



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2019 SEP 26 PM 2: 12

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Adam Benson
Director of Finance

SUBJECT: Ballot Measure – Appropriations Limit
Increase

DATE: September 25, 2019

City Administrator Approval

Date:

9/26/19

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution On The City Council's Own Motion Submitting To The Voters At A March 3, 2020 Municipal Election, An Ordinance To Increase The Appropriation Limit For Fiscal Years 2020-21 Through 2023-24; To Allow The City To Expend Funds Collected From Eight Voter-Approved General and Special Tax, Ballot Measures For Emergency Medical Services, Paramedic Services, Library Services, Public Safety and Violence Prevention Services, Homeless Services and Other Lawful Governmental Purposes; And Directing The City Clerk To Take All Actions Necessary Under Law To Prepare For And Conduct A March 3, 2020 Municipal Election.

EXECUTIVE SUMMARY

Resolution No. 87712 C.M.S. (**Attachment A**) set the City of Oakland's Fiscal Year (FY) 2019-20 appropriations limit at \$664.87 million. The City Council approved appropriations of \$642.66 million in the FY 2019-20 Adopted Budget that are subject to the limit, approximately \$22.2 million less than the ceiling (**Attachment B**). While under the appropriations limit for FY 2019-20, the City is at risk of exceeding the appropriations limit in FY 2020-21 and beyond.

Adoption of this resolution will allow voters at a March 3, 2020 election to consider a proposed increase to the annual appropriations limit by approximately \$89.7 million for a duration of four (4) years, from FY 2020-21 through FY 2023-24. This will ensure that the City Council has the authority to continue to appropriate the proceeds of taxes collected from local tax measures previously approved by Oakland voters for important municipal services such as emergency medical services, paramedic services, library services, public safety and violence prevention services, homeless services and other lawful governmental purposes.

Item: _____
Rules and Legislation Committee
October 10, 2019

BACKGROUND / LEGISLATIVE HISTORY

Article XIII B of the California Constitution was created by the passage of Proposition 4 in November 1979 and establishes a limit on the amount of tax revenue which can be appropriated by governmental jurisdictions.

Proposition 111 passed in June 1990, gave cities the option of using their own growth or the growth of the entire county in which the city is located as the population adjustment factor. Cities were also given the option of using the increase in California Per Capita Income or the increase in the assessed valuation of non-residential property in the City as the inflation adjustment factor. The adjustment factors are applied to the appropriations limit for FY 1987-88 (i.e. the base year) and each year thereafter to arrive at the limit for FY 2019-20.

Article XIII B, Section 4 of the California Constitution allows the electors of a local government to increase the appropriations limit with a majority vote. The duration of any such increase, as determined by the electors, cannot exceed four years.

At the September 12, 2019 Rules and Legislation Committee meeting, staff prepared an informational report on potential ballot measures in 2020 and beyond. This report is attached for reference purposes in **Attachment C**.

ANALYSIS AND POLICY ALTERNATIVES

Article XIII B of the California Constitution was created by the passage of Proposition 4 in November 1979. It established a limit on the amount of tax revenues that a local government can appropriate each year. This limit is popularly known as the Gann Limit. Each year, the appropriations limit is recalculated by multiplying the previous year's limit by an adjustment factor for population growth and inflation as published by the California Department of Finance. Article XIII B, Section 4 of the California Constitution allows the electors of a local government to increase the appropriations limit by a majority vote. The duration of any such increase, as determined by the electors, cannot exceed four years.

Resolution No. 87712 C.M.S. (**Attachment A**) set the City of Oakland's FY 2019-20 appropriations limit at \$664.87 million. The City Council approved appropriations of \$642.66 million in the FY 2019-20 Adopted Budget that are subject to the limit, approximately \$22.2 million less than the ceiling (**Attachment B**). While under the appropriations limit in FY 2019-20, the City is at risk of exceeding the appropriations limit in FY 2020-21 and beyond, jeopardizing the City's ability to provide and expand service levels.

This measure, if approved by the City Council and Oakland voters, would not result in any new or increased taxation. Rather, it ensures that the City Council has the authority to continue to appropriate the proceeds of taxes collected from local tax measures previously approved by Oakland voters for important municipal services such as emergency medical services, paramedic services, library services, public safety and violence prevention services, homeless services and other lawful governmental purposes. Approval of this measure would increase the annual appropriations limit by approximately \$89.7 million (see Table 1) for a duration of four (4) years, from FY 2020-21 through FY 2023-24.

Table 1. Estimated Appropriations Limit Increase by Voter-Approved Local Measures

Measure	Title	FY 2020-21 Est. Revenue
Measure M	The Emergency Medical Services Retention Act of 1997	\$2,394,093
Measure N	The Paramedic Services Act of 1997	1,853,726
Measure Q	The Library Services Retention and Enhancement Act of 2004	17,506,963
Measure C	City of Oakland Hotel Tax of 2009	7,888,333
Measure Z	The 2014 Oakland Public Safety and Services Violence Prevention Act	29,191,000
Measure HH	Sugar-Sweetened Beverage Distribution Tax of 2016	10,620,950
Measure D	The 2018 Oakland Public Library Preservation Act	13,243,470
Measure W	Oakland Vacant Property Tax Act	\$7,000,000
	Total Estimated Appropriations Limit Increase	\$89,698,535

If Oakland voters do not approve an increase to the appropriations limit, the City is at risk of collecting more in taxes than it is legally allowed to appropriate. Any revenues received by a local government that exceed the appropriations limit must be returned to taxpayers by a revision of tax rates or fee schedules within the next two subsequent fiscal years (Article XIII B, Section 2(b)). Failure to authorize an increase in the appropriations limit would result in significant service reductions throughout the City of Oakland.

FISCAL IMPACT

This measure, if approved by the City Council and Oakland voters, would not result in any new or increased taxation. Rather, it ensures that the City Council has the authority to continue to appropriate the proceeds of taxes collected from special and general tax measures previously approved by Oakland voters. Failure to authorize an increase in the appropriations limit would result in significant service reductions throughout the City of Oakland.

PUBLIC OUTREACH / INTEREST

This item did not require additional public outreach, other than posting on the City's website.

COORDINATION

This report was prepared by the Finance Department.

SUSTAINABLE OPPORTUNITIES

Economic: The City's Budget represents over \$1 billion in annual expenditures into the local economy. If the City is not able to appropriate the proceeds of taxes authorized by Oakland voters, there could be significant impacts on the local economy and services.

Environmental: The impact of the City's appropriations can have a considerable effect on the local environment.

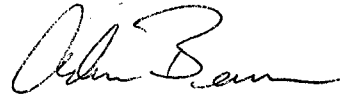
Social Equity: The proceeds of taxes collected through various tax measures previously approved by Oakland voters are a mechanism for improving social equity. These tax measures provide support for a variety of services to Oakland's vulnerable populations including those that are victims of violence and youth.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution On The City Council's Own Motion Submitting To The Voters At A March 3, 2020 Municipal Election, An Ordinance To Increase The Appropriation Limit For Fiscal Years 2020-21 Through 2023-24; To Allow The City To Expend Funds Collected From Eight Voter-Approved General and Special Tax, Ballot Measures For Emergency Medical Services, Paramedic Services, Library Services, Public Safety and Violence Prevention Services, Homeless Services and Other Lawful Governmental Purposes; And Directing The City Clerk To Take All Actions Necessary Under Law To Prepare For And Conduct A March 3, 2020 Municipal Election.

For questions regarding this report, please contact Adam Benson, Director of Finance, at (510) 238-2026.

Respectfully submitted,



Adam Benson
Director of Finance

Prepared by:
Jason G. Wong
Finance Manager

Attachments (1):

- Attachment A: FY 2019-20 Appropriations Limit (Resolution No. 87712 C.M.S.)
- Attachment B: FY 2019-20 Appropriations Limit Worksheet
- Attachment C: Potential Ballot Measures For 2020

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2019 MAY 23 PM 5:11


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. 87712 C.M.S.

RESOLUTION ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019-20 PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION

WHEREAS, Article XIII B of the California Constitution (Limitation of Government Appropriations) was passed by the California electorate on November 6, 1979, and became effective on July 1, 1980; and

WHEREAS, Title 1, Division 9 (commencing with Section 7900), of the California Government Code, formally implements methods for governmental entities to establish and define annual appropriations limits, based on annual appropriations for the prior fiscal year, which is fiscal year 2018-19, for fiscal year 2019-20; now therefore be it

RESOLVED: That the annual appropriations limit for the City of Oakland for FY 2019-20 is \$664,870,535 as reflected in Exhibit A; and be it

FURTHER RESOLVED: That the growth factors used to calculate the limit are the county population change and the increase in the California per capita income.

IN COUNCIL, OAKLAND, CALIFORNIA,

JUN 04 2019

PASSED BY THE FOLLOWING VOTE:

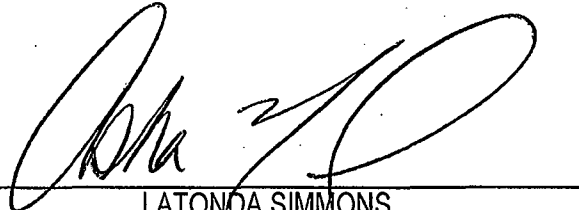
AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, ~~WILLIAMS~~ TAYLOR, THAO AND PRESIDENT KAPLAN - 7

NOES - 0

ABSENT - 0

ABSTENTION - 0

Excused 1 Recd

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

ARTICLE XIII B APPROPRIATIONS LIMIT
Fiscal Year 2019-20

Article XIII B of the California Constitution was created by the passage of Proposition 4 in November 1979 and establishes a limit on the amount of tax revenue which can be appropriated by government jurisdictions. This limit is popularly known as the Gann Limit. Each year, the limit is recalculated by multiplying the previous year's limit by adjustment factors for population growth and inflation. Proposition 111, passed in June 1990, gave cities the option of using their own growth or the growth of the entire county in which the city is located as the population adjustment factor. Cities were also given the option of using the increase in California Per Capita Income or the increase in the assessed valuation of non-residential property in the City as the inflation adjustment factor. Cities have the option each year of deciding which factor to use. For 2019-20, Oakland is using the population growth of the County of Alameda and the increase in California Per Capita Income. These adjustment factors must be applied to retroactively recalculate the appropriations limit for 1987-88 (i.e. the base year) and each year thereafter in order to arrive at the limit for 2019-20.

2018-19 Appropriations Limit	\$635,449,235
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2019-20 Adjustment Factors

County of Alameda Population Change	=	1.0075	(0.75%)
California Per Capita Income Change	=	1.0385	(3.85%)
Combined Change	=	1.0075 x 1.0385	= 1.0463

2019-20 Appropriations Limit	\$664,870,535
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Not all City appropriations are subject to the limitation of Article XIII B. The intent of Proposition 4 was to restrict only the appropriation of "proceeds of taxes." Determining which appropriations are subject to the limit requires classifying each funding source as either proceeds of taxes or non-proceeds of taxes. Property tax and local taxes are subject to limitation. State taxes that are subvented to the City count against the City's limit if their use is unrestricted, as in the case of sales tax and motor vehicle in lieu. State subventions that are restricted in use are applied against the State's limit rather than the City's, so they are considered non-proceeds of taxes for the City's calculation. This includes Measure B sales tax, gas tax, and state grants and state-mandated cost subventions included in the Grants and Subsidies category. Interest income is prorated so that the interest earned on tax revenue is included as proceeds of taxes.

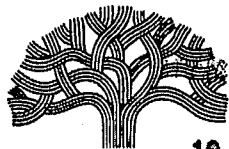
Most of the City's other revenue sources are classified as non-proceeds of taxes: franchise fees, Landscape and Lighting Assessments (special benefit assessment districts are excluded from the limitation), fines and penalties, license and permit fees, service charges, rentals and concessions, federal grants, Oakland Redevelopment Agency reimbursements (redevelopment agencies are exempt from Article XIII B), internal service revenues, and other miscellaneous revenues. Enterprise funds – sewer service charges and golf course revenues – are also exempt from the limitation. Fund transfers are re-appropriations of revenue received in previous years; these funds were included in the calculation of appropriations subject to limitation in the year they were received and are not counted twice.

ATTACHMENT B

**ARTICLE XIII B - APPROPRIATIONS SUBJECT TO LIMITATION
FY 2019-20**

Revenue	Total	Proceeds of Taxes	Non Proceeds of Taxes
PROPERTY TAX	\$365.90	\$365.90	
STATE TAX			
Sales Tax	89.67	59.95	29.72
Gas Tax	18.07		18.07
Subtotal, State Taxes	\$107.74	\$59.95	\$47.79
LOCAL TAXES			
Business License Tax	99.67	99.67	
Utility Consumption Tax	55.16	55.16	
Real Estate Transfer Tax	82.87	82.87	
Transient Occupancy Tax	35.38	35.38	
Parking Tax	22.32	22.32	
Sugar Sweetened Beverage Tax	10.63	10.63	
Special Taxes	51.62	51.62	
Subtotal, Local Taxes	\$357.65	\$357.65	
LANDSCAPE & LIGHTING ASSESSMENT	19.16		19.16
INFRASTRUCTURE BOND	103.71		103.71
OTHER LOCAL FEES	51.18		51.18
SERVICE CHARGES	239.77		239.77
GRANTS & SUBSIDIES	81.46		81.46
MISCELLANEOUS	135.81		135.81
FUND TRANSFERS	192.57		192.57
SUBTOTAL REVENUES	\$1,654.94	\$783.50	\$871.44
INTEREST (Prorated)	1.28	1.28	
TOTAL REVENUE	\$1,656.22	\$784.78	\$871.44
EXEMPTIONS*		(142.13)	
APPROPRIATIONS SUBJECT TO LIMITATION		642.66	
APPROPRIATIONS LIMIT		664.87	
OVER/(UNDER) LIMIT		(\$22.22)	

* Property tax revenue appropriated to service voter-approved debt is exempted.



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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND 19 AUG 29 PM 4: 26

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Stephanie Hom
Deputy City Administrator

SUBJECT: Potential Ballot Measures For 2020

DATE: August 19, 2019

City Administrator Approval

Date:

8/29/19

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report And Discussion Of Potential Ballot Measures For The March 3, 2020 Election, Including, But Not Limited To, A Potential Park, Open Space, Fire Safety Measure, As A Special Parcel Tax, And A Police Commission Charter Change.

EXECUTIVE SUMMARY

As requested by the Rules Committee, this informational report provides a description and status of ballot measures that the City Council may place on the ballot for voter consideration in the March or November 2020 elections, as well as beyond 2020. Also included are potential and/or qualified measures under consideration by the State, region and Oakland Unified School District. This information is provided to assist the City Council in its consideration of the timing and type of measures to prioritize for placement on the ballot.

BACKGROUND / LEGISLATIVE HISTORY

At the July 11, 2019 Rules & Legislation Committee meeting, the Committee requested an informational report of potential ballot measures for the March 2020 election. The sponsor of the request, President Kaplan, cited several reasons for requesting this report, including to initiate discussion about ballot measures well in advance of elections so that the City Council may conduct proper vetting and analysis of proposed measures, as well as to allow Councilmembers the opportunity to publicly share those initiatives they plan to author and/or sponsor. In addition, the Rules Committee approved an agenda item related to formalizing the City Council ballot measure development process through an ordinance that was requested by Councilmember McElhaney for the June 25, 2019 Finance and Management Committee. The Finance and Management Committee has not yet made a recommendation on the item to the full City Council.

ANALYSIS AND POLICY ALTERNATIVES

The horizon of potential ballot measures is presented below. Measures are organized based on election date and the entity leading the effort.

CITY OF OAKLAND - MARCH 2020

1. *Parcel Tax for Parks and Recreation Services (New Measure)*

Description:

A Parks and Recreation Services special parcel tax would augment existing funding provided through the Landscaping and Lighting Assessment District (LLAD or Fund 2310). The LLAD has no provision for a cost of living adjustment. Expenditures reliant upon the LLAD have exponentially outpaced funding available to support critical City services such as parks maintenance, tree maintenance and street lighting.

Lead Department:

Oakland Public Works (OPW).

Status and Deadlines:

On July 5, 2019, the City of Oakland issued a Request for Proposals (RFP) for polling services, ballot measure development, and community engagement related to a potential parcel tax. RFP proposals were due to the City by July 26, 2019, and the City has selected the firm CliffordMoss. Staff will report the poll results as well as other feedback received at the October 22, 2019 Public Works and Finance and Management Committee meetings.

Per the Alameda County Registrar of Voters Office, the 88-day deadline for submission of qualified ballot measures for the March 2020 election is December 6, 2019. This special parcel tax requires approval by a two-thirds supermajority of Oakland voters to pass.

2. *Authorization to Increase Appropriations Limit ("Gann Limit") (New Measure)*

Description:

Article XIII B of the California Constitution, created by the passage of Proposition 4 in 1979, establishes a limit on the amount of tax revenue which can be appropriated by government jurisdictions (also known as the "Gann Limit"). This limit is recalculated every year by multiplying the previous year's limit by adjustment factors for population growth and inflation. Only certain City appropriations, known as "proceeds of taxes", are subject to the limitation – this includes property taxes, local taxes such as the Sugar Sweetened Beverage Tax and Transient Occupancy Tax, as well as State taxes with unrestricted uses that are passed on to the City – each count against the City's appropriations limit. Other City revenues, such as State subventions that are restricted in use, franchise fees, special benefit assessment districts such as the LLAD, fines and penalties, federal grants, and internal service revenues are considered non-proceeds of taxes and do not count against the City's appropriations limit. The 2019-2020 Appropriation Limit for the City of Oakland is \$664,870,535 (Resolution No. 87712 C.M.S., June 4, 2019), while the amount of the City's adopted appropriations subject to limitation in 2019-2020 is \$640,110,000, which is compliant with the City's Appropriations Limit by \$24,760,000.

To the extent that proposed new proceeds of taxes (general or special) may cause the City to exceed the appropriations limit, the City must seek voter approval from a majority of Oakland voters to increase the City's Gann Limit.

Lead Department:
Finance Department

Status and Deadlines:
Per the Alameda County Registrar of Voters Office, the 88-day deadline for submission of qualified ballot measures for the March 2020 election is December 6, 2019. This ballot measure requires approval by a majority of Oakland voters to pass.

CITY OF OAKLAND - NOVEMBER 2020

1. *Measure D: Kids First Funding (Renewal of Existing Measure)*

Description:

Measure D: Kids First Funding was approved by Oakland voters in 2009. The measure amended City Charter Section 1300 to require that the City set aside three percent (3%) of the City's annual, actual unrestricted General Purpose Fund revenue for the Kids First! Oakland Fund for Children and Youth (Fund 1780). This fund provides funding for children and youth services. Measure D requires the three percent set-aside each year for twelve years beginning July 1, 2009 and sunsets on June 30, 2021.

Status and Deadlines:

In accordance with the City Charter Section 1300, the City Council:

- A. May extend City Charter Section 1300 in the first half of 2020 for an additional twelve years by a simple majority vote of the Council. A majority City Council vote would extend the measure to June 30, 2033.
- B. If the City Council does not extend the measure, it shall place the measure for renewal to the voters on the November 2020 ballot. Per the Alameda County Registrar of Voters Office, the 88-day deadline for submission of qualified ballot measures for the November 2020 election is August 7, 2020.

STATE AND REGIONAL MEASURES - 2020

1. *Alameda County: Two Potential Initiatives to Increase Sales Tax for Homeless Services and Childcare Services*

- A. **Early Childhood Services:** In 2017, Senate Bill 703 (Skinner) authorized Alameda County to place on the ballot a 0.5 percent sales tax increase to fund critical, underfunded, county services such as improving access to and quality wages for childcare providers serving low-income families. A resulting June 2018 ballot measure for implementing the tax to support childcare services (Measure A) did not pass. The

2017 authorization enabled by Senate Bill 703 is still in effect until December 31, 2022. In light of the failure of Measure A to reach the required two-thirds majority of voter approval in the June 5, 2018 election, the Alameda County Board of Supervisors considered a motion to put the measure on the November 2018 ballot at their meeting on July 24, 2018. However, the Board voted at that time to table the motion, expressing interest in returning the measure to the ballot in March or November 2020.

- B. Homelessness Services:** As of June 2019, Alameda County entered the pre-introduction planning stage to propose an additional bill at the State level to grant Alameda County the authority to seek voter approval for an additional 0.5 percent sales tax increase to fund critical County programs and services to address homelessness. The bill would repeal the authorization on December 31, 2022 if an ordinance proposing the tax has not been approved by that date by the voters and County of Alameda. If an ordinance proposing the tax is approved, the County has stated that the additional revenue would be used for homelessness prevention and response measures, including operating subsidies for deeply affordable permanent supportive housing, development and operations of additional interim housing, increased outreach, intensive supportive services, and other homelessness prevention services and programs.

2. Bay Area Region: November 2020 – Regional Transportation Megameasure for the Bay Area

A regional transportation ballot “megameasure” for the November 2020 election is being contemplated by transportation agencies, the business community and nonprofits aiming to generate between \$50 billion to \$100 billion in 40 years. The revenue sources are still being evaluated and will likely include a sales tax, potentially with other funding sources. The FASTER Coalition, which includes SPUR, the Bay Area Council and the Silicon Valley Leadership Group is engaging transit service providers, counties, cities, and non-governmental organizations in developing principles to inform the expenditure plan, with a goal of developing a truly regional transit system through infrastructure and operational investments. Placement of this initiative on the ballot in all nine Bay Area counties is first contingent upon state legislation granting tax authority to a regional agency, and this legislation would have to pass early next year (2020) to meet the deadlines for the November 2020 election. The measure would require a two-thirds supermajority to pass.

3. State of California: November 2020 – Three Qualified Ballot Measures

As of August 5, 2019, there are three statewide ballot propositions that have qualified for the ballot in California for elections on November 3, 2020. All three measures were citizen-initiated; two pertain to law enforcement and civil and criminal trials, while the third measure is an amendment to Proposition 13. The three measures are described in further detail below.

- A. The California Criminal Sentencing, Parole, and DNA Collection Initiative** would make specific types of theft and fraud crimes (such as firearm theft, vehicle theft, and unlawful use of a credit card) chargeable as misdemeanors or felonies, rather than misdemeanors. Additionally, the measure would establish serial crime and organized

retail crime as additional types of crimes in state code and charge them as wobblers – crimes chargeable as misdemeanors or felonies. Lastly, the measure would require persons convicted of certain misdemeanors that were classified as wobblers or felonies before 2014, such as shoplifting, grand theft, drug possession, domestic violence and prostitution with a minor, to submit to collection of DNA samples for state and federal databases.

- B. The California Replace Cash Bail with Risk Assessments Referendum is a veto referendum to overturn Senate Bill 10 (Hertzberg), signed by Governor Brown on Aug. 28, 2018. The referendum requires a majority of voters to approve Senate Bill 10 in order for it to take effect. Senate Bill 10 would end the use of cash bail for all detained suspects awaiting trial. The state's cash bail system would be replaced with risk assessment, a process for pretrial release from jail based on a determination of an individual's flight risk and/or risk to public safety. Superior courts would be required to establish pretrial assessment divisions, which would be tasked with conducting risk assessments and making recommendations for conditions of release.
- C. The California Tax on Commercial and Industrial Properties for Education and Local Government Funding Initiative would amend the State Constitution (Proposition 13) to require commercial and industrial properties, except those zoned as commercial agriculture, to be taxed based on their market value. Currently, Proposition 13 requires the taxable value of residential, commercial, and industrial properties to be based on 1 percent of the property's purchase price, with an annual adjustment equal to the rate of inflation or 2 percent, whichever is lower. The proposed initiative would create a process in the State Constitution for distributing revenue from the revised tax on commercial and industrial properties. Revenue would be distributed to specific areas, not the General Fund, to be used for: a) the state to supplement decreases in revenue from the state's personal income tax and corporation tax, and b) for counties to cover the costs of implementing the measure; estimated to be about \$500 million of the \$6.5 to \$10.5 billion in additional revenue that the revised tax would generate. Sixty percent of the remaining \$6 to \$10 billion would be distributed to local governments and special districts, and 40 percent would be distributed to school districts and community colleges.

FUTURE LOCAL MEASURES

1. *City of Oakland – Measure Z: Public Safety and Services Violence Prevention Services of 2014 (Renewal of Existing Measure)*

Measure Z, the Oakland Public Safety and Services Violence Prevention Act, was approved by a supermajority of Oakland voters in 2014. The 2014 measure renewed and extended for an additional ten years an 8.5 percent parking tax surcharge and parcel tax that were initially approved via Measure Y in 2004. As established in Ordinance No. 13536 C.M.S., for Fiscal Year 2019-20, the single-family residential parcel tax rate is set at \$113.04, the multi-family residential rate is \$77.22 per unit, and the non-residential parcel tax rate is \$57.89. The taxes can only be used for expenses related to the following objectives: reduction of homicides, robberies, burglaries, and gun-related violence; improving police and fire emergency 911 response times and other police services; and investing in community-focused violence

prevention and intervention strategies to support at-risk youth and young adults. Measure Z requires that the City budget for, hire and maintain a minimum of 678 sworn police personnel, and restricts the City's ability to collect the taxes if this requirement is not met. The Measure also established a nine-member "Public Safety and Services Violence Prevention Oversight Commission" to review and evaluate the measure's implementation.

The parcel tax authorized by Measure Z will sunset on June 30, 2025; the parking surcharge tax will sunset on December 31, 2024. Renewal of both taxes will require submission of new ballot measure language to the Alameda County Registrar of Voters Office by the 88-day deadline in December 2023 to meet the March 2024 election or by August 2024 to meet the November 2024 election. The measure will require approval by a two-thirds supermajority of Oakland voters.

2. *City of Oakland – Measure Q: Library Parcel Tax Extension and Measure D: Parcel Tax to Maintain, Protect, and Improve Library Services (Renewal of Existing Measure)*

Measure Q, the Library Services Retention Enhancement initiative, is a parcel tax approved by a supermajority of Oakland voters in March 2004. Tax proceeds must only be used to maintain and/or expand neighborhood branch library services, days, and hours; after school homework and tutoring programs; literacy and children's programs; librarian services to schools; computer and technology access; and new books and materials. As established in Ordinance No. 13536 C.M.S., for Fiscal Year 2019-2020, the single-family residential parcel tax rate for Measure Q is set at \$109.00, the multi-family residential rate is \$74.45 per unit, and the non-residential parcel tax rate is \$55.83. The measure will sunset on June 30, 2024.

Measure D, the Parcel Tax to Maintain, Protect and Improve Library Services initiative, was approved by a supermajority of Oakland voters in June 2018. Tax proceeds from Measure D are dedicated to providing safe places for youth after school; preventing library closures; providing youth reading and senior programs; extending evening/weekend hours for students and families; and adult literacy services. As established in Ordinance No. 13536 C.M.S., for Fiscal Year 2019-2020, the single-family residential parcel tax rate for Measure D is set at \$77.93, the multi-family residential rate is \$53.24 per unit, and the non-residential parcel tax rate is \$39.91. The measure will sunset on June 30, 2038.

Although Measure D was only recently enacted, with the approaching sunset of Measure Q the City may wish to consider options for combining or consolidating the two measures into a single parcel tax.

3. *City of Oakland – Wildfire Prevention Assessment District (new)*

The City's first Wildfire Prevention Assessment District was formed in 1992 via Ordinance No. 11526 C.M.S., but subsequently lapsed after failing to receive voter approval in 1997. The Oakland Wildfire Prevention Assessment District (WPAD) was enacted November 2003 through a mail-in protest vote in which a majority of property owners within the boundaries of the proposed District approved the formation of the WPAD, subsequently ratified by City Council Resolution No. 78305 C.M.S. on January 20, 2004. Single family residential properties within

the WPAD were assessed \$65.00 annually per parcel for the 10-year duration of the WPAD. The funds raised by the District financed the costs and expenses related to vegetation management, yard waste disposal, community wildfire prevention education, and fire patrols in the Oakland hills. In 2013, the City of Oakland attempted to renew and increase funding for the WPAD but the measure failed by a narrow margin from voting property owners within the District.

The WPAD prepared and enforced the City's 2011-2014 Vegetation Management Plan (VMP), but after the failed renewal of the District, remaining WPAD funds were exhausted in 2017. The final meeting of the WPAD Citizen's Advisory Committee took place in June 2017. Since that time, City staff have been working to prepare a new VMP, which will dictate the work and responsibilities of a future WPAD. As of July 17, 2018, several steps remained before completion of the draft VMP, including release of a Notice of Preparation as required by CEQA, consultation with Native American organizations as required by California law, hosting of CEQA Scoping Meetings and receipt of public comment, and preparation of a Draft Environmental Impact Report. At this time, staff expects the draft VMP to be completed in 2020 and submitted to the City Council for review and adoption.

4. City of Oakland – Oakland Police and Fire Retirement System (PFRS) Charter Amendment

Currently, staff does not anticipate needing a charter amendment to modify the requirement that the Police and Fire Retirement System (PFRS) be fully funded on an actuarial basis by July 1, 2026. However, it is anticipated that PFRS will require a charter amendment subject to voter approval in the near-term, to implement oversight changes and streamline the administrative functions of the Retirement Board. Staff may also further explore options to annuitize the system.

5. City of Oakland – Measure LL Police Commission Charter Amendment

Measure LL, approved by Oakland voters November 2016, amended the Oakland City Charter to establish a Police Commission to oversee the Police Department's policies and procedures, and the Community Police Review Agency that investigates police misconduct and recommends discipline. There has been public discussion about proposing Measure LL amendments to the voters.

6. City of Oakland – Measure AA Education Parcel Tax Charter Amendment

Measure AA was a 30-year parcel tax of \$198 per single-family residential parcel and \$135.25 for multiple unit residential parcels (non-residential based on formula) to fund education services for pre-K through college students and career readiness on the November 6, 2018 ballot. The measure received 62 percent approval by voters. On April 16, 2019, the City Council voted to not collect the tax in the first fiscal year, 2019-2020.

7. Oakland Unified School District – Measure N: College and Career Readiness for All Fund

Oakland Unified School District's (OUSD) Measure N: College and Career Readiness for All Fund was approved by a two-thirds supermajority of Oakland voters on November 4, 2014. The Measure is a \$120 parcel tax used by OUSD to reduce the drop-out rate, provide high school students with real-world work and learning opportunities, prepare students for college admissions, and expand mentoring, tutoring, counseling, support services and transition to job training programs. OUSD's Measure N will sunset on June 30, 2024 and will likely be placed on the ballot for renewal during the same election cycle as several of the City of Oakland's ballot initiatives.

FISCAL IMPACT

This report is an informational purposes report and does not have a direct fiscal impact.

However, each measure placed on the ballot will have direct costs associated with each. Costs may include polling, holding of elections in coordination with Alameda County or to conduct a mail-in process.

PUBLIC OUTREACH / INTEREST

No outreach was deemed necessary for this informational report beyond the standard City Council noticing procedures.

COORDINATION

This informational report was prepared in coordination between the City Administrator's Office, the Finance Department, Oakland Public Works, and the Oakland Department of Transportation.

SUSTAINABLE OPPORTUNITIES

Economic: New and existing tax revenues enable the City to provide vital programs and services to the community at large. Each tax also has a direct impact on residents and property owners.

Environmental: Certain tax revenues, as permitted, may be used by the City to support environmental goals such as blight and waste remediation, improved energy efficiencies in City facilities, and other efforts.

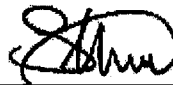
Social Equity: Tax revenues, in general, may be used to support efforts to advance racial equity and mitigate racial disparities over time.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council receive an Informational Report and discussion of potential ballot measures for the March 3, 2020 election, including, but not limited to, a potential park, open space, fire safety measure, as a special parcel tax, and a Police Commission Charter change.

For questions regarding this report, please contact Rose Rubel, City Administrator Analyst, at 510-238-6587.

Respectfully submitted,



STEPHANIE HOM
Deputy City Administrator

Prepared by:
Rose Rubel, City Administrator Analyst
City Administrator's Office

FILED
OFFICE OF THE CITY CLERK
OAKLAND


City Attorney's Office

2019 SEP 26 PM 2:12

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT A MARCH 3, 2020 MUNICIPAL ELECTION, AN ORDINANCE TO INCREASE THE APPROPRIATION LIMIT FOR FISCAL YEARS 2020-21 THROUGH 2023-24 TO ALLOW THE CITY TO EXPEND FUNDS COLLECTED FROM EIGHT VOTER-APPROVED GENERAL AND SPECIAL TAX, BALLOT MEASURES - FOR EMERGENCY MEDICAL SERVICES, PARAMEDIC SERVICES, LIBRARY SERVICES, PUBLIC SAFETY AND VIOLENCE PREVENTION SERVICES, HOMELESS SERVICES AND OTHER LAWFUL GOVERNMENTAL PURPOSES; AND DIRECTING THE CITY CLERK TO TAKE ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT A MARCH 3, 2020 MUNICIPAL ELECTION

WHEREAS, Article XIII B, Section 1 of the California Constitution establishes an appropriation limit for local governments that is equal to the prior year appropriations limit adjusted for the cost of living and change in population; and

WHEREAS, Article XIII B, Section 4 of the California Constitution allows for the electors of a local government to increase the appropriations limit in conformity with constitutional and statutory voting requirements; and

WHEREAS, the duration of any such increase, as determined by the electors, shall not exceed four years from the most recent vote of the electors creating such change; and

WHEREAS, such increases in the appropriations limit will allow the City to expend the funds collected from ballot measures previously approved by Oakland voters, including Measure M (The Emergency Medical Services Retention Act of 1997); Measure N (The Paramedic Services Act of 1997), Measure Q (The Library Services Retention and Enhancement Act of 2004), Measure C (City of Oakland Hotel Tax of 2009), Measure Z (The 2014 Oakland Public Safety and Services Violence Prevention Act), Measure HH (Sugar-Sweetened Beverage Distribution Tax of 2016), Measure D (The 2018 Oakland Public Library Preservation Act), and Measure W (The Oakland Vacant Property Tax Act of 2018); and

WHEREAS, such expenditures are necessary for the continued health, safety, and well-being of the residents of the City of Oakland; now, therefore, be it

RESOLVED: That the Oakland City Council finds and determines the foregoing 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 call for a municipal election and submit to the voters, at the March 3, 2020 Election, an Ordinance which reads as follows:

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

Section 1. Findings and Intent.

- a. Oakland voters have passed the following eight special and general tax measures: Measure M (The Emergency Medical Services Retention Act of 1997); Measure N (The Paramedic Services Act of 1997), Measure Q (The Library Services Retention and Enhancement Act of 2004), Measure C (City of Oakland Hotel Tax of 2009), Measure Z (The 2014 Oakland Public Safety and Services Violence Prevention Act), Measure HH (Sugar-Sweetened Beverage Distribution Tax of 2016), Measure D (The 2018 Oakland Public Library Preservation Act), and Measure W (The Oakland Vacant Property Tax Act of 2018).
- b. The revenue generated by these special and general tax measures pays for important municipal services such as emergency dispatch services, paramedic services, libraries, violence prevention, and services to the homeless.
- c. Article XIII B of the California Constitution establishes a limit on the amount of tax revenue a local government can appropriate each year.
- d. To permit the City of Oakland to continue to spend the proceeds of the above-noted special and general taxes passed by Oakland voters without exceeding the appropriation limit set by Article XIII B of the California Constitution, the City of Oakland's appropriation limit must be increased.
- e. Section 4 of Article XIII B of the California Constitution allows the electors of a local government to increase the appropriations limit by a majority vote for up to four years from the most recent vote.
- f. It is the intent of the People of the City of Oakland in enacting this Ordinance to increase the City's appropriation limit to permit the continued expenditure of the above-noted special and general taxes previously approved by Oakland voters over the next four years.

Section 2. Appropriation Limit; Expiration. Pursuant to Section 4 of Article XIII B of the California Constitution, the appropriations limit for the City of Oakland is hereby increased each fiscal year by the amount collected from each of the following voter approved local tax measures and any income from the investment of the tax proceeds: Measure M (The Emergency Medical Services Retention Act of 1997); Measure N (The

Paramedic Services Act of 1997), Measure Q (The Library Services Retention and Enhancement Act of 2004), Measure C (City of Oakland Hotel Tax of 2009), Measure Z (The 2014 Oakland Public Safety and Services Violence Prevention Act), Measure HH (Sugar-Sweetened Beverage Distribution Tax of 2016), Measure D (The 2018 Oakland Public Library Preservation Act), and Measure W (The Oakland Vacant Property Tax Act of 2018). This Section 2 shall expire on March 3, 2024, and the appropriations limit of the City of Oakland shall thereafter be determined as if this Ordinance had not been adopted.

Section 3. 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 Ordinance. The people of the City of Oakland hereby declare that they would have adopted 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.

FURTHER RESOLVED: That each ballot used at said election shall have printed therein, in addition to any other matter required by law, the following:

Measure ____. Shall the measure increasing the appropriations limit under Article XIII B of the California Constitution (which limits city expenditures of tax proceeds) to allow the City of Oakland to continue to expend revenues from taxes previously approved by Oakland voters for emergency medical services, paramedic services, library services, public safety and violence prevention services, homeless services and other lawful governmental purposes be adopted?	Yes	
	No	

; and be it

FURTHER RESOLVED: 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 March 3, 2020, to file with Alameda County certified copies of this resolution; 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 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 Council does hereby request that Board of Supervisors of Alameda County permit the Registrar of Voters to perform necessary services in connection with said election; and be it

FURTHER RESOLVED: That in accordance with applicable law, the City Clerk shall fix and determine a date for submission of arguments for or against said ballot item and rebuttals and is hereby directed to cause the posting, publication and printing of notices; and be it

FURTHER RESOLVED: That the City Administrator and City Clerk are hereby authorized and directed to take all actions necessary under the law to prepare for and conduct the March 3, 2020 election and the City Council hereby appropriates all monies necessary for the City Administrator and City Clerk to prepare and conduct the March 3, 2020 Election; and be it

FURTHER RESOLVED: That this resolution shall be effective immediately upon approval by the City Council.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REJD, TAYLOR, THAO AND
PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California