



FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2016 MAY 13 AM 11:29

# AGENDA REPORT

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

**FROM:** Christine Daniel  
Assistant City Administrator

**SUBJECT:** Potential Infrastructure Bond Measure

**DATE:** May 13, 2016

City Administrator Approval

Date:

5/13/16

## RECOMMENDATION

Staff recommends the City Council:

Review and provide direction regarding the legislation necessary to submit a General Obligation Bond to fund City infrastructure needs, including streets, facilities and affordable housing, to the voters in November 2016.

## EXECUTIVE SUMMARY/BACKGROUND

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. In early 2016, the City engaged a consulting firm who then conducted a community survey to assess voter interests in such a measure. On Tuesday, March 22, 2016, the Finance and Public Works Committees heard two informational presentations regarding a potential infrastructure bond measure for the November 2016 Election.

## ANALYSIS

Following those presentations, staff has been working to further develop the elements of a possible bond measure. As the City Council will recall, staff presented a General Obligation bond totaling \$600 million that would fund several areas of need. After additional analysis, staff recommends that the elements of the bond be supported at the following funding allocations:

- Streets, Sidewalks and Pedestrian, Bicycle & Traffic Safety--\$350 million
- Public Safety and Improving Quality of Life—Libraries, Parks & Recreation, Fire and Police--\$150 million
- Housing Anti-Displacement Measures--\$100 million

Item: \_\_\_\_\_  
Finance & Public Works Committees  
May 24, 2016

*Uses of Bond Funds*

As discussed in March, the bond funds could be used to address the City's current pavement backlog of over \$400 million as well as the capital improvement needs for sidewalks, stairs, curb ramps, pathways and other unfunded bicycle and pedestrian improvements. Oakland currently ranks 89<sup>th</sup> in street quality out of 109 Bay Area cities.

Bond funds could also be used to address some of the high priority capital facilities projects such as restoring playgrounds and playfields, improving neighborhood parks and recreation and senior centers. Additionally, funding could be used for renovation and replacement of fire stations that have long outlived their useful lives, developing a new crime lab, as well as modernizing libraries and introducing water, energy and seismic improvements into all capital projects. As noted in the prior informational presentations given to Finance and Public Works Committees, the biennial Capital Improvement Program (CIP) process would determine which specific capital facilities projects would be prioritized for bond funding in the categories indicated in the draft Resolution.

Finally, bond funds could be used to address the affordable housing crisis in Oakland by providing funding for acquisition and rehabilitation of units, as well as funding that could leverage necessary funds for new construction. Oakland is the one of the most expensive housing markets in the country, just behind San Francisco, New York and Boston, and with rising rents outpacing the increase in incomes faster than any other place in the country. Protecting Oakland residents from displacement and providing affordable housing opportunities is a high priority.

**FISCAL IMPACT**

*Financial Information*

Based on the current Total Gross Assessed Valuation of taxable property within the City of Oakland, the annual costs per \$100,000 of assessed value (A/V) for a taxpayer would be approximately \$69 for a \$600 million bond. However, it should be noted that the bond tranches will be issued incrementally based on a bond issuance schedule and taxpayers will only pay the amount per A/V of what has been issued at that time. Thus, once the entire \$600 million of bonds are issued, the annual cost for the owner of an average value residential property (\$434,028) would be as follows:

**Table 1: Annual Costs Per A/V<sup>1</sup>**

Estimated Project Fund	\$596,500,000
Average Annual Debt Service	\$ 33,281,061
Estimated Annual Cost per average A/V of \$434,028	\$311.38

<sup>1</sup> 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 2015-2016 Fiscal Year Assessed Valuation Report, dated July 31, 2015. Also, based on market as of March 1, 2016.

At its March meetings, the City Council Committees requested additional information concerning outstanding General Obligation bond debt for the City of Oakland. Attached are debt service payment schedules for the two outstanding issuances, Series 2012 and Series 2015. (Attachment A). The Series 2012 annual debt service payments average approximately \$6.6 million per year through 2033 and the Series 2015 annual debt service payments are approximately \$14 million through 2023, dropping to on average \$5.5 million through 2039. As noted above, if approved by the voters, once the entire \$600 million of bonds are issued, the annual debt service payment would be \$33 million, likely for a term of 30 years. These debt service payments are made using funds from taxpayers paid through their property tax bill. A sample tax bill is attached to this report as Attachment B. City of Oakland General Obligation bond taxes are noted as City of Oakland 1 in the Tax-Rate Breakdown section of this sample tax bill.

Attached for the City Council's review and direction is a draft of a Resolution placing the proposed bond measure on the ballot (Attachment C). Staff is seeking the Council's comments and direction on this draft and will return with a final draft at the June 14<sup>th</sup> Committee meetings.

#### **ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends the City Council:

Review and provide direction regarding the legislation necessary to submit a General Obligation Bond to fund City infrastructure needs, including streets, facilities and affordable housing, to the voters in November 2016. Based on such guidance, staff will return to the Committee and then to the full Council with final legislation.

Respectfully submitted,



CHRISTINE DANIEL  
ASSISTANT CITY ADMINISTRATOR

Attachments (3):  
A: Debt Service Schedules  
B: Sample Tax Bill  
C: Draft Resolution

**City of Oakland  
General Obligation Refunding Bonds  
(Series 2012)**

**FISCAL YEAR DEBT SERVICE**

Payment Date	Principal	Interest	Debt Service	Outstanding Par
6/30/2012	-	-	-	83,775,000.00
6/30/2013	885,000.00	4,158,642.71	5,043,642.71	82,890,000.00
6/30/2014	2,565,000.00	4,083,975.00	6,648,975.00	80,325,000.00
6/30/2015	2,690,000.00	3,955,725.00	6,645,725.00	77,635,000.00
6/30/2016	2,835,000.00	3,821,225.00	6,656,225.00	74,800,000.00
6/30/2017	2,980,000.00	3,679,475.00	6,659,475.00	71,820,000.00
6/30/2018	3,125,000.00	3,530,475.00	6,655,475.00	68,695,000.00
6/30/2019	3,290,000.00	3,374,225.00	6,664,225.00	65,405,000.00
6/30/2020	3,445,000.00	3,209,725.00	6,654,725.00	61,960,000.00
6/30/2021	3,630,000.00	3,037,475.00	6,667,475.00	58,330,000.00
6/30/2022	3,810,000.00	2,855,975.00	6,665,975.00	54,520,000.00
6/30/2023	4,000,000.00	2,665,475.00	6,665,475.00	50,520,000.00
6/30/2024	4,200,000.00	2,465,475.00	6,665,475.00	46,320,000.00
6/30/2025	4,410,000.00	2,255,475.00	6,665,475.00	41,910,000.00
6/30/2026	4,635,000.00	2,034,975.00	6,669,975.00	37,275,000.00
6/30/2027	4,865,000.00	1,803,225.00	6,668,225.00	32,410,000.00
6/30/2028	5,120,000.00	1,559,975.00	6,679,975.00	27,290,000.00
6/30/2029	5,370,000.00	1,303,975.00	6,673,975.00	21,920,000.00
6/30/2030	5,645,000.00	1,035,475.00	6,680,475.00	16,275,000.00
6/30/2031	5,930,000.00	753,225.00	6,683,225.00	10,345,000.00
6/30/2032	6,225,000.00	456,725.00	6,681,725.00	4,120,000.00
6/30/2033	4,120,000.00	175,100.00	4,295,100.00	-
<b>TOTAL</b>	<b>\$ 83,775,000.00</b>	<b>\$ 52,216,017.71</b>	<b>\$ 135,991,017.71</b>	

**City of Oakland  
General Obligation Refunding Bonds  
(Series 2015A)**

**FISCAL YEAR DEBT SERVICE**

<b>Payment Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Outstanding Par</b>
6/30/2015	-	-	-	128,895,000.00
6/30/2016	1,865,000	3,762,521.04	5,627,521.04	127,030,000.00
6/30/2017	8,695,000	6,036,725.00	14,731,725.00	118,335,000.00
6/30/2018	9,070,000	5,688,925.00	14,758,925.00	109,265,000.00
6/30/2019	9,540,000	5,235,425.00	14,775,425.00	99,725,000.00
6/30/2020	10,045,000	4,758,425.00	14,803,425.00	89,680,000.00
6/30/2021	9,405,000	4,256,175.00	13,661,175.00	80,275,000.00
6/30/2022	9,885,000	3,785,925.00	13,670,925.00	70,390,000.00
6/30/2023	10,410,000	3,291,675.00	13,701,675.00	59,980,000.00
6/30/2024	2,730,000	2,771,175.00	5,501,175.00	57,250,000.00
6/30/2025	2,870,000	2,634,675.00	5,504,675.00	54,380,000.00
6/30/2026	3,010,000	2,491,175.00	5,501,175.00	51,370,000.00
6/30/2027	3,160,000	2,340,675.00	5,500,675.00	48,210,000.00
6/30/2028	3,315,000	2,182,675.00	5,497,675.00	44,895,000.00
6/30/2029	3,485,000	2,016,925.00	5,501,925.00	41,410,000.00
6/30/2030	3,655,000	1,842,675.00	5,497,675.00	37,755,000.00
6/30/2031	3,840,000	1,659,925.00	5,499,925.00	33,915,000.00
6/30/2032	4,035,000	1,467,925.00	5,502,925.00	29,880,000.00
6/30/2033	4,175,000	1,326,700.00	5,501,700.00	25,705,000.00
6/30/2034	4,375,000	1,117,950.00	5,492,950.00	21,330,000.00
6/30/2035	4,600,000	899,200.00	5,499,200.00	16,730,000.00
6/30/2036	4,835,000	669,200.00	5,504,200.00	11,895,000.00
6/30/2037	3,810,000	475,800.00	4,285,800.00	8,085,000.00
6/30/2038	3,965,000	323,400.00	4,288,400.00	4,120,000.00
6/30/2039	4,120,000	164,800.00	4,284,800.00	-
<b>TOTAL</b>	<b>\$ 128,895,000.00</b>	<b>\$ 61,200,671.04</b>	<b>\$ 190,095,671.04</b>	

# 2015-2016 INTERNET COPY

For Fiscal Year Beginning July 1, 2015 and Ending June 30, 2016

## ALAMEDA COUNTY SECURED PROPERTY TAX STATEMENT

Donald R. White, Treasurer and Tax Collector  
1221 Oak Street  
Oakland, California 94612-4285

Parcel Number	Tracer Number	Tax-Rate Area	Special Handling
10-771-15	02305900	17-001	045/CoreLogic Tax

Location of Property  
337 LENOX AVE, OAKLAND  
Assessed to on January 1, 2015

ASSESSEE NAME AND ADDRESS ARE NOT AVAILABLE ONLINE  
PER CA GOV CODE §6254.21


Fixed Charges and/or Special Assessments		
Description	Phone	Amount
MOSQUITO ABATEMENT	800-273-5167	3.50
CSA PARAMEDIC	800-441-8280	59.56
CSA VECTOR CONTROL	800-273-5167	14.40
CITY EMERG MEDICAL	510-238-3704	27.26
CITY PARAMEDIC SRV	510-238-3704	21.70
CSA LEAD ABATEMENT	510-567-8280	20.00
SCHOOL MEASURE G	510-879-8884	195.00
PERALTA CCD MEAS B	800-792-8021	48.00
OUSD MEASURE N	510-879-8884	120.00
VIOLENCE PREV TAX	510-238-3704	136.30
FLOOD BENEFIT 12	510-670-5762	16.00
HAZ WASTE PROGRAM	877-786-7927	19.08
CSA VECTOR CNTRL B	800-273-5167	3.74
MOSQUITO ASSESS 2	800-273-5167	2.30
AC TRANSIT MEAS VV	877-299-1190	96.00
CITY LIBRARY SERV	510-238-3704	131.38
EBMUD WETWEATHER	510-287-0275	89.62
EAST BAY TRAIL LLD	800-676-7516	5.44
EBRP PARK SAFETY/M	800-676-7516	16.56
CITY LANDSCP/LIGHT	510-238-3704	143.70
<b>Total Fixed Charges and/or Special Assessments</b>		<b>1,169.54</b>

### THIS IS NOT AN OFFICIAL BILL

Tax-Rate Breakdown		
Taxing Agency	Tax Rate	Tax Amount
COUNTYWIDE TAX	1.0000 %	10,280.90
VOTER APPROVED DEBT SERVICE:		
CITY OF OAKLAND 1	0.1651 %	1,697.37
SCHOOL UNIFIED	0.1539 %	1,582.23
SCHOOL COMM COLL	0.0337 %	346.47
BAY AREA RAPID TRANSIT	0.0026 %	26.73
EAST BAY REGIONAL PARK	0.0067 %	68.88
EBMUD SPEC DIST 1	0.0034 %	34.96
<b>TOTAL</b>	<b>1.3654 %</b>	<b>14,037.54</b>

Tax Computation Worksheet			
Description	Full Valuation	x Tax Rate	= Tax Amount
LAND IMPROVEMENTS	310,527		
FIXTURES	724,563		
TOTAL REAL PROPERTY	1,035,090		
PERSONAL PROPERTY			
GROSS ASSESSMENT & TAX	1,035,090	1.3654 %	14,133.11
HOMEOWNERS EXEMPTION	-7,000	1.3654 %	-95.57
OTHER EXEMPTION			
NET ASSESSMENT AND TAX	1,028,090	1.3654 %	14,037.54
<b>First Installment</b>		<b>Second Installment</b>	<b>Total Amount Due</b>
<b>PAID \$ 7,603.54</b>		<b>\$ 7,603.54</b>	<b>\$ 15,207.08</b>

#### Please Read Important Messages

 A fee of \$61.00 will be imposed on all returned or dishonored payments.

#### SECOND INSTALLMENT PAYMENT, 2015-2016

**2**

**INTERNET COPY**

PARCEL NO. 10-771-15  
TRACER NO. 02305900

THIS AMOUNT DUE FEB 1, 2016 ==>

**\$ 7,603.54**



Pay this amount after APRIL 10, 2016  
(This includes delinquent penalty of 10%  
and \$10.00 cost)


**\$ 8,373.89**

Amounts Not Valid After  
June 30, 2016

Make checks payable to: Donald R. White, Tax Collector, Alameda County

42016 8023059002 1000760354 00000000


 ECheck accepted online through June 30, 2016  
@<http://www.acgov.org/propertytax/>.

 Visa, Mastercard, Discover, or American Express credit cards accepted by phone (510)272-6800 or online @<http://www.acgov.org/propertytax/>, mobile @[www.acgov.org/mobile/apps/](http://www.acgov.org/mobile/apps/) through June 30, 2016. A convenience fee equal to 2.5% of the tax amount due will be added to your total payment.

Subscribe to receive email alerts about important property tax dates online @<http://www.acgov.org/propertytax/>.

 This bill is as of April 4, 2016 11:34 AM and may not include pending payments and roll corrections.

#### Please See Reverse For More Information

 Tax Collector's Office  
Payment Questions/Credit Card Payments  
(510) 272-6800

 Assessor's Office  
Valuation/Exemption  
(510) 272-3787 (510) 272-3770

#### FIRST INSTALLMENT PAYMENT, 2015-2016

**1**

**INTERNET COPY**

PARCEL NO. 10-771-15  
TRACER NO. 02305900

THIS AMOUNT DUE NOV 1, 2015 ==>

**PAID \$ 7,603.54**



Pay this amount after DECEMBER 10, 2015  
(This includes delinquent penalty of 10%)

**PAID DEC 8, 2015**

**Additional Fixed Charges and/or Special Assessments**  
Description

<b>Total Additional Fixed Charges and/or Special Assessments</b>		

**INFORMATION ABOUT YOUR 2015-2016 SECURED TAX BILL**

- Property Assessment and Attachment of Tax Lien:** The Assessor annually assesses all the property in the county, except state-assessed property, to the person owning, claiming, possessing, or controlling it at 12:01 a.m. January 1, and a lien for taxes attaches at that time preceding the fiscal year for which the taxes are levied.
  - If you disagree with a change in the assessed value as shown on the tax bill, you may have the right to an informal assessment review by contacting the Assessor's Office. If you disagree with the results of the informal review, you have the right to file an application for reduction in assessment for the following year with the Alameda County Assessment Appeals Board from July 2 to September 15. The Assessment Appeals Board may be contacted at the County Administration Building, Room 536, 1221 Oak Street, Oakland, California 94612-4241 or by calling (510) 272-6352.
  - Application for review and equalization of an assessment made outside of the regular assessment period must be filed with the Alameda County Assessment Appeals Board no later than 60 days from the first notification of that assessment.
- Your Tax Collector does not determine the amount you pay in taxes.** Tax amounts are computed by multiplying the property's full value by the tax rates of the various taxing agencies. Fixed charges and/or special assessments such as Flood Control Benefit Assessment, sewer service, special assessment improvement bond charges, delinquent garbage liens, etc. from cities and districts are added to the computed tax amounts to arrive at the total amount due on the bill.
- The Total Amount Due is payable in two installments:**
  - The 1st installment is due on **NOVEMBER 1, 2015** and is delinquent at 5 p.m. **DECEMBER 10, 2015** after which a 10% penalty attaches.
  - The 2nd installment is due on **FEBRUARY 1, 2016** and is delinquent at 5 p.m. **APRIL 10, 2016** after which a 10% penalty and \$10 cost attach.
  - In order to pay both installments at the same time, remit the **TOTAL AMOUNT DUE** with both installment payment stubs by **DECEMBER 10, 2015**.
  - If above delinquent due dates fall on a Saturday, Sunday, or legal holiday, no penalty is charged if payment is made by 5 p.m. on the next business day.
- If the amount due is unpaid at 5 p.m. June 30, 2016,** it will be necessary to pay (a) delinquent penalties, (b) costs, (c) redemption penalties, and (d) a redemption fee. If June 30 falls on a Saturday, Sunday, or legal holiday, no redemption penalties shall attach if payment is made by 5 p.m. on the next business day. Property delinquent for the first year shall be declared defaulted for non-payment of taxes. After 5 years, the Tax Collector has the power to sell tax-defaulted property that is not redeemed.

**IMPORTANT REMINDERS**

- Partial payments are not acceptable - payments made for less than the total installment due will be returned to the taxpayer.
- Notices will not be mailed when the second installment is due. Mark your calendar or subscribe to e-mail alerts online @ [www.acgov.org/propertytax](http://www.acgov.org/propertytax).
- Filing an application for reduced assessment does not relieve the applicant from the obligations to pay the taxes on the subject property before the applicable due date shown on the tax bill. If a reduction is granted, a proportionate refund of taxes will be made by the County Auditor's Office.
- New owners and present owners with new construction may be required to pay a Supplemental tax bill. Supplemental tax bills are separate from and in addition to this annual bill and any previous or subsequent Supplemental bills.

**SEND THIS STUB WITH YOUR 2nd INSTALLMENT PAYMENT**

**Due: FEBRUARY 1, 2016**  
Delinquent: 5 p.m., APRIL 10, 2016

**5. Full Value Exemption Legend:**

- |                          |                            |
|--------------------------|----------------------------|
| <b>C-</b> Church         | <b>D-</b> Welfare/Hospital |
| <b>G-</b> Cemetery       | <b>H-</b> Homeowner        |
| <b>M-</b> Miscellaneous  | <b>R-</b> Religious        |
| <b>S-</b> Public School  | <b>V-</b> Veteran          |
| <b>W-</b> Welfare/Others | <b>X-</b> Combination      |

- Homeowners' Exemption.** If your tax bill shows zero value on the Homeowners' Exemption line and you owned and occupied this property on January 1, 2015, you may be eligible for a partial (80%) homeowners' exemption if you file a claim with the Assessor on or before December 10, 2015. The homeowners' exemption tax reduction is attributable to the state-financed homeowners' tax relief program.
- Questions about property valuation, exemptions, payments and fixed charges and/or special assessments** should be directed to the telephone numbers indicated on the front of this bill.
- Property Tax Assistance for Senior Citizens, Blind, Or Disabled Persons.** The state budget did not include funding for the Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Assistance Law, which provides direct cash assistance. The Franchise Tax Board (FTB) will not issue Homeowner and Renter Assistance (HRA) Program instruction booklets and will not accept HRA claims. For the most current information on the HRA Program, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **hra**. If you have any questions, call 916.845.2119 or fax us at 916.845.4022.

**Do Not Use This Stub After June 30, 2016**  
2nd INSTALLMENT PAYMENT CANNOT BE ACCEPTED UNLESS 1st INSTALLMENT IS PAID

**SEND THIS STUB WITH YOUR 1st INSTALLMENT PAYMENT**

**Due: NOVEMBER 1, 2015**  
Delinquent: 5 p.m., DECEMBER 10, 2015

- Property Tax Postponement for Senior Citizens, Blind, Or Disabled Persons.** In September 2014, Assembly Bill AB 2231 Chapter 703, Statutes of 2014, reinstated a revised Property Tax Postponement (PTP) program. The State Controller's Office (SCO) will begin accepting new PTP applications beginning September 1, 2016. Please see our website at [http://www.sco.ca.gov/ardtax\\_prop\\_tax\\_postponement.html](http://www.sco.ca.gov/ardtax_prop_tax_postponement.html) for more information.

**Do Not Use This Stub After June 30, 2016**  
TO PAY BOTH INSTALLMENTS SEND BOTH STUBS

## OAKLAND CITY COUNCIL RESOLUTION NO. \_\_\_\_\_ C.M.S.

INTRODUCED BY VICE MAYOR CAMPBELL WASHINGTON AND COUNCILMEMBER  
GUILLEN

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**RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE NOVEMBER 8, 2016 STATEWIDE GENERAL ELECTION, A PROPOSED ORDINANCE TO AUTHORIZE ISSUANCE OF \$600,000,000 GENERAL OBLIGATION BONDS TO FUND VARIOUS CITY INFRASTRUCTURE PROJECTS AND AFFORDABLE HOUSING; AND DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS AND PROVIDE FOR NOTICE AND PUBLICATION IN ACCORDANCE WITH THE NOVEMBER 8, 2016 STATEWIDE GENERAL ELECTION**

**WHEREAS**, [the City of Oakland has identified critically needed investment in streets and roads, public facilities and affordable housing as integral to ensuring public safety, quality of life for all Oaklanders and the City's long-term economic vitality; and,

**WHEREAS**, the City Council recognizes the need to enhance the City's streets, bike lanes, and related infrastructure in order to create a system that is more safe, reliable, and efficient, and meets future demands; and,

**WHEREAS**, the City Council recognizes that investment in the City's infrastructure, including parks, libraries, public safety buildings, recreation and senior centers is necessary to preserve and enhance the quality of life for all Oaklanders; and,

**WHEREAS**, Oakland is the one of the most expensive housing markets in the country, just behind San Francisco, New York and Boston, and with rising rents outpacing the increase in incomes faster than any other place in the country, protecting Oakland residents from displacement and providing affordable housing opportunities is a priority; and,

**WHEREAS**, the City has an unfunded capital need of approximately \$2.5 billion; and

**WHEREAS**, the City Council proposes a \$600,000,000 general obligation bond to invest in vital infrastructure projects to improve public safety, protect and provide affordable housing, and preserve quality of life in all neighborhoods throughout Oakland; and



**WHEREAS**, the City Council finds and determines that completion of the Projects is in the public interest and the cost of the Projects would require expenditures of at least \$600,000,000, an amount greater than the amount allowed by the annual tax levy of the City; and

**WHEREAS**, the City Council finds and determines it is in the best interests of the City of Oakland to submit to the voters this proposed ordinance to incur bonded indebtedness not to exceed \$600,000,000 for the purpose of financing the Projects; now, therefore be it

**RESOLVED**, that the Oakland City Council finds and determines the forgoing 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 submit to the voters, at the November 8, 2016, Statewide General Election, an Ordinance that reads as follows:

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

Section 1. TITLE AND PURPOSE.

(A) Title. This Ordinance shall be referred to as the "2016 Infrastructure Bond."

(B) Purpose. The object and purpose of the authorized indebtedness will be to acquire and make improvements to real property such as improvement and rehabilitation of streets, sidewalks and related infrastructure, renovation and rehabilitation of City facilities including libraries, public safety, recreation, and other buildings, and acquisition, improvement, rehabilitation, preservation, construction and repair of affordable housing improvements.

Section 2. IMPROVEMENT PROJECT PLAN.

(A) Projects to be funded by the proposed Bond may include but are not limited to the following:

1. Streets and Roads projects, in an amount not to exceed \$350 million, including projects consistent with:
  - (a) Street paving and reconstruction
  - (b) Bicycle improvements
  - (c) Pedestrian improvements; sidewalks, paths, stairs, curb ramps
  - (d) Traffic calming improvements

Facilities projects in an amount not to exceed \$150 million, including projects consistent with:

- (a) Fire facilities (\$40 million)
- (b) Police facilities (\$40 million)
- (c) Libraries (\$15 million)
- (d) Parks, Recreation and Senior Facilities (\$35 million)
- (e) Water, energy and seismic improvements (\$20 million)

2. Affordable Housing projects in an amount not to exceed \$100 million, including:

- (a) Acquisition and rehabilitation of affordable housing
- (b) Preservation and construction of affordable housing

(B) Proceeds from the sale of the bonds authorized by this measure shall be used only for the purposes and projects set forth in Section 1. Proceeds of the bonds may be used to pay or reimburse the City for the costs of City staff when performing work on or necessary and incidental to the bond projects. [Bond proceeds designated for affordable housing projects may be applied by the City directly to acquire, rehabilitate, preserve or construct affordable housing and/or indirectly as loans, grants, or other disbursements to qualified individuals, non-profit business entities, corporations, partnerships, associations, and government agencies for such affordable housing projects.]

(C) The City proposes to finance the projects described above with proceeds of the bonds. Projects will be completed as needed according to City Council established priorities, including those set forth within the City's Capital Improvement Plan. The order in which the projects appear above is not an indication of priority for funding or completion. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Certain construction funds expected from non-bond sources, including State or other grants for eligible projects, have not been secured. Until sources of funding and the costs of all projects are known, the City Council cannot determine the amount of bond proceeds available to be spent on each project, nor guarantee that the bonds will provide sufficient funds to allow completion of all described projects. Completion of some projects may be subject to additional environmental or other government approvals by state or local officials. For these reasons, inclusion of a project in the description above is not a guarantee that the project will be funded or completed. The City Council may make changes to the project plan in the future consistent with the City's established priorities.

(D) Contractors and City departments shall comply with all applicable City laws when awarding contracts or performing work funded with the proceeds of Bonds authorized by this measure.

Section 3. TAX AND INDEBTEDNESS.

To provide financing for the purposes and projects identified in Section 1 of this Ordinance, the City shall be authorized to issue and sell bonds in an amount up to Six Hundred Million Dollars (\$600,000,000) in aggregate principal amount subject to the accountability safeguards specified in Section 6. The City's best estimate of the ad valorem tax rate required to be levied on all taxable property in the City to pay debt service on the total amount of the proposed bonds is projected to average no more than \$69 per year per \$100,000 of assessed property valuation. Such estimation shall not be construed to limit the power and duty of the City Council to cause to be levied and collected a tax sufficient to pay debt service on the bonds in any fiscal year.

Section 4. DEPOSIT OF BOND PROCEEDS.

The net proceeds of the bonds shall be deposited into a special trust account with or established by the treasury of the City of Oakland and shall be allocated and expended at the direction of the City Council for purposes set forth in Section 1 of this Ordinance.

Section 5. FINANCIAL AUDITS AND ACCOUNTABILITY.

As long as any authorized bond proceeds remain unspent, an annual audit shall be performed to ensure accountability and proper disbursement of the bond proceeds in accordance with the objectives stated herein and in compliance with with California Government Code sections 53410(c), 53410(d) and 53411.

Section 6. DEBT-SERVICE FUND.

For the purpose of paying the principal and interest on the bonds, the City shall, annually levy and collect a tax sufficient to pay the annual interest on such bonds as it becomes due and such part of the principal that will become due before the proceeds of the next general tax levy is available for the payment of such principal. The City shall establish and separately maintain such collected tax revenues in a Debt-Service fund until the bonds and the interest thereon are fully paid, or until there is in the Treasury of the City of Oakland or held on behalf of the City a sum set apart for that purpose to meet all sums coming due for the principal and interest on the bonds.

Section 7. CITY AFFORDABLE HOUSING BOND LAW.

The City Council is authorized and directed to adopt a City Affordable Housing Bond Law ordinance, which shall establish an affordable housing bond law program and the rules, procedures and qualifications relating to the issuance of bonds and uses of bond proceeds consistent with Section 2(A)(2) and Section 2(B) above.

Section 8. EFFECTIVE DATE.

The taxes imposed by this Ordinance shall become effective on [January 1, 2017.]

Section 9. DUTIES OF THE DIRECTOR OF FINANCE.

It shall be the duty of the Director of the Finance to collect and receive all taxes imposed by this Ordinance. The Director of Finance is charged with the enforcement of this Ordinance and may adopt rules and regulations relating to such enforcement.

Section 10. TERM OF TAX IMPOSITION.

The ad valorem taxes enacted by this Ordinance shall be imposed and levied until the authorized indebtedness is fully paid. The City shall place delinquencies on subsequent tax bills.

Section 11. SAVINGS CLAUSE.

If any provision, sentence, clause, section or part of this Ordinance is found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, such unconstitutionality, illegality, or invalidity shall affect only such provision, sentence, clause, section or part of this Ordinance and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance. It is hereby declared that this Ordinance would have adopted had such unconstitutional, illegal or invalid provision, sentence, clause, section or part thereof not been included herein.

Section 12. COMPLIANCE

Under Section 53410 of the California Government Code, the Bonds shall be for the specific purposes authorized in this ordinance and the proceeds of such Bonds will be applied only for such specific purposes. The City will comply with the requirements of Sections 53410(c) and 53410(d) of the California Government Code.

Section 13. REIMBURSEMENTS

The City shall reimburse prior expenditures of the City incurred or expected to be incurred prior to the issuance and sale of any series of the Bonds in connection with the Project. The City Council hereby declares the City's intent to reimburse the City with the proceeds of the Bonds for expenditures with respect to the Project (the "Expenditures" or "Expenditure") made on and after that date that is no more than 60 days prior to the passage of the Ordinance. The City reasonably expects on the date hereof that it will reimburse the eligible Expenditures with the proceeds of the Bonds.

Each Expenditure was and will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the City so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the City. The maximum aggregate principal amount of the Bonds expected to be issued for the Project is \$600,000,000. The City shall make a reimbursement allocation, which is a written allocation by the City that evidences the City's use of proceeds of the applicable series of Bonds to reimburse an Expenditure,

no later than 18 months after the later of the date on which the Expenditure is paid or the related portion of the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The City may make exceptions for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and Expenditures for construction projects of at least 5 years.

**Section 14. EFFECTIVE DATE.**

This Ordinance shall be effective only if approved by two-thirds of the voters voting thereon and shall go into effect ten (10) days after the vote is declared by the City Council.

; and be it

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

[A PROPOSED ORDINANCE AUTHORIZING THE ISSUANCE OF  
INFRASTRUCTURE BONDS IN AN AMOUNT NOT TO EXCEED \$600,000,000  
TO IMPROVE PUBLIC SAFETY, INVEST IN NEIGHBORHOODS, AND  
PROTECT AFFRODABLE HOUSING.]

MEASURE \_\_\_\_\_

<p>Measure __. [To improve public safety and invest in neighborhoods throughout Oakland by fixing pot-holes and re-paving 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 \$600,000,000 in bonds, subject to annual audits?] [FINAL QUESTION SUBJECT TO FINAL CITY ATTORNEY APPROVAL]</p>	<p><b>Yes</b></p>	
	<p><b>No</b></p>	

; and be it

**FURTHER RESOLVED**, that the City Council does hereby submit to the qualified voters of the City, at the November 8, 2016 election, the ordinance and ballot measure set forth herein. The City proposes to rehabilitate, renovate, acquire or construct the real property and real property improvements herein and to issue and sell general obligation bonds of the City of Oakland, in one or more series, in the maximum amount and for the objects and purposes set forth herein if two-thirds of all qualified voters voting on the ballot measure vote in favor thereof. The bonds are to be general

obligations of the City of Oakland payable and secured by taxes levied and collected in the manner prescribed by the laws of the State of California. All said bonds are to be equally and ratably secured, without priority, by the taxing power of the City; 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 November 8, 2016, to file with the Alameda County Clerk 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 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; and be it

**FURTHER RESOLVED**, that in accordance with the Elections Code and the Oakland Municipal Code, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed Ordinance and rebuttals, and said date shall be posted in the Office of the City Clerk; and be it

**FURTHER RESOLVED**, that certain sections of this Ordinance may be codified into the City of Oakland Municipal Code at the direction of the City Clerk upon approval by the voters; and be it

**FURTHER RESOLVED**, that this resolution shall be effective immediately upon approval by five members of the Council.

IN COUNCIL, OAKLAND, CALIFORNIA \_\_\_\_\_, 2016

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GUILLEN, KALB, KAPLAN, REID, CAMPBELL WASHINGTON,  
PRESIDENT GIBSON MCELHANEY

NOES

ABSENT

ABSTENTION

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
Of the City of Oakland, California