

**MEASURE TO BE SUBMITTED TO THE VOTERS AUTHORIZING
THE CITY OF SAN LEANDRO TO LEVY A PARCEL TAX TO FUND
INFRASTRUCTURE IMPROVEMENTS WITHIN THE CITY OF SAN LEANDRO**

The People of San Leandro do ordain as follows:

Section 1. Title

This measure shall be known as the **Community Safety and Infrastructure Measure** (The “Initiative”)

Section 2. Findings

The People of the City of San Leandro (“San Leandro” or “City”) find and declare as follows:

(a) City Streets and Transportation Corridors

1. The Metropolitan Transportation Commission (“MTC”) has determined that San Leandro’s streets have a three-year average Pavement Condition Index (“PCI”) of approximately 57, placing the City’s roadway network in an “at risk” condition. At this level, streets are deteriorating toward conditions that require costly reconstruction rather than routine maintenance.
2. Failure to make timely repairs significantly increases long-term costs, as reconstruction is far more expensive than preventive maintenance. As documented by MTC, major reconstruction can cost ten times more than preventive maintenance. Without timely investment, the City’s roadway network will continue to deteriorate, creating an even greater financial burden.
3. City staff have informed the City Council that current funding for street maintenance is insufficient to address existing needs and will result in a growing backlog of required repairs. The current backlog of roadway improvements is approximately \$135 million and will grow to approximately \$180 million before the end of the decade due to insufficient funding. Achieving meaningful improvements in roadway conditions would require investment far beyond current funding levels.
4. To prevent further deterioration of the current pavement condition, the City will need to invest approximately \$61 million over the next five years, or about \$12 million annually, compared to current general fund expenditures of less than \$5 million per year. Raising PCI from its current state will require significantly larger expenditures.
5. As a result of limited funding and prioritization methods that emphasize maintaining higher-condition streets, the poor or failed condition of many residential and neighborhood streets is not expected to be addressed within any reasonable planning horizon under existing practices, absent additional dedicated funding.

(b) Emergency Response and Safety

1. San Leandro's infrastructure plays a critical role in public safety, emergency response, and community resilience. Fire Stations 9, 12, and 13 were each constructed more than 60 years ago and require significant seismic upgrades to meet modern safety standards. Given the City's proximity to the Hayward Fault, strengthening these facilities is essential to protect first responders and ensure reliable emergency services during major seismic events.
2. In addition to seismic needs, these facilities require modernization to reflect current operational, technological, and safety standards. City staff estimate the cost of these improvements at approximately \$53.2 million.
3. Certain roadway segments and transportation corridors within the City also serve as essential routes for emergency response and evacuation. When such infrastructure is degraded, closed, or lacks redundancy, residents may face limited evacuation options during emergencies, increasing congestion and delaying safe evacuation.
4. These risks are particularly significant for neighborhoods with limited access routes and for vulnerable populations, including seniors, children, and individuals requiring additional assistance.

(c) Hazard Mitigation and Infrastructure Reliability

1. The City also faces infrastructure risks related to flooding and climate impacts. Improvements to areas near the shoreline, including those associated with the Estudillo Canal and coastal flood protection systems, are necessary to reduce flood risk, thereby protecting residents and property.
2. Portions of San Leandro are subject to flood risk that has resulted in federally required flood insurance for affected properties, increasing costs for residents.
3. While regional and local mitigation efforts are underway, additional improvements are needed to address remaining vulnerabilities. Completing these improvements will reduce risk to residents and property and may reduce or eliminate the need for certain flood insurance requirements in affected areas.

(d) Parks and Community Facilities

1. Residents consistently identify access to safe and well-maintained public spaces as a community priority, including bike paths, walking paths, parks, and shoreline areas.
2. The City's parks, recreational facilities, and community assets have experienced years of deferred maintenance. In addition, adopted planning documents identify opportunities to improve and expand these facilities to better serve residents.
3. Certain community facilities, including portions of the Marina Community Center and the Casa Peralta, are currently closed or underutilized due to deteriorating conditions. Addressing these deficiencies will restore public access, improve safety, and preserve important community assets.

(e) Funding Limitations and Accountability

1. Existing City funding sources are insufficient to address the scale and urgency of these infrastructure needs.
2. A special parcel tax provides a dedicated, locally controlled funding source that must be used exclusively for the purposes approved by voters.
3. Revenues generated by this measure shall be deposited into a restricted fund and subject to annual independent financial audits, oversight by a Citizen Oversight Committee, and independent project management to support the timely and effective delivery of projects funded under this Chapter.
4. Funds generated by this measure may also be used to leverage state, federal, and regional grant funding, increasing the total investment available for infrastructure improvements.
5. An exemption for parcels owned by low-income seniors who reside on the parcel will help ensure that the measure does not impose an undue financial burden on residents with limited means.

(f) Consistency with Adopted Plans

The City’s adopted plans, including the General Plan, Climate Action Plan, Bicycle and Pedestrian Master Plan, and Age-Friendly San Leandro Action Plan, identify the need to maintain and improve safe and reliable transportation infrastructure, support emergency access, enhance resilience of public facilities, and address infrastructure needs serving residents across all neighborhoods, including seniors and other vulnerable populations.

(g) Purpose and Intent

1. The intent of this measure is to provide dedicated funding to address long-standing infrastructure needs that cannot be met under current City funding levels.
2. This measure is intended to supplement, not replace, existing City funding.
3. The City shall maintain funding for such purposes at inflation-adjusted levels greater than or equal to the average annual amount spent during the three fiscal years ending June 2024 through June 2026, except in cases of declared fiscal emergency.
4. This measure is intended to enable the timely completion of critical infrastructure improvements, improving safety, reducing long-term costs, and enhancing quality of life for residents throughout San Leandro.

Section 3. Code Amendment

A new Chapter 2-22 is hereby added to the San Leandro Municipal Code to read as follows:

Chapter 2-22

This Chapter may be cited as the **Community Safety and Infrastructure Tax Ordinance**.

2-22-100 Title and Purpose

This Chapter establishes a special tax for the sole purpose of funding infrastructure improvements authorized by this Chapter and approved by the voters of the City of San Leandro at the November 3, 2026 election.

This Chapter is not enacted for regulatory purposes. It is adopted pursuant to Section 130 of the Charter of the City of San Leandro, Article XIII A, Section 4 of the California Constitution, and the City's authority as a charter city under Article XI, Section 5 of the California Constitution.

(a) Imposition of Tax

The City Council is authorized to levy the special tax in accordance with this Chapter, including the rates and any applicable adjustments specified herein.

(b) Special Fund

All revenues generated by the tax shall be deposited into a special fund (the "Special Fund") and used exclusively for the purposes described in this Chapter. Such revenues shall not be used for general governmental purposes.

(c) Independent Financial Audit

The Special Fund shall be subject to an annual independent financial audit as part of the City's audited financial statements. The audit shall verify that revenues are collected, deposited, and expended in accordance with this Chapter.

(d) Public Reporting

The City shall provide annual public reporting on revenues and expenditures of the Special Fund in accordance with the oversight, reporting, and accountability provisions of this Chapter.

2-22-200 Use of Funds

Proceeds of the tax imposed by this Chapter shall be used exclusively for the following purposes within the City of San Leandro:

(a) Streets and Transportation Corridors

Improvements must include, but not be limited to, the repair and restoration of long neglected streets, including those that have remained in poor or failed condition due to limited funding or prioritization under existing systems, as well as improvements to key corridors identified within each district, including but not limited to:

- District 1: Lake Chabot Road
- District 2: 147th Avenue and 148th Avenue
- District 3: Wiley Street
- District 4: Trojan Avenue

- District 5: Park Street
- District 6: Gilmore Drive

Prioritization of Improvements

The following prioritization shall apply to expenditures under this subsection:

(1) Emergency Access and Evacuation Routes

Improving transportation corridors that are essential for emergency response, evacuation, and safe movement of residents during natural disasters or other emergencies, particularly in areas with limited alternative access routes.

(2) Restoration of Non-Operational or Restricted Infrastructure

Restoring streets and transportation corridors that are not operational or are restricted due to safety, structural, or environmental conditions, including those that limit access, connectivity, or emergency egress.

(3) Critical Safety and Deterioration Needs

Addressing roadway segments that present significant safety risks or are in poor or failed condition, including streets with the lowest pavement condition ratings.

(4) Systemwide Improvements and Network Connectivity

Completing improvements that enhance overall roadway conditions, connectivity, and reliability across the City.

The City shall not allocate funds in a manner that materially bypasses or undermines the priority order set forth in this Prioritization of Improvements. The City shall neither defer nor reclassify Priority Projects to avoid compliance with this Prioritization of Improvements. Priority Projects shall be determined based on the criteria set forth herein and shall not be dependent upon subsequent identification or reprioritization by the City.

(b) Emergency Response Infrastructure

Seismic retrofit, reconstruction, modernization, and improvement of fire stations and other facilities necessary to support emergency response, coordination, and public safety operations. The initiation and completion of work at Fire Station 13 is designated as the highest priority. If additional funds are available beyond those needed to complete work at Fire Station 13, work on Fire Stations 9 and 12 is also permitted.

(c) Hazard Mitigation and Infrastructure Reliability

Infrastructure improvements that reduce risk from flooding, storms, and other hazards, including improvements to shoreline areas and related facilities.

Such improvements shall include, but not be limited to, flood protection and resilience improvements along the City's shoreline and drainage infrastructure, including improvements

in the vicinity of Neptune Drive and Marina Boulevard, together with related projects necessary to reduce flood risk, protect residents and property, and improve long-term infrastructure reliability and insurability.

The City has a stormwater fee that should fund stormwater system operations, maintenance, and capital improvements. Funds authorized under this subsection shall not be used for stormwater system operations, maintenance, or systemwide capital improvements. Such funds may be used only for capital improvements directly necessary to implement the specific hazard mitigation and flood protection projects described herein.

(d) Parks and Community Facilities

Repair, rehabilitation, and improvement of parks, trails, recreational facilities, community centers, and other public assets, including restoration of facilities that are currently closed or underutilized due to deferred maintenance, including:

- improvements to walking paths, trails, open space, and recreational amenities, including segments of the Bay Trail and local shoreline trail systems within the City of San Leandro;
- addressing deferred maintenance and safety issues at existing facilities; and
- restoring public access to facilities that are currently closed or underutilized.

Such improvements shall include, but not be limited to, the rehabilitation, repair, and restoration of the Marina Community Center and the Casa Peralta facility, together with associated improvements necessary to support safe public use, community programming and use as community gathering or emergency preparedness sites.

(e) Administration, Oversight, and Implementation

(1) Independent Project Management

The City shall retain a qualified project management firm engaged in construction management that is independent of the City to assist in the planning, coordination, and timely delivery of projects funded under this Chapter.

The project management firm shall not be City employees, elected officials, or members of the City Council, and shall not have a direct financial interest in, or be under common control with, any contractor or subcontractor performing work funded under this Chapter.

The project manager shall oversee and monitor implementation to ensure that all projects funded under this Chapter are implemented in compliance with applicable law, City policies, and established labor and contracting standards, existing union memoranda of understanding and side letter agreements, including prevailing wage requirements and any applicable project labor agreements.

(2) Implementation Timelines

To promote timely delivery of projects funded under this Chapter, the City shall implement the following timelines, subject to available funding, applicable law, and permitting requirements:

(A) Emergency Access and Evacuation Routes

For transportation corridors critical to emergency access or evacuation, the City shall commence planning, design, permitting, and construction activities within two (2) years of the effective date of this Chapter or identification of the project, whichever is sooner, and shall complete or substantially complete such improvements within five (5) years.

(B) Non-Operational or Restricted Infrastructure

For streets or transportation corridors that are not operational or are restricted due to safety or structural conditions, the City shall commence planning, design, permitting, and construction activities within two (2) years of the effective date of this Chapter or identification of the project, whichever is sooner, and shall complete or substantially complete such improvements within five (5) years.

(C) Priority Safety and Deterioration Projects

For roadway segments identified as presenting significant safety risks or in poor or failed condition, the City shall commence planning, design, permitting, and construction activities within three (3) years of the effective date of this Chapter or identification of the project, whichever is sooner, and shall complete or substantially complete such improvements within five (5) years.

(D) Accountability for Delay

If the City fails to meet any of the timelines set forth in this Section, the City Council shall, at a public meeting, adopt written findings explaining the reasons for delay and approve a revised implementation schedule. Administrative discretion, competing project preferences, or internal prioritization practices shall not constitute sufficient justification for delay.

(E) Five-Year Capital Planning Consistency

All projects funded under this Chapter shall be incorporated into the City's rolling five-year capital improvement plan and updated annually but must be identifiable by the public as funded through this Chapter.

(F) Systemwide Improvements and Network Connectivity

For projects intended to improve systemwide performance, network connectivity or coordination across transportation corridors, the City shall incorporate such

improvements into its capital planning and seek to advance and complete such projects in a timely manner, consistent with the prioritization framework set forth in this Chapter.

(3) Use of Third-Party Contractors

The City shall procure construction, engineering, and related services from qualified third-party contractors or subcontractors, where appropriate and consistent with applicable law, including where City resources are insufficient to complete projects in a timely and efficient manner.

Contracts funded under this Chapter shall be procured through competitive processes consistent with applicable law. The City shall consider qualifications, experience, past performance, and overall quality and value, and shall not be required to select the lowest-cost proposal when doing so would not serve the best interests of the City or the purposes of this Chapter.

(4) Grant Funding and Cost Sharing

The City shall seek and utilize state, federal, regional, and other external funding sources, and shall coordinate with other agencies, where applicable, to optimize the impact of revenues generated by this Chapter.

(5) Interagency Coordination

The City shall actively and in a timely manner pursue coordination with regional, county, state, and other public agencies, where applicable, to plan, fund, and deliver projects that cross jurisdictional boundaries or require joint implementation or specialized expertise.

Where another agency possesses relevant expertise, jurisdiction, or implementation capacity, the City shall make reasonable efforts to engage such agency to support timely project delivery.

Failure to pursue such coordination shall require the City Council to publicly report the reasons at a public meeting.

(6) Project Delivery and Administrative Costs

(A) Project Delivery Costs

The City may use revenues generated by this Chapter to pay for costs reasonably necessary for the planning, design, engineering, permitting, environmental review, construction management, and completion of projects funded under this Chapter, provided costs are directly related to the delivery of projects and are incurred in a timely and cost-effective manner.

Project delivery costs shall not include general program administration, overhead, or indirect costs not directly attributable to specific projects funded under this Chapter.

Administrative and project delivery costs shall be consistent with industry standards for similar public infrastructure programs of comparable size and complexity.

(B) Administrative and Oversight Costs

Not more than fifteen percent (15%) of total proceeds of the tax may be used to pay or reimburse the City for the actual and reasonable costs of administration and oversight of projects funded by this Chapter.

The City shall minimize such costs to the extent feasible, and such expenditures for administration and oversight shall not exceed amounts reasonably necessary to implement this Chapter.

Administrative and oversight costs may include:

- City staff performing administrative or oversight functions directly related to projects funded by this Chapter;
- program administration, including grant applications, grant administration, and securing or managing matching funds to support projects funded by this Chapter;
- required public input, oversight, and accountability activities; and
- independent financial audits of the Special Fund.

(C) Prohibition on Supplanting

Revenues generated by this Chapter shall not be used to replace or supplant existing levels of City funding for administrative, oversight, or project delivery functions that were funded from non-Chapter sources prior to the effective date of this Chapter.

The City shall maintain baseline funding levels for such functions, and only incremental costs directly attributable to the implementation of this Chapter may be funded with revenues generated by this Chapter.

(D) Administrative and Oversight Controls

The City shall not reclassify administrative or oversight costs as project delivery costs for the purpose of avoiding the limitations set forth in this Chapter.

Administrative and oversight expenditures shall be incurred in a manner that is reasonably proportional over the duration of this Chapter and shall not be front-loaded in a way that materially increases the risk of exceeding the limitation set forth in this Section.

If cumulative administrative and oversight costs exceed fifteen percent (15%) of total proceeds of the tax, or are projected to exceed this limitation based on current and projected expenditures, or are on a trajectory that would exceed this limitation, the City Council shall adopt corrective actions at a public meeting to restore compliance.

The Citizen Oversight Committee may determine, based on its review of financial information, that administrative and oversight expenditures are not being incurred in a manner consistent with this Section, including being on a trajectory to exceed the applicable limitation, and may recommend corrective actions.

Corrective actions shall include specific measures to reduce or limit administrative and oversight expenditures, defer or eliminate non-essential activities, or reallocate resources to ensure compliance with this Section.

(7) Use of Remaining Funds

Any revenues remaining after completion or funding of projects described in this Chapter, or not required for specific projects, shall be used for other eligible purposes consistent with this Chapter.

Prior to allocating such remaining funds, the City Council shall obtain and consider a written recommendation from the Citizen Oversight Committee regarding proposed uses of such funds. Such recommendation shall be presented at a public meeting.

In allocating such remaining funds, the City shall prioritize:

- completion of projects already initiated;
- additional improvements to streets and transportation corridors, particularly those in poor or failed condition; and
- projects that advance public safety, infrastructure reliability, and equitable geographic distribution of investment across the City.

If the City Council allocates remaining funds in a manner that is materially inconsistent with the recommendation of the Citizen Oversight Committee, the City Council shall adopt written findings at a public meeting explaining the basis for such decision.

(f) Remedy for Misuse of Funds

If revenues generated by this Chapter are expended for purposes not authorized by this Chapter, the City shall restore the Special Fund from other legally available City funds in an amount sufficient to fully reimburse such unauthorized expenditures and make the fund whole.

(g) Program Goals

The following goals are intended to guide the implementation of this Chapter:

- Improve the overall condition of the City's roadway network and work toward achieving pavement conditions rated "Good" or better, while reducing the number of streets in poor, failed, or non-operational condition;
- Reduce seismic and structural safety risks at critical emergency response facilities, including the City's oldest fire stations;

- Improve the safety and reliability of transportation corridors and infrastructure systems throughout the City, including those necessary for emergency access and evacuation; and
- Address long-standing deferred maintenance and restore public access to existing community facilities and infrastructure.

(h) Implementation Requirements and Timelines

To ensure timely use of funds and completion of priority projects, the City shall comply with the following:

(1) Five-Year Capital Plan

Within 12 months of the effective date of this Chapter, and annually thereafter, the City shall adopt and publish a rolling five-year capital improvement plan for projects funded by this Chapter.

The plan shall identify planned projects, estimated costs, funding sources, and anticipated timelines. The plan shall include the projects required by this Chapter until those projects are completed.

(2) Annual Reporting and Public Transparency

The City shall maintain an accessible online dashboard or similar public-facing platform that provides ongoing tracking of projects and expenditures under this Chapter. The dashboard shall be updated no less than quarterly.

The City shall also prepare and publish an annual report regarding revenues and expenditures under this Chapter. The annual report shall be made publicly available, accessible and presented at a public meeting.

The Citizen Oversight Committee shall recommend performance metrics and reporting standards for inclusion in the annual report and online dashboard. The City shall consider such recommendations and incorporate them to the extent feasible and consistent with this Chapter.

The annual report and online dashboard shall include, at a minimum:

- projects completed, in progress, and planned;
- annual and cumulative revenues, and expenditures of tax revenues;
- updated project schedules, including anticipated start and completion dates;
- project-level information, including scope, status, and estimated and actual costs, where available; and
- progress toward the goals and requirements identified in this Chapter.

If the City does not incorporate recommended metrics or reporting standards from the Citizen Oversight Committee, the City shall provide a written explanation at a public meeting.

(3) Priority Project Advancement

The City shall commence planning, design, permitting, and construction activities for all Priority Projects identified under this Chapter within the applicable implementation timelines set forth herein.

Administrative discretion, competing project preferences, or internal prioritization practices shall not excuse noncompliance with this Section.

If the City fails to commence such activities within the required timelines, the City Council shall, at a public meeting, adopt written findings explaining the reasons for delay and approve a revised implementation schedule.

(4) Corrective Action

If the annual report demonstrates that implementation of projects funded under this Chapter is materially behind the adopted five-year plan, the City Council shall, within 120 days, adopt a corrective action plan to address delays and restore progress.

2-22-300 Tax Authorized; Rates; Inflation Adjustment; Allocation

(a) Authorization of Tax

The City Council is hereby authorized to impose a special tax in accordance with this Chapter.

(b) Tax Rates

(1) Residential Rate

For improved parcels permitted for residential use, including single-family residences, condominiums, and multifamily dwellings with four or fewer units, the tax shall be imposed at a rate of \$0.018 per square foot of parcel area.

(2) Multifamily Rate

For improved parcels containing five or more residential units, the tax shall be imposed at a rate of \$0.036 per square foot of parcel area.

(3) Commercial, Industrial, and Other Rate

For improved parcels permitted for commercial, industrial, or other non-residential uses, the tax shall be imposed at a rate of \$0.054 per square foot of parcel area.

(c) Inflation Adjustment

Beginning in the first fiscal year following adoption, the City Council may, but is not required to, annually increase the tax rate by an amount not to exceed the annual change in the Consumer Price Index (CPI) for the San Francisco Bay Area, or a comparable index if CPI is no longer available.

(d) Allocation of Revenues

Revenues generated by this Chapter shall be allocated as follows:

- 55-60% for streets and transportation corridors, including repair of neighborhood streets, major corridors, and critical access and evacuation routes;
- 25-30% for emergency response infrastructure, including fire station seismic upgrades and modernization; and
- 15-20% for hazard mitigation, infrastructure reliability, and community facilities, including parks, community centers, and other public facilities.

(e) Bond Authority and Debt Limitations

The City is authorized to issue bonds or other forms of indebtedness payable from revenues generated by this Chapter to finance the timely completion of projects authorized herein. Any such bonds or debt instruments shall comply with the following requirements:

(1) Term to Maturity

Bonds or debt instruments shall have a term to maturity not exceeding twenty-five (25) years and shall not exceed the reasonably estimated useful life of the financed projects, as determined in accordance with applicable law and standard municipal finance practices.

The City shall not structure any financing in a manner that extends repayment beyond the useful life of the financed assets.

(2) Interest Rate

Bonds or debt instruments shall be issued at interest rates consistent with prevailing market conditions and prudent municipal finance practices, and in no event shall the interest rate exceed seven percent (7.0%), unless approved by a two-thirds vote of the City Council at a public meeting supported by written findings that higher rates are necessary due to prevailing market conditions.

(3) Fixed Interest Rate Requirement

Bonds or debt instruments shall bear interest at fixed rates and shall not include variable-rate or floating-rate obligations.

(4) Principal Limitation

The total amount of payments required to retire the debt issued under this Chapter shall not exceed the total revenues authorized to be generated by this Chapter.

(5) Debt Service Limitation

The aggregate debt service on bonds or debt instruments issued under this Chapter shall not exceed two and one-half (2.5) times the original principal amount, unless approved by a two-thirds vote of the City Council at a public meeting supported by written findings that exceeding this limitation is necessary due to prevailing market conditions, that no feasible financing structure is reasonably available that would comply with this limitation, and that such action is in the best interest of taxpayers.

(6) Callability

Any bonds or debt instruments issued under this Chapter shall be callable, in whole or in part, at the option of the City prior to maturity, on terms consistent with prevailing municipal finance practices and structured to allow refinancing or early repayment when financially advantageous to the City.

(7) Use of Proceeds

Proceeds from any bonds or debt instruments issued under this Chapter shall be used solely for the purposes authorized by this Chapter and shall comply with all applicable provisions of California law.

(8) Active Debt Management and Reduction

The City shall structure and manage any bonds or debt instruments issued under this Chapter to optimize the value of total debt service.

To the extent legally permissible, the City shall apply excess revenues, cost savings from reduced project scope, or other available funds to redeem, defease, or otherwise reduce outstanding indebtedness when such actions would reduce total repayment obligations.

The City shall give priority to reducing outstanding indebtedness before expanding project scope or increasing expenditures, unless such expansion is necessary to fulfill the purposes of this Chapter.

(9) Financing Strategy

Before issuing external debt under this Chapter, the City shall evaluate whether legally available internal financing or other lower-cost funding alternatives would be financially advantageous to taxpayers.

Any internal financing used under this Chapter shall comply with the City’s adopted interfund lending policies, if any, or be approved by the City Council at a public meeting in a manner consistent with prudent municipal finance practices.

When excess revenues, cost savings, or other funds are available to reduce outstanding indebtedness, the City shall consider repayment options and give priority to those that provide the greatest financial benefit to taxpayers, consistent with financing terms and prudent municipal finance practices.

2-22-400 Duration and Renewal – City Funding Required

(a) Duration

The tax authorized by this Chapter shall remain in effect for twenty-five (25) years from the effective date of this Chapter, unless extended by approval of the voters.

(b) Maintenance of Effort

Beginning with fiscal year 2028 (July 1, 2027 to June 30, 2028), the City must spend at least \$5 million for street maintenance out of the general fund each year.

This amount is distinct and separate from expenditures funded through non-general fund sources, such as expenditures from the Measure BB fund.

This \$5 million expenditure shall increase each subsequent fiscal year by the Consumer Price Index. Should the Consumer Price Index fail to exist, a published measure suitable for measuring maintenance cost inflation shall be used.

This required amount of inflation-adjusted spending from the general fund for street maintenance shall be known as the “Minimum Independent Spend.”

(c) Failure to Maintain Effort

If the City fails to spend the Minimum Independent Spend in a given fiscal year, then the City shall not be authorized to impose the special tax for the subsequent two fiscal years.

(d) Public Reporting

For each fiscal year in which the tax authorized by this Chapter is levied, the City shall report annually, at a public meeting of the City Council and in the City’s audited financial statements:

1. the required Minimum Independent Spend for that fiscal year;
2. the total amount of actual general fund expenditures paid during that fiscal year for street maintenance and transportation corridor improvements from sources other than revenues generated by this Chapter;
3. a clear statement indicating whether the Minimum Independent Spend requirement has been satisfied for that fiscal year; and

4. the reported expenditures shall reflect actual payments made during the fiscal year and shall not include amounts that are budgeted, appropriated, encumbered, allocated, or otherwise committed but not paid.

(e) Emergency Exception

The maintenance-of-effort requirement shall not apply during any fiscal year in which the City is subject to a state or federal declaration of emergency.

The City may invoke this exception through a City Council resolution, approved by a two-thirds vote, finding that compliance with the maintenance-of-effort requirement is infeasible due to the emergency.

2-22-500 Citizen Oversight Committee

(a) Introduction

The City Council shall establish a Citizen Oversight Committee (“Committee”) to review expenditures of revenues generated by this Chapter and to provide public reports regarding whether funds are used consistent with the purposes and requirements of this Chapter.

(b) Composition and Appointments

1. The Committee shall consist of members appointed by the City Council. Each Councilmember shall appoint one member, who shall reside within the Councilmember’s district at the time of appointment.
2. One at-large member shall be appointed by the Mayor.
3. Members shall not be elected officials, City employees, or contractors of the City.
4. Members shall be residents of the City and shall have demonstrated interest, experience, or expertise relevant to the purposes of this Chapter, including but not limited to public finance, infrastructure, construction, engineering, community engagement, or related fields. Appointments shall be made in a manner consistent with applicable nondiscrimination laws.
5. Members shall serve terms of two (2) years, with no restrictions on reappointments. To ensure continuity, approximately one-half of the initial appointments shall serve an initial term of three (3) years, as determined by the City Council, after which all subsequent terms shall be two (2) years.
6. Vacancies shall be filled by the appointing Councilmember within sixty (60) days and shall be for the remainder of the unexpired term.
7. Initial appointments to the Committee shall be made within sixty (60) days of the effective date of this Chapter.
8. The Committee shall annually select a chair from its members.
9. Members shall perform their duties in good faith and in a manner consistent with the purposes of this Chapter.

(c) Committee Operations

1. The Committee shall meet at least four times each year and may meet more frequently as necessary.
2. All meetings of the Committee shall be conducted in accordance with the Brown Act (California Government Code Section 54950 et seq.) and all other applicable open meeting laws.
3. The Committee shall establish regular meeting times and may adopt rules and procedures for the conduct of its business consistent with this Chapter and applicable law.
4. Members are expected to attend and actively participate in Committee meetings. A member who is absent from three (3) consecutive regular meetings, or from a majority of regular meetings within a twelve (12) month period, without good cause, may be subject to removal by the City Council.
5. Members shall perform their duties in good faith and in a manner consistent with the purposes of this Chapter. A member may be removed by the City Council for cause, including failure to meet attendance expectations, violation of applicable laws or policies, or conduct that materially interferes with the member's ability to perform the duties of the Committee.
6. A majority of appointed members shall constitute a quorum for the transaction of business.

(d) City's Role

1. The City Manager shall designate a staff person to assist the Committee and serve as its staff liaison.
2. The City shall provide administrative and technical support to the Citizen Oversight Committee as necessary to carry out its duties under this Chapter.
3. The independent project manager shall serve in an advisory capacity to the Committee and shall regularly attend Committee meetings to provide updates, technical information, and respond to questions regarding projects funded under this Chapter.
4. If the independent project manager is unable to attend a meeting, the City shall designate a qualified representative to attend in their place.
5. The City shall provide the Committee and the City Council with an annual summary of revenues collected and expenditures made pursuant to this Chapter.
6. The City shall annually report a detailed breakdown of administrative and project delivery expenditures made pursuant to this Chapter, including staffing, contracts, and consulting costs, in a format that allows comparison to prior years.
7. The City shall provide the Committee with timely and reasonable access to financial records, project information, and other documents necessary to carry out its duties, and shall provide reasonable staff assistance to support the Committee's work.

8. The City must retain an independent financial auditor who shall offer an attestation report similar to reports currently offered to the City by its independent financial auditor for other restricted funds. The auditor's work must test whether the revenues and expenditures comply with the requirements of this Chapter. The auditor shall meet with the Committee and consider input from the Committee when preparing the auditor's report.

(e) Committee Activities

1. The Committee may provide recommendations to the City Council regarding implementation of projects funded under this Chapter.
2. The Committee shall review whether expenditures comply with the purposes and prioritization requirements of this Chapter.
3. The Committee shall review administrative and project delivery expenditures and may issue public recommendations regarding cost efficiency and program implementation.
4. In addition to work performed by the independent financial auditor, the Committee shall prepare and publish at least one public report each year summarizing revenues received, expenditures made, and whether such expenditures comply with this Chapter. The report shall be presented at a regular meeting of the City Council as an agenda item in a manner consistent with staff reports.

2-22-600 Definitions

For purposes of this Chapter, the following terms shall have the meanings set forth below:

(a) Chapter

“Chapter” means Chapter 2-22 of the San Leandro Municipal Code, as adopted by the voters.

(b) City

“City” means the City of San Leandro.

(c) Special Tax

“Special Tax” means the parcel tax authorized by this Chapter.

(d) Parcel

“Parcel” means a unit of real property shown on the most current official assessment roll of the Alameda County Assessor.

(e) Improved Parcel

“Improved Parcel” means any parcel of real property that has been developed with one or more structures intended for residential, commercial, industrial, or other use.

(f) Square Footage

“Square Footage” means the total parcel area, expressed in square feet, as reflected on the records of the Alameda County Assessor.

(g) Special Fund

“Special Fund” means the fund or account into which all revenues generated by the Special Tax shall be deposited and maintained, and from which expenditures shall be made exclusively for the purposes set forth in this Chapter.

(h) Infrastructure Improvements

“Infrastructure Improvements” means the repair, rehabilitation, reconstruction, replacement, or improvement of public infrastructure, including but not limited to streets, transportation corridors, emergency response facilities, flood protection systems, parks, and community facilities, as authorized by this Chapter.

(i) Transportation Corridors

“Transportation Corridors” means public streets, roadways, and routes used for vehicular, pedestrian, bicycle, or emergency access, including neighborhood streets, major corridors, and evacuation routes.

(j) Emergency Response Infrastructure

“Emergency Response Infrastructure” means facilities, systems, and related improvements necessary to support fire protection, emergency response, disaster preparedness, and public safety operations, including fire stations and associated facilities.

(k) Independent Project Manager

“Independent Project Manager” means a qualified construction management firm retained by the City that is not a City employee, elected official, or member of the City Council, and that does not have a direct financial interest in, or common control with, any contractor or subcontractor performing work funded under this Chapter.

(l) Citizen Oversight Committee

“Citizen Oversight Committee” means the committee established pursuant to this Chapter to review expenditures of Special Tax revenues and report to the public on compliance with the requirements and purposes of this Chapter.

(m) Maintenance of Effort

“Maintenance of Effort” means the requirement that revenues generated by this Chapter shall supplement, and not replace, existing City funding for infrastructure maintenance and improvements, as further described in this Chapter.

(n) Bond or Indebtedness

“Bond” or “Indebtedness” means any bond, note, lease, or other financing instrument issued or incurred by the City and payable from revenues generated by the Special Tax.

(o) Non-Operational or Restricted Infrastructure

“Non-Operational or Restricted Infrastructure” means infrastructure that is closed, partially closed, or limited in use due to safety, structural, environmental, or regulatory conditions.

(p) Priority Projects

“Priority Projects” means projects authorized and identified under this Chapter pursuant to the prioritization criteria set forth in this Chapter, including projects addressing non-operational infrastructure, safety risks, and emergency access needs.

(q) Pavement Condition Index (PCI)

“Pavement Condition Index (PCI)” means a numerical rating of roadway pavement condition, typically on a scale from 0 to 100, as determined using industry standards and methodologies, including those used by the Metropolitan Transportation Commission or any successor agency.

(r) Minimum Independent Spend

“Minimum Independent Spend” means the minimum annual amount of actual general fund expenditures for street maintenance and transportation corridor improvements, beginning at \$5,000,000 in fiscal year 2028 and adjusted annually for inflation.

(s) Shall

The word “shall” imposes a requirement or required action.

2-22-700 Exemptions

(a) General Exemptions

The tax authorized by this Chapter shall not apply to parcels or improvements that are exempt from taxation by the City pursuant to the Constitution or laws of the United States or the State of California.

(b) Low-Income Senior Exemption

The City shall provide exemptions from the tax authorized by this Chapter for parcels owned by qualifying low-income seniors, as defined by resolution of the City Council.

The resolution must at least require that the low-income senior requesting the exemption:

1. own the parcel;
2. live at the parcel; and
3. utilize the parcel as their permanent residence.

The City may adopt procedures and criteria necessary to administer such exemptions.

2-22-800 Administration

(a) Duties and Authority of the City Manager

The City Manager or designee may adopt procedures and regulations necessary to implement and administer the provisions of this Chapter.

(b) Collection, Lien, and Enforcement

The special tax imposed by this Chapter shall be levied, billed, and collected in the same manner, on the same dates, and subject to the same penalties, interest, and procedures for delinquency as other charges and taxes fixed and collected by the County of Alameda on behalf of the City of San Leandro, as permitted by law.

The special tax, together with any penalties and interest thereon, shall constitute a lien upon the parcel upon which it is levied until paid.

Any tax, penalty, or interest imposed under this Chapter may be collected by any lawful means available to the City.

(c) Additional Remedies

Any tax, penalty, or interest imposed under this Chapter shall constitute a debt owed to the City. The City may pursue any remedies authorized by law to recover amounts due under this Chapter.

(d) Sunset

The tax authorized by this Chapter shall terminate twenty-five (25) years from its effective date.

(e) Refunds

Any tax, penalty, or interest collected under this Chapter that has been paid more than once or has been erroneously or illegally collected may be refunded in accordance with applicable provisions of the San Leandro Municipal Code and other applicable law.

(f) Savings Clause – Severability

If any provision of this Chapter, or the application of any provision to any person or circumstance, is held invalid or unconstitutional, the remaining provisions of this Chapter shall remain in full force and effect.

It is the intent of the voters that this Chapter would have been adopted even if such invalid provision had not been included.

(g) Violation – Penalty

Any person who fails to perform any duty or obligation imposed by this Chapter shall be guilty of an infraction as set forth in Chapter 1.20 of the San Leandro Municipal Code.

The penalties provided in this section are in addition to the several remedies provided in this Chapter.

Section 4. Increase Appropriations Limit

Pursuant to Article XIII B of the California Constitution, the appropriations limit of the City of San Leandro shall be increased by the amount of revenues generated by the tax authorized by this measure for each year the tax is in effect.

Section 5. Effective Date

The tax imposed by this Chapter shall be operative on January 1, 2027.

Section 6. Amendment

The City Council may amend this Chapter without voter approval to clarify, implement, or administer its provisions, provided that no such amendment shall:

1. increase the tax authorized by this Chapter;
2. expand or remove the permissible uses of revenues generated by this Chapter; or
3. extend the duration of the tax authorized by this Chapter.

Any amendment inconsistent with these limitations shall require approval by the voters.

The City Council may make non-substantive or technical amendments to this Chapter, including amendments necessary to clarify language, correct errors, or ensure consistency with applicable law.

Section 7. Interpretation

The provisions of this Ordinance shall be liberally construed to effectuate its purposes.

Section 8. California Environmental Quality Act (CEQA)

Adoption of this Ordinance is exempt from the California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq., including without limitation Public Resources Code section 21065 and CEQA Guidelines sections 15378(b)(3) and 15378(b)(4), because this Ordinance establishes a funding mechanism and does not commit the City to any specific project.

Any projects funded pursuant to this Ordinance shall be subject to environmental review as required by CEQA prior to approval or implementation.

Section 9. Special Tax; Majority Vote Requirement

This Ordinance imposes a special tax for restricted purposes and is being placed on the ballot by an initiative petition.

This Ordinance shall take effect only if approved by a majority of the voters voting on the measure.