



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Finance Department

SUBJECT: Oakland GO Bonds, Series 2025
(Measures DD, U and Ref 2015A)

DATE: July 1, 2025

City Administrator Approval


Jestin Johnson (Jul 1 2025 17:11 PDT)

Date: Jul 1, 2025

RECOMMENDATION

Staff Recommends That The City Council Adopt An Ordinance Providing For The Borrowing Of Funds And The Issuance And Sale Of General Obligation Bonds In An Amount Not To Exceed \$300,000,000; Authorizing The Issuance And Sale Of Not To Exceed \$55,000,000 Aggregate Principal Amount Of City Of Oakland General Obligation Refunding Bonds; And Approving Certain Related Matters.

EXECUTIVE SUMMARY

Adoption of the proposed ordinance will authorize the issuance and sale of one or more series of general obligation bonds (the "Bonds"), which may be taxable or tax exempt and have one or more maturities, per the Oakland Trust for Clean Water and Safe Parks Bond Ordinance, which was approved by more than two-thirds of the qualified voters of the City at the November 5, 2002 General Election ("Measure DD"); the 2022 Affordable Housing and Infrastructure Bond Ordinance, which was approved by the voters of the City of Oakland at the November 8, 2022 General Election ("Measure U"); and the City of Oakland Affordable Housing and Infrastructure Bond Law Oakland Municipal Code Chapter 4.54 (the "Bond Act"). The Bonds shall be issued in an aggregate principal amount not to exceed \$300,000,000.

In addition, the proposed ordinance authorizes the issuance of one or more series of the City of Oakland General Obligation Refunding Bonds, Series 2025 (the "Refunding Bonds") in an aggregate principal amount of not to exceed \$55,000,000 for the purpose of refunding all or portion of the City of Oakland General Obligation Refunding Bonds, Series 2015A (the "Prior Bonds").

[Pursuant to Section 219 of the Charter of the City](#), an ordinance is required to authorize the borrowing of money. The ordinance requires that the specific agreements relating to the sale and issuance of the Bonds and Refunding Bonds shall be approved by resolution. The terms and provisions of the Bonds and Refunding Bonds, the sale of the Bonds and Refunding Bonds, and the forms of agreements relating to the Bonds and Refunding Bonds, including but not limited to forms of a, bond purchase agreement, fiscal agent agreement, continuing disclosure certificate, preliminary official statement or other related agreements, will be scheduled for consideration by the City Council at a later date.

City Council
July 15, 2025

Proceeds of the Bonds will finance Streets and Roads Projects, Facilities Projects, Affordable Housing Preservation Projects, and to improve water quality, provide educational and recreational facilities for children, clean up Lake Merritt, restore Oakland's creeks, waterfront and Estuary, preserve and acquire open space, renovate parks, and provide safe public spaces (the "Projects") in an estimated amount of \$288 million per the Fiscal Year 2025-2027 Adopted Policy Budget (the "Biennial Budget"), which was adopted on June 11, 2025. The Projects will be detailed in a separate resolution scheduled for City Council approval at a later date and are also included in the Fiscal Year 2025-2027 Capital Improvement Program (the "CIP"), which was adopted with the Biennial Budget. Proceeds from the Refunding Bonds will refund all or a portion of the remaining outstanding Prior Bonds. Debt service on the Bonds and Refunding Bonds are payable from ad valorem taxes levied upon all taxable property in the City.

BACKGROUND / LEGISLATIVE HISTORY

Series 2015A, General Obligation Refunding Bonds (Tax-Exempt)

The City anticipates refunding all or part of the outstanding general obligation bonds briefly described below:

On June 2, 2015, the City issued the Prior Bonds in a principal amount of \$128,895,000 to current refund the City's General Obligation Refunding Bonds, Series 2005, and advance refund the City's General Obligation Bonds (Series 2006, Measure G) and the City's General Obligation Bonds (Series 2009B, Measure DD). The Prior Bonds are currently outstanding in a principal amount of \$54,380,000 as of June 30, 2025.

Pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Government Code"), the City is authorized to issue general obligation bonds to refund all or a portion of the Prior Bonds if the City Council determines that prudent management of the fiscal affairs of the City requires the issuance of such refunding bonds.

Bond Measures (DD and U)

Measure DD, the Oakland Trust for Clean Water and Safe Parks is a \$198,250,000 general obligation bond measure passed by Oakland voters in November 2002. Per Measure DD, the bonds may be issued to fund projects as follows:

• Lake Merritt and Water Quality Improvements	\$88,250,000
• Estuary Waterfront Access, Parks and Clean-up	\$53,000,000
• Lake Merritt to Estuary Connection Channel	\$27,000,000
• Youth and Public Recreation Facilities	\$20,000,000
• Creeks and Waterways Restoration	<u>\$10,000,000</u>

Authorization Total	\$198,250,000
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On November 8, 2022, qualified voters of the City approved Measure U, which authorized the issuance of Affordable Housing and Infrastructure Bonds in an amount not to exceed \$850 million to fund new construction affordable housing and housing preservation projects, transportation projects, and various city infrastructure.

Per Measure U, the bonds may be issued to fund projects as follows:

- Affordable Housing Preservation Projects,
Affordable Housing New Construction Projects,
Acquisition and Conversion to Affordable Housing
projects, and Affordable Housing
serving Homeless Exits \$350,000,000
- Transportation Projects \$290,000,000
- Citywide Facility Preservation
and Improvement Projects \$210,000,000

Authorization Total **\$850,000,000**

Pursuant to Section 3(C) of Measure U, projects will be completed according to City Council established priorities, including those projects set forth within the CIP, and additionally, the City Council will identify the Projects and various project details, as outlined in Measure U, prior to each issuance. The Projects are included in the Fiscal Year 2025-2027 Capital Improvement Program (the “CIP”) and will be detailed in a separate resolution scheduled for City Council approval at a later date.

A summary of Measures DD and U General Obligation Bond issuances is included as **Table 1a** and **Table 1b** below.

**Table 1a: Summary of General Obligation Bond (Measure DD)
Issuance As of 6/30/2025**

Bond Series	Par Amount	Purpose
2003A (Tax-Exempt)	\$71,450,000	Parks, Facilities, Lake Merritt, Creeks & Waterfront
2009B (Tax-Exempt)	\$64,545,000	Parks, Facilities, Lake Merritt, Creeks & Waterfront
2017C (Tax-Exempt)	\$26,500,000	Parks, Facilities, Lake Merritt, Creeks & Waterfront
Total:	\$162,495,000	

**Table 1b: Summary of General Obligation Bond (Measure U)
Issuance As of 6/30/2025**

Bond Series	Par Amount	Purpose
2023A-1 (Tax-Exempt)	\$32,760,000	Facilities
2023A-2 (Taxable)	\$68,370,000	Housing
Total:	\$101,130,000	

A summary of unissued authorization is summarized in **Table 2** below.

**Table 2: Summary of General Obligation Bond Authorization Issued and Unissued
As of 6/30/2025**

Measure	Authorization Amount	Issued Authorization	Unissued Authorization
Measure DD	\$198,250,000	\$162,495,000	\$35,755,000
Measure U	\$850,000,000	\$101,130,000	\$748,870,000
Total:	\$1,048,250,000	\$263,625,000	\$784,625,000

ANALYSIS AND POLICY ALTERNATIVES

The ordinance will authorize the issuance and sale of the Bonds which are the fourth tranche of general obligation bonds issued per Measures DD and the second tranche of general obligation bonds issued per Measure U. The proposed financing will advance several city priorities such as 1) holistic community safety, 2) housing, economic and cultural security; 3) vibrant, sustainable infrastructure; and 4) responsive, trustworthy government by funding the improvement and rehabilitation of streets, sidewalks and related infrastructure, renovation and rehabilitation of City facilities including libraries, public safety, recreation and other buildings, as well as affordable and deeply affordable housing developments located near transit, services and employment. Additionally, the proposed refunding will provide savings to Oakland residents.

The Bonds will be issued in an aggregate principal amount not to exceed \$300,000,000 in one or more series, which may be taxable or tax exempt. The aggregate principal amounts of Bonds to be issued under each of Measure DD and Measure U shall be finally determined by the City Administrator or the Director of Finance.

In addition, the proposed ordinance authorizes the issuance of one or more series of Refunding Bonds of the City in an aggregate principal amount of not to exceed \$55,000,000, which amount shall be finally determined by the City Administrator or Director of Finance.

The terms and provisions of the Bonds and Refunding Bonds, the sale of the Bonds and Refunding Bonds, and the forms of agreements relating to the Bonds and Refunding Bonds, including but not limited to forms of a preliminary official statement, bond purchase agreement, fiscal agent agreement or other related agreements, will be scheduled at a later date for consideration and approval by resolution of the City Council. A proposed financing schedule is included in **Table 3**.

Table 3: Proposed Financing Schedule

Date	Activity
July 15, 2025	1st reading of ordinance at City Council
September 16, 2025	2nd reading of ordinance at City Council Adopt a resolution to approve projects Adopt a resolution to reimburse expenditures Adopt a resolution to approve the sale and financing documents
October 21, 2025	Pricing of the Bonds
November 4, 2025	Closing of the Bonds

Proceeds of the Bonds will finance Projects in an estimated amount of \$288 million included in the Biennial Budget. The Projects will be approved by resolution of the City Council at a later date and are included in the CIP. An estimate of the amount issued per authorization is included in **Table 4**. An estimate of Project funding is included in **Table 5**.

Table 4: Estimated Authorization per Biennial Budget

	FY 2025/26	FY 2026/27
Measure DD	\$4,485,000	\$6,000,000 ⁽¹⁾
Measure U (PWA)	\$25,757,000	\$56,010,000 ⁽¹⁾
Measure U (DOT)	\$78,500,000	\$79,000,000 ⁽¹⁾
Measure U (Taxable)	\$100,000,000	\$80,000,000
Total	\$208,742,000	\$221,010,000

⁽¹⁾ Amounts will not be issued in the upcoming bond issuance Series 2025

Table 5: Estimated Series 2025 Projects

Category	Amount
Streets, Sidewalks and Related Infrastructure	\$78,500,000
City Facilities	\$30,242,000
Affordable Housing and Infrastructure ⁽¹⁾	\$180,000,000
Total Project Funds:	\$288,742,000

⁽¹⁾ Preliminary, subject to change

Proceeds from the Refunding Bonds in the amount not to exceed \$55,000,000 will be used for the purpose of refunding all or a portion of the Prior Bonds. Due to the favorable interest rate environment, by refunding of the Prior Bonds, it can generate debt service savings of approximately \$3.5 million thereby reducing the required annual ad valorem tax levy paid by the City's property owners. It is expected to generate debt service savings as described in **Table 6**.

Table 6: Refunding Bonds Debt Service Savings⁽¹⁾

Refunding Bond Statistics	Estimate as of 5/16/2025
Average annual debt service savings	\$250,642
Total debt service savings through FY 2038-39	\$3,510,000
NPV savings	\$2,805,000
NPV savings as a percentage refunded principal	5.16%

⁽¹⁾ Interest rates for the Refunding Bonds will depend on market conditions at the time of sale.

Principal and interest due (i.e. debt service) on the Bonds and Refunding Bonds is payable from ad valorem taxes levied upon all taxable property in the City.

FISCAL IMPACT

The Bonds and Refunding Bonds are payable from ad valorem taxes levied upon all taxable property in the City. The City Council is authorized and obligated to levy and collect annually ad valorem taxes in an amount sufficient to pay the principal and interest due on the Bonds and Refunding Bonds (i.e. debt service). Fees related to the issuance of the Bonds and Refunding Bonds will be paid from bond proceeds and contingent upon the closing of the transaction. Proceeds of the Bonds will finance the Projects in an estimated amount of \$288 million. This funding is included in the Biennial Budget.

Debt service savings generated by the Refunding Bonds will be retained by the City's property taxpayers in the form of a reduction in future annual ad valorem tax levies. The Refunding Bonds are expected to generate average annual debt service savings of approximately \$251,000, totaling \$3.5 million.

PUBLIC OUTREACH / INTEREST

This item did not require public outreach other than the required posting on the City's website.

COORDINATION

This report was prepared by the Finance Department in coordination with the Department of Transportation, the Oakland Public Works Department, the Department of Housing and Community Development and the Office of the City Attorney.

SUSTAINABLE OPPORTUNITIES

Economic: The capital improvement projects implemented under Measure DD and Measure U will be required to comply with all Local and Small Local Business Enterprise ("L/SLBE") and local hire programs with verification by the Department of the Workplace and Employment Standards. The Projects will improve roadways, sidewalks, parks, public buildings, storm

drainage and other facilities to the economic benefit of the City. In addition, the affordable housing funds will be utilized to funds loans for the new construction, acquisition and other projects providing affordable and deeply affordable, restricted units for extremely low to moderate income households. In addition, issuance of the general obligation refunding bonds will result in a positive impact on the property owners of the City of Oakland.

Environmental: This item will provide funding to acquire and make improvements to real property such as improvement and rehabilitation of streets, sidewalks and related infrastructure and renovation and rehabilitation of City facilities including libraries, public safety, recreation and other buildings, as well as affordable and deeply affordable housing developments located near transit, services and employment. Projects receive priority for funding partially based on their ability to achieve high scores using Leadership in Energy & Environmental Design (“LEED”) or Alameda County’s Green Point Rating system. Transportation and public works projects that invest in sustainable infrastructure and resilience strategies also receive priority for funding.

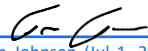
Race and Equity: This item will provide funding to affordable housing developers to acquire and make improvements to real property such as acquisition, improvement, rehabilitation, preservation and construction. Projects are reviewed and evaluated to determine how they meet the needs of Oakland’s most underserved communities in accordance with the bond requirements. In addition, transportation and public works projects that address safety and public health in priority communities are prioritized for funding. Equity is represented by both a standalone prioritization factor and as a sub-factor identifying disparities within other criteria including “Health and Safety”, “Existing Conditions”, “Environment” and “Improvement”.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt an Ordinance providing for the borrowing of funds and the issuance and sale of general obligation bonds in an amount not to exceed \$300,000,000; authorizing the issuance and sale of not to exceed \$55,000,000 aggregate principal amount of City Of Oakland general obligation refunding bonds; and approving certain related matters.

For questions regarding this report, please contact David Jones, Treasury Administrator, at (510) 238-6508.

Respectfully submitted,


Jestin Johnson (Jul 1, 2025 17:11 PDT)

Jestin Johnson
City Administrator
On behalf of the Finance Department

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