

AUG 03 2018

RESOLUTION NO. 5005

MARK CHURCH, Chief Elections Officer  
By \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO CALLING AND ORDERING THE SUBMISSION TO THE ELECTORS OF THE CITY OF EAST PALO ALTO A MEASURE IMPOSING AN ANNUAL PARCEL TAX OF TWO DOLLARS AND FIFTY CENTS (\$2.50) PER SQUARE FOOT ON COMMERCIAL OFFICE REAL PROPERTY OVER 25,000 SQUARE FEET**

**WHEREAS**, parcel taxes on commercial office space may be imposed by a vote of the people; and

**WHEREAS**, commercial office development in East Palo Alto adds service demands, and increases housing costs, displacement, and local traffic congestion without significant job opportunities for the City's current residents; and

**WHEREAS**, by imposing a parcel tax on commercial office space, this measure will generate revenue to fund programs for City residents that will offset some of the negative impacts of commercial office development; and

**WHEREAS**, the measure will impose an annual parcel tax on commercial office space over 25,000 square feet at a rate of \$2.50 per square foot, estimated to annually raise \$1,675,000.

**WHEREAS**, property that is 25,000 square feet or less and property that is not used for commercial office purposes, for instance, where the primary business activity is retail trade (except retail trade from non-store retailers), agriculture, and accommodation and food services, are not subject to the parcel tax on commercial office space because they tend to provide local benefits, such as job opportunities for current residents, and do not carry the same burdens as commercial office development; and

**WHEREAS**, the revenue generated by a parcel tax on commercial office space can be used for affordable and supportive housing programs, with an emphasis on the creation of net new housing; programs that facilitate access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics sectors, the building trades, and strengthen the City's First Source Hiring Program; and

**WHEREAS**, a minimum of 35% of the revenue shall be used exclusively for the construction of new, affordable housing stock; and

**WHEREAS**, a maximum of 15% of the proceeds from the parcel tax can be used for reasonably incurred costs to the City for staff and overhead to administer the ordinance and provide annual reports on the amount of funds collected and expended, and the status of any project; and

WHEREAS, this measure will authorize the City Council to amend the tax without subsequent voter approval, provided such amendment does not increase the amount of tax paid by any taxpayer in excess of the rate set forth in the measure or change the allowed uses for the tax revenues; and

WHEREAS, a Consolidated General Municipal Election on Tuesday, November 6, 2018 has been called by Resolution Nos. 4987 and 4988, adopted on July 3, 2018.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO THAT:

**SECTION 1. Abbreviated Statement.** The City Council pursuant to its authority and Election Code section 13247, does order to be submitted to the voters, at the Consolidated General Municipal Election on November 6, 2018, the following question:

*Ballot question starts*

MEASURE ____ . COMMERCIAL OFFICE SPACE PARCEL TAX FOR AFFORDABLE HOUSING AND JOB OPPORTUNITIES	
Shall the measure to impose a parcel tax on commercial office space over 13 25,000 square feet at an annual rate of \$2.50 per square foot, estimated to 14 annually raise \$1,675,000, for affordable and supportive housing programs; 9 programs that facilitate access to job opportunities in the S.T.E.M. sectors, 11 building trades, and strengthen First Source Hiring; and for City to 9 administer the ordinance and provide annual reports, which shall continue 10 until repealed by the voters, be adopted? 7	YES
	NO

*Ballot question ends*

**SECTION 2. Full Text.** The full text of the proposed measure submitted to the voters is attached as Exhibit A to this Resolution, which is incorporated herein by this reference.

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**SECTION 3. Election.** The City Council hereby requests the San Mateo County Registrar of Voters to provide all services necessary to conduct the Election and to conduct and canvass the results of the Election. The City will reimburse San Mateo County for the actual cost incurred in conducting the election when the work is completed and upon receipt of a bill stating the amount due as determined by the elections official. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

**SECTION 4. Notice.** Notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time for and in a manner as required by law. The hours during which the polling places for the Election shall be open shall be the hours established for the Consolidated Municipal Election.



**SECTION 5. Necessary Acts.** The City Clerk is hereby directed to do all things required by law to effectuate the Consolidated General Municipal Election, and to present the measure submitted herein to the electorate, including, but not limited to, required publications, postings, noticing and filings.

**SECTION 6. Impartial Analysis.** Pursuant to California Elections Code Section 9280, the City Council hereby directs the City Clerk to transmit a copy of this Resolution to the City Attorney. The City Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure, and transmit such impartial analysis to the City Clerk within fifteen (15) days of the adoption of this Resolution.

**SECTION 7. Argument.** Arguments for and against, not to exceed 300 words in length, may be filed consistent with Elections Code Section 9282 requirements. The City Council declines, pursuant to the provisions of Section 9285 of the Elections Code, to permit rebuttal arguments. Furthermore, the City Council shall appoint a Council subcommittee to write the ballot measure argument on behalf of the City Council.

**SECTION 8. Certification.** The City Clerk is hereby directed to file a certified copy of this Resolution with the San Mateo County Board of Supervisors and the San Mateo County Registrar of Voters.

**PASSED AND ADOPTED this 31st day of July 2018,** by the following vote:

**AYES: ROMERO, GAUTHIER, ABRICA, MOODY, RUTHERFORD**  
**NOES: NONE**  
**ABSENT: NONE**  
**ABSTAIN: NONE**

**SIGNED:**

Ruben Abrica, Mayor

**ATTEST:**

Maria Buell, Deputy City Clerk

**APPROVED AS TO FORM:**

Rafael E. Alvarado Jr., City Attorney

AUG 03 2018

ORDINANCE NO. \_\_\_\_\_  
By: \_\_\_\_\_  
DEPUTY CLERK

Full text starts

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO IMPOSING AN ANNUAL PARCEL TAX OF TWO DOLLARS AND FIFTY CENTS DOLLARS (\$2.50) PER SQUARE FOOT ON COMMERCIAL OFFICE REAL PROPERTY GREATER THAN 25,000 SQUARE FEET**

THE PEOPLE OF THE CITY OF EAST PALO ALTO ORDAIN AS FOLLOWS:

Section 1. Findings and Declarations.

The People of East Palo Alto find and declare as follows:

- a. Parcel taxes on commercial office space within the City may be imposed by a vote of the people.
- b. Commercial office development in East Palo Alto adds service demands, and increases housing costs, displacement, and local traffic congestion without significant job opportunities for the City's current residents. This is concerning for the City's constituents.
- c. By imposing a parcel tax on commercial office space, the City will generate revenue that can be used to fund affordable and supportive housing programs, with an emphasis on the creation of net new housing; and programs that facilitate access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics sectors, building trades, and strengthen the City's First Source Hiring Program.
- d. By creating and maintaining programs that will support affordable housing and job opportunities for the City's residents, the City can offset some of the negative impacts caused by commercial office development, such as increased housing costs, displacement, and lack of job opportunities for current residents.
- e. The parcel tax on commercial office space will only apply to commercial office real property greater than 25,000 square feet.

Section 2. Revenue Purposes.

The revenue generated by the parcel tax of \$2.50 per square foot on commercial office space shall be spent only for affordable and supportive housing programs, with an emphasis on the creation of net new housing; programs that facilitate access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics sectors, building trades, and strengthen the City's First Source Hiring Program; and City staff and overhead costs to administer the ordinance and provide an annual report that complies with the requirements of Government Code section 50075.3. These purposes constitute the

specific purposes of the parcel tax, which are legally binding and enforceable limitations on how the proceeds of the tax can be spent.

Section 3. Title.

This measure shall be known as the “Commercial Office Space Parcel Tax for Affordable Housing and Job Opportunities.”

Section 4. Commercial Office Space Parcel Tax for Affordable Housing and Job Opportunities.

The East Palo Alto Municipal Code is hereby amended by adding Chapter 3.70, sections 3.70.010 through 3.70.050, to read as follows:

**Chapter 3.70. Commercial Office Space Parcel Tax for Affordable Housing and Job Opportunities**

**3.70.010. Title.**

This Chapter 3.70 shall be known and may be cited as the “Commercial Office Space Parcel Tax for Affordable Housing and Job Opportunities.”

**3.70.020. Definitions.**

“Commercial office real property” means any parcel of real property in the City which is primarily used or leased as commercial office space. For the purposes of this tax, using property to operate an internet retailing business is a commercial office space use.

“Owner” means the person having title to real estate as shown on the most current official assessment roll of the San Mateo County Assessor.

“Parcel” means a unit of real estate in the City of East Palo Alto as shown on the most current official assessment roll of the San Mateo County Assessor.

“Person” means 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.

**3.70.030. Parcel Tax on Commercial Office Space.**

A special non-*ad valorem* parcel tax shall be levied annually on the owner of each parcel of commercial office real property within the City, at a rate of two dollars and fifty cents (\$2.50) per square foot of developed commercial office space, unless the owner is exempt by law or pursuant to section 3.70.040, in which case the parcel tax shall be assessed to the

holder of the possessory interest in such parcel, unless such holder is also exempt from taxation by law or pursuant to section 3.70.040.

### **3.70.040. Exemptions.**

Parcels with less than 25,000 square feet of developed commercial office space are exempt from section 3.70.030.

### **3.70.050. Use of Revenue.**

A. The proceeds of the parcel tax shall be used solely for the purposes set forth in this section. The proceeds collected by the levy of the parcel tax shall be used to:

1. Create and maintain affordable and supportive housing programs, with an emphasis on the creation of net new housing;
2. Create and maintain programs that facilitate access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics sectors, building trades, and strengthen the City's First Source Hiring Program; and
3. Pay for staff and overhead costs to administer the ordinance and provide an annual report that complies with the requirements of Government Code section 50075.3.

B. The revenue of the parcel tax shall be used in the following manner:

1. A minimum of 35% of the revenue shall be used exclusively for the construction of new, affordable housing stock.
2. A maximum of 15% of the revenue shall be used for staff and overhead costs specified in section 3.70.050.
3. The remaining proceeds may be used for any of the other purposes specified in Section 3.70.050(A) at the discretion of the City Council.

C. The purposes set forth in this section shall constitute the specific purposes of the parcel tax, which are legally binding and enforceable limitations on how the proceeds of the tax can be spent.

### **3.70.060. Accountability.**

Upon the levy and collection of the tax authorized by this ordinance, an account shall be created into which the proceeds of the tax shall be deposited. The proceeds of the tax authorized by this ordinance shall be applied only to the specific purposes identified in this ordinance. An annual report that complies with the requirements of Government Code section 50075.3 shall be filed with the East Palo Alto City Council annually.

Section 5. Method of Collection.

The parcel tax imposed by this ordinance shall be collected by the County with the other property taxes unless another method of collection is designated by the City Council.

Section 6. Amendment.

By approving this ordinance, the voters authorize the City Council to amend this tax without subsequent voter approval, provided such amendment does not increase the amount of tax paid by any taxpayer in excess of the rate set forth in this ordinance or change the allowed uses for the tax revenues.

Section 7. Conflicting Measures.

This measure is intended to be comprehensive and fully address and occupy the field of taxation of parcels of commercial office real property in the City. It is the intent of the people of the City of East Palo Alto that in the event this measure and any other measure relating to taxation of parcels of commercial office real property in the City, appear on the same ballot, the provisions of the other measure shall be deemed in their entirety to be in conflict with this measure. If this measure receives a greater number of affirmative votes than any conflicting measure or measures, this measure shall prevail in its entirety, and all provisions of such other measure or measures shall be null and void in their entirety. If this measure is approved by the voters but does not receive a greater number of affirmative votes than any other measure(s) appearing on the same ballot relating to taxation of parcels of commercial office real property in the City, then this measure shall take effect to the extent not in conflict with said other measure(s).

Section 8. Severability.

If any word, phrase, sentence, part, section, subsection, or other portion of this Ordinance, or any application thereof to any person or circumstance is declared void, unconstitutional, or invalid for any reason, then such word, phrase, sentence, part, section, subsection, or other portion, or the prescribed application thereof, shall be severable, and the remaining provisions of this chapter, and all applications thereof, not having been declared void, unconstitutional or invalid, shall remain in full force and effect. The People of the City of East Palo Alto hereby declare that they would have passed this ordinance, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases had been declared invalid or unconstitutional.

Section 9. Required Vote.

The City Council shall levy the special tax provided for herein upon approval of two-thirds of the votes cast by qualified voters of the City voting on this measure in the election.

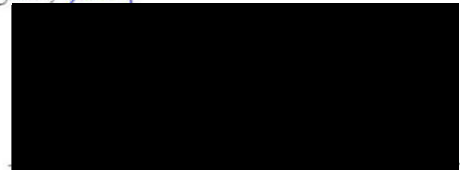
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STATE OF CALIFORNIA            )  
COUNTY OF SAN MATEO        )  
CITY OF EAST PALO ALTO        )        CERTIFIED COPY OF RESOLUTION

I, Maria Buell, Deputy City Clerk for the City of East Palo Alto in said County of San Mateo, and State of California, do hereby certify the original copy of **Resolution No. 5005**, stating that the City Council of East Palo Alto is Calling and Ordering the Submission to the Electors of the City Of East Palo Alto a Measure Imposing an Annual Parcel Tax of Two Dollars and Fifty Cents (\$2.50) Per Square Foot on Commercial Office Real Property Over 25,000 Square Feet at the consolidated General Municipal Election to be held on Tuesday, November 6, 2018.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of East Palo Alto, this 3<sup>rd</sup> day of August, 2018.



Maria Buell  
Deputy City Clerk