



CITY OF OAKLAND

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#LoveLife

REBECCA KAPLAN
Vice Mayor
District At-Large

Date: June 23, 2022
To: Members of City Council and Members of the Public
From: Vice Mayor Kaplan
Re: **Resolution On The City Council's Own Motion Submitting To The Voters At The November 8, 2022 General Election, A Proposed Measure To Support Community Needs And Adapt The Current Transient Occupancy Tax To Better Capture Extended Stay Usage Patterns In Oakland By Amending The Oakland Municipal Code Chapter 4.24 To Impose A 14% Medium Term Transient Occupancy Tax On Stays Of 31 To 90 Days; And Directing The City Clerk To Take Any And All Actions Necessary Under Law To Submit This Measure To The Voters**

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

As the City of Oakland continues to grow, so too must our capacity to deliver high quality city services and maintain city amenities such as streets, sidewalks, and pedestrian crossings. The primary way we do this is through the imposition of taxes. One of those taxes, our transient occupancy tax (TOT), ensures that people who visit our great city are also contributing to its maintenance. However, our current TOT has not adapted to changes in usage patterns around extended stays at vacation rentals and hotels. In order for our TOT to adapt to these changes, the following resolution would submit a measure to the November 2022 ballot to create a medium-term transient occupancy tax for individuals who visit and stay in Oakland for a period of 31 to 90 days.

Vital community-based institutions, such as the Oakland Zoo, Oakland Convention and Visitors Bureau, Chabot Space and Science Center, Oakland Museum, and other cultural art and festival activities rely on current transient occupancy tax revenue. These public spaces and amenities were placed under severe budgetary pressures due to significant reductions in current transient occupancy tax revenue as a result of the COVID-19 pandemic. The current transient occupancy tax only imposes an 14 percent tax on individuals who stay at a hotel for a 1 to 30 day period; therefore, no tax is collected from individuals who have an extended or medium term stay at a hotel from 31 to 90 days.

While prior to March 2020, most vacation rental bookings were for one week or less (80%), after the pandemic, stays under 7 days were the minority - only 30% of all reservations - according to AirDNA, a research group which provides comprehensive vacation rental data to the public. With more individuals working from home, extended work vacations are more commonplace, thus changing the usage patterns of the length of vacation booking.

This resolution would respond to these changing behaviors by also extending our transient occupancy tax for stays that last between 31 and 90 days. By making this change, we will ensure vital city amenities are properly funded and maintained.

City Council
July 5, 2022
File # 22-0581