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OAKLAND

2018 NOV 15 AM 9:38

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Director of Finance

SUBJECT: Delinquent Real Property Transfer
Taxes

DATE: November 5, 2018

City Administrator Approval

Date:

11/15/18

RECOMMENDATION

Staff Recommends That The City Council:

Adopt a Resolution Accepting and Confirming Reports of the City Administrator on the Costs Incurred by the City of Oakland for Delinquent Real Property Transfer Taxes and Confirming the Recordation of Liens with Administrative and Assessment Charges as Necessary Pursuant to Chapter 4.20 of the Oakland Municipal Code, and Directing the Notice of Lien and Assessment Charges be Turned Over to the County Tax Collector for Collection (Option 1); or

Adopt a Resolution Continuing Hearing Of The Reports Of The City Administrator On Delinquent Real Property Transfer Taxes And The Recordation Of Liens With Administrative And Assessment Charges As Necessary Pursuant To Chapter 4.20 Of The Oakland Municipal Code (Option 2); or

Adopt a Resolution Overruling Protests And Objections And Accepting And Confirming Reports Of The City Administrator On The Costs Incurred By The City Of Oakland For Delinquent Real Property Transfer Taxes And Authorizing The Recordation Of Liens With Administrative And Assessment Charges As Necessary Pursuant To Chapter 4.20 Of The Oakland Municipal Code, And Directing The Notice Of Lien And Assessment Charges Be Turned Over To The County Tax Collector For Collection (Option 3).

EXECUTIVE SUMMARY

Staff Recommends Option 1.

Adopt a Resolution Accepting and Confirming Reports of the City Administrator on the Costs Incurred by the City of Oakland for Delinquent Real Property Transfer Taxes (RPTT) and Confirming the Recordation of Liens with Administrative and Assessment Charges as Necessary Pursuant to Chapter 4.20 of the Oakland Municipal Code, and Directing the Notice of Lien and Assessment Charges be turned over to the County Tax Collector for Collection.

Item: _____
City Council
November 27, 2018

Adoption of the recommended Resolution (**Option 1**) will authorize the placement of liens on real property for unpaid RPTT and authorize the subsequent assessment, pursuant to Chapter 4.20 of the Oakland Municipal Code (O.M.C.), should the fees and charges remain unpaid prior to the transfer/recording of said special assessment levies to the Tax Collector and Auditor Controller for inclusion on the next property tax roll. All fees, charges and due dates are detailed on taxpayer notices and City Council Hearing notices. The proposed resolution has been prepared confirming the placement of liens on 23 properties and authorizing the subsequent assessment for all fees and charges for the period of March 2018 through July 2018, shown in **Attachment A**.

BACKGROUND / LEGISLATIVE HISTORY

Pursuant to O.M.C, Chapter 4, Article 20, all transfers of real property within the city limits of Oakland are subject to the real property transfer tax. The tax is due upon transfer of an interest of real property and is payable at the time of recordation with the Alameda County Recorder. The tax rate is 1.50 percent of the total value of the consideration transferred, with some exceptions provided by statute. The seller and buyer are jointly and severally liable for payment of the tax as stated in Chapter 4.20 of the Oakland Municipal Code (O.M.C.).

ANALYSIS AND POLICY ALTERNATIVES

Property owners subject to the recordation of a lien for delinquent RPTT were sent a City Council Lien notice on November 5, 2018.

Administrative hearings for delinquent real property transfer taxes were held on May 7, 2018, August 13, 2018, September 17, 2018, and October 1, 2018 to hear protests and resolve inconsistencies or inequities raised by property owners regarding the non-payment of real property transfer taxes. A resolution has been prepared confirming the placement of liens on 23 properties and authorizing the subsequent assessment for all fees and charges.

Following the administrative hearings, the Finance Director filed with the City Administrator a written notice of those property owners on whom the City will file liens for unpaid taxes, penalties, interest, and other charges. If these amounts remain unpaid or unresolved after a public hearing by the City Council, the City Council shall authorize by resolution the recordation of liens on the subject properties for costs incurred for delinquent real property transfer taxes, and additional administrative charges and assessments. The delinquent charges and assessments shall constitute a special assessment against said property, and shall be collected at the time established by the County Assessor for inclusion in the next property tax assessment.

FISCAL IMPACT

A list of delinquent real property transfer taxes and administrative fees for the accounts not resolved at the administrative hearings is shown in **Attachment A**. Failure to place these liens will result in the loss of \$182,301 in General Purpose Fund revenues and \$2,875 in administrative fees, for a total of \$185,176 over the period of March 2018 through July 2018.

PUBLIC OUTREACH / INTEREST

Property owners were notified and administrative hearings for delinquent RPTT were held on May 7, 2018, August 13, 2018, September 17, 2018, and October 1, 2018, to hear protests and resolve any inconsistencies or inequities raised by property owners regarding the non-payment of RPTT. Property owners subject to the recordation of a lien for delinquent RPTT were sent a Council Lien notice on November 5, 2018.

COORDINATION

In coordination with the Office of the City Attorney and the Budget Bureau, the agenda report, resolutions, and supporting items attached to this report have been reviewed and/or approved for form, legality and fiscal implications.

SUSTAINABLE OPPORTUNITIES

Economic: Collections of delinquent real property transfer taxes have major economic implications for the City's sustainability. The revenue source is relied upon to fund essential City services.

Environmental: There are no environmental opportunities resulting from the recordation of liens.

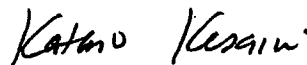
Social Equity: Collections of delinquent real property transfer taxes have significant social equity implications for the City's sustainability. The revenue source is relied upon to fund essential City services to all citizens and taxpayers.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that the City Council Conduct a Public Hearing and upon Conclusion Adopt a Resolution Accepting and Confirming Reports of the City Administrator on the Costs Incurred by the City of Oakland for Delinquent Real Property Transfer Taxes and Confirming the Recordation of Liens with Administrative and Assessment Charges as Necessary Pursuant to Chapter 4.20 of the Oakland Municipal Code, and Directing the Notice of Lien and Assessment Charges be Turned Over to the County Tax Collector for Collection (**Option 1**).

For questions regarding this report, please contact MARGARET O'BRIEN, REVENUE & TAX ADMINISTRATOR at (510) 238-7480.

Respectfully submitted,



KATANO KASAINÉ
Director of Finance

Reviewed by:
Margaret O'Brien, Revenue & Tax Administrator
Revenue Management Bureau

Prepared by:
Carmen Q. Mac, Acting Revenue Audit
Supervisor
Revenue Management Bureau

*Attachment (A):
A: R.P.T.T City Council Hearing Listing*

CITY OF OAKLAND									
R.P.T.T. CITY COUNCIL HEARING LISTING FOR 11/27/18									
Ref	DEBTOR NAME	PROPERTY ADDRESS	PARCEL #	Recording #	Invoice	AMOUNT	Admn. Fee	Total	
1	Lucca Group, LLC	4299 Broadway	012-1002-006-01	2017010408	RPTT030718-05	\$4,737.76	\$125	\$4,863	
2	Ching Fung Tsui	1637 40th Ave	033-2139-007-02	2017024291	RPTT030718-28	\$11,437.50	\$125	\$11,563	
3	Greenridge Condos LLC	8063-8065-8067-8069 Greenridge	040A-3457-083(84)(85)	2017004661	RPTT030718-29	\$40,488.75	\$125	\$40,614	
4	Annie Mae Payne	9311 Coral Rd	044-5063-011-00	2017053482	RPTT061318-20	\$3,851.57	\$125	\$3,977	
5	Lovelyn D. Patangui	2393 107th Ave	047-5572-011-00	2017060872	RPTT061318-37	\$4,573.98	\$125	\$4,699	
6	5914 International, LLC	5914 International Blvd	038-3220-018-00	2017094868	RPTT071618-01	\$7,541.63	\$125	\$7,667	
7	Chan Chiang Saetern	2107 Rosedale Ave	032-2094-009-00	2017087146	RPTT071618-05	\$3,481.51	\$125	\$3,607	
8	Stanley Hicks and Beverly Hicks	2700 73rd Ave	040-3400-018-00	2017084738	RPTT071618-06	\$2,769.87	\$125	\$2,895	
9	Sandy P. Alegria Ceron, Edgar A. Subuyuy, Ana H	2261 35th Ave	027-0876-004-00	2017084644	RPTT071618-07	\$9,627.40	\$125	\$9,752	
10	Michelle Vasey	81 Graeagle	048-6435-002-00	2017092873	RPTT071618-16	\$16,734.38	\$125	\$16,859	
11	Eric Lynn Love and Francine Love	674 53rd Street	014-1214-021-00	2017086956	RPTT071618-17	\$7,697.81	\$125	\$7,823	
12	Jenny Pham	1507 E 15th Street	020-0144-001-01	2017081093	RPTT071618-22	\$7,628.64	\$125	\$7,754	
13	Roberto Prado	7529 Ney Avenue	040A-3409-002-00	2017092794	RPTT071618-26	\$9,817.50	\$125	\$9,943	
14	Karina Guadalupe Chavarria Sanchez	2621 75th Ave	040-3398-021-00	2017116424	RPTT073018-01	\$598.59	\$125	\$724	
15	Tao Trung Nghiem	2520 E 24th St	026-0784-040-00	2017110804	RPTT073018-03	\$8,055.27	\$125	\$8,180	
16	Victor Kuen Fong & Maria Pilar Fong-Pedro	6560 Swainland Road	048H-7563-064-00	2017100086	RPTT073018-18	\$10,773.48	\$125	\$10,898	
17	Srinivas Anne	6456 Oakwood Dr	048F-7375-015-00	2017115860	RPTT073018-19	\$4,196.60	\$125	\$4,322	
18	RLIU Property LLC	9306 A St	045-5245-001-01	2017113047	RPTT073018-20	\$1,699.82	\$125	\$1,825	
19	RLIU Property LLC	804 Apple St	044-4966-018-00	2017113046	RPTT073018-21	\$2,907.00	\$125	\$3,032	
20	Hon Wing Lau	1251 76th Ave	041-4193-004-00	2017105010	RPTT073018-24	\$5,956.87	\$125	\$6,082	
21	Ramona Ann Chambers	1309 100th Ave	044-4972-014-00	2017101693	RPTT073018-26	\$9,071.25	\$125	\$9,196	
22	Tabitha Allene Jones	1802 13th Ave	021-0239-013-00	2017102525	RPTT073018-31	\$357.41	\$125	\$482	
23	Stanley Hicks and Beverly Hicks	1737-1739 84th Ave	043-4559-008-00	2017112445	RPTT073018-33	\$8,296.88	\$125	\$8,422	
24									
38									
39		**Interest calculated through November 2018					\$ 182,301	\$ 2,875	\$ 185,176

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

[Signature]
City Attorney

2018 NOV 15 AM 9:38

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION ACCEPTING AND CONFIRMING REPORTS OF THE CITY ADMINISTRATOR ON THE COSTS INCURRED BY THE CITY OF OAKLAND FOR DELINQUENT REAL PROPERTY TRANSFER TAXES AND CONFIRMING THE RECORDATION OF LIENS WITH ADMINISTRATIVE AND ASSESSMENT CHARGES AS NECESSARY PURSUANT TO CHAPTER 4.20 OF THE OAKLAND MUNICIPAL CODE, AND DIRECTING THE NOTICE OF LIEN AND ASSESSMENT CHARGES BE TURNED OVER TO THE COUNTY TAX COLLECTOR FOR COLLECTION

WHEREAS, pursuant to Chapter 4.20, of the Oakland Municipal Code, the City Administrator filed with the City Clerk the reports concerning the costs incurred for delinquent real property transfer taxes and recordation of liens with added administrative charges and assessment charges on hereinafter described real property; and

WHEREAS, the date of **November 27, 2018** and the time **6:30 p.m.**, was fixed as the day and hour for the Council to hear and accept said reports, together with any objections or protests which may be raised by any of the property owners liable to be assessed for costs incurred for delinquent real property transfer taxes, and any other interested persons; and

WHEREAS, no protest were made at said hearing; now, therefore be it

RESOLVED: That the reports that the City Administrator filed with the City Clerk on **November 27, 2018**, concerning delinquent real property transfer taxes, the recordation of liens with administrative charges for the real property described therein be and are hereby accepted and confirmed, and assessments are hereby authorized to be levied upon the hereinafter described properties in the amount set opposite each description for costs incurred for delinquent real property transfer taxes, added administrative charges and assessment charges; and be it

FURTHER RESOLVED: That attached hereto and incorporated herein is *Attachment A*, which includes a listing of all properties subject to the special assessment levy by the County Assessor; and be it

FURTHER RESOLVED: That if said assessment therein levied is not paid before the 10th day of August 2019, the City Administrator shall present an itemized report to the Auditor Controller of the County of Alameda, State of California, to be placed on the 2019-2020 County Tax Roll.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California