

Date: October 17, 2019

To: Members of City Council and Members of the ~~2019~~ OCT 17 PM 12:46

From: Council President Kaplan with Community Members

Re: File No. 18-1769

Adopt An Ordinance Amending The Oakland Municipal Code, Chapter 5.04, Section 5.04.420, To Fully Or Partially Exempt From The Business Tax On Residential Property Rentals Those Landlords With Personal Income Of 100 Percent Of Area Median Income Or Less Who Rent Out (1) Two Or Fewer Rooms From Their Single Family Home Of Personal Residence Or (2) A Unit From Their Owner-Occupied Two-Unit Parcel

Dear Colleagues on the City Council and Members of the Public,

I first want to appreciate the work of my colleagues, Kalb and Gallo, for their work on creating a limited exemption for the rental property business tax, specially aimed at helping our middle and working class families.

We have received additional amendments from a community coalition, "Neighbors Defending our Homes (NDF)." Attached please see amendments for discussion, based on this community proposal, that I have revised and am adding for your consideration.

In addition, with the passage of Assembly Bill 68, signed into law on October 10, 2019, I want to also ensure that who live in owner-occupied homes and have two ADU's, are also exempted.

Sincerely,

Rebecca Kaplan
Council President

Finance
Committee
10/22/19

REVISED COMMUNITY COALITION BUSINESS TAX AMENDMENT LANGUAGE

(Council President Kaplan is submitting for your consideration this alternative language, based on what was presented by community members.)

ORDINANCE AMENDMENTS

D. TAX EXEMPTION/REDUCTION FOR OWNER-OCCUPIED RENTAL PROPERTY

- 1) An owner of a single-family house, townhouse, or condominium who offers for rent no more than three (3) rooms in said house, townhouse or condominium shall be exempt from the business tax described in subsection A of this section if:
 - a) The owner currently lives in the house, townhouse or condominium as their principal place of residence; and
 - b) The owner has no ownership interest in any other residential or commercial rental property in the City of Oakland.
- 2) An owner of a duplex or single-family house with one or two accessory dwelling units (ADU) shall be exempt from the business tax described in subsection A of this section if:
 - a) The owner currently lives in one of the dwelling units as their principal place of residence; and
 - b) The owner has no ownership interest in any other residential or commercial rental property in the City of Oakland.
- 3) For the purpose of Subsection D, "Owner" means a natural person, who is an owner of record holding an interest equal to or greater than thirty-three percent (33%) in the property.
- 4) Any owner covered by these provisions shall not be held liable for any rental business tax on covered property assessed between 2008-2015.
- 5) The City Administrator or designee is authorized to create regulations to implement this subsection including, but not limited to, documentation requirements to verify owner occupancy requirements.