



THE LEAGUE OF WOMEN VOTERS OF OAKLAND
PROS and CONS
Local Measures

November 6, 2018 GENERAL ELECTION

Oakland voters will make decisions on nine ballot measures this November. These descriptions of the measures will help identify the issues and the arguments to consider as you prepare to cast your vote.

Table of Contents

Peralta Community College District

Measure E (Parcel tax)..... 2
Measure G (Bond measure)..... 3

City of Oakland

Measure V (Cannabis taxes)..... 4
Measure W (Vacant properties).....5
Measure X (Transfer tax).....7
Measure Y (Just cause).....9
Measure Z (Hotel workers).....10
Measure AA (Children’s Initiative).....12

East Bay Regional Parks District

Measure FF (Parcel tax).....15

For more information, go to votersedge.org/ca, and read the information in your Alameda County ballot pamphlet.

Peralta Colleges Education Renewal Act

The Question

“To continue providing the colleges of Alameda, Berkeley, Laney, and Merritt, funds that cannot be taken by the state to support affordable college education, including core academic programs to prepare students for university transfer and successful careers, by providing tutoring and teacher support; shall Peralta Community College District continue to levy \$48 per parcel annually for eight years, providing \$8,000,000 annually, with internal and citizens’ oversight, no funds for administrative salaries, and all funds benefitting local colleges?”

The Situation

In 2012, voters approved Measure B, a \$48 parcel tax for to fund academic programs in the Peralta Community Colleges; the tax will expire June 30, 2020. Oversight has been provided by a committee that had been created to review capital expenditures authorized in an earlier bond measure.

Faculty, staff, and the chair of the oversight committee complain that since 2015, expenditure reports have been deficient, and that funds have been increasingly directed to central office and non-academic functions. Audit reports have found expenditures to be “appropriate,” while critics charge that auditors were provided selective information.

The Proposal

Renew the \$48 parcel tax effective July 1, 2020, and expiring June 30, 2028. The measure requires an annual report stating the amount of money received and expended from parcel tax proceeds, and the status of projects and programs funded by the parcel tax. Also required are two-year expenditure plans developed by staffs of the colleges and approved by the Board of Trustees every October. Oversight is provided by a parcel tax oversight committee.

Fiscal Effects

The \$48 annual parcel tax will continue to be levied until 2028. Revenues from the tax are expected to be \$8 million a year; this should increase as new buildings are added to the rolls.

Supporters say

- Measure E protects affordable higher education and job preparation without raising taxes.
- Money cannot be spent on administrators’ salaries, and must augment current expenditures.

Opponents say

- Since 2015 parcel tax dollars have been misused, and academic expenditures have been reduced.
- More transparent financial procedures and reporting should be implemented before a new tax measure is approved.

Peralta Colleges Upgrade Measure

The Question

“To upgrade aging classrooms, technology, science labs; expand job training classrooms; and acquire, construct, repair sites/facilities/equipment, shall the Peralta Community College District issue \$800 million in bonds at legal interest rates, with approximately \$44.2 million in taxes raised annually for forty years at projected tax rates of \$24.50 per \$100,000 of assessed valuation, with no funds for administrator salaries, audits and citizen oversight, and all funds used locally?”

The Situation

The Peralta Community College District comprises Laney College, Merritt College, the college of Alameda, and Berkeley City College. They offer associate degree programs, courses for transfer to four-year colleges, and a variety of job training and technology programs. Many of their aging facilities are in need of repair and renovation, and technology and job training facilities must be constantly updated to prepare students for today’s workplaces.

The Proposal

Authorize the Board of Trustees to issue series of bonds to fund capital expenditures over the next forty years. Interest rates and repayment periods can differ for each series, according to market conditions and the ability to schedule projects at the time a series is marketed. Bond proceeds will be placed in a special fund to be used only for the projects enumerated in the ballot measure.

Measure G provides for an oversight committee of specified qualifications to avoid conflicts of interest. The Board must conduct independent performance and financial audits to ensure appropriate use of funds.

Incorporated in Measure G is a list of projects at each campus as well as improvements that will be carried out on a district-wide basis.

Fiscal Effects

Bonds will be repaid from *ad valorem* property taxes collected for 40 years. Tax rates are expected to be \$24.50 per \$100,000 of a property’s assessed value. The cost for \$800 million in bonds will be about \$1.768 billion over the 40 year period, or approximately \$44.2 million a year in order to pay back both the principal and interest on the bonds.

Supporters say

Peralta’s aging facilities are in need of repair, renovation, retrofitting, and replacement. Certain facilities need to be constructed or expanded to meet the need and demand for up-to-date program offerings to meet the needs of the district’s diverse student population.

No arguments were submitted against Measure G.

Taxation of Cannabis

The Question:

“Shall the Measure: (1) allowing cannabis businesses to pay business taxes quarterly; (2) allowing cannabis manufacturing and/or cultivation businesses to deduct the value of raw materials from gross receipts in calculating business taxes in the manner applicable to manufacturing businesses; and (3) authorizing the City Council, without returning to the voters, to amend medical or non-medical cannabis business taxes in any manner that does not increase the tax rate, be adopted?”

The Situation

In 2009 Oakland became the first city in the country to tax medical cannabis businesses. The current city tax on medical cannabis is 5% of gross receipts.

In 2016 California voters approved Proposition 64 to legalize non-medical cannabis and impose taxes on cannabis businesses. The state imposes an excise tax of 15% on the purchasers of cannabis and cannabis products as well as a tax on cultivators of harvested cannabis that enters the commercial market.

Oakland now taxes sales of non-medical cannabis at 10% of gross receipts. Other taxes are also imposed at varying rates at every point of commercial production. Taxes are collected annually.

Cities can set their own tax rates on cannabis; those in Oakland were set by voters in Measure V of 2010. Some nearby cities have lower tax rates than Oakland.

The Proposal

Enact an ordinance allowing the City Council to decrease tax rates on cannabis on their own authority without going to the voters. Cannabis businesses will be able to spread out their tax payments by paying quarterly. Cannabis producers will also be allowed to deduct the costs of raw materials in calculating their tax obligations.

Fiscal Effects

No estimates of the effects on city revenues have been provided.

Supporters say

- Measure V will make it somewhat easier to run a cannabis business and help prevent people from engaging in illegal cannabis production and sales to avoid taxes and bureaucracy.
- Decreasing tax rates will make Oakland more competitive in the cannabis marketplace and reduce incentives for buyers to go other cities.

No arguments were submitted against Measure V.

Special Parcel Tax on Vacant Properties

The Question

“Shall the Measure to fund homeless services and resources to address illegal dumping, and discourage vacant properties, by enacting a Vacant Property Tax on parcels used less than 50 days per year, at annual rates of \$6000 per parcel, \$3000 for condominium units, and other specified rates; raising about \$10,000,000 annually for 20 years; with community oversight and exemptions for very low income, low income seniors and hardship, be adopted?”

The Situation

According to Alameda County data, Oakland currently has 4403 vacant parcels that are undeveloped and/or unoccupied by any legal use. Many of these blight the areas in which they are located, present health and safety hazards, and are sites of illegal dumping.

The city lacks sufficient housing generally and affordable housing in particular, contributing to an increase in homelessness as well as the displacement of residents from their homes.

Oakland has taken several steps to address this situation. However, the city does not have sufficient resources to meet increasing demands for services, and to combat blight and illegal dumping.

The Proposal

Enact a special parcel tax on vacant properties which is in addition to the *ad valorem* property taxes already imposed on the properties. Maximum rates for the special parcel tax are below:

| Property Type | Annual Tax Rate |
|---|------------------------------------|
| Residential | \$6000 per parcel |
| Condominium, duplex, or townhouse unit under separate ownership | \$3000 per vacant residential unit |
| Non-residential | \$6000 per parcel |
| Parcel with ground floor commercial activity allowed but vacant | \$3000 per parcel |
| Undeveloped | \$6000 per parcel |

These are maximum tax rates; there is no inflation factor. The City Council may reduce but not increase the rates. The tax will be levied for 20 years.

The rates are not citywide. “The City Council may, by ordinance, establish zones or areas within the City and may restrict the levy of the tax to properties within the zones or areas established.”

The measure lists several exemptions, most dealing with different sorts of provable hardship. Non-profit entities are also exempt.

Revenue from the tax must be deposited in a special fund, and may be used only “to provide services and programs to homeless people, to reduce homelessness, and to support the protection of existing and production of new housing affordable to lower income households ... at an affordable housing cost or affordable rent...” Revenues from the tax may not be used to supplant city funds already budgeted for illegal dumping remediation.

The measure establishes a nine-person Commission on Homelessness to provide citizen oversight. Membership of the commission must include individuals who are or have been homeless or low income, who have expertise in providing services to the homeless, and who have financial expertise. The Commission’s annual report must include how and to what extent the City Council and the mayor have implemented the ordinance as well as recommendations on funding priorities and a description of the ordinance’s impact on homelessness and illegal dumping.

The Commission will provide oversight of expenditures of the Vacant Property Tax Fund to ensure that they are only for authorized purposes. The City Auditor shall perform “regular audits...”

Fiscal Effects

The tax is expected to raise about \$10 million a year. At least 25 percent of the funds must be used for “code enforcement and cleanup of blighted vacant properties, other blight elimination, and remedying illegal dumping...” Fifteen percent of moneys in the fund may go to administration. The City Administrator estimates additional recurring costs of about \$452,000 for additional staff to implement the noticing and collection of the tax.

Supporters say

- The special tax provides a dedicated source of revenue to be used for housing and other homeless services and programs with minimal impact to the general purpose fund.
- The tax will help maintain neighborhoods free from vacant and abandoned properties that could become public nuisances that affect health, safety, and the environment.
- The tax will encourage property owners to improve their properties and/or make them available to those seeking homes.

Opponents say

- Oakland needs a comprehensive plan to address homelessness and affordable housing. This just one piece of a piecemeal approach.
- Oakland already has strict laws to force owners to fix blighted properties.

Graduated Transfer Tax

The Question

Shall the Measure graduating the 1.5% real property transfer tax based on property value, including reduction to 1% for \$300,000 or less, no change for over \$300,000 to \$2,000,000, increase to 1.75% for over \$2,000,000 to \$5,000,000, and increase to 2.5% for over \$5,000,000, with .5% first-time and 1/3 seismic retrofit tax reductions for low-to-moderate income home buyers, estimated to raise \$9 million annually for city services unless repealed by the voters, be adopted?

The Situation

Oakland’s real estate transfer tax (RETT) currently imposes a flat tax of 1.5% when real estate changes ownership.

By contrast, San Francisco has a graduated transfer tax that increases rates on more expensive properties. In 2008, 2010 and 2016, SF voters approved ballot measures that further increased and graduated the tax on more expensive properties.

Nationally, many cities have RETT’s that are higher than those in CA generally, and higher than Oakland’s.

The Proposal

The proposal is to replace the current flat transfer tax of 1.5% with a graduated tax.

The levels of taxation would be:

| Amount of Transfer | Tax Rate |
|--------------------------------------|----------|
| \$300,000 or less | 1% |
| More than \$300,000 to \$2,000,000 | 1.5% |
| More than \$2,000,000 to \$5,000,000 | 1.75% |
| More than \$5,000,000 | 2.5% |

The proposal also doubles the current rate reduction of 0.25% to 0.50% for low and moderate-income first-time home buyers for transfers valued at \$2 million or less.

The proposal additionally provides a new tax exemption up to 1/3 of the transfer tax for seismic retrofit or solar installation expenses incurred by low and moderate-income home buyers.

Finally, it exempts nonprofit providers of affordable housing from the graduated rates, instead keeping their rate at the existing 1.5%

Fiscal Effects

Oakland’s City Administrator and Finance Department concluded that, if the proposed rates had been in effect between 2012 and 2018, they would have generated \$55 million more than was

actually collected, an average increase in Oakland's general fund of more than \$9 million per year. The greatest increase in income would have been realized from sales of properties worth more than \$5 million.

Economic analyses by SF prior to its 2010 and 2016 reforms informed the development of this proposal, as did analyses of Berkeley's measure allowing for exemptions regarding seismic retrofitting for lower income purchasers.

Supporters say

- Significant revenue would be added to Oakland's general fund.
- A progressive RETT, increasing the rate of taxation as the value of transferred property increases, is fairer than the existing flat tax.

Opponents say

- The tax will increase costs for housing and rent.
- The City cannot be trusted to use its funds wisely.

Just Cause for Eviction

The Question

“Shall the Measure amending Oakland’s Just Yes Cause for Eviction Ordinance (“Ordinance”) to: (1) remove the exemption for owner occupied duplexes and triplexes; and (2) allow the City Council, without returning to the voters, to add limitations on a landlord’s right to evict to the Ordinance, be adopted?”

The Situation

Oakland is experiencing a crisis of housing availability, affordability and displacement. Oakland is interested in measures that will ensure the ability of people of all economic levels to sustain residency in the city.

Renters occupy approximately 60% of occupied housing in Oakland. Renters of owner-occupied duplexes and triplexes do not have the same protections from eviction that renters in other properties enjoy. They would be at lessened risk of displacement if these protections were extended to them.

The measure could offer additional protections to thousands of renters who currently might face no-cause evictions.

The City Council now has a limited ability to amend the Just Cause for Eviction Ordinance. This measure would give the Council greater authority to add limitations on evictions as needed, and respond in a more timely fashion to changing conditions in the housing market without a need to return to the ballot.

The Proposal

Currently, owners who occupy residential duplexes or triplexes are exempted from requirements to show just cause for evictions of their tenants in the unit(s) that are not owner occupied. This measure would eliminate that exemption.

The measure would also empower the City Council to add limitations on landlords’ right to evict without the Council needing to return to the voters for authorization.

Supporters say

Thousands of renters in owner-occupied duplexes and triplexes would be protected from no-cause evictions and given equal defenses to evictions as renters in other properties now enjoy.

This would counter abuses of the current system in which landlords claim falsely residency in duplexes and triplexes in order to evict existing tenants and re-rent the property for higher rates.

Opponents say

Owner-occupied duplexes and triplexes place owners and renters in close proximity and that difference warrants more flexibility for the owner/landlord.

The measure may prompt owners to take units off the market rather than comply with new restrictions for evictions, thus reducing housing stock and adversely affecting the availability and stability of housing.

Hotel Workers Wages and Conditions

The Question

Measure Z: Shall the measure amending Oakland's Municipal Code to: (1) establish workplace protections and minimum hourly wage of \$15 with benefits or \$20 without benefits, increasing annually with inflation, for employees of Oakland hotels with 50 or more guest rooms; (2) authorize administrative enforcement of Oakland's employment standards for hotel and non-hotel workers; and (3) create City department to administratively enforce Oakland's employment standards for hotel and non-hotel workers, be adopted?

The Situation:

In 2014 Oakland voters approved Measure FF, which established a minimum wage of \$12.25 an hour for all employees working two hours a week or more in the City of Oakland. The wage increases each year by the cost of living; the minimum wage for 2018 is \$13.23. Measure FF also provides for paid sick leave, and requires that hospitality employees receive all tips and service charges.

Employees who are not receiving the benefits of Measure FF may file civil lawsuits against their employers; they may also file a complaint with the City's Contracts and Compliance Division.

"Hotel employees who work by themselves are vulnerable to crimes and other threatening behavior, including sexual assault....Many instances of sexual assault go unreported to police." Also, say proponents, "hotel employees who clean guest rooms are frequently assigned overly burdensome room cleaning quotas and unexpected overtime."

Twenty-four hotels in Oakland have more than 50 guest rooms; they have approximately 1400 employees, 500 of them housekeepers. Two new hotels are under construction, and four more have been approved; the six are expected to employ 250-300 workers.

The Proposal:

Measure Z will set a higher minimum wage for employees of hotels with 50 guest rooms or more: \$15 an hour with health benefits, or \$20 per hour without health benefits.

The measure requires that hotel employers must provide a "panic button" device and an emergency contact to each employee assigned to work in a guest room or bathroom without other employees present. Standards based on square footage of spaces to be cleaned, and the total number of hours assigned in a workday are specified. Hours assigned beyond the usual eight-hour day must be compensated at double the hourly rate as opposed to the usual time-and-a-half. Penalties can be imposed on employers for failure to follow the requirements.

Measure Z creates a Department of Workplace and Employment Standards to enforce the provisions of the measure as well as other city laws and policies related to employment and working conditions for everyone who works in Oakland. The Department may adopt rules and regulations for the implementation of these laws, and may take appropriate actions, including the imposition of penalties, to enforce them. The Department will be administered by a Chief Officer appointed by and serving at the pleasure of the City Administrator. The Chief Officer will

coordinate his or her activities with federal and state labor standards agencies, and have the authority to compel the production of records and other items relevant to investigations.

The measure spells out the ways in which the City can administratively investigate complaints about working conditions and impose specific penalties for violations of the law.

If higher standards than those in Measure Z are in place or enacted, such higher standards shall prevail.

Supporters say

- Workers should be able to perform their duties free of danger, intimidation, or reprisals.
- Higher wages and better working conditions help ensure a skilled, stable workforce and provide workers the wherewithal to live in Oakland.
- The City needs to strengthen its abilities to enforce its laws on minimum wage and worker protection.

Opponents say

- § Employers will incur excessive costs to comply with the wages and standards required by Measure Z.
- § Federal, state, and local provide sufficient ways for workers to seek redress for workplace misconduct. A new City administrative entity is unnecessary.
- § Measure Z does nothing to help workers in small hotels, who often face the poorest working conditions.

Oakland Children's Initiative

The Question

"Shall the measure amending Oakland's Charter for the purpose of funding services to expand access to early childhood and preschool education; improve high school and college graduation and career readiness; provide mentoring and college financial assistance; by establishing a \$198, 30-year parcel tax for single family parcels and specified rates for other parcel types, raising approximately \$25,000,000 - \$30,000,000 annually, with citizen's oversight and exemptions for low-income households and others, be adopted?"

The Situation

Child care and early education services that are partially or fully funded by the government – primarily by the State of California -- are provided by non-profit and public agencies and by community-based organizations and individuals. The need for affordable services by low and middle income families in Oakland far exceeds the supply.

Most child care workers are poorly paid and struggle to earn decent livings. Those who are employed at OUSD and non-profit centers, and as family care assistants, are covered by Oakland's minimum wage laws. Low wages lead to high staff turnover and difficulty in finding and keeping qualified staff.

In 2016, only 51 percent of OUSD graduates completed the comprehensive course requirements for enrollment in the CSU system, including just 33 percent of African-American graduates and 53 percent of Latino graduates, compared to 71 percent of white graduates.

In 2015 Mayor Libby Schaaf and other individuals established the Oakland Promise, a privately funded effort to provide support for all Oakland children from birth through college and/or career. Its primary goal was to triple the number of low income Oakland public school graduates who complete a post-secondary education. The project includes components that focus on each stage of children's development. Funding comes from individuals, corporations, and organizations, many of which have made substantial commitments.

The Proposal

Establish the City of Oakland Children's Initiative, funding it through a parcel tax of \$198 annually, effective July 1, 2019. The tax may be increased annually by the San Francisco Bay Area CPI or the fiscal year change in California per capita personal income, whichever is higher. The tax will be imposed for 30 years.

The measure includes provisions outlining the amounts of taxes to be collected for different kinds of properties. The basic tax of \$198 is imposed on the owners of single family residential parcels. There are other tax amounts for multi-family and commercial properties. There are exemptions for low income households and low income seniors, for which they must apply each year. Affordable housing projects may have their taxes reduced by 50 percent.

Proceeds of the tax may only be used for purposes of the measure and shall be apportioned to funds established in the measure, as follows:

- 7% to the Oakland Children’s Initiative Oversight, Accountability, and Evaluation Fund,
- 62% to the Oakland Early Education Fund,
- 31% to the Oakland Promise Fund.

The measure creates the Children’s Initiative Oversight Commission, which has substantive responsibilities for use of parcel tax funds, including selection of Implementation Partners for the Oakland Early Education Fund and the Oakland Promise Fund, review of audits and performance appraisals, and approval of five-year guidelines for the Funds after the first five years.

The measure establishes within the City the position of Accountability Officer, who will oversee the implementation and evaluation of the Initiative.

The Early Education Fund covers children from birth to four years of age and their families; the Oakland Promise Fund covers children from kindergarten through post-secondary education. Programs under the Initiative are for low income families and those with special needs.

“Implementation Partners” will be responsible for the operation of Initiative programs and activities. The Early Education partner for the first five years will be the Alameda County First Five Commission, with a presumptive renewal every five years thereafter. The partner for Oakland Promise must be a public or non-profit entity selected via an RFP process by the Accountability Officer and the Commission and approved by the City Council. Among the Partner’s qualifications is the ability to leverage funds from other sources to meet the Oakland Promise goals.

Guidelines for operations for each of the Funds are set forth in the measure. Those for Early Education focus on the expanding the availability and improving the quality of child care and early education for low income families and those facing particular challenges such as language and disabilities. Public school programs are given priority, as are center-based programs that operate under California Department of Education regulations, but allowance is made for all types of providers. All workers must be paid a minimum wage of \$15 per hour, increasing annually by the Bay Area CPI.

Oakland Promise guidelines authorize programs and activities at all levels of education geared to putting students and their families on a path to college, which is defined in terms of public and non-profit post-secondary institutions. Programs will work to increase college affordability, and to support students from application through college graduation.

Guidelines for both Funds and responsibilities of the Commission and the Accountability Officer include audits and reviews of the proper use of funds and of programs’ performances in serving children/students and their families.

Supporters say

- § Early education and quality care are essential to children’s healthy development; the City should do everything it can to help its young people get the early start they need.
- § Oakland students and their families need both encouragement and financial support so that more can reach and complete college.
- § Measure A demonstrates the City’s commitment to its children and their futures.

Opponents say

- § The majority of Oakland residents say they most want to see the City give priority for public funds to addressing housing affordability, homelessness, illegal dumping, public safety, and quality of life for everyone.
- § Taxpayers want to see more results and accountability for parcel taxes and other measures already approved before approving another one, especially since the \$198 will likely double in the 30 years the tax is in effect.
- § It is unclear how moneys in the Oakland Promise Fund will be spent.

Requires two-thirds (66.67%) vote for passage

Wildlife Protection, Safe Parks/Trails, Public Access, Natural Habitat

The Question

“Without increasing tax rates, to protect against wildfires; enhance public safety; preserve water quality, shorelines, urban creeks; protect redwoods and parklands in a changing climate; and restore natural areas, shall East Bay Regional Park District be authorized to extend an existing of \$1 monthly (\$12/year) per single-family parcel and 69¢ monthly (\$8.28/year) for multi-family units, raising approximately \$3.3 million annually, to expire in 20 years?”

The Situation

The East Bay Regional Park District (EBRPD) includes all of Alameda and Contra Costa Counties. “Zone 1” of the district includes the cities and communities of Alameda, Oakland, Piedmont, Albany, Richmond, San Pablo, El Sobrante, Kensington, Berkeley, Emeryville, and El Cerrito. In 2004, voters in Zone 1 approved a parcel tax of \$12 a year on single-family residential properties and \$8.28 on multi-family units to improve park facilities, protect the environment and open space, enhance public access, and maintain public safety. The tax expires June 30, 2020.

The number of wildfires in California, including fires in urban areas, continues to increase. Both drought and rising sea levels threaten waterways and shorelines. Many of the park facilities are aging and in need of improvement, renewal, and repair.

The Proposal

Extend the \$12/\$8.28 parcel until June 30, 2040 to fund improvement and maintenance of EBRPD lands and facilities “to protect against wildfires; enhance public safety; preserve water quality, shorelines, urban creeks; protect redwoods and parklands ...; and restore natural areas.” The tax will be voted on by voters in Zone 1 and levied on owners of residential properties within the zone.

Included in Measure FF is a Commitment List and a Proposed Use of Funds specifying parks and projects as well as region-wide water-related projects.

Fiscal Effects

The parcel tax is expected to raise \$3.3 million a year for the uses and projects described in the measure.

Supporters say

- Measure will maintain voters’ investment in East Bay parklands without increasing the tax rate.
- The district’s wildfire reduction plan was developed with wide community participation and has the support of the Sierra Club among others.
- Without Measure FF, needed services and projects could be cut back.

Opponents say

- The wildfire reduction plan calls for the destruction of too many healthy trees.
- EBRPD limits pesticide use under its integrated pest management practices, but the district should really have a *no pesticides* policy.