

AUG 03 2018

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE _____

By MARK CHURCH, Chief Elections Officer
DEPUTY CLERK

The City Council of the City of East Palo Alto is submitting to the voters the question of whether to approve an ordinance that would add Chapter 3.70 to the Municipal Code to enact a special parcel tax titled the "Commercial Office Space Parcel Tax for Affordable Housing and Job Opportunities."

If approved by the voters, Measure _____ would enact a parcel tax on commercial office space over 25,000 square feet at an annual rate \$2.50 per square foot. It is estimated that the special tax will generate annual revenue of \$1,675,000. The tax would be paid by the owner of the property, unless the owner is exempt from the tax, in which case the tax would be owed by the holder of the possessory interest (generally a lessee), unless that person is also exempt from the tax. If approved, an account shall be created into which the proceeds of the tax shall be deposited. City staff shall be required to prepare and file with the East Palo Alto City Council an annual report that complies with the requirements of Government Code section 50075.3.

Revenue generated from this special tax can only be used for the following purposes:

- To create and maintain affordable and supportive housing programs, with an emphasis on the creation of net new housing;
- To create and maintain programs that facilitate access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics (S.T.E.M.) sectors, building trades, and strengthen the City's First Source Hiring Program; and
- To pay for City staff and overhead costs to administer the ordinance and provide an annual report.

Revenue generated from this special tax must be used in the following manner:

- A minimum of 35% of the revenue must be used exclusively for the construction of new, affordable housing stock.
- A maximum of 15% of the revenue may be used for City staff and overhead costs to administer the ordinance and to provide an annual report.
- The remaining proceeds may be used for any of the other purposes specified in the ordinance at the discretion of the City Council.

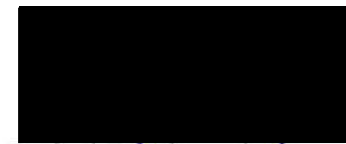
The tax revenue cannot be used for any other purpose.

The authority to levy the tax imposed by Chapter 3.70 shall not expire unless ended by 15
the voters of East Palo Alto. Measure ____ authorizes the City Council to amend the 12
parcel tax without subsequent voter approval, provided such amendment does not 11
increase the amount of tax paid by any taxpayer in excess of the rate set forth in the 18
measure or change the allowed uses for the tax revenues. 10

To be adopted, Measure ____ must be approved by a 2/3 majority of the voters in the 16
City of East Palo Alto. 1

A "yes" vote on the Measure will approve the special parcel tax. 12

A "no" vote on the Measure will reject the special parcel tax. 12



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City Attorney

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