

RESOLUTION NO. 64-2024

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO**

**CALLING AND ORDERING THE SUBMISSION TO THE QUALIFIED ELECTORS OF
THE CITY OF EAST PALO ALTO AN INITIATIVE MEASURE
TO AMEND THE MUNICIPAL CODE TO REQUIRE THAT FUNDS GENERATED BY
THE 2.5% TAX ON GROSS RECEIPTS FROM RENTING CERTAIN TYPES OF
RESIDENTIAL UNITS BE USED SOLELY FOR TENANT RENTAL ASSISTANCE,
ADMINISTRATIVE EXPENSES, AND OTHER SPECIFIED HOUSING PURPOSES**

WHEREAS, on April 22, 2024, proponents submitted to the City a notice of intent to circulate a petition regarding a potential initiative measure to amend the East Palo Alto Municipal Code to require that funds generated by the 2.5% tax on gross receipts from renting certain types of residential units be used solely for tenant rental assistance, administrative expenses, and other specified housing purposes; and

WHEREAS, proponents circulated the petition, and having completed all necessary steps to place an initiative measure on the ballot and having gathered the required minimum of signatures of registered voters, on May 13, 2024, the San Mateo Registrar of Voters certified the petition as sufficient; and

WHEREAS, as its duly noticed regular meeting held on June 18, 2024, the City Council determined to submit the proposed initiative measure to the voters of the City pursuant to Elections Code Section 9215; and

WHEREAS, in accordance with Elections Code Section 10002 and 10403, the San Mateo County Board of Supervisors is requested to consolidate the City of East Palo Alto General Municipal Election with the Statewide General Election to be held November 5, 2024; and

WHEREAS, the City of East Palo Alto hereby requests that the San Mateo County Board of Supervisors permit the San Mateo County Registrar of Voters to perform services in connection with the consolidated election at the request of the City Clerk. These services are to include all necessary services related to official ballot creation, sample ballot and voter information pamphlet preparation, vote-by-mail, polling places, poll workers, voter registration, voting machines, canvass operations, and any and all other services necessary for the conduct of the consolidated election; and

WHEREAS, the City Council desires to submit this initiative measure to be placed on the ballot at the consolidated General Municipal Election.

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

SECTION 1. Pursuant to Elections Code Section 10403, the City Council hereby calls an election to be consolidated with the General Municipal Election and the Statewide General Election on November 5, 2024, for the purpose of submitting the initiative measure to a vote of the qualified voters of the City of East Palo Alto, and hereby requests the San Mateo County Board of Supervisors to consolidate this election with the Statewide General Election on November 5, 2024. The consolidated General Municipal Election shall be held and conducted in the manner prescribed by Elections Code Section 10418.

SECTION 2. The City Council pursuant to its right and authority does order to be submitted to the voters at the General Municipal Election the following question:

To fund tenant rental assistance and other specified housing purposes such as affordable homeownership, affordable housing preservation, protecting residents from displacement or homelessness, and administrative expenses, shall the initiative measure requiring funds raised by the existing 2.5% tax on gross receipts (that cannot be passed on to tenants) when renting certain types of residential units, until repealed by the voters, which raises approximately \$1.45 million annually, be adopted?	YES
	NO

SECTION 3. 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. To be effective, a majority of the City Council must vote to place the measure on the ballot and a majority of the voters voting on the measure must vote in the affirmative.

SECTION 4. The City Council hereby requests the San Mateo County Registrar of Voters to provide all services necessary to conduct the General Municipal Election and to canvass the results of the General Municipal 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.

SECTION 5. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. Notice of the time and place of holding the election is given and the City Clerk is authorized and directed to give further or additional notice of the election as required by law. The hours during which the polling places shall be open shall be the hours established for the Consolidated General Municipal Election.

SECTION 7. 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, notices, and filings.

SECTION 8. Pursuant to 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 to the existing law and the operation of the measure, and transmit the impartial analysis to the City Clerk within 15 days of the adoption of this Resolution.

SECTION 9. Arguments for and against, not to exceed 300 words in length, may be filed consistent with Election Code Section 9282 requirements. The City Council, or any members of the City Council authorized by the City Council, may file a direct argument for the measure. The City Council declines, pursuant to the provisions of Section 9285 of the Elections Code, to permit rebuttal arguments.

SECTION 10. The measure, impartial analysis, any arguments for and against, filed under the authority of the Elections Code shall be available for public examination in the City Clerk's office pursuant to Elections Code Section 9295 for 10 calendar days, a period that shall begin immediately following the last filing deadline for the submission of such materials.

SECTION 11. 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.

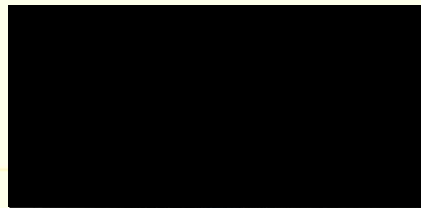
ADOPTED this 2nd day of July 2024, by the following vote:

AYES: ABRICA, BARRAGAN, LOPEZ, ROMERO

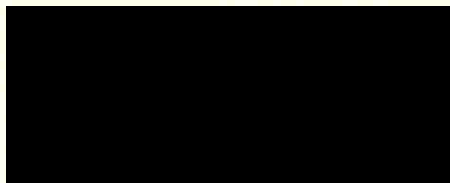
NOES:

ABSENT: GAUTHIER

ABSTAIN:

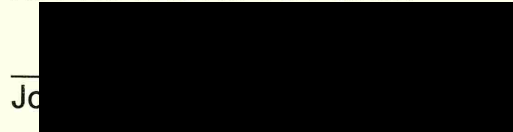


Antonio D. Lopez, Mayor



James Collin, City Clerk

APPROVED AS TO FORM:



Jc

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO AMENDING SUBSECTION 5.08.125.G. OF THE EAST PALO ALTO MUNICIPAL CODE AND ADDING SUBSECTION 5.08.125.H. TO THE EAST PALO ALTO MUNICIPAL CODE TO REQUIRE THAT FUNDS GENERATED BY THE GROSS RECEIPTS TAX BE USED SOLELY FOR TENANT RENTAL ASSISTANCE AND OTHER SPECIFIED HOUSING PURPOSES

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. The current code provision imposes a 2.5% tax on gross receipts from the rental of residential units, with certain exceptions.
- b. Currently, the City Council may use the funds generated by the tax for any purpose deemed necessary and appropriate for the benefit of City residents.
- c. The current ordinance requires the City Council to periodically review housing policy, housing programs, and related issues to determine how and to what extent the City should establish and fund such programs.
- d. The proposed revision, if approved by a majority of the voters, amends the East Palo Alto Municipal Code by requiring the funds generated by the tax be used solely for specified purposes, especially tenant rental assistance.
- e. The proposed revision also amends the East Palo Alto Municipal Code to specifically limit the amount that may be spent on reasonably incurred costs, such as staff and administrative overhead.
- f. Further, the revision provides that remaining revenue may be used in ways that support affordable homeownership, preserves affordable housing and protects residents from displacement and homelessness.
- g. By specifically directing how the funds raised are to be spent, this measure benefits the community because the cost of housing has continued to be a decisive factor in whether or not many individuals and families can reside in the City of East Palo Alto due to the high cost of living in the Bay Area.

Section 2. Subsection 5.08.125.G. of the East Palo Alto Municipal Code is amended to read as follows:

5.08.125 Rental of residential real property.

- G. The proceeds of the tax imposed by this section shall be used solely for the purposes set forth herein:
1. A minimum of 30% of the tax revenues collected shall be used exclusively for tenant rental assistance.
 2. A maximum of 20% of the tax revenues collected shall be used for reasonably incurred costs to the City of East Palo Alto for staff overhead to administer the tax; and
 3. The remaining revenue may, at the discretion of the City Council, be used in any way that supports affordable homeownership, preserves affordable housing, furthers tenant rental assistance, or protects residents of the City of East Palo Alto from displacement or homelessness.

Section 3. A new subsection 5.08.125.H. is added to the East Palo Alto Municipal Code to read as follows:

- H. Periodically, council shall review housing policy, housing programs, and related issues to determine how and to what extent the city should establish and fund such programs, if any, to increase the supply of affordable housing and protect residents from displacement and homelessness, including the provision of rental assistance, in light of the city's budget cycle and other relevant funding cycles.

Section 4. Conflicting Measures.

This measure is intended to be comprehensive and fully address and occupy the field of the taxation of receipts from the rental of dwelling units, and real property and buildings in general and the use of such revenues. 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 receipts from the rental of dwelling units, or real property and buildings in general or the use of such revenues, 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 receipts from the rental of dwelling units, or real property and buildings in general or the use of such revenues, then this measure shall take effect to the extent not in conflict with any other measure(s).

Section 5. 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.