



AGENDA REPORT

TO: THE HONORABLE MEMBERS
OF THE PUBLIC SAFETY
COMMITTEE

FROM: CHANTAL R. COTTON
Assistant to the City Administrator

SUBJECT: Public Safety Ballot Measure
Draft Resolution Language

DATE: June 12, 2014

City Administrator
Approval

Date

6/12/14

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council 1) review the draft language and staff analysis and 2) adopt a resolution submitting to the voters a 2014 Public Safety Ballot Measure at the November 4, 2014 statewide general election, a proposed ordinance to maintain the current special parcel tax and the parking tax surcharge to enhance police services and violence prevention programs, to address violent crime and to improve public safety in the city of Oakland; and directing the City Clerk to fix the date for submission of arguments and provide for notice and publication in accordance with the November 4, 2014, statewide general election.

OUTCOME

The Public Safety Committee review of the draft language, public comments on the language, and staff analysis would result in edits to the draft language in order to submit recommendations to the full City Council on the proposed final contents of the public safety ballot measure.

LEGISLATIVE HISTORY

For previous informational and supplemental reports before the Public Safety Committee on this agenda item, visit the following link:

<https://oakland.legistar.com/LegislationDetail.aspx?ID=1663535&GUID=CB0D4E44-CB50-4D97-BBD2-7970671BC495&Options=&Search=>

Item: 3
Public Safety Committee
June 24, 2014

BACKGROUND

The Public Safety Committee, through a comprehensive community effort and discussions throughout the months of March, April, May, and June 2014, received feedback from the community about the public safety ballot measure for the November election. In response to community feedback, Public Safety Committee discussion, and input from the departments, staff prepared the draft language included in **Attachment A**. The draft language addresses the common feedback heard to date from dozens of community groups and individuals, including:

1. Reducing violent crime is a top priority;
2. Accountability for the funding is critical for this new measure;
3. The funding and all programs (e.g., community policing, etc.) require better oversight;
4. Some commitment to police staffing will be a key factor; and
5. Achieving public safety outcomes is more important than proscribing to specific tactics.

EXECUTIVE SUMMARY

In the attached draft language, the key areas to review and discuss include the following:

1. **Part 1, Section 3B:** Allocation structure for revenue collected by this measure (page 3)
2. **Part 1, Section 3C.1:** Policing activities authorized in the measure (page 3)
3. **Part 1, Section 3C.2:** Explanation of the commitment to police staffing (page 4)
4. **Part 1, Section 3C.3:** Violence prevention and intervention strategies authorized in the measure (page 4)
5. **Part 1, Section 3C.4:** Fire services authorized in the measure (page 4)
6. **Part 1, Section 4A:** The composition, qualifications, and duties of the Public Safety and Violence Prevention Commission authorized in the measure (pages 4-5)

Minimum Staffing Recommendation:

In response to community concerns, the draft language includes a clause entitled "Maintenance of Effort" (Part 1, Section 3C.2 on page 4). This language replaces the minimum staffing language as presented in the 2004 Measure Y which was removed by the passage of Measure BB in 2010. The draft Maintenance of Effort language in Attachment A reads as follows:

Section 2. MAINTENANCE OF EFFORT: The intent of the augmented funding is to maintain sufficient resources to allow for the implementation of comprehensive policing within the City's limited resources. Funds allocated by this measure will support a minimum of 50 sworn police personnel positions above the FY 2014-15 General Purpose Fund budgeted positions. If the City does not maintain that budgeted level of positions, such as in the event of a major natural disaster or significant economic recession, the City will, within 60 days, provide a report to the public with justifications and a plan of action to return to said level.

Item: _____
Public Safety Committee
June 24, 2014

While the Administration is sensitive to the public's desire for additional sworn police personnel, we do not recommend that the City should predicate the collection of revenue from the measure on a minimum level of sworn police personnel in this general clause. We recommend that the City maintain its commitment to funding Police services in a manner that allows future administrations the opportunity to respond to and manage future unforeseeable crises and allocate resources based on service demands. The measure provides for a mandated reporting mechanism to the public if the City falls below the level of budgeted sworn police personnel funded from the General Purpose Fund in FY 2014-15.

Revenues derived from both the property tax and parking tax are subject to economic condition changes, which most likely are not solely under the City's control. This option preserves the maximum flexibility to manage unforeseeable crises while clearly providing a means for reporting to the public whether the City has achieved maintenance of effort by whichever metric is chosen.

If the City Council chooses not to go forward with the staff recommendation on maintenance of effort, the Analysis section below includes three (3) alternatives for consideration based on stakeholder meetings and community input. Each alternative is accompanied by a staff analysis of the impacts of the options.

ANALYSIS

Maintenance of Effort Options

Staff developed and analyzed three (3) alternative options for the City Council to consider in relation to the maintenance of effort for policing. All options are based on the fiscal year (FY) 2014-15 adopted budget. Because this budget has not yet been approved by the City Council, the FY 2014-15 proposed budget is used as a temporary substitute for analysis. All four options contemplate that compliance would be determined at the time the City adopts or amends its budget on an annual basis. The options relate to maintenance of effort of the City's General Purpose Fund only. Due to restrictions on non-General Purpose Funds and the nature of federal grants, which tend to be non-stable or non-recurring, it would be unwise for the City to make commitments based on such resources.

While the Administration is sensitive to the public's desire for certainty, it is important for the Council to consider the fluctuation of revenue over a 10-year cycle. Certain maintenance of effort commitments for this measure as explained in the alternative options below could force the City Council to reduce other expenditures if General Purpose Fund revenues decline or stagnate. These expenditures include, but are not limited to: public safety investments other than those guaranteed, economic development, job training, recreation programs, afterschool programs, Head Start and early childhood education, senior centers and services, affordable housing, libraries and literacy programs, City's infrastructure maintenance, cultural arts programs, communications and public access, general government, finance and administration, information technology, and governmental oversight.

Three Alternative Options:

Based on community input and stakeholder feedback, the three (3) Maintenance of Effort alternative options for Council's consideration include:

- (1) Obligated Maintenance of Effort based on Equal or Greater Funds using FY 2014-15 funding level as a base;
- (2) Obligated Maintenance of Effort based on Equal or Greater Percentage of Expenditures using FY 2014-15 as a base; or
- (3) Obligated Maintenance of Effort based on Equal or Greater FTE (sworn police personnel) using FY 2014-15 as a base.

Alternative Option 1: Equal or Greater Funds

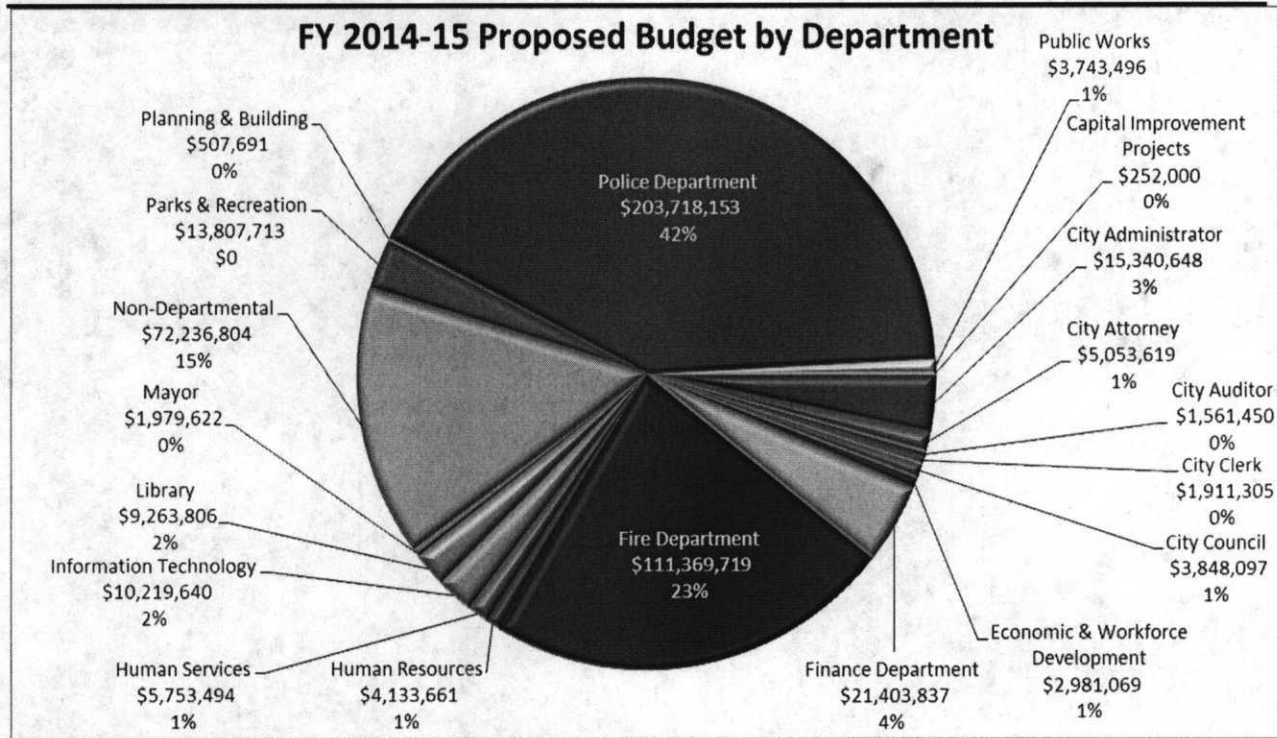
To comply with maintenance of effort the City shall be required to appropriate from the General Purpose Fund: equal or greater funding to the level provided in the FY 2014-15 Adopted Budget for the purposes of sworn police personnel costs including salary, benefits, and overtime. This amount is equal to \$125,965,905.

Option 1 Analysis: This option would obligate funds in a manner that places the least pressure on the General Purpose Fund. While the growth of expenditures is expected to outpace the growth of revenues, it is highly unlikely that the total revenues available may fall. Over the past 20 years, the City experienced 6 years of negative revenue growth, and those declines can be largely attributed to dramatic growth followed by a sharp decline in revenue categories affected by the housing boom and Great Recession. This form of maintenance of effort is similar to the voter-approved Measure Q (library funding).

Alternative Option 2: Equal or Greater Percentage of Expenditures

To comply with maintenance of effort, the City shall be required to appropriate from the General Purpose Fund: funding such that the percentage of the General Purpose Fund appropriated for purposes of sworn police personnel costs including salary, benefits, and overtime in comparison to the full General Purpose Fund is equal to the same percentage provided in the FY 2014-15 Adopted Budget. This percentage is equal to 25.755% (for the sake of simplicity, staff recommends that the percentage be held at 25.0% even). This 25% reflects the cost of sworn police personnel in comparison of the total General Purpose Fund appropriation.

Note: The percentage of the General Purpose Fund spent on the Oakland Police Department is 41.65%; however this includes personnel costs associated with civilian employees and operations and maintenance costs. The General Purpose Fund allocation by department for FY 2014-15 is depicted in the chart below.



Option 2 Analysis: This option would place moderate pressure on the General Purpose Fund, because it would require a constant percentage of funding to be used on police personnel costs. Other Council-adopted City financial policies could potentially complicate this option. For instance, any policy which restricts the use of volatile or one-time revenues may conflict. Furthermore, under this option the City might be forced to rapidly increase and then decrease expenditures on sworn police personnel costs if the City projects receipt of significant one-time resources. This effect could be managed by allowing the City to reserve the 25% of those one-time resources which would need to be spent on sworn police personnel costs over a period of time rather than within the same fiscal year to facilitate smoothing.

While staff cannot readily analyze the percentage of General Purpose Fund spent on sworn police personnel costs in comparison to other jurisdictions, staff can produce an analysis of only the General Purpose Fund expenditures on Police Departments in comparison to other California jurisdictions. The information presented in the following table comes from budget documents for FY 2013-14 comparable cities. The FY 2014-15 Proposed Budget allocated a greater percentage of expenditures to the Oakland Police Department than the FY 2013-14 Budget.

Kids First! and Affordable Housing funding allocation from the General Purpose Fund are similar to this alternative option maintenance of effort structure.

Percentage of City's General Fund Expenditures Allocated to the Police Department in FY2013-14	
City	%
Sacramento	33.0%
San Leandro	33.9%
Bakersfield	34.7%
Riverside	35.3%
Berkeley	36.8%
Oakland	39.3%
Alameda	41.7%
Richmond	42.0%
Anaheim	42.4%
Long Beach	43.1%
Fremont	45.3%
Hayward	47.6%
Santa Ana	51.2%
Average of Listed Cities	40.5%

Alternative Option 3: Equal or Greater FTE

To comply with maintenance of effort, the City shall be required to appropriate from the General Purpose Fund: funding such that the number of full-time equivalent (FTE) positions of sworn police personnel is equal to the level provided in the FY 2014-15 Adopted Budget. This FTE amount is equal to 617.62 FTE (for the sake of simplicity, staff recommends that the FTE be held at an even 618 FTE).

Note: The total FTE of sworn police personnel provided by all funds in the FY 2014-15 Budget as proposed is 707 FTE, but this includes funding of sworn police personnel from other sources including 22.38 officers from Federal Grants and 63.0 Officers partially funded by Measure Y. The following table depicts a detailed breakdown.

FY 2014-15 Proposed Budget - Sworn Police Personnel Costs		
FUND	FTE	Value
1010 - General Fund: General Purpose	618	\$125,965,905
2113 - Department of Justice - COPS Hiring	22	\$ 3,617,381
2172 - Alameda County: Vehicle Abatement Authority	1	\$ 195,895
2251 - Measure Y: Public Safety Act 2004	63	\$ 11,984,378
2411 - False Alarm Reduction Program	1	\$ 185,273
2416 - Traffic Safety Fund	2	\$ 397,420
Grand Total	707	\$142,346,252

Item: _____
 Public Safety Committee
 June 24, 2014

Option 3 Analysis: This option would place a significant pressure on the General Purpose Fund in requiring a constant number of sworn police personnel to be funded regardless of the costs of personnel or the available General Purpose Fund revenues. Historically, the General Purpose Fund revenue growth rates have been as follows over the past stated time periods:

Average Revenue Growth Rate	
5 Most Recent Years	0.1%
10 Most Recent Years	2.3%
15 Most Recent Years	3.8%
20 Most Recent Years	3.4%

These growth rates reflect all General Purpose Fund revenues including one-time revenues and anomalies. The estimated average annual increase in sworn police personnel costs over the next 10 years will be 4.75 percent. Even assuming the most optimistic historical growth rate of 3.8 percent (most recent 15-years) will continue to be experienced in the next 10 years, the General Purpose Fund will not be able to keep up with increased cost of sworn police personnel. If a maintenance of effort measure based on FTE is adopted in the ballot measure, the General Purpose Fund will need to reduce expenditures on other critical City services in order to meet this requirement. The reason for 2010 Measure BB was to eliminate this type of requirement.

Attachment B includes charts which explain the growth of the cost of sworn police personnel over a 10-year period of time and the cost of 100 officers divided between the measure and the General Purpose Fund. The attachment also shows charts with the General Purpose Fund impact of allocating \$4 million versus \$2 million for the Oakland Fire Department services in this measure.

PUBLIC OUTREACH / INTEREST

Public Safety Chairman, Noel Gallo, passed a resolution which called for at least the first Public Safety Committee meeting of March, April, and May include an agenda item which allowed the public to comment about their preferences of the contents for a new public safety ballot measure. The City also engaged the community about the measure and informed the community that the draft language would be before the Public Safety Committee at the June 24, 2014 committee meeting.

COORDINATION

Coordination for the draft language occurred between the City Attorney's Office, the Controller's Bureau, the City Administrator's Office, the Oakland Police Department, the Oakland Fire Department, the Oakland Human Services Department, and the Office of

Item: _____
Public Safety Committee
June 24, 2014

Councilmember Lynette Gibson McElhaney. The Office of the City Attorney was consulted for this staff report.

FISCAL IMPLICATIONS

The City currently collects a parcel tax at an annual rate of \$99.77 (as of June 2, 2014) and collects a parking surcharge on commercial lots of 8.5 percent. In total, the City collects approximately \$21.1 million annually for Measure Y and provides approximately a \$2.2 million General Purpose Fund transfer and staff support to subsidize Measure Y in order to fund all required services outlined in the measure.

SUSTAINABLE OPPORTUNITIES

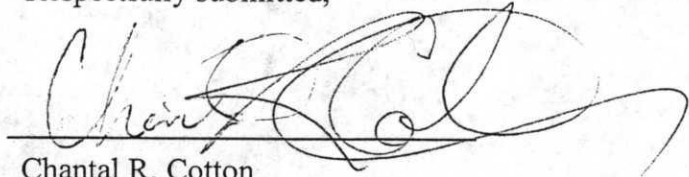
Economic: Increased public safety in Oakland will aide in the economic growth and revitalization of the city. Revenues allocated under the measure will provide needed funding to support community-based organizations that specialize in serving low-income residents and communities who are burdened by the direct and indirect costs of violent crime.

Environmental: There are no environmental impacts to this ordinance. Community Officers are often called upon to address non-violent crimes such as illegal dumping, non-conforming use of homes and hotels for the manufacture and distribution of illegal drugs that cause or exacerbate environmental harm in neighborhoods throughout the City of Oakland.

Social Equity: Strategies supported by this Ordinance prioritize funding to address crimes that disproportionately impact low-income and working class communities. Additionally violent crime disproportionately impacts African American, Latino and Asian communities. The passage of this ordinance will provide increased public safety for all members of the Oakland community by focusing efforts to significantly reduce homicides and robberies

For questions regarding this report, you may contact Chantal R. Cotton at (510) 238-3301 or ccotton@oaklandnet.com, in the Office of the City Administrator.

Respectfully submitted,



Chantal R. Cotton
Assistant to the City Administrator

Brad Johnson, Assistant to the City Administrator
Donna Hom, Interim Assistant City Administrator
Chantal R. Cotton, Assistant to the City Administrator

Item: 3
Public Safety Committee
June 24, 2014

Attachment:

- **Attachment A:** Draft Ballot Measure Resolution Language
- **Attachment B:** Police and Fire Cost Analysis Charts

OAKLAND CITY COUNCIL
RESOLUTION NO. _____ C.M.S.

RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE NOVEMBER 4, 2014 STATEWIDE GENERAL ELECTION, A PROPOSED ORDINANCE TO MAINTAIN THE CURRENT SPECIAL PARCEL TAX AND THE PARKING TAX SURCHARGE FOR POLICE SERVICES AND VIOLENCE PREVENTION STRATEGIES, TO ADDRESS VIOLENT CRIME AND TO IMPROVE PUBLIC SAFETY IN THE CITY OF OAKLAND; AND DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS AND PROVIDE FOR NOTICE AND PUBLICATION IN ACCORDANCE WITH THE NOVEMBER 4, 2014 STATEWIDE GENERAL ELECTION

WHEREAS, the City of Oakland has established public safety as one of its highest priorities and has determined that safety is essential for a thriving economy, healthy community and quality of life for all Oakland residents; and,

WHEREAS, the City of Oakland, like many other urban cities, continues to experience budget constraints due to impacts from the global, national, state, and regional recession causing Oakland to fund basic police and fire services at levels below those of similar-sized cities throughout the country; and,

WHEREAS, maintaining a well-equipped and appropriately staffed fire department is a necessary component to public safety including the critical paramedic services and other first responder needs related to acts of violence; and,

WHEREAS, investing in a coordinated system of early intervention, community policing and violence-prevention efforts before injury occurs will reduce economic and emotional costs and will be a fiscally responsible use of taxpayer dollars; and,

WHEREAS, in 2004 voters approved funding to augment basic police and fire services and funded violence prevention and intervention programs in a coordinated effort, now commonly known as "Oakland Unite" that invests in strategic violence prevention and intervention work that has been demonstrated to reduce recidivism, retaliatory violence and interrupt the cycle of violence by focusing efforts on the individuals who are likely to cause or be victims of violence; and

WHEREAS, findings from the California Legislative Analyst's Office reveal that investment in prevention and intervention strategies like those funded by Oakland Unite is fiscally responsible because it costs less than the average annual cost of

incarceration and has demonstrated improved safety without increasing incarceration; and,

WHEREAS, the Oakland City Council determines it is in the best interests of the City of Oakland to submit to the voters this proposed ordinance to retain the existing tax structure approved by voters in 2004 to sustain funding for these critical efforts to address violent crime through targeted prevention, intervention and policing strategies, and improve emergency response; 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 4, 2014 Statewide General Election, an Ordinance which reads as follows:

PART 1. GENERAL

Section 1. TITLE AND PURPOSE.

(A) Title. This Ordinance may be cited as the "The 2014 Oakland Public Safety and Services Violence Prevention Act."

(B) Purpose. The taxes imposed under this Ordinance are solely for the purpose of raising revenue necessary to maintain police and fire services and violence prevention and intervention strategies, to address violent crime and to improve public safety in the City of Oakland.

The parcel tax imposed in Part 2 is an excise tax on the privilege of using and use of municipal services. Such municipal services increase and provide a greater benefit to Owners of Parcels when programs to prevent violence and crime in the City are enhanced. Because the proceeds of the tax will be deposited in a special fund restricted for the services and programs specified herein, the tax is a special tax.

Section 2. FINDINGS.

(A) This Ordinance is exempt from the California Environmental Quality Act, Public Resources Code section 21000 et seq., as it can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment.

Section 3. USE OF PROCEEDS.

(A) Objectives. The tax proceeds raised by these special taxes may be used only to pay for any costs or expenses relating to or arising from efforts to achieve the following objectives and desired outcomes:

1. Reduce homicides, robberies, burglaries, and gun-related violence;

2. Improve police and fire emergency 911 response times and other police services; and,
3. Invest in violence intervention and prevention strategies that provide support for at-risk youth and young adults to interrupt the cycle of violence and recidivism.

(B) Allocation. To achieve the objectives stated herein, three percent (3%) of the total funds collected shall be set aside annually for audit and evaluation of the programs, strategies and services funded by this measure, and to support the work of the Commission established herein. Of the remaining ninety-seven percent (97%), the Oakland Fire Department shall be allocated special tax revenue in the amount of \$2,000,000 annually. The tax funds remaining shall be allocated as follows: sixty percent (60%) for purposes described in subsections C(1) and forty percent (40%) for purposes described in subsection C(3) of this section.

(C) Uses. Taxes collected pursuant to the special taxes imposed herein shall be used only in connection with programs and services that further the objectives set forth in Section 3(A), such as the following:

1. Geographic Policing: hire, deploy and maintain police officers assigned to specific geographic areas or neighborhoods, performing duties such as:

- (a) Crime Reduction Teams (CRT): strategically geographically deployed officers to investigate and respond to illegal narcotic transactions and commission of violent crimes in identified violence hot spots;

- (b) Community Policing Officers (CPOs): these officers would engage in problem solving projects, attend Neighborhood Crime Prevention Council meetings, serve as a liaison with city services teams, provide foot/bike patrol, answer calls for service if needed, lead targeted enforcement projects and coordinate these projects with CRT's, Patrol units and other officers;

- (c) Conduct violence suppression operations such as buy busts, surveillance, undercover operations, high visibility patrol, probation/ parole compliance checks, search warrants, assist Community Policing Officers (previous Problem Solving Officer program) projects, violent crime investigation assistance crimes, general follow up;

- (d) Domestic violence and child abuse intervention: additional officers to team with social service providers to intervene in situations of domestic violence and child abuse, including sexual exploitation of children.

2. Maintenance of Effort: The intent of the augmented funding is to maintain sufficient resources to allow for the implementation of

comprehensive policing within the City's limited resources. Funds allocated by this measure will support a minimum of 50 sworn police personnel positions above the FY 2014-15 General Purpose Fund budgeted positions. If the City does not maintain that budgeted level of positions, such as in the event of a major natural disaster or significant economic recession, the City will within 60 days provide a report to the public with justifications and a plan of action to return to said level.

3. Community-focused Violence Prevention and Intervention Services and Strategies: Invest in data-driven proven strategies such as:

(a) Street outreach to youth and young adults at high-risk of involvement in violence in order to connect individuals in need of employment, mental health, or educational services to needed programs;

(b) Crisis response, advocacy and case management for victims of crime (including domestic violence victims, commercially sexually exploited children, and victims of shootings and homicides) with a strategic focus on reducing likelihood of being re-victimized.

(c) Reentry programs for youth and young adults, including case management, school support, job training and placement in order to reduce recidivism rates and improve educational and employment outcomes.

(d) Coordination of public systems (including law enforcement) and community-based social services through sharing of resources, joint trainings and multidisciplinary case reviews.

4. Fire Services: Provide fire services such as:

(a) Maintain staffing to ensure adequate personnel resources to respond to medical and fire emergencies; and,

(b) Provide for medical responses to homicides and gun-related violence

Section 4. PLANNING, ACCOUNTABILITY AND EVALUATION

To ensure the proper revenue collection, spending, and implementation of the programs mandated by this ordinance, the City shall impose the following requirements:

(A) Commission: Adoption of this Ordinance shall establish a "Public Safety and Services Violence Prevention" Commission.

1. Qualifications: The Commission's membership must be comprised of individuals with expertise as, either, an employer, service provider or beneficiary in community policing, violence prevention, reentry services, advocacy, faith-based organizations serving the target population, or

workforce development, accounting, finance, business or public administration, or a related field.

2. **Composition:** The Commission shall consist of nine (9) members. The Mayor and each councilmember shall recommend one member of the Commission each. All commissioners shall be appointed by the Mayor and confirmed by the City Council in accordance with City Charter Section 601.

At least three (3) members must have direct experience either working with the target population, at least one should reflect the target population and at least one with a law enforcement or criminal justice background.

3. **Meetings:** The Commission shall conduct regular meetings and such special meetings as it deems necessary.
4. **Duties of the Commission:** The Commission shall perform the following duties:

- (a) Evaluate, inquire, and review the administration, coordination, and evaluation of the programs mandated in this resolution.
- (b) Make recommendations to the independent evaluator on the scope of the annual program performance evaluation and receive draft performance reviews to provide feedback before the evaluator finalizes the report.
- (c) Report issues identified in the annual fiscal audit to the Mayor and City Council.
- (d) Review the annual fiscal and performance audits and evaluations.
- (e) Report to the Mayor and the City Council on the implementation of this ordinance and recommend ordinances, resolutions, and regulations to ensure compliance with the requirements and intents of this ordinance.
- (f) Provide input on strategies: Every three (3) years, a representative of each department receiving funds from this Ordinance shall present a priority spending plan for funds received from this measure. The Commission may make recommendations on the strategies in the plans. Spending of tax proceeds of this measure must be sufficiently flexible to allow for timely responsiveness to the changing causes of violent crime. The priority spending plans shall reflect such changes.

(B) **Accountability and Reporting.**

1. **Annual Program Evaluation:** Annual independent program evaluations funded by department set asides pursuant to Section 3(C) shall include performance analysis, including the number of people served and other measurable metrics as deemed appropriate to the strategies adopted by the Departments.

2. Annual Audit Review and Engineer: An independent audit shall be performed annually to ensure accountability and proper disbursement of the proceeds of this tax in accordance with the objectives stated herein as provided by Government Code sections 50075.1 and 50075.3. The City will, from time to time, retain an engineer for services pertaining to this parcel tax.

Section 4. SPECIAL FUND.

All funds collected by the City from the tax imposed by this Ordinance shall be deposited into a special fund in the City treasury and appropriated and expended only for the purposes and uses authorized by this Ordinance.

Section 5. EFFECTIVE DATE.

The taxes imposed by this Ordinance shall become effective upon passage.

Section 6. TERM OF TAX IMPOSITION.

The taxes enacted by this ordinance shall be imposed and levied for a period of ten (10) years. The City shall place delinquencies on subsequent tax bills.

Section 7. 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 the City would have adopted this Ordinance had such unconstitutional, illegal or invalid provision, sentence, clause, section or part thereof not been included herein.

If any tax imposed by this Ordinance is found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, the amounts, services, programs and personnel required to be funded from such tax shall be reduced proportionately by any revenues lost due to such unconstitutionality, illegality or invalidity.

Section 8. SPECIAL ACCOUNT

The City shall deposit into a special account all funds collected by the City from the taxes imposed by this Ordinance and shall appropriate and expend such funds only for the purposes authorized by this Ordinance.

Section 9. NO AMENDMENT.

The tax rates set forth herein may not be increased by action of the City Council without the applicable voter approval but the City Council may make any other changes to this Ordinance as are consistent with its purpose.

PART 2. PARCEL TAX

Section 1. DEFINITIONS.

For purposes of this Ordinance, the following terms shall be defined as set forth below:

- (A) "Additional" shall mean an increase in the existing number.
- (B) "Administrative Costs" shall mean overhead costs, including central services, departmental and/or divisional.
- (C) "Building" shall mean any structure having a roof supported by columns or by walls and designed for the shelter or housing of any person, chattel or property of any kind. The word "Building" includes the word "structure."
- (D) "Family" shall mean one or more persons related by blood, marriage, domestic partnership, or adoption, who are living together in a single residential unit and maintaining a common household. Family shall also mean all unrelated persons who live together in a single Residential Unit and maintain a common household.
- (E) "Geographic Policing" means a decentralized and focused approach to policing. Officers are assigned and deployed to specific geographic areas. The Commander leading each area is responsible and accountable at all times for addressing crime within the area directing and allocating police resources according to particular local needs.
- (F) "Hotel" shall mean as defined by Oakland Municipal Code section 4.24.020.
- (G) "Multiple Residential Unit Parcel" shall mean a parcel zoned for a Building, or those portions thereof, which accommodates or is intended to contain two or more residential units.
- (H) "Non-Residential" shall mean all parcels that are not classified by this Ordinance as Residential Parcels, and shall include, but not be limited to, parcels for industrial, commercial and institutional improvements, whether or not currently developed.
- (I) "Occupancy" shall be as defined by Oakland Municipal Code section 4.24.020.
- (J) "Officer" shall mean a position in the Oakland Police Department for sworn police personnel at the rank of officer or sergeant.

(K) "Operator" shall be as defined by Oakland Municipal Code section 4.24.020.

(L) "Owner" shall mean the Person having title to real estate as shown on the most current official assessment role of the Alameda County Assessor.

(M) "Parcel" shall mean a unit of real estate in the City of Oakland as shown on the most current official assessment role of the Alameda County Assessor.

(N) "Person" shall mean an individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

(O) "Possessory Interest" as it applies to property owned by any agency of the government of the United States, the State of California, or any political subdivision thereof, shall mean possession of, claim to, or right to the possession of, land or Improvements and shall include any exclusive right to the use of such land or Improvements.

(P) "Residential Unit" shall mean a Building or portion of a Building designed for or occupied exclusively by one Family.

(Q) "Single Family Residential Parcel" shall mean a parcel zoned for single-family residences, whether or not developed.

(R) "Transient" shall mean any individual who exercises Occupancy of a hotel or is entitled to Occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days. Any individual so occupying space in a Hotel shall be deemed to be a Transient until the period of thirty (30) consecutive days has elapsed.

Section 2. IMPOSITION OF PARCEL TAX.

There is hereby imposed a special tax on all Owners of parcels in the City of Oakland for the privilege of using municipal services and the availability of such services. The tax imposed by this Section shall be assessed on the Owner unless the Owner is by law exempt from taxation, in which case, the tax imposed shall be assessed to the holder of any Possessory Interest in such parcel, unless such holder is also by law exempt from taxation. The tax is imposed as of July 1 of each year on the person who owned the parcel on that date. The tax shall be collected at the same time, by the same officials, and pursuant to the same procedures as the one percent property tax imposed pursuant to Article XIII A of the California Constitution.

Base Amount of Tax. The tax hereby imposed shall be set as follows subject to adjustment as provided in Section 5 below:

(A) For owners of all Single Family Residential Parcels, the tax shall be at the annual rate of \$99.77 per parcel.

(B) For owners of all Multiple Residential Unit Parcels, the tax shall be at the annual rate of per occupied Residential Unit of \$68.15 per parcel.

Owners of units that are vacant for six months or more per year may apply to the Director of Finance to have the rate reduced by 50% per vacant Residential Unit located on the Parcel of \$34.07 per parcel.

(C) The tax for Non-Residential Parcels is calculated using both frontage and square footage measurements to determine total Single Family Residential Unit Equivalents (SFE). A frontage of 80 feet for a commercial/industrial parcel, for example, is equal to one (1) single family resident unit equivalent. (See matrix.) An area of 6,400 square feet for the commercial industrial parcel is equal to one (1) single family resident unit equivalent. The tax is the annual rate \$51.09 multiplied by the total number of Single Family Equivalents (determined by the frontage and square footage).

LAND USE CATEGORY	FRONTAGE	AREA (SF)
Commercial Institutional	80	6,400
Industrial	100	10,000
Public Utility	1,000	100,000
Golf Course	500	100,000
Quarry	1,000	250,000

Example: assessment calculation for a Commercial Institutional Parcel with a Frontage of 160 feet and an Area of 12,800 square feet:

Frontage 160 feet ÷ 80 = 2 SFE

Area 12,800 square feet ÷ 6,400 = 2 SFE

2 SFE + 2 SFE = 4 SFE

4 SFE x \$51.09 = \$204.36 tax

(D) An Owner of An Undeveloped Parcel is exempt from this parcel tax if the owner can prove that the parcel was undeveloped for at least six months of the year in question.

(E) The tax imposed by this Ordinance shall be imposed on each Hotel within the City as follows:

1. Residential Hotels. Rooms in a Hotel occupied by individuals who were not Transients for 80% or more of the previous Fiscal Year shall be deemed Residential Units

and the parcel on which they are located shall be subject to the Parcel tax imposed on Multiple Residential Unit Parcels. The remainder of the Building shall be subject to the applicable tax computed in accordance with the Single Family Residential Unit Equivalent formula set forth in Section 2(C).

2. Transient Hotels. Notwithstanding the previous subsection, if 80% or more of the Operator's gross receipts for the previous Fiscal Year were reported as rent received from Transients on a return filed by the Operator in compliance with section 4.24.010 of the Oakland Municipal Code (commonly known as the Uniform Transient Occupancy Tax of the City of Oakland), such Hotel shall be deemed a Transient Hotel. The entire Building shall be deemed a Non-Residential Parcel, categorized as Commercial/Institutional, and shall be subject to the applicable tax computed in accordance with the Single Family Residential Unit Equivalent formula set forth in Section 2(C), and the parcel tax imposed on Multiple Residential Units shall not apply.

Section 3. EXEMPTIONS

(A) Low income household exemption. The following is exempt from this tax: an Owner of a single family residential unit (1) who resides in such unit and (2) whose combined family income, from all sources for the previous fiscal year, is at or below the income level qualifying as "very low income" for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.) for such fiscal year. Owners must apply for the exemption provided for in this section annually by petition to the Director of the Finance of the City of Oakland ("Director of Finance") or City Administrator designee in the manner and time set forth in procedures established by the Director of Finance. Such petitions shall be on forms provided by the Director of Finance and shall provide such information as the Director of Finance shall require, including, but not limited to, federal income tax returns and W-2 forms of owner-occupants eligible for this exemption.

(B) Fifty percent reduction for affordable housing projects. Rental housing owned by nonprofit corporations and nonprofit-controlled partnerships for senior, disabled and low income households that are exempt from ad valorem property tax pursuant California Revenue and Taxation Code 214(f), (g) and (h) shall be liable for only 50% of the parcel tax. The exemption shall apply in the same proportion that is exempted from ad valorem property tax.

(C) Rebate to tenants in foreclosed single family homes. The City will provide a rebate of one-half of the tax and subsequent increases thereto ("Foreclosure Rebate") to tenants in single family homes that have been foreclosed upon who have paid a passed through Parcel Tax. To qualify for the Foreclosure Rebate, a tenant must: (1) have lived in the unit before foreclosure proceedings commenced; and (2) be at or below the income level qualifying as "very low income" for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.) for such fiscal year. The City will provide the Foreclosure Rebate for every month that the tax was applied and the tenant occupied the unit. The City will provide the Foreclosure Rebate at the end of each fiscal year, or when the tenant vacates the unit, whichever is earlier. The City Administrator will promulgate regulations to effectuate this Part 3, Section 3(D).]

Section 4. REDUCTION IN TAX; RATE ADJUSTMENT

(A) Subject to paragraph (B) of this section, the tax rates imposed by this ordinance are maximum rates and may not be increased by the City Council above such maximum rates. The tax imposed by the ordinance may be suspended, reduced or eliminated by the City Council for a subsequent fiscal year upon a vote of the City Council on or before June 30th of the year in which the City Council determines that after such suspension, reduction or elimination there will be sufficient revenues available to balance the City Council's Adopted Policy Budget and provide the services and programs described in Part I, Section 3 above. Such suspension, reduction or elimination shall be effective the fiscal year following such vote.

(B) Beginning in the Fiscal Year 2015-2016, and each year thereafter, the City Council may increase the tax imposed hereby only upon a finding that the cost of living in the immediate San Francisco Bay Area, as shown on the Consumer Price Index (CPI) for all items in the San Francisco Bay Area as published by the U.S. Department of Labor Statistics, has increased. The percentage increase of the tax imposed hereby shall not exceed such increase, using Fiscal Year 2014-2015 as the index year and in no event shall any annual adjustment exceed five percent (5%).

Section 5. 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 6. EXAMINATION OF BOOKS, RECORDS, WITNESSES;
PENALTIES.

The Director of Finance or his/her designee is hereby authorized to examine assessment rolls, property tax records, records of the Alameda County Recorder and any other records of the County of Alameda deemed necessary in order to determine ownership of Parcels and computation of the tax imposed by this Ordinance.

The Director of Finance or his/her designee is hereby authorized to examine the books, papers and records of any person subject to the tax imposed by this Ordinance for the purpose of verifying the accuracy of any petition, claim or return filed and to ascertain the tax due. The Director of Finance, or his/her designee is hereby authorized to examine any person, under oath, for the purpose of verifying the accuracy of any petition, claim or return filed or to ascertain the tax due under this Ordinance and for this purpose may compel the production of books, papers and records before him/her, whether as parties or witnesses, whenever s/he believes such persons have knowledge of such matters. The refusal of such examination by any person subject to the tax shall be deemed a violation of this Ordinance and of the Oakland Municipal Code and subject to any and all remedies specified therein.

Section 7. COLLECTION OF TAX; INTEREST AND PENALTIES.

The tax shall be delinquent if the City does not receive it on or before the delinquency date set forth in the notice mailed to the Owner's address as shown on the most current assessment roll of the Alameda County Tax Collector; and the tax shall be collected in such a manner as the City Council may decide. The City may place delinquencies on a subsequent tax bill.

A one-time penalty at a rate set by the City Council, which in no event shall exceed 25% of the tax due per fiscal year, is hereby imposed by this ordinance on all taxpayers who fail to timely pay the tax provided by this ordinance; in addition, the City Council may assess interest at the rate of 1% per month on the unpaid tax and the penalty thereon.

Every penalty imposed and such interest as accrues under the provisions of this ordinance shall become a part of the tax herein required to be paid.

The City may authorize the County of Alameda to collect the taxes imposed by this ordinance in conjunction with and at the same time and in the same manner as the County collects property taxes for the City. If the City elects to authorize the County of Alameda to collect the tax, penalties and interest shall be those applicable to the nonpayment of property taxes.

Section 8. COLLECTION OF UNPAID TAXES.

The amount of any tax, penalty, and interest imposed under the provisions of this ordinance shall be deemed a debt to the City. Any person owing money under the provisions of this ordinance shall be liable to an action brought in the name of the City for the recovery for such amount.

Section 9. REFUND OF TAX, PENALTY, OR INTEREST PAID MORE THAN ONCE; OR ERRONEOUSLY OR ILLEGALLY COLLECTED.

Whenever the amount of any tax, penalty, or interest imposed by this ordinance has been paid more than once, or has been erroneously or illegally collected or received by the City it may be refunded provided a verified written claim for refund, stating the specific ground upon which such claim is founded, is received by the Director of Finance within one(1) year of the date of payment. The claim shall be filed by the person who paid the tax or such person's guardian, conservator, or the executor of her or his estate. No representative claim may be filed on behalf of a taxpayers or a class of taxpayers. The claim shall be reviewed by the Director of Finance and shall be made on forms provided by the Director of Finance. If the claim is approved by the Director of Finance, the excess amount collected or paid may be refunded or may be credited against any amounts then due and payable from the Person from whom it was collected or by whom paid, and the balance may be refunded to such Person, his/her administrators or executors. Filing a claim shall be a condition precedent to legal action against the City for a refund of the tax.

PART 3. 10-YEAR EXTENSION OF PARKING TAX SURCHARGE

The Municipal Code is hereby amended to add as set forth below (section numbers and titles are indicated in **bold type**; additions are indicated by underscoring and deletions are indicated by ~~strike-through~~ type; portions of the regulations not cited or not shown in underscoring or strike-through type are not changed). Chapter 4.14, Section 4.16.020 and Section 4.16.031 of the Municipal Code are hereby amended to read as follows:

4.16.031 Imposition of Surcharge

Subject to the provisions for the collection of taxes and definitions in this chapter, there shall be an additional tax of eight and one-half (8 1/2) percent imposed on the rental of every parking space in a parking station in the City until December 31, 2024.

...

and be it,

FURTHER RESOLVED: That the City Council of the City of Oakland does hereby request that the Board of Supervisors of Alameda County order the consolidation of the Oakland Municipal election with the statewide general election of November 4, 2014, consistent with provisions of State Law; 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 4, 2014, 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 the City Council does hereby request that the Registrar of Voters of the County of Alameda perform necessary services in connection with said election; and be it

FURTHER RESOLVED: That the City Clerk is hereby directed to obtain printing, supplies and services as required; and be it

FURTHER RESOLVED: That the City Clerk is hereby authorized to provide such other services and supplies in connection with said election as may be required by the Statutes of the State of California and the Charter of the City of Oakland; and be it

FURTHER RESOLVED: That in accordance with the Elections Code and Chapter 11 of 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 the City Clerk and City Administrator are hereby authorized and directed to take any and all actions necessary under law to prepare for and conduct the 2014 statewide general election and appropriate all monies necessary for the City Administrator and City Clerk to prepare and conduct the November 4, 2014, statewide general election, consistent with law; 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.

IN COUNCIL, OAKLAND, CALIFORNIA _____, 2014

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and
PRESIDENT KERNIGHAN

NOES
ABSENT
ABSTENTION

ATTEST:

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

Date: