



IDEAS + ACTION FOR A BETTER CITY

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Oakland March 2020 Voter Guide

Ballot analysis and recommendations



SPUR provides analysis and recommendations on one local ballot measure for the March 3, 2020, Oakland election.

Our Oakland Board of Directors heard arguments from both sides of the issue and debated the measure's merits. The board then voted, with a 60 percent vote required for SPUR to make a recommendation.

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Measure Q Parks and Homelessness Tax

ORDINANCE

2020 Oakland Parks and Recreation Preservation, Litter Reduction and Homeless Support Act

Levies a 20-year special parcel tax to fund parks maintenance, homeless services and improvements to water quality and trash collection systems.

Vote YES



What the Measure Would Do

Measure Q would authorize a special parcel tax that would be levied annually for 20 years. Tax rates would be as follows:

- Single-family residential parcels: \$148.00 per parcel
- Multiple-unit residential parcels: \$101.08 per residential unit
- Non-residential parcels: Varies depending on parcel frontage and square footage¹
- Hotels: Either the multiple-unit residential rate or the non-residential rate, depending on the percentage of residential vs. transient occupancy

The city estimates that Measure Q would raise \$21 million dollars annually. The Oakland City Council would appropriate the revenues for parks maintenance, homelessness services and water management needs. Specifically, the revenue would be spent for the following purposes:

- 64% for parks, landscape maintenance and recreational services
- 30% for services to help homeless residents access temporary shelters, transitional and supportive housing, and permanent housing
- 5% for services and projects to address water quality and litter reduction, including maintaining and cleaning stormwater trash collection systems
- 1% to cover the cost of auditing and evaluating the programs and services funded by the measure

Measure Q is intended to provide additional funding for these purposes and explicitly requires the City of Oakland to maintain its current funding levels for parks maintenance, homeless services and stormwater system, so that the new revenues would add to, and not replace, existing funds. No more than 55% of the revenue allocated to parks, landscape maintenance and recreational services could be used to preserve current parks operations. The other 45% must go to new and

improved service levels, such as more frequent mowing of sports fields, collection of litter and improved trail maintenance. However, Measure Q would allow the City Council to suspend these requirements to meet urgent and changing needs in the event of extreme fiscal necessity.

Measure Q outlines exemptions from the tax for qualifying low-income households, senior households, certain religious organizations and schools. Qualifying tenants in single-family homes that have been foreclosed and owners of certain affordable housing projects would receive a 50% rebate of the tax. Prior to the initial collection of the tax, the measure also requires that the city adopt an additional exemption for “distressed homeowners,” a term that the City Council will define at that time.

The Backstory

The City of Oakland General Fund is currently too small to pay for many of the basic services that Oaklanders need, including parks maintenance and social services such as those for homeless residents. Today, many public services are funded by special taxes; the typical property tax bill in Oakland has more than 25 assessments added by the city and other special districts and regional governments, including the school district, community colleges, AC Transit and the agency that funds bay restoration.

Measure Q is intended to augment the Oakland Landscaping and Lighting Assessment District (LLAD), a parcel tax approved in 1989 that is still in place and still funds park maintenance in Oakland. Because the LLAD was not indexed to inflation, the revenue has not kept pace with the cost of services, leading to a major decline in Oakland’s park maintenance. The current gap between what the LLAD collects and spends and the city’s estimated need for parks maintenance is \$8 million annually. Measure Q would close that gap to about

\$800,000. Measure Q has been indexed to inflation, which will allow this source of funding to grow as the cost of providing services grows.

Oakland's homeless population is now estimated at 4,000, a 47% increase in the last two years. Measure Q would help fund programs outlined in the city's Permanent Access to Housing (PATH) Strategy,² a policy roadmap for ending homelessness.

This measure was put on the ballot by a unanimous vote of the Oakland City Council. As a parcel tax, it requires a two-thirds majority to pass.

Pros

- Oakland's parks have lacked a sufficient funding source for many years and are in great need of investment. Measure Q increases the existing maintenance budget and is indexed to inflation to ensure that funding stays at appropriate levels in the future.
- Oakland's homelessness problem is growing faster than the city's resources to confront it. This measure would greatly expand Oakland's homeless services budget.
- Measure Q contains significant safeguards to ensure that the money is spent appropriately and

sets clear standards for maintenance. For example, the measure calls for annual independent financial audits of the funds and bi-annual audits of performance, outlining specific deliverables for park maintenance (e.g., restrooms to be cleaned twice daily, athletic fields to be mowed to every other week).

- Because the tax is a flat rate across all parcels, Measure Q could disproportionately impact lower-income homeowners. However, the exemptions from the tax for low-income households and distressed homeowners would go a long way toward mitigating the regressive nature of the tax.

Cons

- Even if this measure passes, Oakland's park maintenance budget will still be underfunded.
- Even if this measure passes, Oakland will not be anywhere close to having the funds it needs for homeless services.
- Oakland already has an overabundance of parcel taxes and puts a mounting burden on property owners to pay for services that should be paid for by the General Fund. The city should find other ways of paying for basic services.

SPUR's Recommendation

SPUR has long raised concerns about Oakland's reliance on parcel taxes to fund basic services. We believe the city must work to grow its tax base so it can cover more of its needs through the General Fund.³ We also note that the controversy around Oakland's 2018 parcel tax, Measure AA, which is currently in litigation,⁴ has eroded public trust when it comes to giving the City Council discretion over public funds. Combined, these issues highlight an overall need for better governance in Oakland.

But it's not the job of this ballot measure to take on the city's governance challenges. Measure Q addresses one problem: Oakland's mounting needs for both homeless services and maintenance for its public parks. The tax has been indexed to inflation, calls for performance and financial audits, and includes exemptions for those who would be hardest hit by an increased tax burden. These steps to structure the measure responsibly increase our confidence that Measure Q will have an overall positive impact for Oaklanders.

On balance, SPUR believes Measure Q is worthy of support.

Vote YES on OAK Measure Q - Parks and Homelessness Tax



FOOTNOTES

¹ A commercial building with a frontage of 160 feet and an area of 12,800 square feet would pay \$592. The complete calculation is explained in Part 2, Section 2, of the measure text. See: <https://cao-94612.s3.amazonaws.com/documents/Measure-Q-Parks-Ballot-Information-for-Website.pdf>

² City of Oakland, "Oakland Permanent Access to Housing Strategy," 2007, <http://www2.oaklandnet.com/oakca1/groups/dhs/documents/report/oak022659.pdf>

³ SPUR, "Oakland Needs More — Here's How to Get It," 2018, <https://www.spur.org/news/2018-02-15/oakland-needs-more-here-s-how-get-it>

⁴ East Bay Times, November 26, 2019, <https://www.eastbaytimes.com/2019/11/26/oakland-trying-to-overturn-measure-aa-parcel-tax-ruling/>

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