

City of Oakland Measure D June 2018 – BALLOT QUESTION

Shall the measure, to protect and improve library services throughout Oakland, including: providing safe places for youth after school; preventing library closures; providing youth reading and senior programs, evening/weekend hours for students/families and adult literacy services; establishing a 20 year annual parcel tax, \$75 for single family parcels, other parcel type at specified rates; and providing about \$10,000,000 annually, with audits, citizens' oversight and exemptions for low income seniors and residents, be adopted?

City of Oakland Measure D June 2018 – CITY ATTORNEY’S TITLE & SUMMARY

BALLOT TITLE:

A Proposed Ordinance Approving a Parcel Tax to Maintain, Protect and Improve Library Services throughout Oakland

BALLOT SUMMARY:

This measure would authorize a twenty-year annual, special parcel tax that would raise revenue to protect and improve direct library services throughout Oakland. The City can use special parcel tax revenue only for the purposes specified in the ordinance such as:

- Programs including early childhood literacy and student homework support for children, teens and adults,
- Employee staffing costs to maintain and expand library hours,
- Community outreach to promote community awareness library services,
- Furniture, fixtures, and equipment costs to enhance direct library services,
- Library materials and resources including books, magazines, newspapers, e-Resources, eBooks, and streaming media, and technology,
- Non-structural interior library makeovers to support learning labs, makerspaces, and specialized areas tailored to the needs of children, teens, and adults to create a more welcoming environment and to allow the Library to keep up with changing technology and community needs.

An annual review is required to ensure the proper use of parcel tax revenue.

The tax will be imposed through fiscal year (“FY”) 2037-2038. The tax will supplement and may not replace the current level of General Purpose Fund appropriations for Library services unless a severe and unanticipated financial or other event impacts the General Fund. (See “Collection of Tax” section of City Attorney’s Impartial Analysis for details of the exception).

For each single family residential parcel, the tax will be \$75.00. For multiple unit residential parcels, the tax will be \$51.24 per unit. For non-residential parcels, the tax will vary depending on the frontage and square footage of the parcel, based on the formula specified in Part 2, Section 2(C) of the ordinance. Full or partial exemptions from the parcel tax are available to qualifying very low income and senior households and affordable housing projects.

Beginning in FY 2019-2020, and each year thereafter, the City Council may increase the parcel tax by making one of the following findings:

- the cost of living in the immediate San Francisco Bay Area, as determined by the U.S. Department of Labor has increased; or
- the fiscal year change in California per capita personal income, as determined by the California State Department of Finance has increased.

The increase of the taxes cannot exceed the greater of the verified increase in the cost of living using 2018 as the index year, and the California per capita personal income, using FY 2018-2019 as the index year.

The City Council may suspend, reduce or eliminate the tax for the following fiscal year by the a vote on or before June 30th of the preceding year determining that after the suspension, reduction or elimination, sufficient revenues will be available to balance the City Council's adopted policy budget and provide the services and programs described in the measure.

Passage of this measure requires approval by two-thirds of the voters who cast ballots. A "yes" vote will approve the parcel tax; a "no" vote will reject the parcel tax.

Barbara J. Parker
City Attorney

City of Oakland Measure D June 2018 – CITY ATTORNEY’S IMPARTIAL ANALYSIS

This measure establishes a twenty-year, annual "special" parcel tax to fund Oakland library ("Library") direct services from fiscal year ("FY") 2018-2019 through FY 2037-2038. "Special" taxes can be used only for the purposes specified in the measure and must be approved by two-thirds of the voters casting ballots.

Currently, Measure Q, a 2004 twenty-year, annual parcel tax effective through FY 2023-2024, provides funding for Library services, materials and programs (\$75 per single family parcel and different rates for other parcel types, plus annual cost of living increases).

PURPOSE

The special tax revenue may be used only to maintain, protect, and improve direct library services throughout Oakland that fund program and operational costs. (See Ballot Summary for details.)

COST

The tax will be \$75.00 annually for single family residential parcels. The multiple unit residential parcel tax will be \$51.24 per unit. The tax for nonresidential parcels will be based on frontage and square footage of the parcel, in accordance with the formula specified in Part 2, Section 2(C) of the ordinance. Hotels' taxes will depend upon the percentage of transient occupancy, in accordance with the formula specified in Part 2, Section 2(E) of the ordinance.

INCREASE, SUSPENSION, REDUCTION OR ELIMINATION OF THE TAX

Each year beginning with FY 2019-2020, the City Council, by making certain findings, may increase the parcel tax by the greater of the verified increase in

- cost of living using 2018 as the index year, and
- California per capita personal income, using FY 2018-2019 as the index year,

(See: details in Ballot Summary.)

City Council, by a vote on or before June 30th, may suspend, reduce or eliminate the tax for the following FY, if Council makes certain findings. (See: details in Ballot Summary.)

COLLECTION

City may not collect the tax in any year that the budget for the Library is less than the Library's FY 2017-2018 General Purpose Fund ("GPF") budget unless

- a severe and unanticipated financial or other event impacting the GPF requires reduction in the Library GPF appropriation ("Event"); and
- City Administrator submits a report to the City Council explaining the nature of the Event; steps City took to avoid reduction in the Library's GPF appropriation; and steps City will take to restore the Library's GPF.

City's reduction to the Library Department's GPF appropriation shall be no more than the same proportion of reduction that is imposed on the City's net GPF budget for all operating departments, except police and fire. Such actions must be taken for each FY the City fails to meet the FY 2017-18 Library GPF appropriation.

EXEMPTIONS:

- Very Low Income Households as defined in Part 2, Section 3(A).
- Low Income Senior Households as defined in Part 2, Section 3(C).

REDUCTIONS:

Affordable housing projects (as defined in Part 2, Section 3(B)) pay 50% of the tax.

REQUIRED AUDITS AND OVERSIGHT

- Annual audits by City Auditor.
- Review of all special tax expenditure reports by existing citizen oversight board or commission.

Barbara J. Parker
City Attorney

City of Oakland Measure D June 2018 – CITY AUDITOR’S IMPARTIAL ANALYSIS

Summary

This Measure authorizes the City of Oakland to collect an annual parcel tax for twenty (20) years to raise revenue to maintain, protect and improve direct library services.

Fiscal Impact

The City estimates total new revenue will be approximately \$10 million annually. This new measure will be subject to independent audits and citizen oversight.

This Measure is separate from Measure Q Library Parcel Tax currently in effect. It will increase total parcel taxes to fund library services as shown below.

Unit Type	Proposed Measure Tax Rate	Measure Q FY 2017-18* Tax Rate
Years In Effect	(2018 – 2038)	(2004 – 2024)
Single Family Residential	\$75	\$101.63
Multiple Unit Residential	\$51.24	\$69.42
Non-Residential	\$38.41	\$52.05

*Rates represent current parcel tax rates, including Consumer Price Index (CPI) increases approved by City Council on May 30, 2017.

All funds collected by the City from this Measure will be deposited into a special fund in the City treasury. The proceeds may only be used for the purposes authorized under the Measure such as, but not limited to 1) providing regular and extended hours 2) upgrading and enhancing library facilities 3) providing a wide range of programs for children, teens and adults and 4) expanding library collections and items necessary to create and maintain a modern learning experience.

Low-income seniors, very low-income residents and other entities can request an exemption or reduction from this tax.

Beginning in Fiscal Year 2019-2020, and each year thereafter, the City Council may increase the tax rates established by this Measure, at its discretion, based on the greater of two factors:

1. Increases in the cost of living adjustment (COLA) for the immediate San Francisco Bay Area using the 2018 CPI as the base year; or
2. An increase in the California per capital personal income using Fiscal Year 2018-2019 as the beginning year.

For any year this tax is in effect, it may only be collected if the City's General Fund appropriation for Library services is maintained at a level that is no lower than the appropriation for fiscal year 2017-2018, which is \$12,992,267.

However, if the appropriation is not maintained at the minimum level, the new tax may continue to be collected if:

- City's reduction to the Library's General Fund is the same proportion of reduction as the City's net General Fund budget for non-safety departments; and
- The City Administrator submits a report to City Council explaining the reduction of the appropriation.

Following any reduction to the Library's General Fund, the tax may be collected in any subsequent year if it receives increases in its appropriation in the same proportion as the non-public safety departments' net General Funds, up to at least the minimum level of \$12,992,267.

We estimate the administrative cost of this Measure to be approximately \$50,000 annually which represents the tax administration, collection and audit fees.

Although our estimates are based on the best data available at this time, the actual total revenue may vary.

City of Oakland Measure D June 2018 – ARGUMENT IN FAVOR

Our Oakland Public Libraries are a vital community resource. Vote YES on Measure D to ensure that children, families, and seniors continue to have access to local public libraries.

Local libraries are essentials for Oakland youth. They provide a safe after-school space for our children and teenagers, and provide resources that enable students to succeed. As budget cuts have eliminated library hours in many Oakland public schools, students are relying on Oakland Public Libraries now more than ever.

But our Oakland libraries are in trouble. Years of underfunding and rising costs have forced neighborhood branch libraries to close two days a week and keep limited evening hours. Without Measure D, our libraries face further closures. With Measure D, we can expand library hours to allow students, seniors, and working families to access library services throughout the week.

Specifically, Measure D will:

- Prevent library closures and extend hours on evenings and weekends to better accommodate students, seniors and working families.
- Provide safe places for children and teens to do their homework and participate in after-school programs.
- Maintain youth reading programs.
- Keep libraries safe and welcoming.
- Provide literacy services.

All Measure D funds can be spent **only** for Oakland libraries. By law, the State cannot take this funding away, and the City **must spend this money on libraries only**. Measure D is temporary, and cannot be extended without a new vote.

Measure D includes exemptions for low-income seniors and very low-income households.

Oakland Public Library branches help our community members with more than books. They help Oakland residents find jobs, learn how to start small business, get free legal and tax advice, find housing assistance, and access the internet.

Join our coalition of teacher, librarians, families, and community leaders across Oakland. Step up to protect our libraries. Vote YES on Measure D.

www.ProtectOaklandLibraries.org

s/LOUISE ROTHMAN-RIEMER
Board President, League of Women Voters of Oakland

s/REV. DR. GEORGE C.L. CUMMINGS
Senior Pastor, Imani Community Church

s/BARBARA BUSWELL
Oakland Public School Teacher, Hillcrest Elementary School

s/LAURA LIANG
Oakland Library Advisory Commissioner, Teen Advocate

s/MARY BRADD
United Seniors of Oakland

City of Oakland Measure D June 2018 – ARGUMENT AGAINST

Don't be fooled by the City's promise of annual audits and accountability for this Library tax. The City has never performed the required independent annual audit on the existing Library Tax, Measure Q. The last Measure Q audit was performed by the City Auditor, Ruby Courtney for FY2012-2013. This 2013 audit cautioned the City that annual audits are mandatory, but the City skipped the required audits anyway. Last year the Library overspent its budget by \$2 million and has scheduled an even larger \$4 million deficit. These shocking deficits have caused no change in the City's management or the Library's management of the Library funds. Rather than install financial controls on the Library spending, the City asks the voters to approve more taxes.

This Measure's promise of the 'Citizens' Oversight' is so flimsy as to be no promise at all. The last audit by the City Auditor, Ruby Courtney about five years ago admonished the Library Oversight Committee (LAC) to start doing its job of oversight. Since then, the LAC has never demanded an annual audit or demanded the Library spending be limited to funds on hand. When the LAC demonstrates that it is doing its job of financial oversight, it can receive some taxpayer respect.

When the City, the Library and the LAC can prove accountability to the voters and taxpayers, they can reapply for more tax dollar support. Until then the voters and the taxpayers must show that we demand accountability for our tax dollars and vote 'NO'.

s/ MARCUS CRAWLEY
Citizen

City of Oakland Measure D June 2018 – FULL TEXT

PART 1. GENERAL

Section 1. TITLE AND PURPOSE.

(A) TITLE. This Ordinance may be cited as the “The 2018 Oakland Public Library Preservation Act”.

(B) PURPOSE. The taxes imposed under this Ordinance are solely for the purpose of raising revenue necessary to maintain, protect and improve direct library services throughout Oakland.

Because the proceeds of the parcel tax will be deposited in a special fund restricted for the services and programs specified in Section 3, the tax is a special tax.

Section 2. FINDINGS.

This Ordinance is exempt from the California Environmental Quality Act, Public Resources Code section 21000 *et seq.* (“CEQA”), since in accordance with CEQA Guidelines Section 15061, subd. (b)(3), 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 this special tax may be used only to pay for costs or expenses relating to or arising from efforts to achieve the stabilization of funding for the Library and allow for Library service enhancements, following desired outcomes and objectives:

1. Increase Public Library availability and resources for Oakland’s students and residents;
2. Enhance direct Library services providing regular open hours at City libraries, maintaining staffing at levels to retain and expand hours at libraries;
3. Upgrade and enhance existing library facilities expanding free access to computers, the internet and technology; and
4. Maintain and protect existing direct library services and provide future improvements for library operations and resources that directly serve Oakland Public Library patrons.

5. Support the equitable disbursement of Library services, programs, staffing, facilities and resources in order to decrease disparities in life outcomes of marginalized communities and to facilitate equity of opportunity throughout Oakland.

(B) 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. Direct Library services. Includes costs associated with maintaining, protecting, and improving library services throughout Oakland, such as:
 - (a) Providing a wide range of programs for children, teens, and adults including early childhood literacy and student homework support;
 - (b) Employee staffing costs sufficient to maintain current hours and expand library hours;
 - (c) Community outreach to promote community awareness of the full range of services available at Oakland public libraries;
 - (d) Acquisition of furniture, fixtures, and equipment costs associated with enhancing direct library services; and
 - (e) Improving Library collections, services, programs and access that support Oakland students, especially outside of school hours, weekends and geographically near schools lacking school libraries.
2. Library materials and resources that enrich the exploration, connection and growth of the Oakland community, its children, teens and adults, such as:
 - (a) Acquisition of books, magazines, newspapers, e-Resources, eBooks, and streaming media;
 - (b) Acquisition of technology necessary to provide the full range of discovery tools for the patrons of Oakland;
 - (c) Acquisition of items necessary to create and maintain a modern learning and library experience for the residents of Oakland. This could include, but is not limited to, non-structural interior library makeovers to support learning labs, makerspaces, specialized areas tailored to the needs of children, teens, and adults to create a more welcoming environment and to allow the Library to keep up with changing technology and community needs. This does not include

acquisition or construction of new facilities or structural changes, additions or construction on existing facilities.

(C) Authorized Uses of Tax Revenues: Except as otherwise expressly authorized by this Ordinance, the special taxes authorized and collected pursuant to this Ordinance shall be used only for the purposes and projects set forth in Section 3.

Section 4. ANNUAL AUDIT AND CITIZEN OVERSIGHT.

The City Auditor shall perform an annual audit to ensure accountability and proper disbursement of all revenue collected by the City from the special tax imposed by this Ordinance, in accordance with the objectives stated herein and in compliance with provisions of State Law.

The City Council shall assign to an existing Board or Commission, the responsibility for citizen oversight of this measure. This Board or Commission shall review reports related to the expenditure of all revenue collected by the City from the special tax imposed by this Ordinance and provide reports to the City Council when necessary.

Section 5. SPECIAL FUND.

All funds collected by the City from the special 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 6. EFFECTIVE DATE.

The taxes imposed by this Ordinance shall be effective only if approved by two-thirds of the voters in the election held on June 5, 2018 and shall go into effect ten (10) days after the vote is declared by the City Council.

Section 7. TERM OF TAX IMPOSITION.

The taxes enacted by this Ordinance shall be imposed and levied for a period of twenty (20) years. The City shall place delinquencies on subsequent tax bills.

Section 8. 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 9. REIMBURSEMENT.

At the discretion of the City Council, special tax revenues collected by the City pursuant to this Ordinance may be used to reimburse the City for costs incurred in connection with the election seeking voter approval of this Ordinance.

Section 10. NO AMENDMENT.

Except as otherwise expressly provided herein, 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) "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."

(B) "Direct library services" shall mean any Library program, project, service, or initiative that is provided by the Library Department and directly benefits Library patrons. "Direct library services" shall not include general, ongoing, or preventative maintenance and repairs.

(C) "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.

(D) "Hotel" shall mean as defined by Oakland Municipal Code section 4.24.020.

(E) "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.

(F) "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.

(G) "Occupancy" shall be as defined by Oakland Municipal Code section 4.24.020.

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

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

(J) "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.

(K) "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.

(L) "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.

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

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

(O) "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 4 below:

(A) For owners of all Single Family Residential Parcels, the tax shall be at the annual rate of \$75.00 per parcel.

(B) For owners of all Multiple Residential Unit Parcels, the tax is the annual rate of \$51.24 multiplied by the total number of Residential Units located on the parcel.

Owners of Multiple Residential Unit Parcels that have units that are vacant for six months or more per year may apply to the Director of Finance to have the annual rate per vacant Residential Unit located on the Parcel, reduced to \$25.62, 50% of the annual rate for an occupied Residential Unit located on the 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 of \$38.41 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 \$38.41 = \$153.64 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) Very 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) Senior household exemption. The following is exempt from this tax: an Owner and Occupier of a single family residential unit (1) who is 65 years of age or older and (2) whose combined family income, from all sources for the previous fiscal year, is at or below the income level qualifying as "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.

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 2019-2020, and each year thereafter, the City Council may increase the tax imposed hereby only upon making one of the following findings:
 - 1) That the cost of living in the immediate San Francisco Bay Area, as determined by the 12-month Annual Percentage Change in the Consumer Price Index (CPI) for all items in the San Francisco Bay Area as published by the Bureau of Labor Statistics of the U.S. Department of Labor, has increased; or
 - 2) That the fiscal year change in California per capita personal income, as determined by the California State Department of Finance and shown in the Price Factor and Population Information Report issued each May, has increased.

The increase of the taxes imposed hereby shall not exceed the verified increase in either 1) the cost of living in the immediate San Francisco Bay Area, using 2018 as the index year, or 2) California per capita personal income, using Fiscal Year 2018-2019 as the index year, whichever is greater.

Section 5. PARCEL TAX NOT TO REPLACE GENERAL FUND APPROPRIATIONS

The City's current General Fund appropriation for Library services may not be replaced by this parcel tax. The Library Department's adopted General Fund appropriation for fiscal year 2017-2018 is \$12,992,267.

For any year during which this tax is in effect, if the City's General Fund appropriation to the Library Department is reduced below \$12,992,267, the parcel tax shall not be levied; provided, however, that if a severe and unanticipated financial or other event occurs that so adversely impacts the General Purpose Fund as to prevent the City from budgeting for and maintaining the Library's General Purpose Fund at the appropriation for fiscal year 2017-2018, the City's reduction to the Library Department's General Fund appropriation shall be no more than the same proportion of reduction that is imposed on the City's net General Fund budget for non-safety departments (which are all operating departments, except police and fire), then the tax nonetheless may be levied. This exception shall apply only if the City Administrator submits a report to the City Council explaining the severe and unanticipated event, the steps that were taken by the City to avoid the need to reduce the Library's General Fund and the steps that will be taken by the City in the future to restore the Library's General Fund. Such actions must be taken for each fiscal year in which the City fails to meet the FY 2017-18 appropriation requirements of this Ordinance for the reasons described in this section.

(The City's net General Fund budget for non-safety departments is the total General Fund appropriation to their operating budgets excluding expenditures that are offset by fees or other non-tax revenues.) Following any Library Department General Fund appropriation reduction from the minimum level of \$12,992,267 and for the parcel tax to be levied in any subsequent year, the Library Department must receive increases in its General Fund appropriation proportional to the increases in the non-safety departments' net General Fund budgets up to at least the minimum level of \$12,992,267.

Section 6. 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 7. 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 8. 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 9. 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 10. 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;