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OFFICE OF THE CITY  
OAKLAND

2016 MAR 11 AM **AGENDA REPORT**

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

**FROM:** Christine Daniel  
Assistant City Administrator

**SUBJECT:** Potential Infrastructure Bond Measure

**DATE:** March 11, 2016

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City Administrator Approval

Date:

3/9/16

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**RECOMMENDATION**

Staff recommends that the City Council:

Receive Two Informational Presentations Regarding A Potential November 2016 Infrastructure Bond Measure.

**EXECUTIVE SUMMARY**

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. On Tuesday, March 22, 2016, the Finance and Public Works Committees will be hearing two informational presentations regarding a potential infrastructure bond measure for the November 2016 Election.

The first is a staff presentation that will outline the background, planning and proposed structure and features of a potential infrastructure bond measure (Attachment A).

The second presentation will summarize the results of public polling conducted by EMC Research during February 14 through February 18, 2016 (Attachment B).

Respectfully submitted,

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CHRISTINE DANIEL  
ASSISTANT CITY ADMINISTRATOR

Attachments (2):

A: Potential November 2016 Bond Measure PowerPoint Presentation

B: Summary of Polling Results Conducted by EMC Research PowerPoint Presentation

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Item: \_\_\_\_\_  
Finance & Public Works Committees  
March 22, 2016



City of  
**OAKLAND**  
California



# November 2016 Infrastructure Bond

Finance & Public Works Committees - March 22, 2016



# Oakland's Infrastructure

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- ▶ 806 miles of Paved Streets
- ▶ 1,000 miles of Sidewalks
- ▶ 929 miles of Sanitary Sewers
- ▶ 400 miles of Storm Drains
- ▶ 80 miles of Creek and Channels
- ▶ 150 blocks of Pedestrian Pathways
- ▶ 304 Public Buildings
- ▶ 134 Parks and Public Spaces



# Why an Infrastructure Bond?

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- ▶ Over \$2.5 Billion in Unfunded Capital Needs
- ▶ Current Pavement Condition Index: 59
  - ▶ Oakland ranks 89<sup>th</sup> out of 109 Bay Area cities
  - ▶ Costs rise rapidly as streets deteriorate
  - ▶ \$2M + annually in claims
- ▶ Scarce Resources for Parks and Buildings
- ▶ Need to Prevent Housing Displacement



# Project Priorities

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- ▶ FY 15-17 Capital Improvement Program; adopted 6/2015
- ▶ Five Year Paving Plan; adopted 10/21/2014
- ▶ Park Prioritization Plan; adopted 2/16/2016
- ▶ Pedestrian Master Plan; adopted 11/12/2002 update ETA 4/2016
- ▶ Complete Streets Policy; adopted 2/5/2013
- ▶ Oakland Housing Cabinet Report; released 3/3/2016
- ▶ 2012 Infrastructure Report Card; released 1/2013



# Existing Resources

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- ▶ Grant Funds:
  - ▶ \$32M obtained for transportation projects since 2014
  - ▶ \$25.8M obtained for capital parks projects in the last 5 years
- ▶ Measure BB: +\$10M per year for 30 years
- ▶ Gas Tax (volatile based on economy)

# High Ranking CIP Priorities

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- ▶ Streets/Roads
- ▶ Sidewalks
- ▶ Bike/Ped Plan Improvements
- ▶ Fire and Police Facilities, e.g. Crime Lab, PAB
- ▶ Library
- ▶ Parks & Recreation Facilities
- ▶ Neighborhood Traffic Calming Program



# Principles for Bond Projects

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- ▶ Fix it First (no new facilities)
- ▶ Improve Quality of Life
- ▶ Investments to Stabilize Operational Needs
- ▶ Equity





# Proposed Bond

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Not to exceed \$ 600M (assessed value per \$100K - \$69/ year)

- ▶ Streets, Sidewalks and Pedestrian, Bicycle and Traffic Safety \$400M
- ▶ Public Safety and Improving Quality of Life \$150M  
Library / Parks & Rec / Fire / Police
- ▶ Housing Anti-Displacement \$50M  
Acquisition & Rehab

# Cost to Average Homeowner

## ▶ Annual costs per Assessed Value (A/V):

	\$600M GOs
<b>Estimated Project Fund</b>	\$596,500,000
<b>Average Annual Debt Service</b>	\$33,281,061.00
<b>Estimated Cost per Average A/V (\$434,028)</b>	\$311.38
<b>Estimated Cost per Median A/V (\$250,000)</b>	\$179.36

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 as of March 1, 2016.



# Streets/Roads/Sidewalks

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- ▶ Proposed Allocation - \$400M
- ▶ Current Pavement Backlog - \$443M
- ▶ Sidewalks, Stairs, Curb Ramps Backlog
- ▶ Bike Plan and Ped Plan Unfunded Implementation
- ▶ Current PCI – 59 (zero to 100 point scale)
- ▶ Opportunity to re-set the PCI to a level that will be easier to maintain at current funding levels
- ▶ Largest Impact – Worst Residential Streets

## Projects:

- ▶ Re-paving and Reconstructing Streets
- ▶ Rebuilding Cracked and Deteriorating Sidewalks
- ▶ Accessibility – Curb Ramps and Associated Work
- ▶ Enhancing Bike/Pedestrian Safety



# Quality of Life - Infrastructure & Safety

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- ▶ Proposed allocation - \$150M

## CIP Projects:

- ▶ Restoring Playgrounds, Play Fields, Neighborhood Parks, Recreation Centers - \$35M
- ▶ Renovating Fire Facilities - \$40M
- ▶ Modernizing Libraries - \$12M
- ▶ Water, Energy and Seismic for Facilities - \$23M
- ▶ Public Safety Infrastructure Improvements - \$40M  
(Crime Lab + Site Acquisition for PAB)



# Housing Anti-Displacement

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- ▶ Proposed Allocation - \$50M

- ▶ Based on Oakland Housing Cabinet Report:

*“Create and pass a City Infrastructure Bond that includes potentially \$50 million funding for buying, fixing up and converting homes to permanent affordability.”*

## Projects:

- ▶ Acquisition and Rehabilitation
  - ▶ Properties with Affordability Restrictions Soon to Expire
  - ▶ Naturally Occurring Affordable Housing (NOAH)

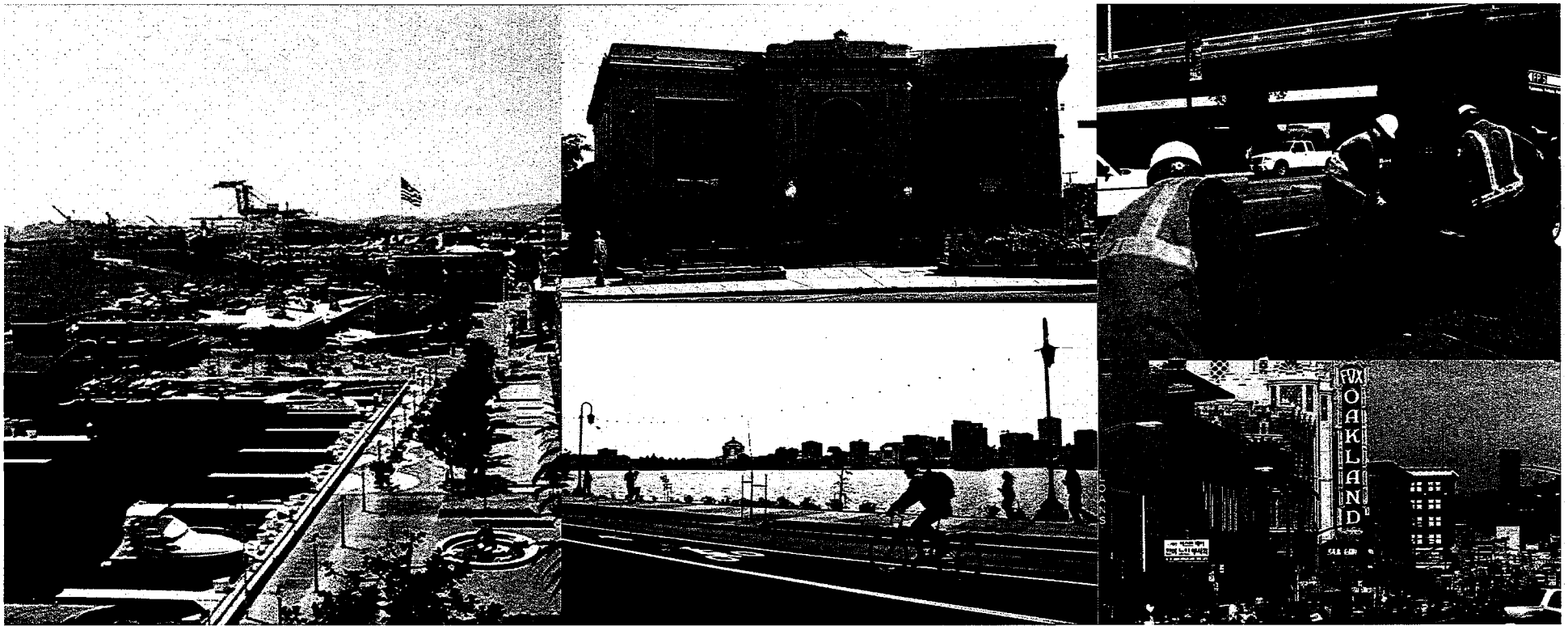


# Timeline

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- ▶ **3/22 - Present Poll Results to Committee**
- ▶ **5/10 - Present Draft Ballot Measure Language to Committees**
- ▶ **6/14 - Committees Final Discussion of Draft Ballot Measure Language**
- ▶ **6/21 - City Council Discussion**
- ▶ **7/5 - City Council Discussion**
- ▶ **7/19 - City Council Approval of Ballot Measure Language**
- ▶ **8/12 - 88 Day Deadline to County**





# Telephone Survey Regarding Facilities Improvement Bond

Executive Summary  
March 2016



MARKET  
& OPINION  
RESEARCH  
SERVICES

[www.emcresearch.com](http://www.emcresearch.com)

**CliffordMoss.**  
POLITICAL STRATEGY | COMMUNICATIONS | PUBLIC AFFAIRS

ATTACHMENT B

# Methodology

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- Telephone Survey of Likely November 2016 Voters in Oakland
- Survey conducted February 14 – 18, 2016
- 606 total interviews conducted citywide
- Margin of Error =  $\pm 3.98$  percentage points
- Interviews conducted by trained, professional interviewers in English, Spanish and Chinese
- Respondent demographics reflect those of likely November 2016 voters

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

**CliffordMoss.**  
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**EMC 16-5910 Oakland 2016 Bond | 2**



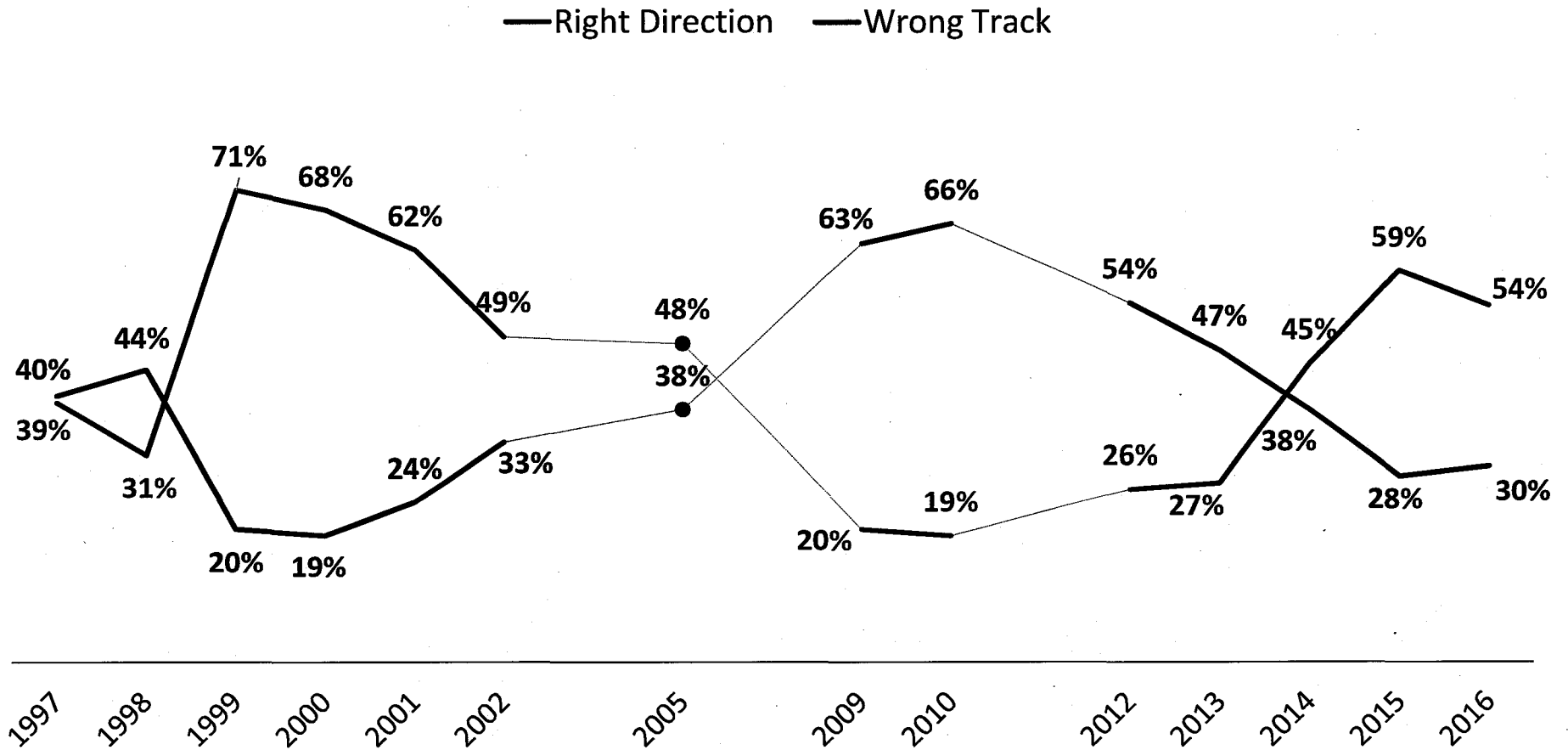
# Key Findings

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- ▶ A majority of Oakland voters are feeling optimistic about the direction of the City.
- ▶ Support for a potential \$600 million bond measure is above the two-thirds threshold needed for passage.
- ▶ Voters are supportive of the many projects that the bond would pay for, and would allow the City to invest in neighborhoods throughout Oakland, including public safety, affordable housing, infrastructure improvements, and more.
- ▶ Support for the bond is vulnerable to opposition arguments about its cost and complexity.

# Direction of Oakland

*A majority of Oakland voters remain optimistic about the direction of the City despite a minor drop since last fall.*



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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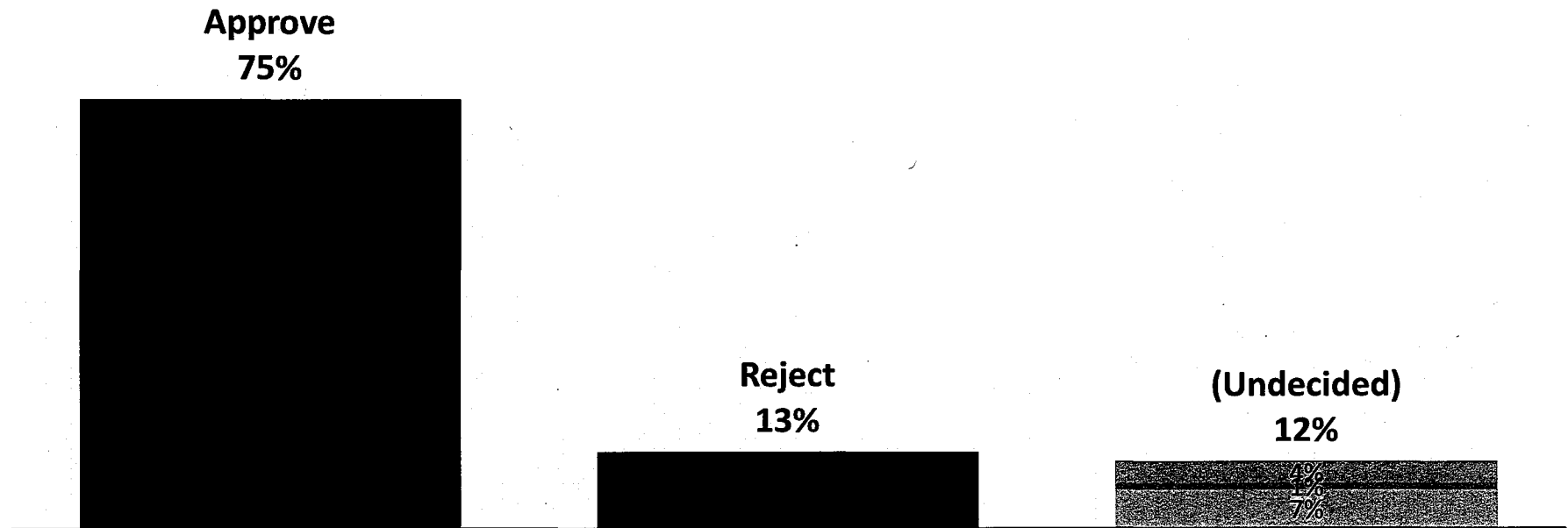


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# Initial Vote

*Initial support for a \$600M bond measure is above the two-thirds threshold needed for passage.*

*To improve public safety and invest in neighborhoods throughout Oakland by fixing potholes and repaving streets, rebuilding cracked and deteriorating sidewalks, improving bicycle and pedestrian safety, protecting affordable housing for Oaklanders, and renovating neighborhood recreation centers, playgrounds, playing fields and libraries, shall the City of Oakland issue \$600 million in bonds, subject to annual audits?*



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

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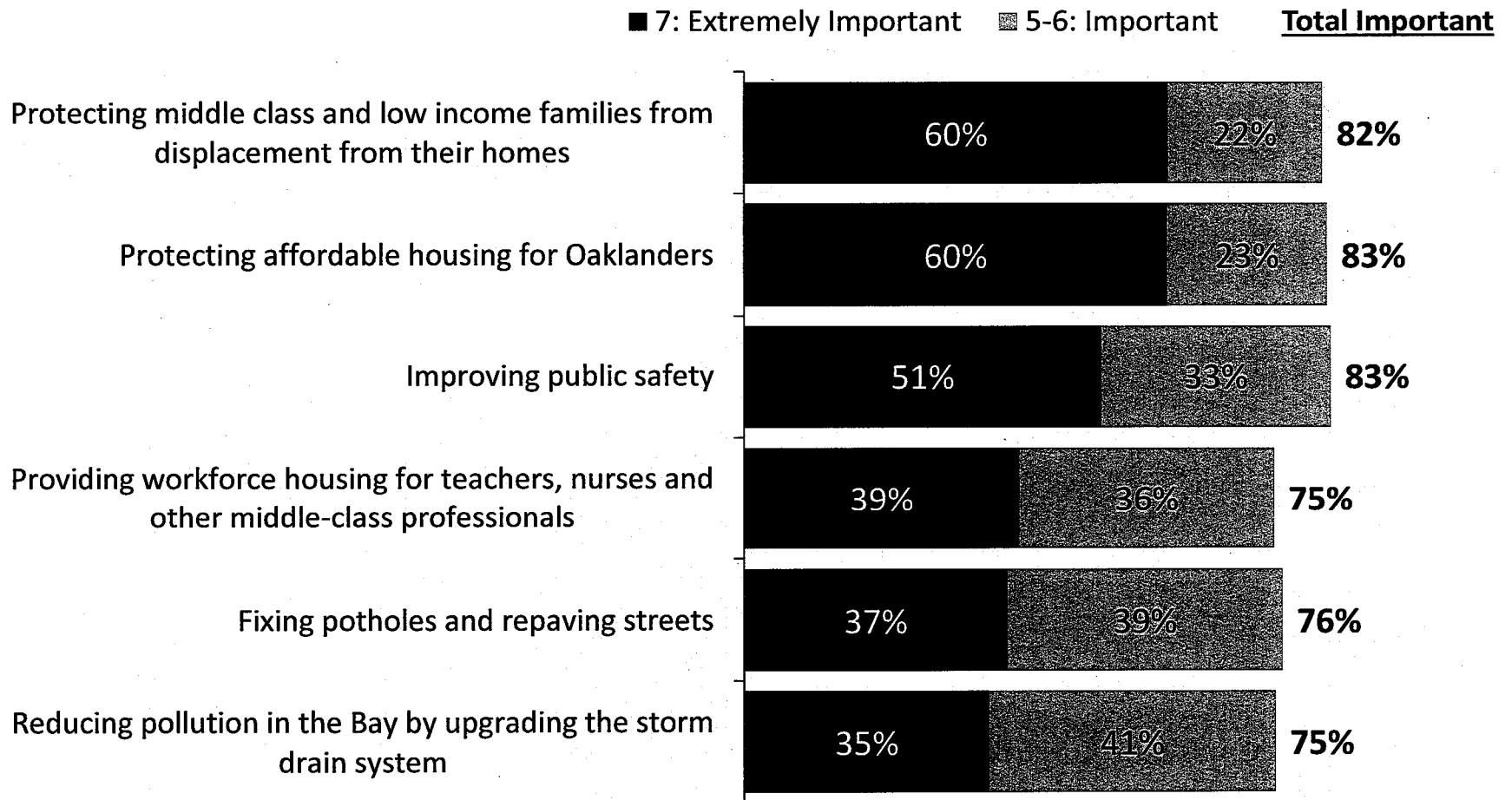


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# Funding Priorities

*There is strong support for all priorities included in the bond measure.*



Q8-25. Now I'm going to read you a list of priorities that could be funded by a bond measure. On a scale of one to seven, where one is not at all important and seven is very important, please tell me how important each of the items is to you.

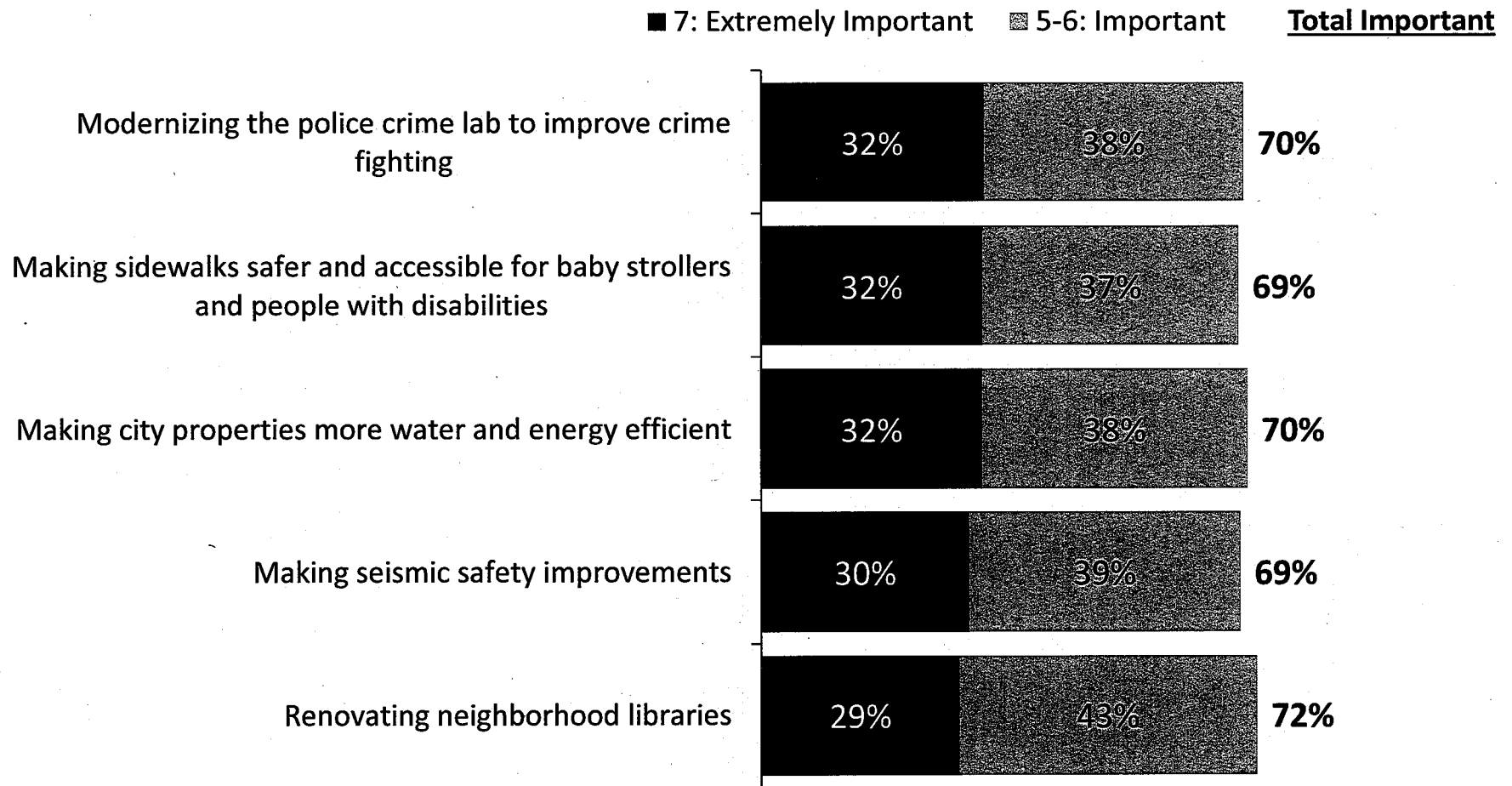
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# Funding Priorities, cont.

*Oakland voters see a need for improvements in a number of diverse areas.*



Q8-25. Now I'm going to read you a list of priorities that could be funded by a bond measure. On a scale of one to seven, where one is not at all important and seven is very important, please tell me how important each of the items is to you.

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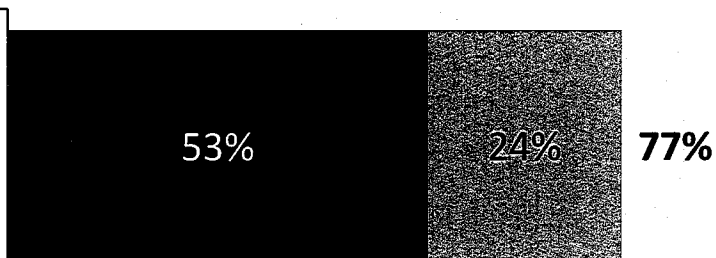
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# Support Messages

*Infrastructure and housing needs are among the most compelling reasons to support the bond.*

■ Much more likely to support
▒ Somewhat more likely to support
**Total More Likely To Support**

This measure would protect Oakland residents from being forced to move out of affordable housing so we can keep long term residents here in our community.



Our city faces a number of needs: infrastructure, schools, crime, housing, libraries, and more. This is the 1st step in a comprehensive plan to invest in our quality of life and the long-term health of Oakland.



This measure will help make Oakland a safe, vibrant community to live, work, and raise a family by investing in our crumbling infrastructure so it's safer and easier to drive, walk, and bike around our beautiful city.



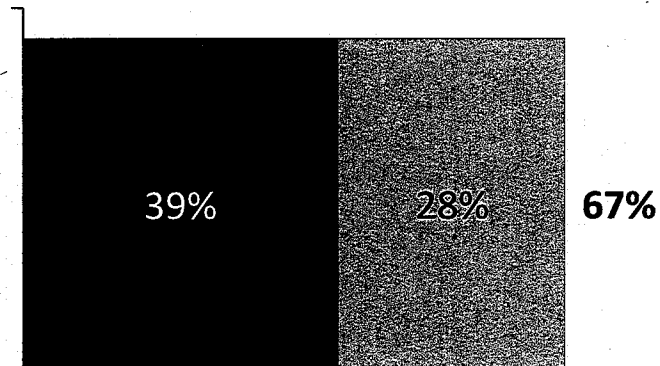
Q26-Q33. Now I'm going to read you some statements that **SUPPORTERS** of the proposed bond measure have said. After each one, please tell me if that statement makes you much more likely to support the measure, somewhat more likely to support the measure, or if it does not make a difference to you

# Support Messages, cont.

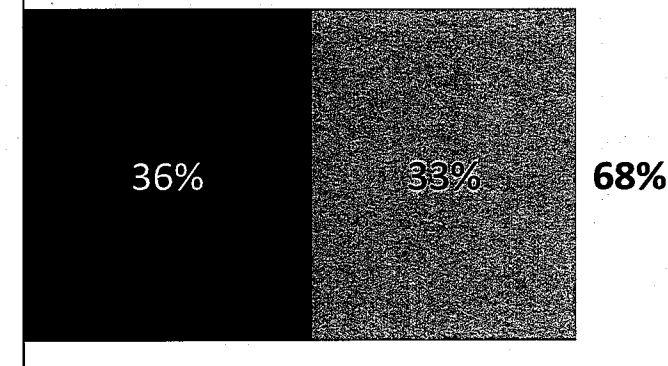
*More than two-thirds of Oakland voters found the prospect of cost-savings from road and sidewalk repairs to be a compelling reason to support the bond.*

■ Much more likely to support
■ Somewhat more likely to support
**Total More Likely To Support**

The average Oaklander spends hundreds of dollars on flat tires and car repairs as a result of potholes and bad roads. This measure will provide funding so the City can keep up with requests and finally repave the roads.



Oakland spends over \$2M/year JUST in trip & fall lawsuits. It's time to fix our broken sidewalks so people aren't getting hurt, & the City isn't spending taxpayer \$\$ on settlements when that \$\$ could be better spent elsewhere.

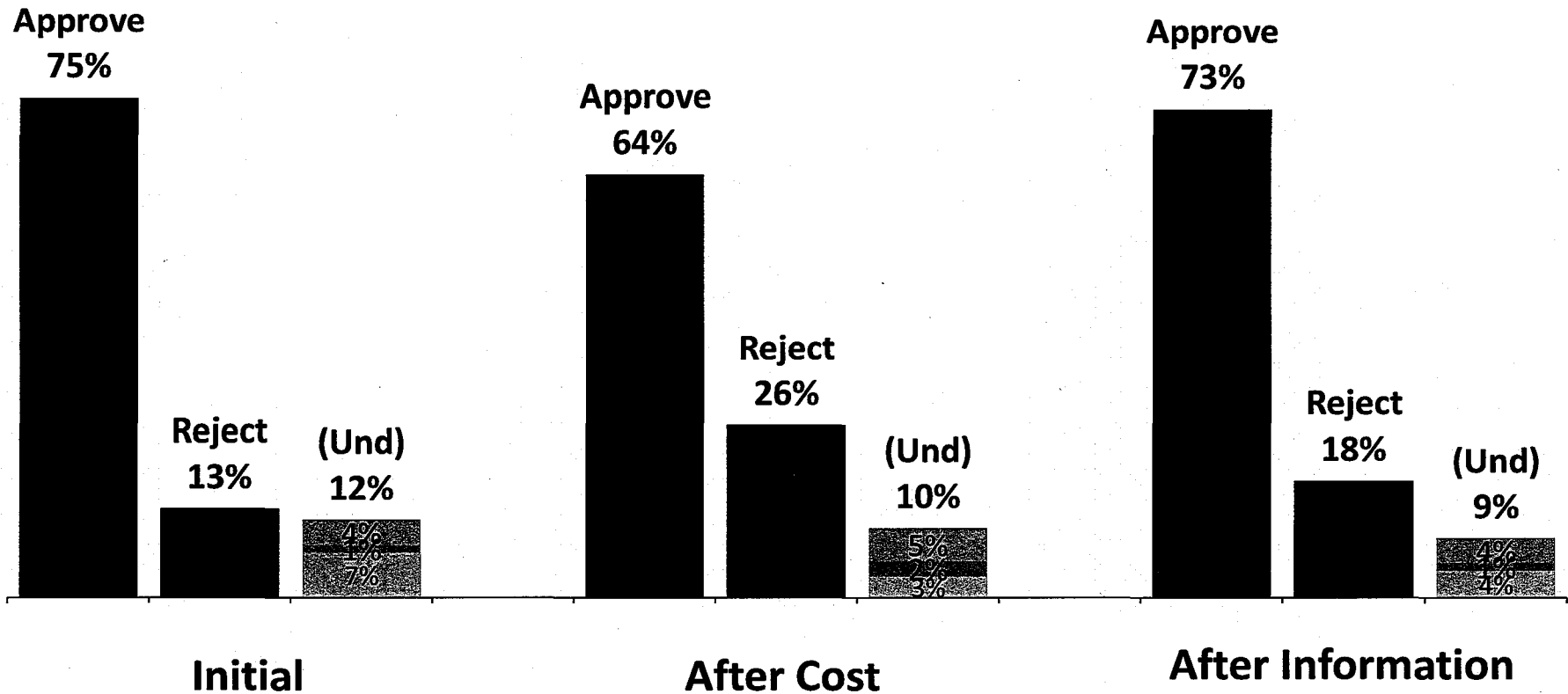


Q26-Q33. Now I'm going to read you some statements that SUPPORTERS of the proposed bond measure have said. After each one, please tell me if that statement makes you much more likely to support the measure, somewhat more likely to support the measure, or if it does not make a difference to you



# Vote After Support

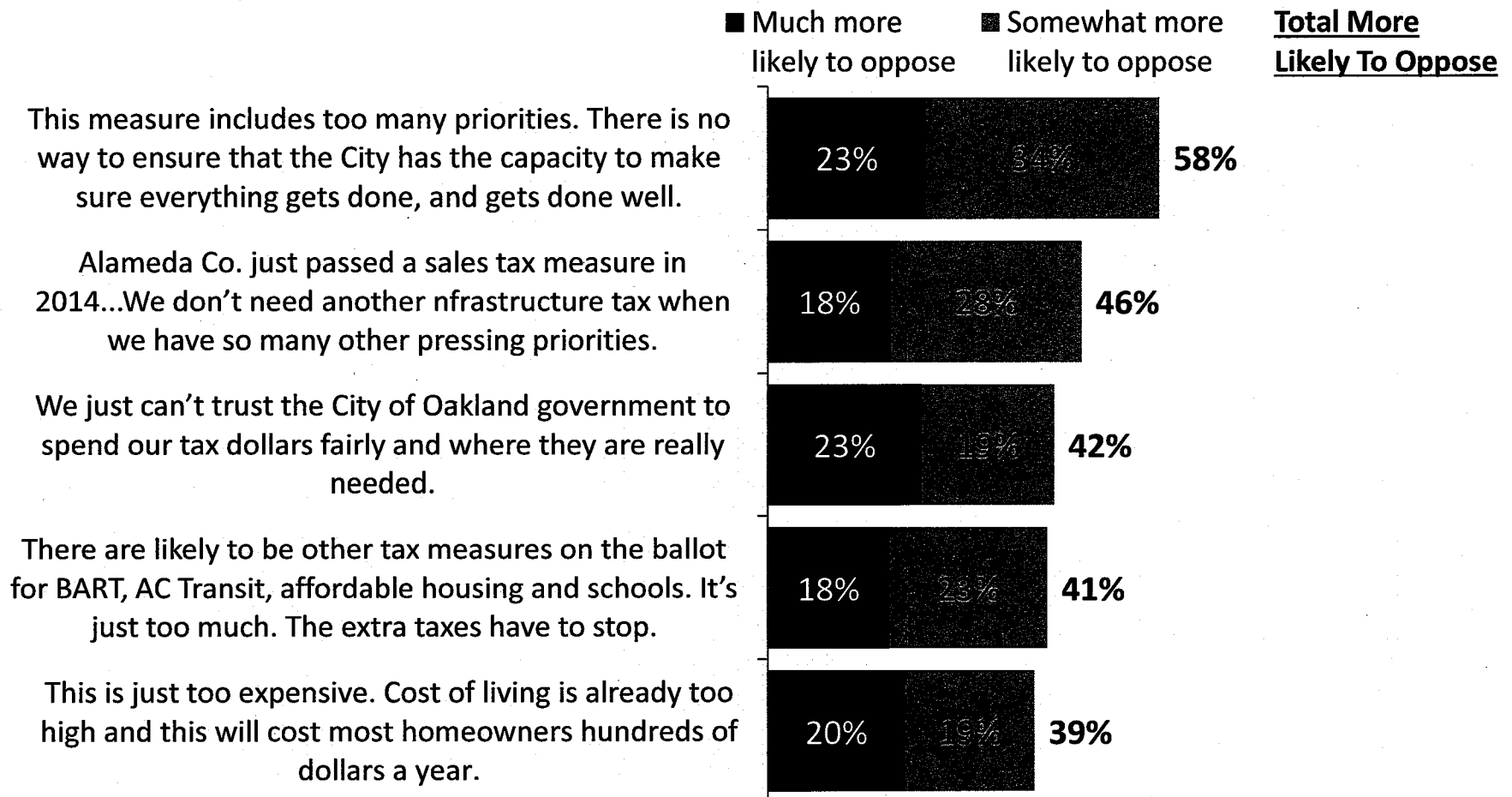
*Support for the bond grows after voters hear more information.*



Q34. ...Would you vote yes to approve or no to reject the measure?

# Opposition Messages

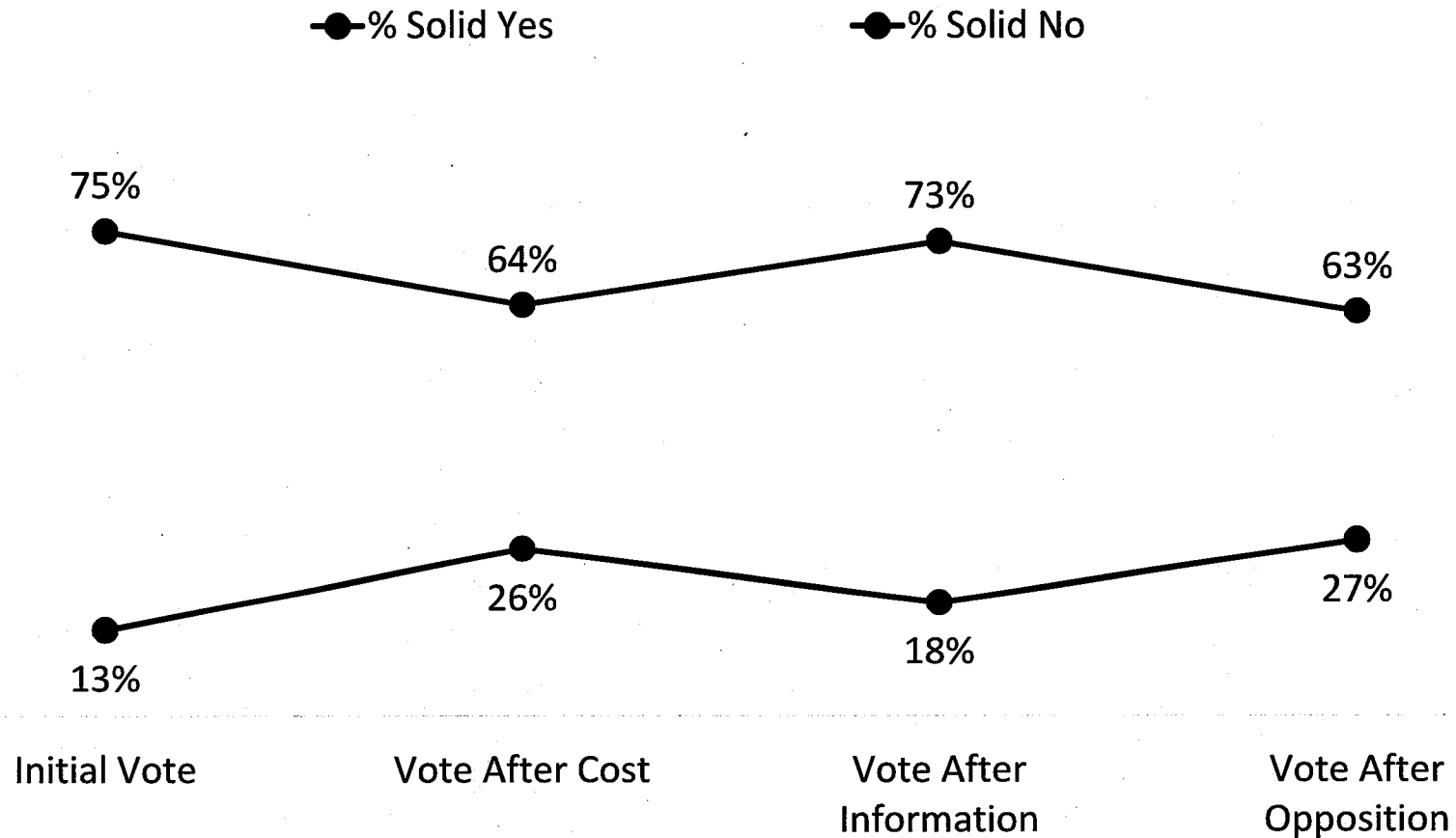
*All potential opposition messages are compelling to at least a third of voters.*



Q35-Q39. 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.

# Vote After Opposition

*An organized and vocal opposition effort could drive support for a measure below two-thirds.*



Q40. ...Would you vote yes to approve or no to reject the measure?

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# Conclusions

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- ▶ Oakland residents recognize the need for infrastructure improvements in the city.
- ▶ There is strong support for a revenue bond.
- ▶ Polling indicates that the city should consider a measure for November 2016.

# Contacts

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