



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2019 JUN -6 PM 2:59

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Director of Finance

SUBJECT: Delinquent Real Property Transfer
Taxes

DATE: May 24, 2019

City Administrator Approval

Date:

6/4/19

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 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 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 adoption of the proposed Resolution (**Option 1**) which will authorize the placement of liens on real property for unpaid Real Property Transfer Taxes (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 Alameda County 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 17 properties, and authorizing the subsequent assessment for all fees and charges for the period of December 2018 through March 2019, shown in **Attachment 1**. The resolution and attachment includes one property from March 2018 which is being included in this resolution due to the resolution of a pending appeal.

Item: _____
City Council
June 18, 2019

BACKGROUND / LEGISLATIVE HISTORY

Pursuant to O.M.C. Chapter 4.20, all transfers of real property within the city limits of Oakland are subject to the real property transfer tax. The tax is due upon sale or transfer of an interest of real property and is payable at the time of recordation with the Alameda County Recorder. For the period March 2018 through March 2019, the tax rate is 1.50 percent of the total value of the consideration transferred, with some exceptions as provided in the OMC. The seller and buyer are jointly and severally liable for payment of the tax as stated in Chapter 4.20 of the 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 May 28, 2019.

Administrative hearings for delinquent real property transfer taxes were held on May 7, 2018, February 4, 2019, March 4, 2019, and May 6, 2019 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 17 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 against 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 at least \$118,719.05 in General Purpose Fund revenues and \$2,125.00 in administrative fees, for a total of \$120,844.05 over the period of December 2018 through March 2019 (plus one additional property in March 2018), subject to ongoing Revenue Management Bureau actions.

PUBLIC OUTREACH / INTEREST

Property owners were notified and administrative hearings for delinquent RPTT were held on May 7, 2018, February 4, 2019, March 4, 2019, and May 6, 2019 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 May 28, 2019.

COORDINATION

In coordination with the Budget Bureau, the agenda report, resolutions, and supporting items attached to this report have been reviewed and/or approved for 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 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 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, Tax Auditor III
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 6/18/2019								
Ref	DEBTOR NAME	PROPERTY ADDRESS	PARCEL #	RECORDING #	INVOICE NUMBER	AMOUNT	ADMIN FEE	TOTAL
1	Ching Fung Tsui	1637 40th Ave	033-2139-007-02	2017024291	RPTT030718-28	\$12,187.50	\$125.00	\$12,312.50
2	Devon Hanley	6800 Paso Robles Dr	048E-7347-036-00	2017177235	RPTT110718-07	\$2,199.89	\$125.00	\$2,324.89
3	Jose A Bermudez, Alexandro H Bermudez	1212-1214 51st Ave	034-2273-032-00	2017193030	RPTT120618-01	\$3,243.17	\$125.00	\$3,368.17
4	Vdavis Capital Group Inc	5401 Genoa St	014-1196-004-01	2017209737	RPTT120618-13	\$27,221.25	\$125.00	\$27,346.25
5	Stella L Fields and Arnold E Fields	2005 Crosby Ave	032-2116-004-00	2017195771	RPTT120618-14	\$2,828.39	\$125.00	\$2,953.39
6	Stella L Fields	2230 23rd Ave	026-0757-014-00	2017195772	RPTT120618-15	\$3,683.96	\$125.00	\$3,808.96
7	Stella L Fields	4700 Macarthur Blvd	030-1976-009-00	2017195773	RPTT120618-16	\$3,210.00	\$125.00	\$3,335.00
8	James Patrick Dailey	1 East Cir	048E-7325-076-02	2017196772	RPTT120618-18	\$1,808.53	\$125.00	\$1,933.53
9	Proof Positive Property Investment and Management LLC	4056 and 4058 Edwards Ave	040A-3441-001-04 040A-3441-036-04	2017197444	RPTT120618-19	\$4,607.48	\$125.00	\$4,732.48
10	Nicolas Daniel Jimenez	1639 86th Ave	043-4554-007-00	2017199676	RPTT120618-20	\$7,657.73	\$125.00	\$7,782.73
11	Patrick Lemucchi	2480 Seminary Ave	038-3203-018-00	2017228003	RPTT010219-06	\$9,982.50	\$125.00	\$10,107.50
12	David Lawver	2230 57th Ave	038-3241-002-00	2017217715	RPTT010219-12	\$9,528.75	\$125.00	\$9,653.75
13	Geoffrey Mathew Hayden	2636 38th Ave	032-2063-023-02	2017227281	RPTT010219-15	\$11,343.75	\$125.00	\$11,468.75
14	La Christa's Café, LLC	1564 Bridge Ave	033-2135-023-00	2017247834	RPTT030519-01	\$8,235.00	\$125.00	\$8,360.00
15	Maryline Pavlic	9835 Burr Street	048-5606-010-00	2017212786	RPTT030719-01	\$2,287.50	\$125.00	\$2,412.50
16	Catherine Colman	758 54th Strett	014-1208-015-01	2017203182	RPTT030719-04	\$7,451.70	\$125.00	\$7,576.70
17	Monica Prince and Rhonda Ainsworth	2565 Durant Ave	047-5585-006-00	2017213815	RPTT030719-06	\$1,241.96	\$125.00	\$1,366.96
		**Interest calculated through June 2019				\$118,719.05	\$2,125.00	\$120,844.05

2019 JUN -6 PM 2: 59

OAKLAND CITY COUNCIL

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 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

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 **June 18, 2019** 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 **June 18, 2019** concerning delinquent real property transfer taxes, and 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,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND
PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California