

CITY OF OAKLAND
AGENDA REPORT

2010 JUN -3 PM 4: 04

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Budget Office
DATE: June 15, 2010

RE: **Ordinance Authorizing A Fiscal Year 2010-11 Increase To A Special Tax Imposed For Violence Prevention And Public Safety Services In Accordance With The Violence Prevention And Public Safety Act Of 2004 (Measure Y) And Setting June 15, 2010 As The Date For A Public Hearing**

SUMMARY

Attached for City Council consideration is an ordinance authorizing a FY 2010-11 adjustment, consistent with the Consumer Price Index (CPI), to the special parcel tax for the Violence Prevention and Public Safety Act of 2004.

In November 2004, the City of Oakland voters approved the Violence Prevention and Public Safety Act of 2004. The measure imposes a parking surcharge on commercial parking lots and a parcel tax for the purpose of raising revenue necessary to fund such activities as community and neighborhood policing, violence prevention services with an emphasis on youth, and fire services. The Measure Y legislation authorizes the City Council to levy parcel tax assessments beginning FY 2005-06.

The Measure Y legislation authorizes the City Council to increase the tax rates by a cost-of-living factor beginning in Fiscal Year 2005-06 and continuing each fiscal year thereafter. Staff is proposing a 0.7 percent increase to Measure Y special parcel tax rates for FY 2010-11, consistent with the CPI increase for the San Francisco Bay Area during calendar year 2009. If approved, this would be the second CPI increase for Measure Y since its enactment.

A public hearing on the proposed ordinance to increase the Measure Y special parcel tax is scheduled for June 15, 2010 at 6:30 p.m.

FISCAL IMPACT

The FY 2010-11 estimated parcel tax revenue from Measure Y is \$13.8 million, including the proposed rate increases. The proposed rate increase represents approximately \$99,886 of the FY 2010-11 estimated revenue.

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BACKGROUND

Beginning FY 2005-06 and continuing each fiscal year thereafter, the Measure Y 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 immediate preceding fiscal year. No rate increases have been requested through FY 2008-09. FY 2009-10 marked the first year that a CPI increase would apply to Measure Y since its enactment.

<i>Council Action Date</i>	<i>Percent Increase</i>	<i>Effective Date</i>
<i>No Rate Increase Requested</i>	<i>N/A</i>	<i>July 1, 2005</i>
<i>No Rate Increase Requested</i>	<i>N/A</i>	<i>July 1, 2006</i>
<i>No Rate Increase Requested</i>	<i>N/A</i>	<i>July 1, 2007</i>
<i>No Rate Increase Requested</i>	<i>N/A</i>	<i>July 1, 2008</i>
<i>June 16, 2009</i>	<i>3.1%</i>	<i>July 1, 2009</i>

KEY ISSUES AND IMPACTS

The proposed ordinance applies an adjustment of 0.7 percent to the current Measure Y special parcel tax amount, effective July 1, 2010. This increase is per the actual change in the San Francisco Bay Area CPI during calendar year 2009. The proposed increase applies on a fiscal year basis (i.e., July 1st –June 30th).

The following table summarizes the impact of the proposed increases by parcel type:

Parcel Type	Current Parcel Rate	Proposed Increase	FY 2010-11 Parcel Rate
Single Family Residential Parcels	\$90.72	\$0.66	\$91.38
Multiple Unit Residential Parcels	\$61.98	\$0.45	\$62.43
Non Residential Parcels	\$46.46	\$0.34	\$46.80

SUSTAINABLE OPPORTUNITIES

There are no direct economic, environmental, or social equity opportunities or impacts associated with the City Council action requested in this report.

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DISABILITY AND SENIOR CITIZEN ACCESS

There is no direct impact to people with disabilities or to seniors associated with the City Council action requested in this report.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that the City Council adopt the proposed ordinance.

ACTION REQUESTED OF THE CITY COUNCIL

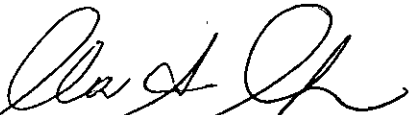
Staff recommends that the City Council adopt the proposed ordinance authorizing a 0.7 percent increase, consistent with CPI, in the tax imposed pursuant to the Violence Prevention and Public Safety Act of 2004.

Respectfully submitted,


CHERYL TAYLOR
Budget Director

Prepared by:
Herman Chen
City Administrator's Budget Office

APPROVED AND FORWARDED TO THE
FINANCE & MANAGEMENT COMMITTEE


Office of the City Administrator

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FILED
OFFICE OF THE CITY CLERK
OAKLAND

DRAFT

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Approved as to Form and Legality

Oakland City Attorney's Office

OAKLAND CITY COUNCIL

Ordinance No. _____ C.M.S.

ORDINANCE AUTHORIZING A FISCAL YEAR 2010-11 INCREASE TO A SPECIAL TAX IMPOSED FOR VIOLENCE PREVENTION AND PUBLIC SAFETY SERVICES IN ACCORDANCE WITH THE VIOLENCE PREVENTION AND PUBLIC SAFETY ACT OF 2004 (MEASURE Y) AND SETTING JUNE 15, 2010 AS THE DATE FOR A PUBLIC HEARING

WHEREAS, in 2004 the voters of Oakland approved Measure Y, a special tax to fund violence prevention and public safety services; and

WHEREAS, Measure Y imposes a special tax on all parcels in the City of Oakland, except where the parcels are otherwise exempt from taxation by Section 3 of the Ordinance; and

WHEREAS, Measure Y provided that beginning in fiscal year 2005-2006 and each fiscal year thereafter, the Oakland City Council may increase the tax only upon a finding that the cost of living in the immediate San Francisco Bay Area, as shown by the Consumer Price Index (CPI) for all items, has increased since the 1997 index year; and

WHEREAS, Measure Y provided that any tax rate adjustment imposed by the City Council pursuant to the ordinance shall not exceed five percent of the tax rate imposed during the immediately preceding fiscal year; and

WHEREAS, a public hearing on this ordinance to increase the Measure Y special parcel tax was held on June 15, 2010 at 6:30 p.m. in City Hall, One Frank H. Ogawa Plaza, Oakland, California; now, therefore,

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

1. The Oakland City Council hereby finds that the Consumer Price Index for all items in the San Francisco Bay Area was 222.8 for calendar year 2008 and 224.4 for calendar year 2009.

2. The cost-of-living in the immediate San Francisco Bay Area as shown by the Consumer Price Index, has increased 0.7 percent between calendar year 2008 and calendar year 2009.

3. The Measure Y special tax rate upward adjustment shall be 0.7 percent, effective July 1, 2010, pursuant to the Measure Y requirement that the rate increase equal the annual CPI increase for the San Francisco Bay Area, and at no time may the increase exceed 5.0 percent of the tax rates imposed by the Ordinance during the immediately preceding fiscal year.

4. The following rate structure will be imposed on parcels within the City of Oakland effective July 1, 2010 for FY 2010-11:

MEASURE Y TAX INCREASES BY PARCEL TYPE			
Parcel Type	Prior Parcel Rate	Increase	FY 2010-11 Parcel Rate
Single Family Residential Parcels	\$90.72	\$0.66	\$91.38
Multiple Unit Residential Parcels	\$61.98	\$0.45	\$62.43
Non-Residential Parcels	\$46.46	\$0.34	\$46.80

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST:

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

**ORDINANCE AUTHORIZING A FISCAL YEAR 2010-11 INCREASE TO A
SPECIAL TAX IMPOSED FOR VIOLENCE PREVENTION AND PUBLIC
SAFETY SERVICES IN ACCORDANCE WITH THE VIOLENCE PREVENTION
AND PUBLIC SAFETY ACT OF 2004 (MEASURE Y)**

NOTICE AND DIGEST

This Ordinance authorizes an increase to a special tax imposed by the Violence Prevention and Public Safety Act of 2004 (Measure Y), which was submitted to the voters by Resolution No. 78734 C.M.S. and approved by the voters in November 2004. The Act allows rates to be adjusted for changes in the Consumer Price Index, in an amount not to exceed five percent (5%), as provided in Section 4 of the Resolution. The proposed changes are a total increase of 0.7 percent for FY 2010-11. Effective July 1, 2010, the Single Family Residential rate would increase from \$90.72 to \$91.38, the Multiple Unit Residential rate would increase from \$61.98 to \$62.43, and the Non-Residential Parcel rate would increase from \$46.46 to \$46.80.

NOTICE OF PUBLIC HEARING

REGARDING AN ORDINANCE TO INCREASE THE SPECIAL TAX FOR VIOLENCE PREVENTION AND PUBLIC SAFETY SERVICES IN ACCORDANCE WITH THE VIOLENCE PREVENTION AND PUBLIC SAFETY ACT OF 2004

On June 15, 2010, the City Council of Oakland, California will consider an ordinance authorizing an increase to the special parcel tax imposed for violence prevention and public safety services in accordance with the Violence Prevention and Public Safety Act of 2004 (Measure Y). The ordinance proposes an increase, effective July 1, 2010, of 0.7% consistent with the Consumer Price Index for the San Francisco Bay Area. The Public Hearing is set for Tuesday, June 15, 2010 at 6:30 p.m., to be held before the City Council in the Council Chambers located on the Third Floor of City Hall, One Frank H. Ogawa Plaza, Oakland, California.