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Date: February 28, 2018

Re: Resolution on the city council's own motion submitting to the voters at the statewide general election on November 6, 2018, a proposed ordinance to adopt a special parcel tax on vacant parcels to fund affordable housing and homeless support programs; and directing the city clerk to take any and all actions necessary under law to prepare for and conduct the November 6, 2018 statewide general election.

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

As many of you know, Oakland has been facing skyrocketing rates of homelessness, with the counts in our community increasing dramatically in recent years. Per the Point in Time Count from Everyone Home, those unhoused in the City of Oakland has risen from 2,191 to 2,761 from 2015 to 2017 (see attached).

This situation is causing widespread suffering, as people are living in difficult situations in underpasses and sidewalks, often without access to water, bathrooms, and more. This endangers the entire community, both those with and without homes, and creates a potential for expanding blight and the spread of disease. The homeless numbers in Oakland comprise of the largest segment of those in our County. The overwhelming majority, 86%, of those living unhoused in our community are from here, and the main cause of increased homelessness are economic reasons – as members of our community face increased displacement and financial pressures with the rising cost of housing.

As homelessness is rising, the resources available to help solve it have not kept up with the increased need. In our budget deliberations, it has been difficult to dedicate adequate funds to homeless solutions when those needs compete with other community priorities. Therefore, to remedy this growing problem, we should have a dedicated funding source of additional revenue.

At the same time, we have a large number of vacant properties in our community. In fact, it appears there are more vacant properties than homeless people in the City of Oakland. These vacant properties, which remain vacant for extended periods of time, negatively impact our community, attracting crime, blight and illegal dumping. Properties that remain vacant to undermine the safety and vitality of our neighborhoods, ineffectively takes up space that can be used for housing and other purposes, and also reduces jobs and tax revenues for our community.

To address this, I am proposing that we create a tax on vacant properties, and dedicate the funding to homeless solutions. This is a proposed ballot Measure, to adopt a Special Parcel tax, exclusively on vacant properties, where the revenue will be dedicated to specified purposes. The Council would have the power to reduce the tax and make other changes to procedures as long as they do not increase the tax.

Staff has estimated that there are at least 5,000 vacant properties in the City of Oakland. If we had 5,000 properties paying on average a vacant property tax of \$4,000 per year, this would raise \$20 million per year, which would allow us to make a substantial difference in solving our problem of homelessness and affordable housing displacement. We need more resources for navigation centers, rapid rehousing, cleaning, sanitation, small homes, alternative housing structures, eviction prevention, rent assistance, and other vital steps to improve this crisis.

In addition to creating a dedicated funding source, by taxing vacant properties, this Measure will help encourage people to put those properties back into use, thus, increasing the housing supply. Properties that are left vacant for extended periods of time can attract crime and cause blight, harming the surrounding neighborhood. Taxing vacant properties, therefore, is helpful on both ends of this problem. The tax itself will encourage more property to come into use, and the money raised will be used to help solve this crisis. We have previously discussed the idea of creating a vacant property registry without a tax ballot Measure, and Planning staff had encouraged us to explore a vacant property tax as an alternative strategy which could bring in enough revenue to be effective.

The proposed vacancy tax would apply to all vacant property throughout the city, including undeveloped property, vacant commercial, industrial buildings, and vacant residential units. A property would be classified as vacant if it has not been occupied for any use for a year or more. The Measure would create an administrative process through which the owner of vacant property could apply for a hardship waiver to be exempted from the tax.

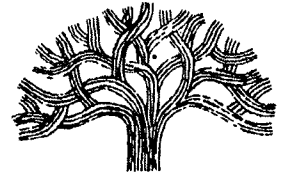
The parcel tax will be adopted as a Special Tax, and if approved by 2/3 of the voters, would be collected by the Alameda County Assessor through the property tax rolls, unless the Council chooses to adopt a different collection method. In addition, this Measure proposes creation of a Community Commission on Homelessness to help direct the proper use of the funds, and provide recommendations to Council on effective strategies. Other cities, such as Washington, D.C., and Vancouver, Canada have implemented taxes on vacant properties (see attached Exhibits B and C). Oakland can help move this solution forward.

Allowable uses of the funds would include cleaning, sanitation, support services for the homeless, rapid rehousing, navigation centers, homelessness prevention and housing strategies for low-income people, including innovative strategies such as small homes and partnerships with non-profits. In addition, the costs to administer and implement the tax and the Commission would be covered.

I respectfully ask for your support to put this Measure on the November 2018 ballot, to give the voters of Oakland an opportunity to decide to dedicate new funding to this large and growing problem.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND



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Thank you very much for your consideration,

A handwritten signature in black ink, appearing to read "Rebecca Kaplan".

Councilmember At-Large Rebecca Kaplan

Also, please see the following attachments:

- 1) Everyone Home Point in Time Homeless Count Data for Oakland
<http://everyonehome.org/wp-content/uploads/2016/02/City-of-Oakland-ES.pdf>
- 2) Article about vacant property tax in Vancouver
<http://fortune.com/2016/11/21/vancouver-vacant-property-tax-rentals/>
- 3) Article about vacant property tax rate in Washington, D.C.
<https://www.washingtoncitypaper.com/news/housing-complex/blog/20839403/dc-tightens-regulations-on-vacant-properties>

CITY OF OAKLAND

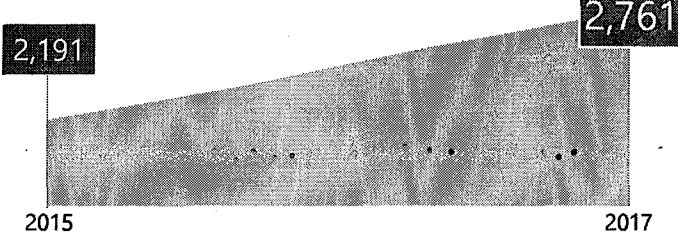
2017 EVERYONE COUNTS

HOMELESS POINT-IN-TIME COUNT AND SURVEY

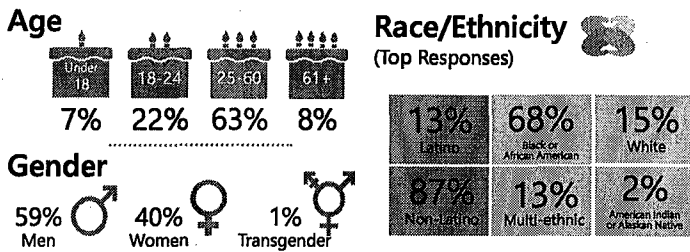
Every two years, during the last 10 days of January, communities across the country conduct comprehensive counts of the local homeless populations in order to measure the prevalence of homelessness in each local Continuum of Care.

The 2017 Alameda County Point-in-Time Count was a community-wide effort conducted on January 30, 2017. In the weeks following the street count, a survey was administered across Alameda County. In the city of Oakland, 457 unsheltered and sheltered homeless individuals were surveyed, in order to profile their experience and characteristics.

2017 Homeless Census Survey Population



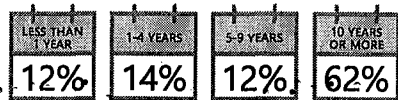
2017 Sheltered/Unsheltered Population



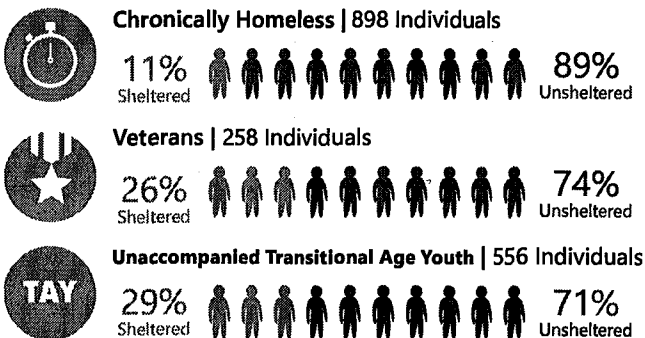
Residence Prior to Homelessness



Length of Time in Alameda County



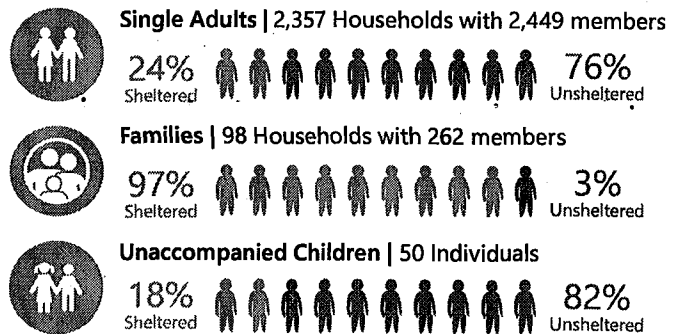
Subpopulations



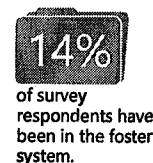
2017 Sheltered/Unsheltered Population by City

City	Sheltered	Unsheltered	City	Sheltered	Unsheltered
OAKLAND	859	1,902	UNION CITY	0	40
BERKELEY	308	664	EMERYVILLE	0	29
HAYWARD	84	313	NEWARK	42	28
FREMONT	197	282	DUBLIN	0	21
LIVERMORE	102	141	PLEASANTON	0	18
ALAMEDA	94	110	PIEDMONT	0	0
ALBANY	0	66	UNINCORPORATED	26	194
SAN LEANDRO	54	55	TOTAL	1,766	3,863

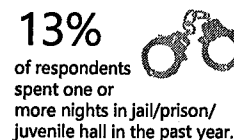
Household Breakdown



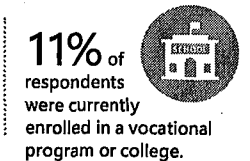
Foster Care



Justice System Involvement



Post K-12 Education



Health Conditions

Current health conditions affecting housing stability or employment.

(Note: Multiple response question, numbers will not total to 100%)



46%

Chronic health problems



45%

Psychiatric or emotional conditions



36%

Post-Traumatic Stress Disorder



32%

Physical disability



31%

Drug or alcohol abuse



12%

Traumatic brain injury



7%

AIDS/HIV related

Disabling Conditions

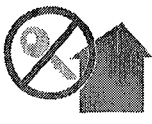
Respondents reported the number of conditions that limited their ability to maintain work or housing. Many reported multiple conditions.

18% of survey respondents reported having one disabling condition.

12% of survey respondents reported having two disabling conditions.

22% of survey respondents reported having three or more disabling conditions.

First Homelessness Episode



30% Yes
70% No

35% of those experiencing homelessness for the first time were homeless for one year or more

Age at First Episode of Homelessness

10% 0-17	19% 18-24	38% 25-39
16% 40-49	16% 50-64	1% 65+

Primary Cause of Homelessness

(Top 6 Responses)

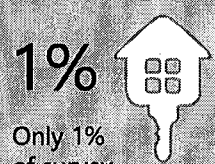
58% Money Issues	14% Personal Relationships	14% Mental Health Issues
12% Physical Health Issues	10% Substance Use Issues	6% Incarceration

What Might Have Prevented Homelessness

(Top 4 Responses)

48% Rent Assistance	36% Employment Assistance
25% Food Assistance	25% Mental Health Services

Not Interested in Housing



1%

Only 1% of survey respondents said they were not interested in Independent, Affordable Rental Housing or Housing with Supportive Services.



Duration of Current Episode of Homelessness

4%
30 days or less

36%
1-11 months

60%
1 year or more

Services and Assistance



66% of survey respondents reported receiving benefits or support

Services Currently Accessing

(Top 6 Responses)

68% Free Meals	49% Emergency Shelter	32% Health Services
17% Transitional Housing	16% Drop-In Center	14% Mental Health Services

Reasons for Not Accessing Shelter Services

(Top 6 Responses)

41% Bugs and germs	40% They are full	28% They are too crowded
18% There are too many rules	16% Concerns for personal safety	14% They are too far away

*Subpopulation Definitions

Chronically Homeless

An individual with a disabling condition or a family with a head of household with a disabling condition who

- Has been continuously homeless for 1 year or more and/or
- Has experienced 4 or more episodes of homelessness within the past 3 years.

Veterans

Persons who have served on active duty in the Armed Forces of the United States. This does not include inactive military reserves or the National Guard unless the person was called up to active duty.

Families

A household with at least one adult member (persons 18 or older) and at least one child member (persons under 18).

Unaccompanied Children

Children under the age of 18 who are homeless and living without a parent or legal guardian.

Transition-Age Youth

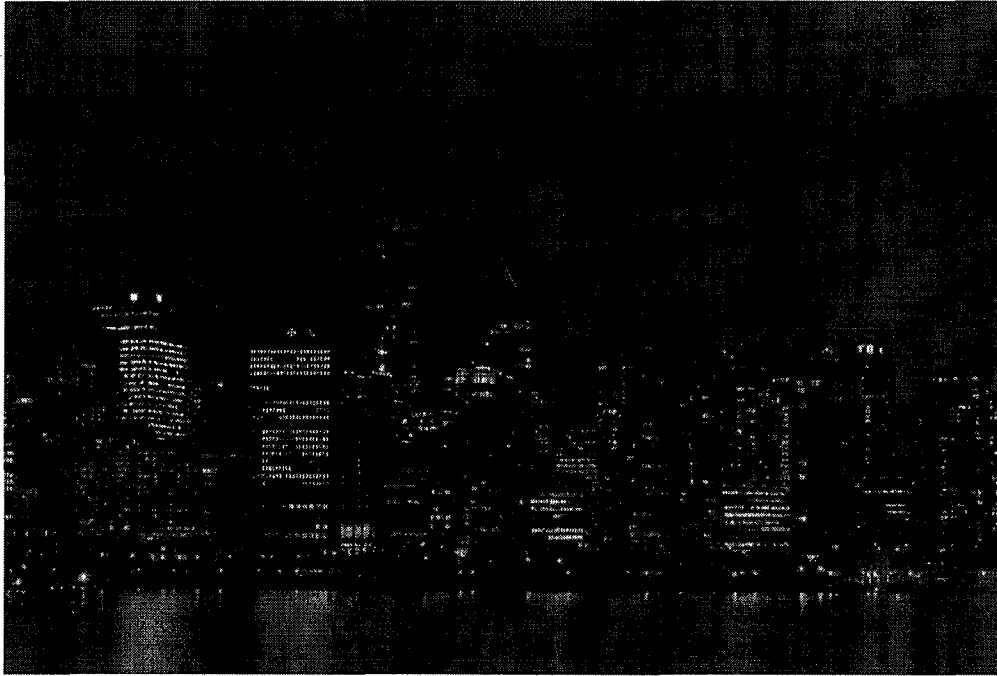
Young adults between the ages of 18 and 24 years old.

Oakland County will release a comprehensive report of The EveryOne Home 2017 Homeless Count and Survey in Summer 2017. For more information about EveryOne Home and effort to address homelessness in Alameda County please visit www.EveryOneHome.org

Source: Applied Survey Research. (2017). Alameda County Homeless Census & Survey. Watsonville, CA.

FORTUNE

Vancouver Is Taxing Owners of Empty Homes



High-rise condominiums, offices and hotels along the waterfront in Vancouver, British Columbia, Canada. George Rose Getty Images

By TIME November 21, 2016

Vancouver is ranked as one of the most livable cities in the world, but with sky-high property prices and the number of available rentals bottoming out near zero, actually living there is out of reach for many.

In a bid to goad landlords into leasing their properties, the city has slapped owners of vacant units with an additional C\$10,000 (\$7,450) annual tax—and there's a further C\$10,000 in daily fines for landlords who dare to lie about keeping their properties empty.

Vancouver's new vacant property tax, formally approved Nov. 16, is expected to boost available rental properties to about 3.5% from less than 1% currently, *Bloomberg* reports.

Announcing the tax at City Hall on Nov. 9, Vancouver Mayor Gregor Robertson told reporters, "In Vancouver's rental housing crisis, the city won't sit on the sidelines while over 20,000 empty and under-occupied properties hold back homes from renters."

Robertson estimated that more than 10,800 homes are empty, and some 10,000 other properties are not fully used.

The tax, which will take effect by Jan. 1, is one of a plethora of measures aimed at making housing more affordable and accessible in the country's most expensive

property market. It follows a 15% tax on foreign buyers and a narrowing of mortgage insurance eligibility requirements.

Public ire has been directed toward absentee landlords, particularly those from overseas, who are accused of hoovering up the city's condos as investment properties while others struggle to find homes.

For more on housing markets, watch Fortune's video:

But some developers say the new tax alone won't be enough to open up Vancouver's shuttered rental market.

Condo marketer Bob Rennie told Canada's *Globe and Mail* that creating "rental zones," especially around transit hubs, would instead help make housing more accessible. "Freeing up vacant rental in 5,000-square-foot units in Coal Harbor isn't a solution for anybody," Rennie said, referring to the effects of the recent tax measure. "The solution is under \$1,500 a month, and I think rental-only zoning will do that."

D.C. Tightens Regulations on Vacant Properties

Provisions would encourage owners to make repairs more quickly.

ANDREW GIAMBRONE

NOV 1, 2016 1 PM

DARROW MONTGOMERY

It will soon become harder for landlords to neglect vacant or blighted properties under a bill the D.C. Council unanimously passed today.

The measure—first introduced by At-Large Councilmember **Elissa Silverman** and co-sponsored by nine of her colleagues in December—seeks to maintain such buildings at higher property tax rates (5 and 10 percent more than standard for those determined to be vacant and blighted, respectively) until owners affirmatively prove to the Department of Consumer and Regulatory Affairs that they've abated issues. Current law requires that DCRA verify that buildings are vacant or blighted every six months, even when an owner has not indicated that they've made improvements. This has led to inconsistent enforcement of property laws and consumed inspectors' time.

The legislation also limits the period an owner can claim an exemption from higher taxes on derelict buildings because of construction to one year for residential properties and to two years for commercial properties. It increases the maximum fine for failing to comply with relevant DCRA orders from \$1,000 to \$5,000. Finally, the bill mandates DCRA to maintain and publish a list of neglected properties so residents can see how long they've remained as such and when any tax exemptions on them are set to expire.

"This bill came at the request of D.C. residents who wanted us to address the issue of vacant and blighted properties in their neighborhoods, [which] can be unsafe and unsanitary," Silverman said. Such buildings can reduce surrounding home values and encourage crime. Furthermore, as At-Large Councilmember **Robert White** added, "Each vacant property is a lost opportunity to provide housing for a family that might otherwise be displaced or left homeless." Mayor **Muriel Bowser's** administration has indicated that it supports the legislation.

This wasn't the only housing-related bill the council unanimously passed today. Lawmakers advanced one that would give the Office of the Tenant Advocate power to recoup funds it expends to help relocate displaced residents into short-term arrangements and assist them with finding permanent housing. The legislation would apply when a property owner has failed to meet maintenance obligations for circumstances within their control.

Ward 1 Councilmember **Brianne Nadeau**, who proposed the legislation in March, noted that in fiscal year 2015, almost 350 tenants were displaced and OTA spent \$400,000 (16 percent of its budget) on emergency housing. It's usually needed after fires, like one that forced two mothers in Anacostia to vacate their apartments in August.

"Most landlords are good actors," Nadeau said. "This bill protects tenants and [provides] tools to hold neglectful landlords accountable."

The council must approve both bills a second time before they're sent to Bowser for signing.