



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Erin Roseman
Director of Finance

SUBJECT: Measures M, N, Library Q, Z, D, and
Parks Q FY 2021-22 Cost-of-Living
Tax Adjustment, Fixing Rate of Tax,
and Levying Tax

DATE: May 4, 2021

City Administrator Approval

Date: May 19, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt An Ordinance:

Authorizing A Fiscal Year (FY) 2021-22 Increase In Rate Of Property Tax Imposed By Voter-Approved Measures; and

Fixing The Rate Of The Property Tax, And Levying A Tax On Real And Personal Property In The City Of Oakland For Fiscal Year 2021-22 For The Emergency Medical Services Retention Act of 1997 (Measure M), The Paramedic Services Act of 1997 (Measure N), The Library Services Retention And Enhancement Act of 2004 (Library Measure Q), The 2014 Public Safety And Services Violence Prevention Act (Measure Z), The 2018 Oakland Public Library Preservation Act (Measure D), and The 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act (Parks Measure Q).

EXECUTIVE SUMMARY

This report and ordinance if approved will:

- Adjust the Fiscal Year (FY) 2021-22 rate of special parcel tax for the following voter-approved local measures consistent with either the Consumer Price Index (CPI) of 2019 or the change in California per Capita Personal Income as of 2019:
 - Measure M (The Emergency Medical Services Retention Act of 1997),
 - Measure N (The Paramedic Services Act of 1997),
 - Library Measure Q (The Library Services Retention and Enhancement Act of 2004),
 - Measure Z (The 2014 Public Safety and Services Violence Prevention Act), and
 - Measure D (2018 Oakland Public Library Preservation Act)
 - Parks Measure Q (The 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act)
- Fix the rate of the property tax; and
- Levy a tax on real and personal property in the City of Oakland.

City Council
June 1, 2021

BACKGROUND / LEGISLATIVE HISTORY

This background section contains the history of the local voter-approved Measures M, N, Library Q, Z, D, and Parks Measure Q.

Measure M: The Emergency and Medical Services Retention Act of 1997

In June 1997 Oakland voters approved, by more than a two-thirds majority, the Emergency Medical Services Retention Act of 1997 (Measure M). Measure M imposed a parcel tax for the purpose of raising revenue necessary to retain and enhance emergency dispatch and medical services in the City of Oakland and to replace funding from a previous assessment imposed by the City that was invalidated by Proposition 218. The Measure M legislation authorizes the City Council to increase the tax rates by a cost-of-living factor beginning in Fiscal Year 1998-99 and continuing each fiscal year thereafter. At no time, however, may the rates be increased by more than 5.0 percent of the tax rates imposed by ordinance during the immediately preceding fiscal year. A 1.7 percent increase for the Measure M special parcel tax rate is proposed for Fiscal Year 2021-22, consistent with the Consumer Price Index (CPI) increase for the San Francisco Bay Area during calendar year.

Table 1 summarizes the historical tax rate increases that have been authorized pursuant to City Council action since the legislation was enacted.

Table 1: Measure M Historical Rate Increases

Council Action Date	Percent Increase	Effective Date
July 11, 2000	4.20%	July 1, 2000
June 5, 2001	4.50%	July 1, 2001
June 11, 2002	5.00%	July 1, 2002
June 19, 2003	1.60%	July 1, 2003
June 10, 2004	1.80%	July 1, 2004
June 16, 2005	1.20%	July 1, 2005
June 8, 2006	2.00%	July 1, 2006
June 19, 2007	3.20%	July 1, 2007
June 17, 2008	3.30%	July 1, 2008
June 16, 2009	3.10%	July 1, 2009
June 1, 2010	0.70%	July 1, 2010
June 1, 2011	1.40%	July 1, 2011
June 19, 2012	2.60%	July 1, 2012
June 18, 2013	2.70%	July 1, 2013
June 17, 2014	2.20%	July 1, 2014
June 22, 2015	2.80%	July 1, 2015
June 7, 2016	2.60%	July 1, 2016
June 26, 2017	3.00%	July 1, 2017
June 5, 2018	3.20%	July 1, 2018
May 21, 2019	3.90%	July 1, 2019
June 2, 2020	3.30%	July 1, 2020
	Proposed	
May 18, 2021	1.70%	July 1, 2021

Measure N: The Paramedic Services Act of 1997

In June 1997 Oakland voters passed, by more than a two-thirds majority, the Paramedic Services Act of 1997 (Measure N). Measure N imposes a special parcel tax for the purpose of raising revenue necessary to increase, enhance and support paramedic emergency services in the City of Oakland. The Measure N legislation authorizes the City Council to increase the tax rates by a cost-of-living factor after the third year of its imposition (FY 2000-01) and continuing each fiscal year thereafter. Beginning FY 2000-01 and continuing each fiscal year thereafter, the Measure N legislation allows the City Council to adjust the tax rates in accordance with the CPI for the immediate San Francisco Bay Area. At no time, however, may the rates be increased by more than 5.0 percent of the tax rates imposed by ordinance during the immediately preceding fiscal year. A 1.7 percent increase in the Measure N special parcel tax rates proposed for Fiscal Year 2021-22 is in line with the Consumer Price Index (CPI) increase for the San Francisco Bay Area during calendar year 2020.

Table 2 summarizes the historical tax rate increases that have been authorized pursuant to City Council action since the legislation was enacted:

Table 2: Measure N Historical Rate Increases

Council Action Date	Percent Increase	Effective Date
July 11, 2000	4.20%	July 1, 2000
June 5, 2001	4.50%	July 1, 2001
June 11, 2002	5.00%	July 1, 2002
June 19, 2003	1.60%	July 1, 2003
June 10, 2004	1.80%	July 1, 2004
June 16, 2005	1.20%	July 1, 2005
June 8, 2006	2.00%	July 1, 2006
June 19, 2007	3.20%	July 1, 2007
June 17, 2008	3.30%	July 1, 2008
June 16, 2009	3.10%	July 1, 2009
June 1, 2010	0.70%	July 1, 2010
June 1, 2011	1.40%	July 1, 2011
June 19, 2012	2.60%	July 1, 2012
June 18, 2013	2.70%	July 1, 2013
June 17, 2014	2.20%	July 1, 2014
June 22, 2015	2.80%	July 1, 2015
June 7, 2016	2.60%	July 1, 2016
June 26, 2017	3.00%	July 1, 2017
June 5, 2018	3.20%	July 1, 2018
May 21, 2019	3.90%	July 1, 2019
June 2, 2020	3.30%	July 1, 2020
	Proposed	
May 18, 2021	1.70%	July 1, 2021

Library Measure Q: The Library Services Retention and Enhancement Act of 2004

In March 2004 Oakland voters approved, by more than a two-thirds majority, the extension of the Library Services Retention and Enhancement Act of 2004 (Library Measure Q), formerly known as Measure O, the Library Services Retention and Enhancement Act of 1994. The act re-authorized and increased a special parcel tax on residential and non-residential parcels for the purpose of raising revenue to retain and enhance library services. The term of the tax is 20 years, commencing July 1, 2004 and ending June 30, 2024. The Library Measure Q legislation also authorizes the City Council to increase the tax annually, consistent with the San Francisco Bay Area CPI changes. A 1.7 percent increase to the Library Measure Q special parcel tax rates is proposed for Fiscal Year 2021-22, reflecting the 2020 CPI increase for the San Francisco Bay Area.

The Library Measure Q legislation allows the City Council, upon making proper findings, to increase the tax rate based on cost-of-living changes in the San Francisco Bay Area up to a maximum level of 5.0 percent over the immediately preceding fiscal year.

Table 3 summarizes the historical tax rate increases that have been authorized pursuant to City Council action since the legislation was enacted:

Table 3: Library Measure O/Q Historical Rate Increases*

Council Action Date	Percent Increase	Effective Date
June 1, 1997	2.90%	December 1997
June 1, 1998	2.10%	December 1998
July 14, 1999	2.70%	December 1999
July 11, 2000	2.50%	December 2000
June 5, 2001	4.50%	July 1, 2001
June 11, 2002	5.00%	July 1, 2002
June 3, 2003	1.60%	July 1, 2003
June 16, 2005	1.20%	July 1, 2005
June 8, 2006	2.00%	July 1, 2006
June 19, 2007	3.20%	July 1, 2007
June 17, 2008	3.30%	July 1, 2008
June 16, 2009	3.10%	July 1, 2009
June 1, 2010	0.70%	July 1, 2010
June 7, 2011	1.40%	July 1, 2011
June 19, 2012	2.60%	July 1, 2012
June 18, 2013	2.70%	July 1, 2013
June 17, 2014	2.20%	July 1, 2014
June 22, 2015	2.80%	July 1, 2015
June 7, 2016	2.60%	July 1, 2016
June 26, 2017	3.00%	July 1, 2017
June 5, 2018	3.20%	July 1, 2018
May 21, 2019	3.90%	July 1, 2019
June 2, 2020	3.30%	July 1, 2020
	Proposed	
May 18, 2021	1.70%	July 1, 2021

*There was no cost-of living increase for FY 2004-05 since the voters approved a rate increase and extension of the special tax in March 2004.

Measure Z: The Safety and Services Violence Prevention Act of 2014

In November 2004 Oakland voters approved the Violence Prevention and Public Safety Act of 2004 (Measure Y). This revenue structure for Measure Y was carried into the Public Safety and Services Violence Prevention Act of 2014 (Measure Z). Measure Y imposed a parking surcharge on commercial parking lots and a parcel tax for the purpose of raising revenue necessary to fund activities such as community and neighborhood policing, violence prevention services with an emphasis on youth, and fire services. The Measure Y legislation authorized the City Council to levy parcel taxes beginning in Fiscal Year 2004-05. An additional ballot initiative in November 2010, Measure BB, suspended the 739 police officer staffing threshold mandated by Measure Y and allowed for the continued collection of the parcel tax and parking surcharge.

In November 2014 Oakland voters approved Measure Z with the same revenue structure as Measure Y. Measure Z continued the same parking surcharge on commercial parking lots and the same parcel tax for the purpose of raising revenue necessary to fund activities such as Community Resource Officers, Crime Reduction Teams, Fire services, and violence prevention strategies (Oakland Unite). The Measure Z legislation authorized the City Council to levy parcel taxes beginning Fiscal Year 2015-16. The Measure Z legislation authorizes the City Council to increase the tax rates by a cost-of-living factor beginning in Fiscal Year 2015-16 and continuing each fiscal year thereafter. The proposed legislation for Fiscal Year 2021-22 includes a 1.7 percent increase to Measure Z special parcel tax rates, consistent with the CPI increase for the San Francisco Bay Area during calendar year 2020. The Measure Z legislation allows the City Council to adjust the tax rates in accordance with the CPI for the immediate San Francisco Bay Area. At no time, however, may the rates be increased by more than 5.0 percent of the tax rates imposed by ordinance during the immediately preceding fiscal year.

Table 4 summarizes the CPI rates from 2009 through 2021 for Measure Y and Measure Z.

Table 4: Measure Y and Measure Z Historical Rate Increases

Measure Y Historical Rate Increases		
Council Action Date	Percent Increase	Effective Date
June 16, 2009	3.10%	July 1, 2009
June 7, 2010	0.70%	July 1, 2010
June 7, 2011	1.40%	July 1, 2011
June 19, 2012	2.60%	July 1, 2012
June 18, 2013	2.70%	July 1, 2013
June 17, 2014	2.20%	July 1, 2014

Measure Z Historical Rate Increases*		
Council Action Date	Percent Increase	Effective Date
June 7, 2016	2.60%	July 1, 2016
June 26, 2017	3.00%	July 1, 2017
June 5, 2018	3.20%	July 1, 2018
May 21, 2019	3.90%	July 1, 2019
June 2, 2020	3.30%	July 1, 2020
	Proposed	
May 18, 2021	1.70%	July 1, 2021

* City Council did not approve the 2.8 percent CPI increase for FY 2015-16, since the voters approved the existing tax rate as Measure Z in November 2014.

Measure D: The 2018 Oakland Public Library Preservation Act

In June 2018 Oakland voters passed, by more than a two-thirds majority, the 2018 Oakland Public Library Preservation Act (Measure D). Measure D imposes a special parcel tax for the purpose of raising revenue necessary to maintain, protect and improve direct library services throughout the City of Oakland. The Measure D legislation authorizes the City Council to increase the tax rates by a cost-of-living factor beginning in FY 2019-20 and continuing each fiscal year thereafter. Measure D provides that beginning in FY 2019-20 and continuing each fiscal year thereafter, the City Council may adjust the tax rates by an amount not to exceed the increase in either 1) the cost of living in the immediate San Francisco Bay Area as shown on the CPI, or 2) the change in the California per Capita Personal Income as determined by the California Department of Finance. The latter of these two indices referenced was used to determine the proposed increase in tax rates. A 3.7 percent increase in the Measure D special parcel tax rates proposed for Fiscal Year 2021-22 is in line with the change in the California per Capita Personal Income as determined by the California Department of Finance for calendar year 2020.

Table 5 summarizes the historical tax rate increases that have been authorized pursuant to City Council action since the legislation was enacted:

Table 5: Historical Measure D Rate Increases

Council Action Date	Percent Increase	Effective Date
May 21, 2019	3.9%	July 1, 2019
June 2, 2020	3.9%	July 1, 2020
	Proposed	
May 18, 2021	3.7%	July 1, 2021

Parks Measure Q: The 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act

In March 2020 Oakland voters passed, by more than a two-thirds majority, the 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act (Parks Measure Q). The Parks Measure Q imposes a special parcel tax, starting in Fiscal Year 2020-21 and for the subsequent twenty years, for the purpose of raising revenue necessary to fund a variety of programs and services for parks, landscape maintenance, recreational services, services to address homelessness, services, and projects to address water quality and litter reduction, and maintenance and cleaning of stormwater trash collection systems throughout the City of Oakland. The Parks Measure Q legislation authorizes the City Council to levy an amount equal to or less than the maximum special tax rates in any given year, but the maximum special tax rates may be increased commencing with Fiscal Year 2021-22 and each subsequent year thereafter based on the greater of the CPI for the immediate San Francisco Bay Area or the

change in the California per Capita Personal Income as determined by the California Department of Finance. A 3.7 percent increase in the Parks Measure Q special parcel tax rates proposed for Fiscal Year 2021-22 is in line with the change in the California per Capita Personal Income as determined by the California Department of Finance for calendar year 2020.

Table 6 summarizes historical tax rate increases that have been authorized pursuant to City Council action since the legislation was enacted:

Table 6: Historical Measure Q Rate Increases

Council Action Date	Proposed Percent Increase	Effective Date
June 2, 2020	0.0%	July 1, 2020
	Proposed	
May 18, 2021	3.7%	July 1, 2021

ANALYSIS AND POLICY ALTERNATIVES

The proposed ordinance applies an increase of 1.7 percent to the current Measure M, Measure N, Measure Q, and Measure Z special parcel tax amounts and an increase of 3.7 percent to the current Measure D and Measure Q special parcel tax amounts, effective July 1, 2021. The increase for Measures M, N, Q, and Z are per the actual change in the San Francisco Bay Area CPI during calendar year 2020 and the Measure D and Measure Q increase is based on the change in the California per Capital Personal Income. The proposed increases apply on a fiscal year basis (i.e., July 1st – June 30th).

Note: The Consumer Price Index – All Urban Consumers is based on the San Francisco-Oakland-San Jose, CA index. The California per Capital Personal Income is as determined by the California Department of Finance.

Table 7 summarizes the impact of the proposed increases by Measure and by parcel type:

Table 7: Summary of Measure Rates by Parcel Type

Measure	RATES			
	Parcel Type	Current Parcel Rate	Proposed Increase	FY 2021-22 Parcel Rate
Measure M	Single Family Residential Parcels	\$15.96	\$0.27	\$16.23
	Multiple Residential (2 to 4 units)	\$31.94	\$0.55	\$32.49
	Multiple Residential (5+ units)	\$79.88	\$1.36	\$81.24
	Commercial	\$31.94	\$0.55	\$32.49
	Industrial	\$63.90	\$1.10	\$65.00
	Rural	\$15.96	\$0.27	\$16.23
	Institutional	\$15.96	\$0.27	\$16.23
Measure N	Single Family Residential Parcels	\$12.71	\$0.22	\$12.93
	Multiple Residential (2 to 4 units)	\$25.42	\$0.44	\$25.86
	Multiple Residential (5+ units)	\$63.59	\$1.11	\$64.70
	Commercial	\$25.42	\$0.44	\$25.86
	Industrial	\$50.87	\$0.89	\$51.76
	Rural	\$12.71	\$0.22	\$12.93
	Institutional	\$12.71	\$0.22	\$12.93
Library Measure Q	Single Family Residential Parcels	\$112.60	\$1.91	\$114.51
	Multiple Residential	\$76.91	\$1.31	\$78.22
	Non-Residential Parcels	\$57.67	\$0.98	\$58.65
Measure Z	Single Family Residential Parcels	\$116.77	\$1.99	\$118.76
	Multiple Residential	\$79.77	\$1.36	\$81.13
	Non-Residential Parcels	\$59.80	\$1.02	\$60.82
Measure D	Single Family Residential Parcels	\$80.93	\$3.02	\$83.95
	Multiple Residential	\$55.29	\$2.06	\$57.35
	Non-Residential Parcels	\$41.45	\$1.55	\$43.00
Parks Measure Q	Single Family Residential Parcels	\$148.00	\$5.52	\$153.52
	Multiple Residential	\$101.08	\$3.77	\$104.85
	Non-Residential Parcels	\$148.00	\$5.52	\$153.52

FISCAL IMPACT

The Fiscal Year 2021-22 estimated revenue from Measure M is approximately \$2,355,034, including the proposed rate increase. The proposed annual rate increase of 1.7 percent translates to \$39,366 of the total Fiscal Year 2021-22 estimated revenue. This additional funding is needed to account for increases in personnel costs.

The Fiscal Year 2021-22 estimated revenue from Measure N (Fund 2250) is \$1,874,212, including the proposed rate increase. The proposed annual rate increase of 1.7 percent translates to approximately \$31,329 of the total Fiscal Year 2021-22 estimated revenue. This additional funding is needed to account for increases in personnel costs.

The Fiscal Year 2021-22 estimated revenue from Library Measure Q is \$17,976,561, including the proposed rate increase. The proposed annual rate increase of 1.7 percent translates to approximately \$300,493 of the total Fiscal Year 2021-22 estimated revenue. This additional funding is needed to account for increases in personnel costs.

The FY 2021-22 estimated revenue from Measure Z is \$19,003,466, including the proposed rate increase. The proposed annual rate increase of 1.7 percent translates to approximately \$317,658 of the total Fiscal Year 2021-22 estimated revenue. This additional funding is needed to account for increases in personnel costs and community services. Note: the aforementioned parcel tax estimated revenue is not the only revenue source under Measure Z. There is also the parking surcharge rate of 8.5 percent, which remains constant even with parcel tax rate increases. However, the parking revenue is projected to increase as the result of increased off-street parking usage.

The Fiscal Year 2021-22 estimated revenue from Measure D is \$13,443,260, including the proposed rate increase. The proposed annual rate increase of 3.7 percent translates to approximately \$483,402 of the total Fiscal Year 2021-22 estimated revenue. This additional funding is needed to account for increases in personnel costs.

The Fiscal Year 2021-22 estimated revenue from Parks Measure Q is \$27,500,930, including the proposed rate increase. The proposed annual rate increase of 3.7 percent translates to approximately \$988,989 of the total Fiscal Year 2021-22 estimated revenue. This additional funding is needed to account for increases in personnel costs.

District Engineer Contract

A contractual agreement with Francisco & Associates, Inc. was previously executed, and funding is available to maintain the contract until December 2023. There is no impact on the General Fund and no additional funding is requested.

PUBLIC OUTREACH/INTEREST

A public hearing on the proposed ordinance to increase the Measure M, Measure N, Measure Q, Measure Z, Measure D, and Measure Q special parcel tax rates and to set the rates to be levied for Measure M, Measure N, Measure Q, Measure Z, Measure D, and Measure Q is scheduled for May 18, 2021 at 1:00 pm or as soon thereafter as the public hearing may occur.

COORDINATION

This report was prepared in coordination with the Office of the City Attorney, the City Administrator's Office, the Finance Department, and Francisco & Associates, the City's Contractor who annually administers the tax measures on behalf of the City.

SUSTAINABLE OPPORTUNITIES

Economic: Essential City services that serve the public greatly rely upon revenues generated from the voter-approved special tax measures.

Environmental: There are no direct environmental impacts associated with the City Council action requested in this report.

Social Equity: The funds for each of these measures provide services to all of Oakland and seek to provide services to those most in need.

ACTION REQUESTED OF THE CITY COUNCIL

Adopt An Ordinance 1) Authorizing A Fiscal Year (FY) 2021-22 Increase In Rate Of Property Tax Imposed By Voter-Approved Measures; and 2), Fixing The Rate Of The Property Tax, And Levying A Tax On Real And Personal Property In The City Of Oakland For Fiscal Year 2021-22 For The Emergency Medical Services Retention Act of 1997 (Measure M), The Paramedic Services Act of 1997 (Measure N), The Library Services Retention And Enhancement Act of 2004 (Library Measure Q), The 2014 Public Safety And Services Violence Prevention Act (Measure Z), The 2018 Oakland Public Library Preservation Act (Measure D), and The 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act (Parks Measure Q).

For questions regarding this report, please contact Brittany Hines at 510-238-7078.

Respectfully submitted,

Erin Roseman

[Erin Roseman \(May 18, 2021 14:34 PDT\)](#)

Erin Roseman
Director of Finance

Prepared by:
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Budget Bureau