

AGENDA REPORT

Resolution Submitting the RESTORE Oakland Measure to Voters at the November 3, 2026 General Municipal Election

TO: Oakland City Council
FROM: Office of Councilmember Charlene Wang, District 2
DATE: 5/14/26
RE: RESTORE Oakland Measure — Real Property Transfer Tax Amendment & Advisory Measure

SUMMARY

This report recommends Council approval of a resolution placing two related measures on the November 2026 ballot: (1) an amendment to Oakland’s Real Property Transfer Tax (OMC Chapter 4.20) to narrow the existing exemption for foreclosure-related property transfers, and (2) a non-binding advisory measure asking voters whether the resulting revenue should fund shelter development and homelessness services. Together, these measures are referred to as the RESTORE Oakland Measure — Reducing Encampments through Shelter and Treatment by Overhauling Real-estate Evasions in Oakland.

BACKGROUND

Oakland voters approved Measure X in November 2018, establishing a progressive Real Property Transfer Tax to fund general City services. That tax currently exempts all transfers made pursuant to foreclosure proceedings, deeds in lieu of foreclosure, and related lien enforcement actions. This exemption functions as a categorical subsidy for financial institutions, institutional investors, and large landlords acquiring distressed properties — a benefit that was not contemplated when voters approved Measure X’s progressive rate structure.

Oakland’s homelessness crisis has meanwhile deepened. The most recent point-in-time count identified approximately 3,700 unsheltered individuals residing in the city, many in encampments that pose serious risks to health and safety. The city lacks adequate interim shelter capacity, constructing that infrastructure requires dedicated funding.

PROPOSED ACTION

The amendment to OMC Section 4.20.050 would retain the foreclosure exemption only for a narrow set of qualifying transfers, including:

- Natural persons and family trusts acquiring four or fewer residential units, where the transferee owns fewer than 20 total residential units nationwide;
- Transferees of commercial property who certify conversion to interim shelter, housing, or healthcare use within 36 months; and
- Community banks headquartered in California with total assets under \$10 billion.

All other foreclosure-related transfers — including large multifamily and commercial acquisitions by institutional lenders and investors — would become subject to the existing Measure X rate schedule. The measure takes effect January 1, 2027, and requires majority voter approval as a general tax under Article XIII C of the California Constitution.

The companion advisory measure asks voters whether revenues generated by the amendment should fund interim shelters, encampment closure operations and sanitation; acquisition and construction of

managed shelter and clean tent sites; rapid rehousing; addiction treatment; and job readiness services.

RATIONALE

Closing the foreclosure loophole advances several overlapping policy goals. It ends an unintended subsidy that primarily benefits Wall Street banks and institutional speculators while generating new revenue for urgent shelter needs. It creates a financial incentive for lenders to pursue short sales or loan modifications — outcomes that can preserve housing for Oakland families — rather than seizing properties and transferring them tax-free. The targeted protections for small transferees, community banks, and shelter-conversion buyers ensure the reform is equitable and focused. The advisory measure ensures voters can affirmatively direct that revenue toward the homelessness response Oakland residents have consistently demanded.

RECOMMENDED ACTION

Approve the resolution submitting the RESTORE Oakland Measure to Oakland voters at the November 3, 2026 General Municipal Election and directing the City Clerk to take all actions necessary to place these measures on the ballot.