



CITY OF OAKLAND

# AGENDA REPORT

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

**FROM:** Claudia Cappio  
Assistant City Administrator

**SUBJECT:** Supplemental Report Regarding a  
Resolution of Intent to Establish a  
Grant Program to Off Set Taxes From  
Measure KK

**DATE:** October 13, 2016

City Administrator Approval

Date:

10-13-16

## RECOMMENDATION

**Staff Recommends that the Council Adopt a Resolution of Intent to Establish a Grant Program to Qualified Senior and Disabled Resident Property Owners to Offset Taxes Resulting From the Proposed Ordinance to Authorize the Issuance of \$600,000,000 in General Obligation Bonds to Fund Various City Infrastructure and Affordable Housing Projects (Measure KK)**

## REASON FOR SUPPLEMENTAL REPORT

This proposed resolution confirms the City Council's intention to establish a grant program for low income senior and disabled resident property owners to offset increased taxes due to Measure KK. In both the Finance and Public Works Committees and again at the July 19, 2016 City Council meeting, this subject was discussed. By law, the Council cannot provide taxpayer exemptions or waivers from taxes resulting from a bond measure. Alternatively, a grant program could be established so that qualified resident property owners would have that portion of their taxes offset by another funding source, likely the City's General Purpose Fund (GPF) or another funding source.

## ANALYSIS AND POLICY ALTERNATIVES

The resolution contains language regarding timing and process of establishing the grant program. Staff believes that the program should be part of upcoming 2017-19 budget deliberations and implemented prior to the first tax assessments under Measure KK. The resolution also provides for an analysis of long term funding obligations for the program, since the assessments under Measure KK will be for approximately 10 years. Finally, the resolution contains a requirement to review and consider procedures and criteria to qualify for the program.

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### **FISCAL IMPACT**

As noted, funds from the bond proceeds cannot be used for this type of program, nor can the City provide taxpayer waivers or exemptions for taxes resulting from a bond measure. Therefore, the most likely source will be the GPF. The impact to the GPF is unknown at this time as an analysis has not yet been completed. As part of the Council's review and consideration an initial and longer term analysis will be included.

### **PUBLIC OUTREACH / INTEREST**

This issue has been identified in discussions with various stakeholders and housing advocates during the review of Measure KK.

### **SUSTAINABLE OPPORTUNITIES**

#### ***Economic:***

- Enable seniors and disabled people in the City of Oakland to stay in their homes through a grant for the additional tax assessment under Measure KK;

#### ***Environmental:***

- Encourage cohesion and stability for qualified owners throughout the City;

#### ***Social Equity:***

- Assure that the most housing insecure seniors and disabled resident property owners have an option to remain in their homes despite increased property tax obligations.

**ACTION REQUESTED OF THE CITY COUNCIL**

It is recommended that the City the Council Adopt a Resolution of Intent to Establish a Grant Program to Qualified Senior and Disabled Resident Property Owners to Offset Taxes Resulting From the Proposed Ordinance to Authorize the Issuance of \$600,000,000 in General Obligation Bonds to Fund Various City Infrastructure and Affordable Housing Projects (Measure KK).

For questions regarding this report, please contact Claudia Cappio at (510) 238-6654.

Respectfully submitted,



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Claudia Cappio  
Assistant City Administrator

Attachment: Resolution

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**DRAFT**

Deputy City Attorney

# OAKLAND CITY COUNCIL

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

**RESOLUTION OF INTENT TO ESTABLISH A GRANT PROGRAM TO QUALIFIED LOW-INCOME SENIOR AND DISABLED RESIDENT PROPERTY OWNERS TO OFFSET TAXES RESULTING FROM THE PROPOSED ORDINANCE TO AUTHORIZE THE ISSUANCE OF \$600,000,000 IN GENERAL OBLIGATION BONDS TO FUND VARIOUS CITY INFRASTRUCTURE AND AFFORDABLE HOUSING PROJECTS (MEASURE KK)**

**WHEREAS**, the City Council of the City of Oakland has submitted to the November 8, 2016, statewide general election a ballot measure (Measure KK) authorizing the issuance of \$600 million in general obligation bonds to fund various City infrastructure and affordable housing projects; and

**WHEREAS**, if passed by the voters on November 8, 2016, the increased tax levy imposed by Measure KK will be a hardship for certain low-income senior and disabled resident property owners; and

**WHEREAS**, the City Council desires to consider establishing a grant program to assist qualified low-income senior and disabled resident property owners with taxes imposed under Measure KK; now, therefore, be it

**RESOLVED:** That the City Council intends to adopt a grant program to provide sustainable, long-term tax relief program for qualified low-income senior and disabled property owner residents who will have difficulty paying the increased levy imposed under Measure KK; and be it further

**RESOLVED:** That such program will be reviewed and considered as part of the 2017-19 Oakland City Budget deliberations beginning in early 2017; and be it further

**RESOLVED:** That the program analysis and considerations shall include but not be limited to annual projected General Fund obligations throughout the life of Measure KK, consideration of other funding sources that may be used to offset program expenses, and review and consideration of procedures and criteria to qualify for the program; and be it further

**RESOLVED:** That this Resolution shall only become effective if Measure KK is approved by voters on November 8, 2016.

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

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, 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