

## OAKLAND CITY COUNCIL

ORDINANCE NO. \_\_\_\_\_ C.M.S.

INTRODUCED BY COUNCILMEMBER [IF APPLICABLE]

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**RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT THE JUNE 2, 2026 STATE PRIMARY ELECTION, AN ORDINANCE TO ADOPT A SPECIAL PARCEL TAX TO MAINTAIN ESSENTIAL SERVICES INCLUDING PUBLIC SAFETY, AND TO MAINTAIN KEY EQUIPMENT, IT SYSTEMS, AND 911 INVESTMENTS, AND OTHER MUNICIPAL SERVICES; AND DIRECTING THE CITY CLERK TO TAKE ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR THE JUNE 2, 2026 STATE PRIMARY ELECTION**

**WHEREAS**, economic circumstances, including the increase in interest rates, have led to ongoing citywide revenue decline in the past few fiscal years; and

**WHEREAS**, the City has previously relied on the use of one-time revenues to support ongoing expenditures; and

**WHEREAS**, the FY 2025-27 Biennial Budget includes the passage of an additional ongoing parcel tax with \$40 million in GPF offsets effective July 2026; and

**WHEREAS**, the revenues received from the parcel tax will be expended for the benefit of providing ongoing resources for public safety services and to provide the key equipment, IT system, and 911 investments; and

**WHEREAS**, The revenue generated from the proposed tax would provide an ongoing funding source that contributes to supporting critical City operations while reducing reliance on one-time revenues for ongoing purposes;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

### **PART 1. GENERAL PROVISIONS**

**SECTION 1. Recitals.** The Oakland City Council finds and determines the forgoing recitals are true and correct and hereby adopts and incorporates them into this Ordinance.

**SECTION 2. Submission of Ordinance to Voters.** The Oakland City Council does hereby submit to the voters, at the June 2, 2026 State Primary Election, an Ordinance that shall read as follows :

**SECTION 3. Title and Purpose.** This Ordinance may be cited as the “Oakland Essential Services Recovery Act of 2026,” and may be referred to herein as “the Act”, “this Ordinance” or “Measure.” The taxes imposed under this Ordinance are solely for the purpose of raising revenue necessary to ongoing resources for public safety services, and to provide key equipment, IT system, and 911 investments.

**SECTION 4. 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 5. Objectives.** The tax proceeds raised by the special tax created by this Ordinance may be used only to pay for costs or expenses relating to or arising from efforts to achieve the following desired outcomes and objectives: 1) Reduce homicides, robberies, car jackings, and other incidences of gun violence. 2) Improve emergency 911 response times and other police and fire services. 3) Increase services to animals within Oakland to ensure both public safety and animal welfare. 4) Provide essential equipment for various services City-wide. 5) Modernize IT Systems City-wide. 6) Cover the direct and indirect administrative expenses associated with the special tax.

**SECTION 6. Use of Proceeds.** Taxes collected pursuant to the special taxes imposed by this Ordinance shall be used only in connection with programs and services that further the objectives set forth in Part 1, Section 5, such as but not limited to the following: 1) Services for Police related activities, such as, but not limited to: (a) enforce laws and maintain public order by preventing and responding to crimes, (b) investigate criminal activities, gather evidence, and apprehend suspects, and (c) provide emergency response, assist in public safety, and foster community relations. 2) Services for Fire related activities, such as but not limited to: (a) respond to and extinguish fires to protect lives, property, and the environment, (b) provide emergency medical services (EMS) and rescue operations during disasters or accidents, and (c) conduct fire prevention education, inspections, and enforce fire safety regulations. 3) Services to address animal services, such as but not limited to providing services that manage the welfare of animals by enforcing laws, rescuing and sheltering stray or injured animals, and promoting responsible pet ownership. 4) Maintain and enhance key equipment necessary to deliver services City-wide. 5) Maintain, update, and enhance the City’s IT systems, including the City’s operating ledger. 7) Administrative Expenses includes direct and indirect costs associated with this special tax and the provision of the aforementioned services, such as but not limited to: (a) Paying any ancillary costs charged by County of Alameda to collect and remit the special tax; (b) Paying any costs related to an audit and financial monitoring of the special tax, costs necessary to levy the special tax, costs to implement a performance tracking system, or to conduct an evaluation of the effectiveness of services or programs that are funded by the special tax; and (c) paying costs required to implement the services and programs in Part 1, Section 5, (1-5).

**SECTION 7. Allocation.** The proceeds of the special tax shall be appropriated in the budget process or by resolution of the council. In the first fiscal year that funds from the measure are appropriated during the annual budget process: Five percent (5%) of the total funds appropriated from by this special tax, net of any audit, financial monitoring, collection, and tax

levy costs & fees, shall be appropriated for fiscal planning and consulting, including the development of multi-year operating and capital plans and policies, and associated administrative expenses, for at least the first two years of the measure. Notwithstanding the above, the City Council may approve any other variation in the allocation of these funds and such variations will not be considered inconsistent with the purposes of this Ordinance.

**SECTION 8. Planning and Accountability.** Adoption of this Ordinance shall require that the City take the following actions to ensure the fiscal accountability of the Measure.

A. **Commission.** The City Council shall assign to one or more existing Boards or Commissions, the responsibility for citizen oversight of this measure. This Board or Commission or Boards and Commissions shall review reports related to the expenditure of revenue collected by the City from the special tax imposed by this Ordinance and provide reports to the City Council when requested, and perform other functions as assigned by the City Council.

B. **City Auditor's Audit.** The City Auditor shall perform a biennial 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.

**SECTION 9. Annual Financial Audit.** An independent audit may be performed annually to ensure accountability and proper disbursement of the proceeds of this tax in accordance with the objectives stated herein as provided by Government Code sections 50075.1 and 50075.3. The City will, from time to time, retain an engineer for services pertaining to this parcel tax.

**SECTION 10. Regulations.** The City Administrator may promulgate appropriate regulations to implement the provisions of this Act.

**SECTION 11. 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, except that the City Council may only change the allocations defined in Part 1, Section 7 as provided in that Section.

**SECTION 12. Challenge to Tax.** Any action to challenge the taxes imposed by this ordinance shall be brought pursuant to Government Code section 50077.5 and Code of Civil Procedure section 860 et seq.

**SECTION 13. Conflicting Initiatives.** In the event that this measure and one or more conflicting measures appear on the same City ballot, the provisions of the measure that receives the greatest number of affirmative votes shall prevail in their entirety, and the other measure or measures shall be null and void. If this measure is approved by the voters but superseded by law by any other conflicting measure approved by voters at the same election, and the conflicting ballot measure is later held invalid, this measure shall be self-executing and given full force and effect.

**SECTION 14. 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 15. Liberal Construction.** This Act shall be liberally construed to effectuate its purposes.

**SECTION 16. Severability.** If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional.

**SECTION 17. Effective Date.** The taxes imposed by this Ordinance shall be effective only if approved by 2/3rds of voters voting in the election held on June 2, 2026, and shall go into effect ten (10) days after the vote is declared by the City Council.

**SECTION 18. Term of Tax Imposition.** The tax 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.

## **PART 2. PARCEL TAX**

**SECTION 1. Definitions.** For purposes of this Part 2 only, 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. "City" shall mean the City of Oakland, California.
- C. "Family" shall mean one (1) or more persons related by blood, marriage, domestic partnership, or adoption, legal guardianship, 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 be 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, that accommodates or is intended to contain two (2) or more residential units, whether or not developed.
- F. "Non-Residential" shall mean all parcels that are not classified by this Act as Single Family Residential or Multiple Residential Unit Parcels, and shall include, but not be limited to, parcels for industrial, commercial and institutional improvements, whether or not 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. "Tax" shall mean the parcel tax created by this Act and further described in Part 2, Section 2, below.
- P. "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 imposed pursuant to Article XIII A of the California Constitution. The Parcel Tax shall be imposed for a period of Twenty (20) years.

The tax hereby imposed shall be set as follows subject to adjustment as provided in Section 4 of this Act:

- A. For owners of all Single-Family Residential Parcels, the tax shall be at the annual rate of \$224.00 per Parcel.
- B. For owners of all Multiple Residential Unit Parcels, the tax shall be at the annual rate of \$153.00 per Residential Unit.
- 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 eighty (80) feet for a commercial institutional parcel, for example, is equal to one (1) single family residential unit equivalent. (See matrix.) An area of six thousand four hundred (6,400) square feet for the commercial institutional parcel is equal to one (1) single family residential unit equivalent. For tall buildings (more than five (5) stories), the single-family residential unit equivalent computation also includes one (1) single family residential unit equivalent for every five thousand (5,000) square feet of net rentable area. The tax is the annual rate of \$224.00 multiplied by the total number of

single-family residential unit equivalents (determined by the frontage and square footage).

| <b>LAND USE CATEGORY</b>   | <b>FRONTAGE</b> | <b>AREA (SF)</b> | <b>BUILDING AREA (SF)</b> |
|----------------------------|-----------------|------------------|---------------------------|
| Commercial/Institutional   | 80              | 6,400            | N/A                       |
| Industrial                 | 100             | 10,000           | N/A                       |
| Public Utility             | 1,000           | 100,000          | N/A                       |
| Golf Course                | 500             | 100,000          | N/A                       |
| Quarry                     | 1,000           | 250,000          | N/A                       |
| Tall Buildings > 5 stories | 80              | 6,400            | 5,000                     |

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 \$224.00= \$896.00 tax

D. The tax imposed by this Act 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 eighty percent (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) of this Act.
2. Transient Hotels. Notwithstanding paragraph (1) of this subdivision, if eighty percent (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) of this Act, 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 year, is at or below the income level qualifying as sixty percent (60%) of area median 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.), or successor legislation, for such year. The Director of Finance shall set forth procedures for annual applications from Owners for the exemption, which may require information such as federal income tax returns and W-2 forms of owner occupants eligible for the exemption, or procedures for an alternative process.
- B. Senior household exemption. The following is exempt from this tax: an Owner of a single family residential unit (1) who resides in such unit, (2) who is sixty-five (65) years of age or older and (3) whose combined family income, from all sources for the previous year, is at or below the income level qualifying as eighty percent (80%) of area median 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.), or successor legislation, for such year. The Director of Finance shall set forth procedures for annual applications from Owners for the exemption, which may require information such as federal income tax returns and W-2 forms of owner occupants eligible for the exemption, or procedures for an alternative process.
- C. 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.
- D. Rebate to tenants in foreclosed single-family homes. The City will provide a rebate of one-half (1/2) of the tax and subsequent increases thereto to tenants in single family homes that have been foreclosed upon who have paid a passed through Parcel Tax. To qualify for this rebate, a tenant must: (1) have lived in the unit before foreclosure proceedings commenced; and (2) be at or below the income level qualifying as sixty percent (60%) of area median 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.), or successor legislation, for such year. The City will provide this rebate for every month that the tax was applied and the tenant occupied the unit. The City will provide this rebate at the end of each year, or when the tenant vacates the unit, whichever is earlier. The City Administrator will promulgate regulations to effectuate this subdivision.
- E. Real property owned by a religious organization or school that is exempt from property taxes under California law is exempt from this tax. To qualify for this exemption, each religious organization or school seeking such exemption shall submit such information required to determine eligibility for such exemption.
- F. Prior to the initial imposition of the Tax, the City Council shall adopt a further exemption that applies to "distressed homeowners."

#### **SECTION 4. Reduction in Tax Rate; 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 to the full extent allowed by Section 2 of Article XIII C of the Constitution of the State of California.
- B. Beginning for the Fiscal Year 2027-2028, and each year thereafter, the City Council may increase the special parcel tax imposed by a percentage that is up to the greater of:
  - 1. The percentage change in the cost of living in the immediate San Francisco Bay Area, as determined by the twelve-month (12) Annual Percentage Change in the Consumer Price Index (CPI) for all items in the San Francisco Bay Area as published by the U.S. Department of Labor Statistics; or
  - 2. The percentage 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 annually.

**SECTION 5. Duties of the Director of Finance.** Notice of Decisions. It shall be the duty of the Director of Finance to collect and receive all taxes imposed by this Act. The Director of Finance is charged with the enforcement of this Act and may adopt rules and regulations relating to such enforcement.

**SECTION 6. Examination of Books, Records, Witnesses; Penalties.** The Director of Finance or the Director of Finance's 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 Act.

The Director of Finance or the Director of Finance's designee is hereby authorized to examine the books, papers and records of any person subject to the tax imposed by this Act, including any person who claims an exemption, 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 the Director of Finance's 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 Act and for this purpose may compel the production of books, papers and records, whether as parties or witnesses, whenever the Director of Finance 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 Act 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 twenty-five percent (25%) of the tax due per fiscal year, is hereby imposed by this Act on all taxpayers



who fail to timely pay the tax provided by this Act. In addition, the City Council may assess interest at the rate of one percent (1%) per month on the unpaid tax and the penalty thereon.

Every penalty imposed and such interest as accrues under the provisions of this Act 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 Act 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 Act shall be deemed a debt to the City. Any person owing money under the provisions of this Act 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 Act 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, or such person's administrators or executors. Filing a claim shall be a condition precedent to legal action against the City for a refund of the tax.

**SECTION 10. Ballot Measure Summary.** That each ballot used at said election shall have printed therein, in addition to any other matter required by law, the following:

|   |            |  |
|---|------------|--|
| <b>Measure ____.</b> Shall a measure to: fund essential municipal services, through an emergency funding measure that addresses the immediate budget deficit, to reduce homicides, robberies, car jackings, and other incidences of gun violence, improve emergency 911 response times and other police and fire services, increase services to animals within Oakland to ensure both public safety and animal welfare, provide essential equipment for various services City-wide, modernize IT Systems City-wide, and cover the direct and indirect administrative expenses associated with the special tax by enacting an annual parcel tax of \$224 annually for single-family parcels, and other parcels as specified, with exemptions and reductions, for 20 years, raising approximately \$40,000,000 annually, with oversight and auditing, be adopted? | <b>Yes</b> |  |
|   | <b>No</b>  |  |

**SECTION 11.** 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 7, 2026, to file with the Alameda County Clerk certified copies of this resolution.

**SECTION 12.** 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.

**SECTION 13.** 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.

**SECTION 14.** 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.

**SECTION 15.** That in accordance with applicable law, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed Ordinance and said date shall be posted in accordance with legal requirements.

**SECTION 16.** 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 June 7, 2026 primary election and appropriate all monies necessary for the City Administrator and City Clerk to prepare and conduct the June 2, 2026 election, consistent with law.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, GALLO, HOUSTON, RAMACHANDRAN, UNGER, WANG, AND  
PRESIDENT JENKINS

NOES –

ABSENT –

ABSTENTION –

ATTEST: \_\_\_\_\_  
ASHA REED  
City Clerk and Clerk of the Council of the  
City of Oakland, California

OCA DOCUMENT NUMBER / ATTORNEY INITIALS – Updated 1/6/2025