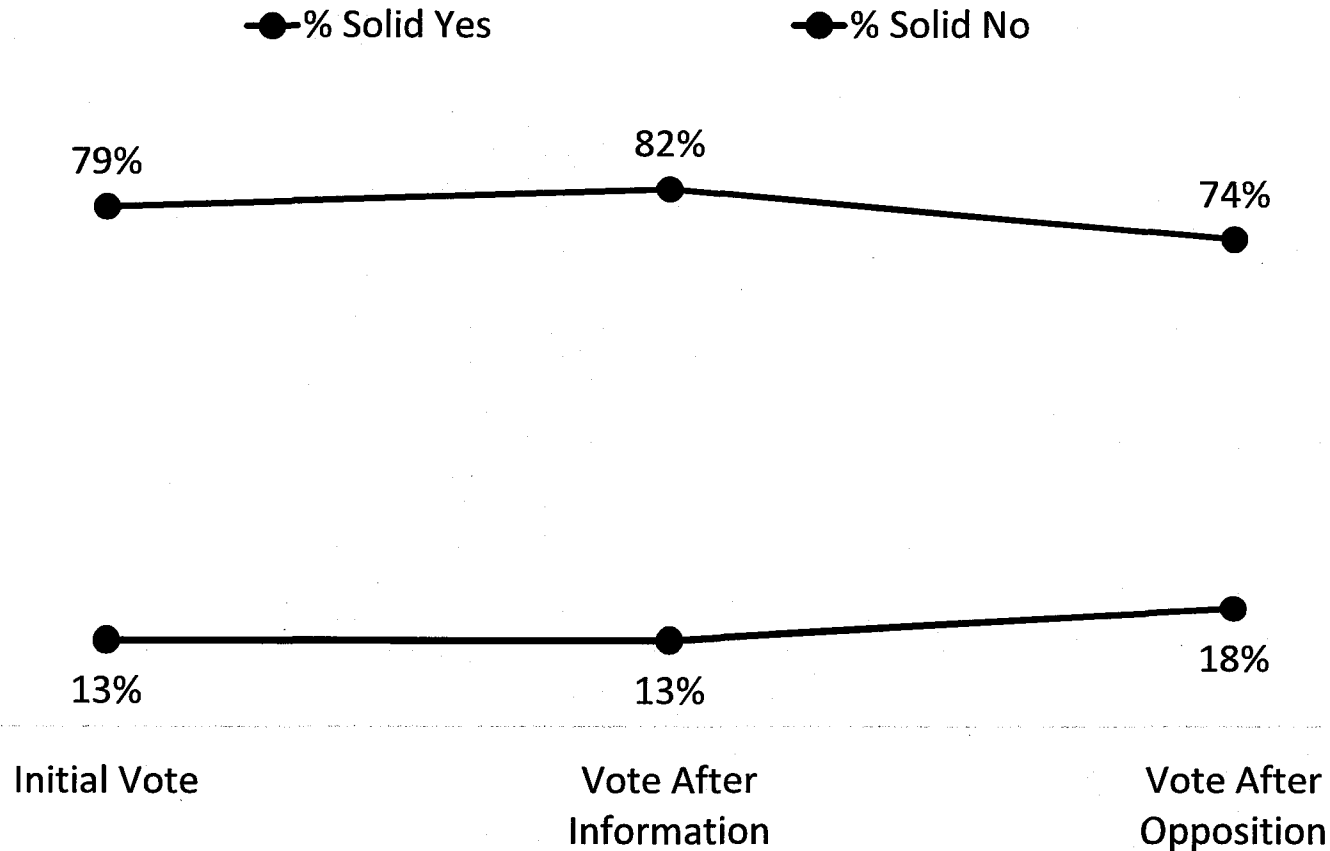
Potential opposition messages are less compelling to voters.



Q14-Q17. On the other side of the coin, I'd like to read you some things that OPPONENTS of the proposed bond measure have said. After each one, please tell me if that statement makes you much more likely to oppose the measure, somewhat more likely to oppose the measure, or if it does not make a difference to you.

# Oakland Bond Measure Vote Progression

*Even after voters hear messages from potential opponents, support for the bond remains well above the two-thirds threshold.*



Q7, Q13, Q18. Would you vote yes to approve or no to reject the measure?

**CliffordMoss.**  
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# Contacts

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**General Obligation Bonds (30 years)**  
**Conceptual Bond Issuance Schedule and Estimated Annual Cost to Property Owners**

	\$200M GOs		\$100M GOs		\$100M GOs		\$100M GOs		\$100M GOs		\$600M GOs	
	Series 2017	Series 2020	Total	Series 2022	Total	Series 2025	Total	Series 2026	Total	Series 2026	Total	Total
Estimated Project Fund	\$ 200,000,000	\$ 100,000,000	\$ 300,000,000	\$ 100,000,000	\$ 400,000,000	\$ 100,000,000	\$ 500,000,000	\$ 100,000,000	\$ 600,000,000	\$ 100,000,000	\$ 600,000,000	\$ 600,000,000
Est. Average Annual Debt Service	\$12,094,266	\$ 6,249,826.60	\$ 18,344,092.37	\$ 6,992,421.43	\$ 25,336,513.80	\$6,992,421.43	\$ 32,328,935.23	\$ 6,992,421.43	\$ 39,321,356.65	\$ 6,992,421.43	\$ 39,321,356.65	\$ 39,321,356.65
Estimated Cost per \$100K AV	\$25.30	\$ 13.07	\$ 38.38	\$ 14.63	\$ 53.00	\$14.63	\$ 67.63	\$ 14.63	\$ 82.26	\$ 14.63	\$ 82.26	\$ 82.26
Average AV (\$434,028)	113.16	58.47	171.63	65.42	237.05	65.42	302.47	65.42	367.90	65.42	367.90	367.90
Median AV (\$250,000)	65.18	33.68	98.86	37.68	136.54	37.68	174.22	37.68	211.91	37.68	211.91	211.91

Based on Total Gross Assessed Valuation (\$47,800,581,080) for taxable property within the City of Oakland, less Other Exemptions, as provided in the Alameda County Auditor-Controller's 2015-16 Fiscal Year Assessed Valuation Report, dated July 31, 2015.  
 Also, based on market data as of June 1, 2016.

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

**DRAFT**  
CITY ATTORNEY

2016 JUL -8 AM 10:14

# OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

INTRODUCED BY VICE MAYOR CAMPBELL WASHINGTON  
AND COUNCILMEMBER GUILLEN

**RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE NOVEMBER 8, 2016 STATEWIDE GENERAL ELECTION, A PROPOSED ORDINANCE TO AUTHORIZE ISSUANCE OF \$600 MILLION GENERAL OBLIGATION BONDS TO FUND VARIOUS CITY INFRASTRUCTURE AND AFFORDABLE HOUSING PROJECTS; AND DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS AND PROVIDE FOR NOTICE AND PUBLICATION IN ACCORDANCE WITH THE NOVEMBER 8, 2016 STATEWIDE GENERAL ELECTION; ACTION TAKEN IN RELIANCE ON PREVIOUSLY CERTIFIED ENVIRONMENTAL IMPACT REPORTS AND CEQA EXEMPTIONS WITHOUT LIMITATION, CEQA GUIDELINES 15162, 15183, 15183.3 and 15378**

**WHEREAS**, the City of Oakland has identified critically needed investment in streets and roads, public facilities and affordable housing as integral to ensuring public safety, quality of life for all Oaklanders and the City's long-term economic vitality; and,

**WHEREAS**, the City Council recognizes the need to enhance the City's streets, bike lanes, and related infrastructure in order to create a system that is more safe, reliable, and efficient, and meets future demands; and,

**WHEREAS**, the City Council recognizes that investment in the City's infrastructure, including parks, libraries, public safety buildings, recreation and senior centers is necessary to preserve and enhance the quality of life for all Oaklanders; and,

**WHEREAS**, Oakland is the one of the most expensive housing markets in the country, just behind San Francisco, New York and Boston, and with rising rents outpacing the increase in incomes faster than any other place in the country, protecting Oakland residents from displacement and providing affordable housing opportunities is necessary to preserve the quality of life for all City residents, to protect the City's low income families, seniors and persons with disabilities, and to ensure the City's long term economic vitality; and,

**WHEREAS**, pursuant to Article 34 of the California Constitution, voter approval is necessary in some cases to authorize the City to develop, construct and/or acquire "low rent housing", including housing that will be funded by a City general obligation bond; and

**WHEREAS**, the City has an unfunded capital need of approximately \$2.5 billion;  
and

**WHEREAS**, the City's Capital Improvement Program (CIP) is formally reviewed by the City Council and approved every two years as part of the biennial Policy Budget process and public involvement in the CIP development process is governed by the City's Consolidated Fiscal Policy (Ordinance 13279 C.M.S) which requires that the Administration and City Council hold at least three Community Budget Forums at varied times in different neighborhoods; and

**WHEREAS**, the City Council proposes a \$600 million general obligation bond to invest in vital infrastructure projects to improve public safety, protect and provide affordable housing, and preserve the quality of life in all neighborhoods throughout Oakland; and

**WHEREAS**, section 902(e) of the Charter of the City of Oakland provides that contracts for service shall not result in the loss of employment or salary by any person having permanent status in the City's competitive service and such Charter provisions remain applicable to projects funded by this bond measure; and

**WHEREAS**, this bond measure provides enhanced resources for the City's Public Works, Transportation and Parks & Recreation Departments, thereby creating the opportunity to expand the capacity of City staff to undertake various types of capital improvement work; and

**WHEREAS**, in compliance with the California Environmental Quality Act (CEQA), section 15162, the City has completed a review of the proposed projects (the "Projects") and

**WHEREAS**, the proposal relies on previously certified Final Environmental Impact Reports (EIRs) in accordance with, among other provisions CEQA Guidelines section 15162, prepared for planning-level policy documents including, without limitation, the City's General Plan, the Lake Merritt Station Area, Broadway-Valdez, West Oakland, and Central Estuary Specific Plans, and various Redevelopment Plans, and each as a separate and independent basis, is also exempt from CEQA on numerous bases, including, without limitation CEQA Guidelines sections 15183, 15183.3 and 15378, and,

**WHEREAS**, the City Council finds and determines that completion of the Projects is in the public interest and the cost of the Projects will require expenditures of at least \$600 million, an amount greater than the amount allowed by the annual tax levy of the City; and

**WHEREAS**, the City Council finds and determines it is in the best interests of the City of Oakland to submit to the voters this proposed ordinance to incur bonded indebtedness not to exceed \$600 million for the purpose of financing the Projects; 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 November 8, 2016, Statewide General Election, an Ordinance that reads as follows:

The people of the City of Oakland do ordain as follows:

Section 1. TITLE AND PURPOSE.

(A) Title. This Ordinance shall be referred to as the “2016 Infrastructure Bond.”

(B) Purpose. The object and purpose of the authorized indebtedness will be to acquire and make improvements to real property such as improvement and rehabilitation of streets, sidewalks and related infrastructure, renovation and rehabilitation of City facilities including libraries, public safety, recreation, and other buildings, and acquisition, improvement, rehabilitation, preservation, construction and repair of affordable housing.

Section 2. IMPROVEMENT PROJECT PLAN.

(A) Projects to be funded by the total \$600 million in bonds include the following:

1. Streets and Roads Projects, in an amount not to exceed \$350 million, including projects consistent with:

(a) Street paving and reconstruction

(b) Bicycle and pedestrian improvements; bikeways, sidewalks, paths, stairs, streetscape, curb ramps

(d) Traffic calming improvements

2. Facilities Projects in an amount not to exceed \$150 million, including projects consistent with:

(a) Fire facilities (\$40 million)

(b) Police facilities (\$40 million)

(c) Libraries (\$15 million)

(d) Parks, Recreation and Senior Facilities (\$35 million)

(e) Water, energy and seismic improvements consistent with the City’s Energy and Climate Action Plan (\$20 million)

3. Anti-displacement and affordable housing preservation projects in an amount not to exceed \$100 million as set forth in the Affordable Housing Bond Law Ordinance:

(a) Funds may be spent on the acquisition, rehabilitation, or new construction of affordable housing as set forth in the Affordable Housing Bond Law Ordinance.

(B) Proceeds from the sale of the bonds authorized by this measure shall be used only for the purposes and projects set forth in Section 1. Proceeds of the bonds may be used to pay or reimburse the City for the costs of City staff when they are performing work on or necessary and incidental to the bond projects. The City may apply bond proceeds designated for affordable housing projects directly to acquire, rehabilitate, preserve or construct affordable housing and/or indirectly as loans, grants, or other disbursements to qualified individuals, non-profit business entities, corporations, partnerships, associations, and government agencies for such affordable housing projects.

(C) The City proposes to finance some or all of the projects described above with proceeds of the bonds. Projects will be completed as needed according to City Council established priorities, including those set forth within the City's Capital Improvement Plan and additionally, prior to each issuance of bonds, the City Council shall identify for the specific projects included in such issuance:

1. How the projects address social and geographic equity, provide greater benefit to under-served populations and in geographic areas of greatest need;

2. How the projects address improvements to the City's existing core capital assets;

3. How the projects maintain or decrease the City's existing operations and maintenance costs; and

4. How the projects address improvements to energy consumption, resiliency and mobility;

5. The order in which the projects appear in Section A above is not an indication of priority for funding or completion. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Certain construction funds expected from non-bond sources, including state or other grants for eligible projects, have not been secured. Until sources of funding and the costs of all projects are known, the City Council cannot determine the amount of bond proceeds that will be available to spend on each project, nor guarantee that the bonds will provide sufficient funds to allow completion of all described projects. Completion of some projects may be subject to additional environmental or other government approvals by state or local officials. For these reasons, inclusion of a project in the description above is not a guarantee that the project will be funded or completed. The City Council may make changes to the project plan in the future consistent with the City's established priorities.

(D) Contractors and City departments shall comply with all applicable City laws when awarding contracts or performing work funded with the proceeds of Bonds authorized by this measure.

(E) After ten (10) years from enactment of this measure, if funds in any of the categories set forth in Section 2(A) above have not been obligated or expended, a maximum

of ten percent (10%) of the funds within each category can be transferred to any other categories included in this measure through a City Council Resolution.

Section 3. TAX AND INDEBTEDNESS.

To provide financing for the purposes and projects identified in Section 1 of this Ordinance, the City shall be authorized to issue and sell bonds in an amount up to Six Hundred Million Dollars (\$600,000,000) in aggregate principal amount subject to the accountability safeguards specified in Section 6. The City's first bond issuance will be for an amount no more than \$200 million.

The City's best estimate of the ad valorem tax rate required to be levied on all taxable property in the City to pay debt service on the total amount of the proposed bonds (\$600 million) is projected to average no more than \$69 per year per \$100,000 of assessed property valuation. Such estimation shall not be construed to limit the power and duty of the City Council to cause to be levied and collected a tax sufficient to pay debt service on the bonds in any fiscal year.

Section 4. DEPOSIT OF BOND PROCEEDS.

The net proceeds of the bonds shall be deposited into a special trust account with or established by the treasury of the City of Oakland and shall be allocated and expended at the direction of the City Council for purposes set forth in Section 1 of this Ordinance.

Section 5. FINANCIAL AUDITS AND CITIZEN OVERSIGHT.

As long as any authorized bond proceeds have not been spent, an annual audit shall be performed to ensure accountability and proper disbursement of the bond proceeds in accordance with the objectives stated herein and in compliance with California Government Code sections 53410(c), 53410(d) and 53411.

The City Council shall establish a new Board or Commission or assign to an existing Board or Commission the responsibility for citizen oversight of this measure. This Board or Commission shall review relevant financial and operational reports related to the expenditure of bond proceeds and provide reports to the City Council when necessary. In addition, the Board or Commission should evaluate the impacts and outcomes of bond expenditures on the bond measure's stated goals, including social equity, anti-displacement and affordable housing.

Section 6. DEBT-SERVICE FUND.

For the purpose of paying the principal and interest on the bonds, the City shall, annually levy and collect a tax sufficient to pay the annual interest on such bonds as it becomes due and such part of the principal that will become due before the proceeds of the next general tax levy is available for the payment of such principal. The City shall establish and separately maintain such collected tax revenues in a Debt-Service fund until the bonds and the interest thereon are fully paid, or until a sum is set apart to pay

all amounts that will be due to cover the principal and interest on the bonds in the Treasury of the City of Oakland or held on behalf of the City.

Section 7. Blank

Section 8. ARTICLE 34 AUTHORIZATION.

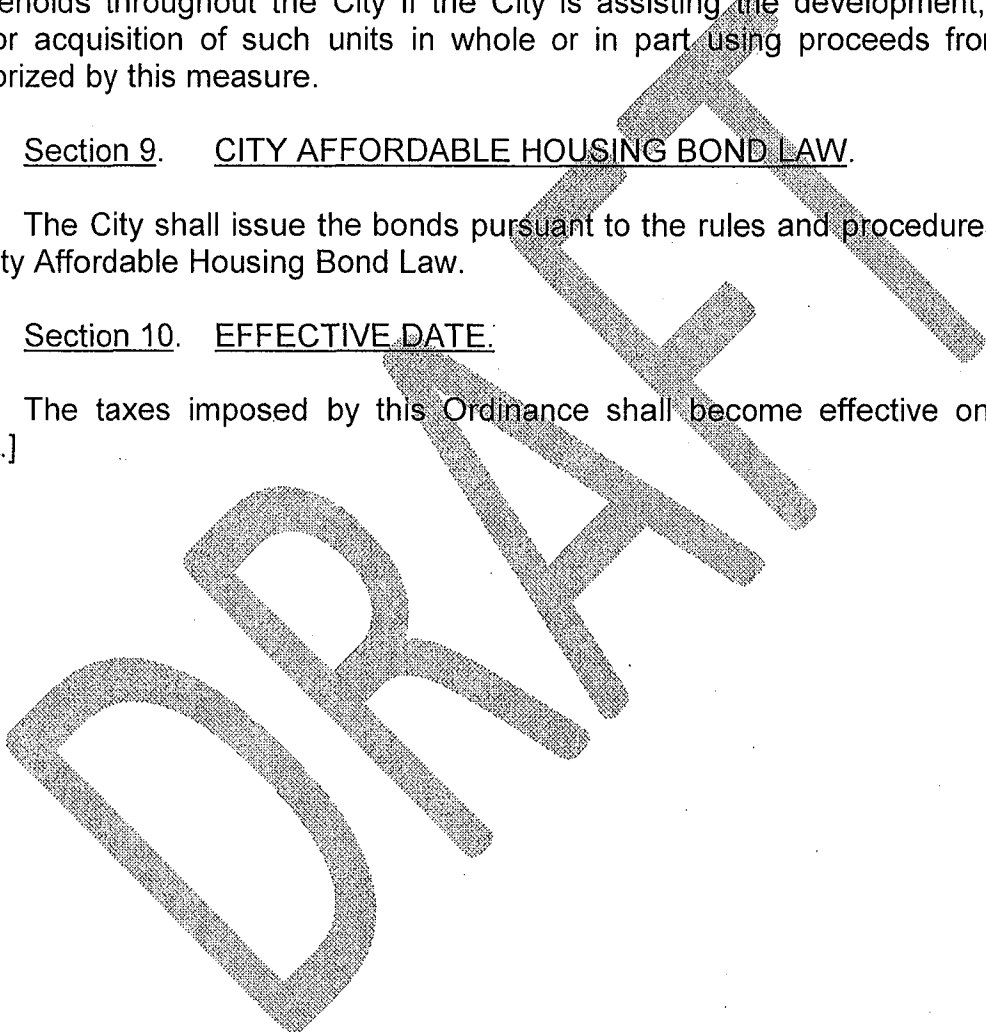
Pursuant to Article 34 of the California Constitution, the City is authorized to develop, construct and/or acquire up to 2000 rental housing units for low-income households throughout the City if the City is assisting the development, construction and/or acquisition of such units in whole or in part using proceeds from the bonds authorized by this measure.

Section 9. CITY AFFORDABLE HOUSING BOND LAW.

The City shall issue the bonds pursuant to the rules and procedures established by City Affordable Housing Bond Law.

Section 10. EFFECTIVE DATE.

The taxes imposed by this Ordinance shall become effective on [January 1, 2017.]





Section 11. 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 12. TERM OF TAX IMPOSITION.

The ad valorem taxes enacted by this Ordinance shall be imposed and levied until the authorized indebtedness is fully paid. The City shall place delinquencies on subsequent tax bills.

Section 13. SAVINGS CLAUSE.

If a court of competent jurisdiction finds that any provision, sentence, clause, section or part of this Ordinance is unconstitutional, illegal or invalid, 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 Council would have adopted this Ordinance if such unconstitutional, illegal or invalid provision, sentence, clause, section or part thereof was not included herein.

Section 14. COMPLIANCE

Under Section 53410 of the California Government Code, the bonds shall be for the specific purposes authorized in this Ordinance and the proceeds of such bonds will be applied only for such specific purposes. The City will comply with the requirements of Sections 53410(c) and 53410(d) of the California Government Code.

Section 15. REIMBURSEMENTS

The City shall be reimbursed for expenditures the City incurred or expected to incur prior to the issuance and sale of any series of the Bonds in connection with the Project. The City Council hereby declares the City's intent to reimburse the City with the proceeds of the bonds for expenditures with respect to the Project (the "Expenditures" or "Expenditure") that are made on and after the date that is no more than 60 days prior to the passage of the Ordinance. The City reasonably expects on the date hereof that it will reimburse the eligible Expenditures with the proceeds of the Bonds.

Each Expenditure was and will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the City so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the City. The maximum aggregate principal amount of the Bonds expected to be issued for the Project is \$600 million. The City shall make a reimbursement allocation, which is a written allocation by the City that evidences the City's use of

proceeds of the applicable series of bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the related portion of the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The City may make exceptions for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and Expenditures for construction projects of at least 5 years.

Section 16. EFFECTIVE DATE.

This Ordinance shall be effective only if it is approved by two-thirds of the voters voting thereon and shall go into effect ten (10) days after the vote is declared by the City Council.

; 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:

[A PROPOSED ORDINANCE AUTHORIZING THE ISSUANCE OF INFRASTRUCTURE BONDS IN AN AMOUNT NOT TO EXCEED \$600 MILLION TO IMPROVE PUBLIC SAFETY AND INVEST IN NEIGHBORHOODS.]

MEASURE \_\_\_\_\_

<p>Measure __. [To improve public safety and invest in neighborhoods throughout Oakland by re-paving streets to remove potholes, rebuilding cracked and deteriorating sidewalks, improving bicycle and pedestrian safety, protecting affordable housing for Oaklanders, and renovating neighborhood recreation centers, playgrounds and libraries, shall the City of Oakland issue \$600 million in bonds, subject to independent citizen oversight and regular audits?] [FINAL QUESTION SUBJECT TO FINAL CITY ATTORNEY APPROVAL]</p>	<p><b>Yes</b></p>	
	<p><b>No</b></p>	

; and be it

**FURTHER RESOLVED**, that the City Council does hereby submit to the qualified voters of the City, at the November 8, 2016 election, the ordinance and ballot measure set forth herein; and be it

**FURTHER RESOLVED**, that the City proposes to rehabilitate, renovate, acquire or construct the real property and real property improvements herein and to issue and

sell general obligation bonds of the City of Oakland, in one or more series, in the maximum amount and for the objects and purposes set forth herein if two-thirds of all qualified voters voting on the ballot measure vote in favor thereof; and be it

**FURTHER RESOLVED**, that the bonds are to be general obligations of the City of Oakland payable and secured by taxes levied and collected in the manner prescribed by the laws of the State of California; and that all said bonds are to be equally and ratably secured, without priority, by the taxing power of the City; and be it

**FURTHER RESOLVED**, that the City Council hereby authorizes and directs the City Clerk of the City of Oakland (the "City Clerk") to file certified copies of this Resolution with the Alameda County Clerk at least 88 days prior to November 8, 2016; 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 the foregoing 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 hereby is 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 Elections Code of the State of California; and be it

**FURTHER RESOLVED**, that in accordance with the Elections Code and 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 upon approval by the voters certain sections of this Ordinance may be codified into the City of Oakland Municipal Code at the direction of the City Clerk; and be it

**FURTHER RESOLVED**, that this resolution shall be effective immediately upon approval by five members of the Council.

IN COUNCIL, OAKLAND, CALIFORNIA \_\_\_\_\_, 2016

PASSED BY THE FOLLOWING VOTE:

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

NOES

ABSENT

ABSTENTIONS

ATTEST:

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