



# AGENDA REPORT


**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Erin Roseman  
Finance Director

**SUBJECT:** Resolution to Execute Agreements for  
Implementation of Measure A  
Transaction and Use Tax

**DATE:** May 21, 2025

City Administrator Approval

  
[Jestin Johnson \(May 22, 2025 17:25 PDT\)](#)

Date: May 22, 2025

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Execute Agreements With The California Department Of Tax And Fee Administration For Implementation Of The Measure A Transactions And Use Tax.**

## **EXECUTIVE SUMMARY**

The voters of the City of Oakland (City) approved Measure A, a ballot measure at the Special Municipal Election held on April 15, 2025, to impose a transactions and use tax to be administered by the California Department of Tax and Fee Administration (CDTFA). The tax provides funding to help maintain City programs, services, and facilities by enacting a half-cent (.5%) transactions and use tax for 10 years. The Department of Finance estimates that the tax will raise approximately \$29,800,000 annually. The CDTFA will be responsible to administer and collect the transactions and use tax for the City and requires that the City enter into a "Preparatory Agreement" and an "Administrative Agreement" prior to implementation of said taxes. With the adoption of the proposed resolution, the City Council authorizes the City Administrator to execute such agreements.

## **BACKGROUND / LEGISLATIVE HISTORY**

On January 9, 2025, the City Council adopted Ordinance [No. 13833 C.M.S.](#), which authorized submitting to the voters at a special election to be held on April 15, 2025, a proposed ordinance to impose a transactions and use tax to be administered by the California Department of Tax and Fee Administration.

On January 13, 2025, the City Council adopted [Resolution 90595 C.M.S.](#), which gave notice for the holding of a special municipal election on April 15, 2025, for the purpose of submitting to the electors of the City the proposed ballot measure.

City Council  
June 3, 2025

On May 20, 2025 the City Council adopted [Resolution 90717 C.M.S.](#), declaring the results of the City of Oakland Special Municipal Election held on April 15, 2025 thereby certifying the passage of Measure A, the City of Oakland Transactions and Use Tax Ordinance.

## **ANALYSIS AND POLICY ALTERNATIVES**

This report supports the Citywide priority of a **responsive, trustworthy government** by authorizing the City to enter into an agreement for the administration and operations of the transactions and use tax, in conformity with Part 1.6 of Division 2 of the California Revenue and Taxation Code, which has been approved by a majority of the electors of the City. To address fiscal challenges, the half-cent Transactions and Use Tax will provide a crucial revenue stream to support essential City services. The ballot estimated that the measure is expected to generate an additional \$29.80 million in City revenues annually until the tax terminates after ten years. The proceeds will be allocated to the General Purpose Fund and appropriated at the City Council's discretion. The absence of this additional revenue would necessitate significant cuts to City services, profoundly affecting the community.

## **FISCAL IMPACT**

The City will pay the Department the legally specified amount to administer the City Ordinance. Administrative costs, approximately 1.16 cents per dollar collected, are allocated by the CDTFA to cities and counties based on their proportional share of revenue. These costs, covering both direct and indirect expenses as outlined in California Government Code Section 11256, will be deducted from the taxes collected for the City. Additionally, there is a one-time preparatory cost for implementing a new special tax that will not exceed \$175,000, as per Revenue and Taxation Code Section 7272. The cost will be offset by the estimated anticipated revenue of approximately \$29.80 million per year, or approximately \$22.35 million in year one since the tax will only be in effect for three quarters of FY 2025-26, beginning on October 1<sup>st</sup> 2025, due to the timing of the special election. The one-time preparatory cost has been incorporated into the General Purpose Fund (1010) in the Mayor's proposed biennial budget, contingent on City Council adoption of the FY 2025-27 Biennial Budget.

## **PUBLIC OUTREACH / INTEREST**

This item did not require any additional public outreach beyond the standard City Council agenda noticing procedures.

## **COORDINATION**

This Staff Report was prepared by the Finance Department, Revenue Management Bureau in coordination with the City Administrator's Office, and the City Attorney's Office.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** The implementation of Measure A will raise approximately \$30 million annually for the City, which will help preserve critical municipal services for the City's residents. Without the implementation of the increased sales tax, the City would need to implement substantial budget cuts across various sectors, including in public safety, human services, and community programs.

**Environmental:** There are no environmental impacts associated with this report.

**Race & Equity:** Measure A's implementation ensures the continuation of vital programs, enabling residents who depend on these services to maintain access. These programs are often critical for the most vulnerable, who would be disproportionately affected by their loss.

### **ACTION REQUESTED OF THE CITY COUNCIL**

**Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Execute Agreements With The California Department Of Tax And Fee Administration For Implementation Of The Measure A Transactions And Use Tax.**

For questions regarding this report, please contact Jose Segura, Budget & Management Analyst, Principal, Finance Department, at (510) 238-2972.

Respectfully submitted,



Erin Roseman (May 21, 2025 16:49 PDT)

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ERIN ROSEMAN  
Finance Director, Finance Department

Reviewed by:  
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Finance, Acting Revenue and Tax  
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