PRELIMINARY OFFICIAL STATEMENT DATED [OCTOBER __], 2025

NEW ISSUE, BOOK-ENTRY ONLY

RATINGS: **Moody's: [___]**
Standard & Poor's: [___]
(See "RATINGS" herein.)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Tax-Exempt Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

$[________]*
City of Oakland
General Obligation Bonds
(Measure U)
Series 2025B-1
(Tax-Exempt)

$[_______]*
City of Oakland
General Obligation Bonds
(Measure U)
Series 2025B-2
(Taxable) (Social Bonds)

$[_______]*
City of Oakland
General Obligation Bonds
(Measure U)
Series 2025B-3
(Taxable)

$[________]*
City of Oakland
General Obligation Refunding Bonds
Series 2025
(Tax-Exempt)

Dated: Date of Delivery **Due: July 15, as shown on the inside cover hereof**

The City of Oakland (the "**City**") is issuing $[________]* aggregate principal amount of its City of Oakland General Obligation Bonds (Measure U) Series 2025B-1 (Tax-Exempt) (the "**U Series 2025B-1 Bonds**"), $[_________]* aggregate principal amount of its City of Oakland General Obligation Bonds (Measure U) Series 2025B-2 (Taxable) (Social Bonds) (the "**U Series 2025B-2 Bonds**"), $[_________]* aggregate principal amount of its City of Oakland General Obligation Bonds (Measure U) Series 2025B-3 (Taxable) (the "**U Series 2025B-3 Bonds**" and, together with the U Series 2025B-1 Bonds and the U Series 2025B-2 Bonds, the "**New Money Bonds**"), and $[__________]* aggregate principal amount of its City of Oakland General Obligation Refunding Bonds, Series 2025 (Tax-Exempt) (the "**Refunding Bonds**").

The New Money Bonds and the Refunding Bonds are collectively referred to herein as the "**Bonds**." The U Series 2025B-1 Bonds and the Refunding Bonds are sometimes referred to herein as the "**Tax-Exempt Bonds**," and the U Series 2025B-2 Bonds and the U Series 2025B-3 Bonds as the "**Taxable Bonds**."

The New Money Bonds are issued under the Constitution of the State of California (the "**State**"), the Charter of the City, Measure U (as defined herein), and the City's Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54. The Refunding Bonds are being issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State. The specific terms and conditions for issuance of the Bonds are contained in a resolution adopted by the City Council of the City on September [__], 2025. See "THE BONDS – Authority for Issuances."

The proceeds of the New Money Bonds will be used to finance the Projects (as defined herein), to fund debt service accounts and to pay for certain costs related to the issuance of the New Money Bonds. The proceeds of the Refunding Bonds will be applied to the refunding of certain outstanding general obligation bonds of the City and to pay for certain costs related to the issuance of the Refunding Bonds. See "THE BONDS – Purpose of the Bonds."

The Bonds will be issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"). Individual purchases of the Bonds will be made in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Payments of principal of and interest on the Bonds will be made to DTC by UMB Bank, National Association, as fiscal agent. DTC in turn is required to remit such principal and interest to the DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See APPENDIX D – "DTC AND THE BOOK-ENTRY ONLY SYSTEM." The Bonds will be dated and bear interest from the date of original issuance. Interest on the Bonds

* Preliminary, subject to change.

will be payable semiannually on January 15 and July 15 of each year, commencing January 15, 2026. Certain of the Bonds will be subject to redemption prior to their respective stated maturities (as described herein). See "THE BONDS – Redemption."

The Bonds are payable from *ad valorem* taxes levied upon all taxable property in the City. The City Council of the City has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation by the City without limitation as to rate or amount (except certain property which is taxable at limited rates).

The Bonds will be offered when, as and if issued by the City, subject to the delivery of the legal opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the City, in the form attached hereto as Appendix E. Certain legal matters will be passed upon for the City by Nixon Peabody LLP, San Francisco, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP, Los Angeles, California. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about _________, 2025.

This cover page contains certain information for general reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

Siebert Williams Shank

BofA Securities **Loop Capital Markets**

Dated: _________, 2025

MATURITY SCHEDULES*

$[_________]*
CITY OF OAKLAND
GENERAL OBLIGATION BONDS
(MEASURE U)
SERIES 2025B-1
(TAX-EXEMPT)

$________ Serial Bonds
CUSIP† Base: 672240

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix

$_________ ____% Term Bonds due on July 15, 20__, Yield: ____%; Price: _______%*; CUSIP†: ___

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* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP numbers have been assigned by an independent company not affiliated with the City or the Underwriters and are included solely for the convenience of the holders of the Bonds. Neither the City nor the Underwriters are responsible for the selection or use of these CUSIP numbers and no representation is made as to their accuracy or correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

$[________]*
CITY OF OAKLAND
GENERAL OBLIGATION BONDS
(MEASURE U)
SERIES 2025B-2
(TAXABLE) (SOCIAL BONDS)

$________ Serial Bonds
CUSIP† Base: 672240

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix

$_________ ____% Term Bonds due on July 15, 20__, Yield: ____%; Price: ______%; CUSIP†: ___

* Preliminary; subject to change.

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$[________]*
CITY OF OAKLAND
GENERAL OBLIGATION BONDS
(MEASURE U)
SERIES 2025B-3
(TAXABLE)

$________ Serial Bonds
CUSIP† Base: 672240

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix

$_________ ____% Term Bonds due on July 15, 20__, Yield: ____%; Price: ______%; CUSIP†: ___

* Preliminary; subject to change.

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$[_________][*]
CITY OF OAKLAND
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025
(TAX-EXEMPT)

$________ Serial Bonds
CUSIP[†] Base: 672240

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP[†] Suffix

[*] Preliminary; subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP numbers have been assigned by an independent company not affiliated with the City or the Underwriters and are included solely for the convenience of the holders of the Bonds. Neither the City nor the Underwriters are responsible for the selection or use of these CUSIP numbers and no representation is made as to their accuracy or correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

CITY OF OAKLAND
County of Alameda, California

CITY COUNCIL

Kevin Jenkins (District 6)
City Council President and Councilmember

Rowena Brown (At-Large)
Councilmember

Zac Unger (District 1)
Councilmember

Charlene Wang (District 2)
Councilmember

Carroll Fife (District 3)
Councilmember

Janani Ramachandran (District 4)
Councilmember

Noel Gallo (District 5)
Councilmember

Ken Houston (District 7)
Councilmember

CITY OFFICIALS

Barbara Lee, *Mayor*
Jestin D. Johnson, *City Administrator*
Michael C. Houston, *City Auditor*
Ryan Richardson, *City Attorney*
Asha Reed, *City Clerk*
Jan Mazyck, *Interim Director of Finance*

SPECIAL SERVICES

Bond Counsel
Orrick, Herrington & Sutcliffe LLP
San Francisco, California

Disclosure Counsel
Nixon Peabody LLP
San Francisco, California

Fiscal Agent
UMB Bank, National Association
Costa Mesa, California

Municipal Advisor
PFM Financial Advisors LLC
San Francisco, California

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds by the City. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the City.

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. This Official Statement is not to be construed as a contract with the purchasers or owners of any of the Bonds.

Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The information set forth herein other than that furnished by the City, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. All summaries of the documents and laws herein are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur, or if actual results, performance or achievements are materially different from any results, performance or achievements described or implied by such forward-looking statements.

The Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The Bonds have not been registered or qualified under the securities laws of any state. The Bonds have not been recommended by any Federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this Official Statement.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (EMMA) website. The City maintains a website and social media accounts. The information presented on such website and social media accounts is not incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. Various other websites referred to in this Official Statement also are not incorporated herein by such references.

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(Taxable) (Social Bonds)

$[_______]*
City of Oakland
General Obligation Bonds
(Measure U)
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(Taxable)

$[________]*
City of Oakland
General Obligation Refunding Bonds
Series 2025
(Tax-Exempt)

INTRODUCTION

General

The purpose of this Official Statement (including the cover page and the Appendices attached hereto) is to provide certain information concerning the initial issuance, sale and delivery by the City of Oakland, California (the "**City**"), of $[________]* aggregate principal amount of its City of Oakland General Obligation Bonds (Measure U) Series 2025B-1 (Tax-Exempt) (the "**U Series 2025B-1 Bonds**"), $[__________]* aggregate principal amount of its City of Oakland General Obligation Bonds (Measure U) Series 2025B-2 (Taxable) (Social Bonds) (the "**U Series 2025B-2 Bonds**"), $[__________]* aggregate principal amount of its City of Oakland General Obligation Bonds (Measure U) Series 2025B-3 (Taxable) (the "**U Series 2025B-3 Bonds**" and, together with the U Series 2025B-1 Bonds and the U Series 2025B-2 Bonds, the "**New Money Bonds**"), and $[___________]* aggregate principal amount of its City of Oakland General Obligation Refunding Bonds, Series 2025 (Tax-Exempt) (the "**Refunding Bonds**," and collectively with the New Money Bonds, the "**Bonds**"). The U Series 2025B-1 Bonds and the Refunding Bonds are sometimes referred to herein as the "**Tax-Exempt Bonds**," and the U Series 2025B-2 Bonds and the U Series 2025B-3 Bonds as the "**Taxable Bonds**."

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meaning as in the Authorizing Resolution and Fiscal Agent Agreement (each defined below).

The Bonds will be payable from *ad valorem* taxes levied upon all taxable property in the City. The City Council of the City (the "**City Council**") has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation without limitation as to the rate or the amount (except with respect to certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS." For information on the City's tax base, tax collection system and property tax revenues, see also "PROPERTY TAXATION" herein and

* Preliminary, subject to change.

"CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS" in APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND."

The City

The City is located in the County of Alameda (the "**County**") on the eastern shore of the San Francisco Bay (the "**Bay**"), approximately seven miles from downtown San Francisco via the San Francisco-Oakland Bay Bridge. Occupying approximately 53.8 square miles of land, the City is the largest and most populous of the "East Bay" cities. Its geography ranges from industrialized areas in the west, which border the Bay, to suburban foothills in the east. Formerly the industrial heart of the San Francisco Bay Area (the "**Bay Area**"), the City has developed into a diverse financial, commercial, cultural and governmental center. The City is the seat of government for the County and is the eighth most populous city in the State of California (the "**State**").

For additional information regarding the City's demographics, budget and operations, including its tax base, see generally APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND" and APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2024."

THE BONDS

Authority for Issuance

The New Money Bonds will be issued (a) under provisions of the (i) Constitution of the State, (ii) the Charter of the City, (iii) Measure U (as defined herein), and (iv) the City of Oakland Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54 and (b) pursuant to Ordinance No. [___________] C.M.S. adopted by the City Council on September [15], 2025 (the "**Ordinance**"). The Refunding Bonds will be issued pursuant to (a) Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State and (b) the Ordinance. The specific terms and conditions for issuance of the Bonds are contained in Resolution No. [______] C.M.S. adopted by the City Council on September [15], 2025 (the "**Authorizing Resolution**"), and a Fiscal Agent Agreement, dated as of [November] 1, 2025 (the "**Fiscal Agent Agreement**"), between the City and UMB Bank, National Association, as fiscal agent (together with any successors, the "**Fiscal Agent**").

The New Money Bonds constitute the third, fourth and fifth series of bonds to be issued from an aggregate authorized amount of $850,000,000 of general obligation bonds duly approved by at least two-thirds of the qualified voters voting at an election held in the City on November 8, 2022, to provide funds to acquire and make improvements to real property including, but not limited to, the acquisition, improvement, rehabilitation, preservation, construction, and repair of affordable housing, the improvement and rehabilitation of streets, sidewalks, and related transit infrastructure, the renovation and rehabilitation of City facilities including libraries, public safety facilities, recreation and senior centers, cultural and civic facilities, and other City administrative buildings, the development of technological infrastructure, and the preservation and enhancement of parks and open spaces ("**Measure U**"). After the issuance of the New Money Bonds, authorization for the issuance of approximately $[____][*] million of general obligation bonds under Measure U will remain.

Measure U required the creation of a citizens' oversight committee to review financial and operational reports related to the expenditure of bond proceeds to confirm that such proceeds are used in a manner permitted under Measure U, as applicable, and to evaluate the impacts and outcomes of the bond

[*] Preliminary, subject to change.

expenditures on the stated goals of Measure U, as applicable, including social equity, anti-displacement and affordable housing. Pursuant to Ordinance No. 13742, the Affordable Housing and Infrastructure Public Oversight Committee (the "**Oversight Committee**") oversees all Measure U expenditures. The Oversight Committee reports to the City Council.

Purpose of the Bonds

The New Money Bonds are being issued by the City to: (a) provide funds for the acquisition, improvement, rehabilitation, preservation, construction, and repair of affordable housing; for roadway safety and improvement projects, including street repaving, curb ramp and sidewalk reconstruction, bridge rehabilitation, traffic calming, and streetscape improvements; and for the improvement or renovation of City parks and recreation centers, the Oakland Ice Center, libraries, senior centers, the watershed/stormwater system and other public infrastructure (the "**U 2025 Projects**" or the "**Projects**"), all as set forth in the Projects Allocation Resolution, Resolution No. [______] C.M.S. adopted by the City Council on [September__, 2025] (the "**Projects Allocation Resolution**"); (b) fund a debt service accounts related to the New Money Bonds; and (c) pay costs associated with the issuance of the New Money Bonds. See "SOURCES AND USES OF FUNDS."

The Refunding Bonds are being issued by the City to: (i) refund and redeem certain outstanding general obligation bonds of the City described in detail under "PLAN OF REFUNDING" below (the "**Refunded Bonds**") and (ii) pay costs associated with the issuance of the Refunding Bonds. See "PLAN OF REFUNDING."

At the date of delivery of the Refunding Bonds, the City will cause a portion of the proceeds of the Refunding Bonds, together with certain other available funds, to be deposited in the redemption account established under the fiscal agent agreement relating to the Refunded Bonds and held uninvested until the scheduled date of redemption of the Refunded Bonds. See "PLAN OF REFUNDING herein.

Designation and Application of the U Series 2025B-2 Bonds as Social Bonds

The City is designating the U Series 2025B-2 Bonds as "Social Bonds" as it has determined that the U 2025 Projects to be financed with the proceeds of the U Series 2025B-2 Bonds are "Social Projects" based on the social benefits of addressing affordable housing in the City. Since 1988, the City has funded the development of approximately 8,000 units of housing and has multiple funding programs that work with non-profit developers to increase the number of affordable housing units in the City. In November 2022, over 75% of voters approved Measure U, which authorized the issuance of $850,000,000 in general obligation bonds for affordable housing and other public infrastructure improvements. At the time of passage, Measure U was expected to fund the construction, acquisition and rehabilitation of more than 2,200 affordable housing units over an anticipated four-to-six-year time span. According to the City's Department of Housing and Community Development ("**HCD**"), through Fiscal Year 2027, over $110,000,000 is projected to fund new permanent supportive units (0-30% of Area Median Income), nearly $150,000,000 is projected to fund new low-income units (30-80% of Area Median Income), and over $70,000,000 is projected to fund preservation of both existing City portfolio properties and preservation via acquisition or conversion.

The designation of the U Series 2025B-2 Bonds as "Social Bonds" is intended to generally comport with the Social Bond Principles, updated as of June 2025, promulgated by the International Capital Market Association ("**ICMA**"). The Social Bond Principles have four core components (*i.e.*, Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting), each of which is further described below.

The term "Social Bonds" is neither defined in nor related to provisions in the Fiscal Agent Agreement. The U Series 2025B-2 Bonds are payable from and secured solely from *ad valorem* taxes levied on all property in the City subject to taxation. See "SECURITY FOR THE BONDS – General." Owners of the U Series 2025B-2 Bonds do not assume any specific project risk related to any of the projects funded thereby. The City assumes no obligation to ensure that the projects financed with proceeds of the U Series 2025B-2 Bonds comply with any legal or other standards or principles that may relate to "Social Bonds" either upon or after issuance thereof. The designation of the U Series 2025B-2 Bonds as Social Bonds does not entitle the owners thereof to any special treatment under the Internal Revenue Code of 1986, as amended.

ICMA Mapping of Social Bond Principles to United Nations Sustainable Development Goals. By reference to the ICMA Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals (June 2023), the City has determined that its Social Bonds designation reflects the use of proceeds in a manner that is consistent with "Goal 1: No Poverty," "Goal 10: Reduce Inequalities" and "Goal 11: Sustainable Cities and Communities" of the United Nations 17 Sustainable Development Goals (referred to as "**SDGs**" generally and "**SDG 1**," "**SDG 10**" and "**SDG 11**," specifically). According to the United Nations, the SDGs were adopted by the United Nations General Assembly in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. According to the United Nations, SDG 1 is focused on ending poverty in all its forms everywhere, SDG 10 is focused on reducing inequality within and among countries and SDG 11 is focused on making cities and human settlements inclusive, safe, resilient and sustainable. ICMA maps SDG 1.4 to ICMA Social Bond Principles "Access to Essential Services," "Affordable Housing," and "Socioeconomic Advancement and Empowerment"; maps SDG 10.2 to ICMA Social Bond Principles "Access to Essential Services," and "Socioeconomic Advancement and Empowerment," and SDG 10.3 to ICMA Social Bond Principle "Socioeconomic Advancement and Empowerment," and maps SDG 11.1 to ICMA Social Bond Principles "Affordable Basic Infrastructure," and "Affordable Housing." The City has a long-standing commitment to such environmental, social and governance principles. See APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – OVERVIEW - Commitment to Environmental, Social and Governance (ESG) Principles."

Use of Proceeds. The Projects planned to be financed with proceeds of the U Series 2025B-2 Bonds will address the need to preserve or increase affordable housing stock within the City. HCD's Strategic Action plan for 2023-2027, developed after an extensive community outreach process and rooted in data driven goals for equitable investment, focuses on providing deeply affordable units, including units that address homelessness in the City. This work in turn guided the City's 2023 New Construction Notice of Funding Availability process, which awarded Measure U and other affordable housing initiatives funding to support approximately 650 affordable units, including more than 280 Permanent Supportive Housing ("**PSH**") units. A total of $68 million in Measure U funding has been committed to these projects and another project that will include another 240 affordable units and 60 PSH units. See "THE BONDS – Purpose of the Bonds."

The City demonstrates leadership in the affordable housing sector through implementation of a comprehensive strategy to prioritize the housing needs of its most vulnerable populations. The U Series 2025B-2 Bonds align with three (3) eligible project categories under the Social Bond Principles: Affordable Housing, Access to Essential Services, and Socioeconomic Advancement and Empowerment.

Process for Project Evaluation and Selection. Use of the U Series 2025B-2 Bonds proceeds will be pursuant to the parameters set forth in Measure U and the process described in the U 2025 Projects Resolution. HCD staff, along with elected City leaders, community members and stakeholders collaborated to address the need for more affordable housing and, in doing so, developed HCD's Strategic Action Plan for 2023-2027. City staff also works closely with local communities, the Oversight Committee and City

4931-7166-7532.15

Council to report on use of program funds and provide details regarding project status. The City Council approved usage of the proceeds of Measure U for affordable housing projects and programs.

Management of Proceeds. Proceeds of the U Series 2025B-2 Bonds net of costs of issuance will be deposited into funds and invested in accordance with the Projects Allocation Resolution requirements until drawn and disbursed for the approved projects. The City's Treasury Bureau monitors the disbursement of funds, as needed. The City anticipates the proceeds of the U Series 2025B-2 Bonds will be fully spent within 18-36 months following the issuance thereof and thereafter no updates regarding expenditures will be made.

Reporting. The City maintains the Oversight Committee, which reviews relevant financial and operational reports related to the expenditure of bond proceeds for Measure U, and provides reports to the City Council when necessary. The Oversight Committee meets at least four times per year when quorum can be met, and its agendas can be found at https://www.oaklandca.gov/Government/Boards-Commissions/Affordable-Housing-Infrastructure-I-BOND-Public-Oversight-Committee. The information available on such websites is not incorporated by reference into this Official Statement and should not be relied upon in making an investment in the U Series 2025B-2 Bonds. The City may also provide updates through other publications in such form and at such times as City Staff may determine.

Description of the Bonds

The Bonds are being offered in denominations of $5,000 or integral multiples thereof, will be dated their date of issuance and delivery, and will mature on the dates and bear interest at the respective rates of interest per annum set forth on the inside cover page hereof. Interest on the Bonds will accrue from the date of initial issuance calculated on the basis of a 360-day year composed of twelve 30-day months and will be payable on January 15, 2026, and on each January 15 and July 15 thereafter (each, an "**Interest Payment Date**"). The Bonds are not subject to acceleration upon an event of default.

Form and Registration

The Bonds will be issued in fully registered book-entry form only. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"). DTC will act as securities depository for the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the "Owners," "owners" or "registered owners" will mean Cede & Co. and will not mean the ultimate purchasers of the Bonds. Principal of and redemption premium, if any, and interest on, the Bonds will be paid directly to DTC or Cede & Co. so long as DTC or Cede & Co. is the registered owner of the Bonds. Except in the event that use of this book-entry system is discontinued for the Bonds, beneficial owners will not receive physical certificates representing their ownership interests. See APPENDIX D – "DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Purchases of Bonds under the DTC system must be made by or through a DTC participant, and ownership interests in Bonds or any transfer thereof will be recorded as entries on the books of said participants. The City and the Fiscal Agent have no responsibility or obligation with respect to: (i) the accuracy of the records of DTC, its nominee or any participant with respect to any beneficial ownership interest in the Bonds; (ii) the delivery to any participant, beneficial owner or other person, other than DTC, of any notice with respect to the Bonds; (iii) the payment to any participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal of, or premium, if any, or interest on, the Bonds; (iv) any consent given by DTC or its nominee as Owner; or (v) if applicable, the selection by DTC or any participant of any beneficial owners to receive payment if the Bonds are redeemed in part. See APPENDIX D – "DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Debt Service

The scheduled debt service for the Bonds (assuming no optional redemption prior to the stated maturity date) is as follows:

CITY OF OAKLAND
General Obligation Bonds
(Measure U)
Series 2025B-1, 2025B-2 and 2025B-3
Debt Service

Period Ending	2025B-1 Principal	2025B-1 Interest	2025B-2 Principal	2025B-2 Interest	2025B-3 Principal	2025B-3 Interest	Total Debt Service
7/15/2026							
7/15/2027							
7/15/2028							
7/15/2029							
7/15/2030							
7/15/2031							
7/15/2032							
7/15/2033							
7/15/2034							
7/15/2035							
7/15/2036							
7/15/2037							
7/15/2038							
7/15/2039							
7/15/2040							
7/15/2041							
7/15/2042							
7/15/2043							
7/15/2044							
7/15/2045							
7/15/2046							
7/15/2047							
7/15/2048							
7/15/2049							
7/15/2050							
7/15/2051							
7/15/2052							
7/15/2053							
7/15/2054							
7/15/2055							
TOTAL							

CITY OF OAKLAND
General Obligation Refunding Bonds
Series 2025
Debt Service

Period Ending	Principal	Interest	Total Debt Service
7/15/2026			
7/15/2027			
7/15/2028			
7/15/2029			
7/15/2030			
7/15/2031			
7/15/2032			
7/15/2033			
7/15/2034			
7/15/2035			
7/15/2036			
7/15/2037			
7/15/2038			
7/15/2039			
TOTAL			

Redemption*

U Series 2025B-1 Bonds.

Optional Redemption. [The U Series 2025B-1 Bonds maturing on or before July 15, 20__ are not subject to optional redemption prior to their respective stated maturities. The U Series 2025B-1 Bonds maturing on or after July 15, 20__ are subject to optional redemption prior to their respective stated maturities at the option of the City, from any source of available funds, as a whole or in part on any date (with the maturities to be redeemed to be determined by the City and by lot within a maturity), on or after January 15, 20__, at redemption prices equal to the principal amount thereof to be redeemed, without premium, together with accrued interest to the date fixed for redemption.]

Mandatory Sinking Fund Redemption. The U Series 2025B-1 Term Bond maturing on July 15, 20__ (the "**U Series 2025B-1 20__ Term Bond**"), is subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts set forth in the following schedule at a redemption price equal to 100% of the principal amount to be redeemed (without premium) together with interest accrued thereon to the date fixed for redemption:

* Preliminary, subject to change.

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount

* Maturity

The principal amount of any maturity to be redeemed in each year as shown above will be reduced proportionately by the amount of any U Series 2025B-1 20__ Term Bonds of that maturity optionally redeemed prior to the mandatory sinking fund redemption date set forth above, unless otherwise directed by the City.

U Series 2025B-2 Bonds.

Optional Redemption. [The U Series 2025B-2 Bonds maturing on or before July 15, 20__ are not subject to optional redemption prior to their respective stated maturities. The U Series 2025B-2 Bonds maturing on or after July 15, 20__ are subject to optional redemption prior to their respective stated maturities at the option of the City, from any source of available funds, as a whole or in part on any date (with the maturities to be redeemed to be determined by the City and by pro rata pass-through distribution of principal within a maturity), on or after January 15, 20__, at redemption prices equal to the principal amount thereof to be redeemed, without premium, together with accrued interest to the date fixed for redemption.]

Mandatory Sinking Fund Redemption. The U Series 2025B-2 Term Bond maturing on July 15, 20__ (the "**U Series 2025B-2 20__ Term Bond**"), is subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts set forth in the following schedule at a redemption price equal to 100% of the principal amount to be redeemed (without premium) together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount

* Maturity

The principal amount of any maturity to be redeemed in each year as shown above will be reduced proportionately by the amount of any U Series 2025B-2 20__ Term Bonds of that maturity optionally redeemed prior to the mandatory sinking fund redemption date set forth above, unless otherwise directed by the City.

U Series 2025B-3 Bonds.

[No Optional Redemption. The U Series 2025B-3 Bonds are not subject to optional redemption prior to their respective stated maturities.]

[Mandatory Sinking Fund Redemption. The U Series 2025B-3 Term Bond maturing on July 15, 20__ (the "**U Series 2025B-3 20__ Term Bond**"), is subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts set forth in the following schedule at a redemption price equal to 100% of the principal amount to be redeemed (without premium) together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount

* Maturity

The principal amount of any maturity to be redeemed in each year as shown above will be reduced proportionately by the amount of any U Series 2025B-3 20__ Term Bonds of that maturity optionally redeemed prior to the mandatory sinking fund redemption date set forth above, unless otherwise directed by the City.]

Refunding Bonds.

Optional Redemption. [The Refunding Bonds maturing on or before July 15, 20__ are not subject to optional redemption prior to their respective stated maturities. The Refunding Bonds maturing on or after July 15, 20__ are subject to optional redemption prior to their respective stated maturities at the option of the City, from any source of available funds, as a whole or in part on any date (with the maturities to be redeemed to be determined by the City and by lot within a maturity), on or after January 15, 20__, at redemption prices equal to the principal amount thereof to be redeemed, without premium, together with accrued interest to the date fixed for redemption.]

Selection of Bonds for Redemption.

Whenever less than all of the Outstanding Bonds are called for optional redemption, the City shall select the Series and maturities to be redeemed [within that Series]. Whenever less than all the Outstanding Bonds of a Series maturing on any one date are called for redemption on any one date, unless otherwise provided for in the Fiscal Agent Agreement, the Fiscal Agent shall select the Bonds or portions thereof (in denominations of $5,000 or any integral multiple thereof) to be redeemed from the Outstanding Bonds maturing on such date not previously selected for redemption, by lot, in any manner which the Fiscal Agent deems fair.

Notice of Redemption.

Notice of any redemption of Bonds shall be mailed, postage prepaid, to the respective registered owners thereof at the addresses appearing on the bond registration books not less than 20 and no more than 60 days prior to the redemption date. The notice of redemption shall: (a) state the redemption date; (b) state the redemption price; (c) state the dates of maturity of the Bonds and, if less than all of any such maturity is called for redemption, the distinctive numbers of the Bonds of such maturity to be redeemed, and in the case of Bonds redeemed in part only, the respective portions of the principal amount thereof, to be redeemed; (d) state the Series and the CUSIP number, if any, of each Bond to be redeemed; (e) require that such Bonds be surrendered by the Owners at the designated office of the Fiscal Agent; and (f) give notice that further interest on such Bonds will not accrue after the designated redemption date.

The actual receipt by the Owner of any Bond to be redeemed of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice or any defect in such notice shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Conditional Notice; Right to Rescind Notice.

The City shall have the right to provide a conditional notice of redemption and to rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if, for any reason, on the date fixed for redemption funds are not available in the respective Redemption Account in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Defeasance

The Bonds, or any portions thereof, may be defeased prior to maturity in the following ways:

(a) by irrevocably depositing with the Fiscal Agent or other fiduciary, an amount of cash which together with amounts then on deposit in the appropriate debt service account, is sufficient, without reinvestment, to pay and discharge all (or such portions) of the Outstanding Bonds (including all principal, interest, and premium, if any) at or before their stated maturity date; or

(b) by irrevocably depositing with the Fiscal Agent or an escrows agent, in escrow, United States Treasury obligations (as further described in the Fiscal Agent Agreement) not subject to call, together with cash, if required, in such amount as will, without reinvestment, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the appropriate debt service account together with the interest to accrue thereon, be fully sufficient to pay and discharge all (or such portions) of the Bonds (including all principal, interest, and premium, if any) at or before their stated maturity date.

Notwithstanding that any of the Bonds will not have been surrendered for payment, all obligations of the City with respect to all said Outstanding Bonds to the Owners thereof will cease and terminate, except only the obligation of the City: (a) to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above to the owners of said Bonds not so surrendered and paid all sums due with respect thereto; and (b) to indemnify the Fiscal Agent, if and as applicable, under the Fiscal Agent Agreement; provided, however, that the City and the Fiscal Agent will have received a verification report from an independent certified public accountant stating that the escrow is sufficient to satisfy the standards of the Fiscal Agent Agreement and an opinion of Bond Counsel to the effect that the Bonds have been defeased.

If the Bonds to be defeased pursuant to the Fiscal Agent Agreement are to be redeemed prior to the maturity thereof, notice of such redemption shall have been mailed pursuant to the Fiscal Agent Agreement, or an irrevocable direction to give such notice shall have been made by the City.

Amendments to Fiscal Agent Agreement

The Fiscal Agent Agreement and the rights and obligations of the Owners of the Bonds may be modified or amended at any time by a supplemental fiscal agent agreement which will become effective when the written consents of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in the Fiscal Agent Agreement) have been filed with the Fiscal Agent. No such modification or amendment may (i) extend or have the effect of extending the fixed maturity of any Bond or reducing the interest rate with respect to a Bond or extending the time of payment of interest or reducing the amount of principal of a Bond or reducing any premium payable upon the redemption of a Bond, without the express consent of the Owner of that Bond, or (ii) reduce or have the effect of reducing the percentage of Bonds required for the affirmative vote or written consent to a modification of or supplement to this Fiscal Agent Agreement without the consent of the Owners of all of the Bonds then Outstanding, or (iii) modify any of the rights or obligations of the Fiscal Agent without its written assent to the modification.

The Fiscal Agent Agreement and the rights and obligations of the Owners of the Bonds may be modified or amended at any time by a supplemental fiscal agent agreement, without the consent of any such Owners, but only (i) to add to the covenants and agreements of the City, (ii) to cure, correct or supplement any ambiguous or defective provision contained in the Fiscal Agent Agreement and which will not, in the opinion of nationally recognized bond counsel, materially adversely affect the interests of the Owners of the Bonds, (iii) in regard to questions arising under the Fiscal Agent Agreement, as the parties to this Fiscal Agent Agreement may deem necessary or desirable and which will not materially adversely affect the interests of the Owners of the Bonds, (iv) to make any additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest with respect to the Bonds, (v) to add to the rights of the Fiscal Agent, or (vi) to maintain the rating or ratings assigned to the Bonds. Any such supplemental fiscal agent agreement will become effective upon execution and delivery by the parties to the Fiscal Agent Agreement.

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SOURCES AND USES OF FUNDS

The following are the estimated sources and uses of funds in connection with the Bonds:

	U Series 2025B-1 Bonds	U Series 2025B-2 Bonds	U Series 2025B-3 Bonds	Refunding Bonds	Total
Sources					
Principal Amount of Bonds					
Original Issue Premium					
Release from Funds Held for Refunded Bonds					
Total Sources					
Uses					
Proceeds Account:					
U Series 2025B-1					
U Series 2025B-2					
U Series 2025B-3					
Total					
Debt Service Account:					
U Series 2025B-1					
Total					
Refunded Bonds Redemption Account					
Costs of Issuance:(1)					
Total					
Total Uses					

(1) Includes certain legal fees, financing and consulting fees, underwriters' discount, fees of Bond Counsel, Disclosure Counsel and the Municipal Advisor, printing costs, rating agency fees, and miscellaneous expenses.

PLAN OF REFUNDING

A portion of the proceeds of sale of the Refunding Bonds together with certain other available moneys will be transferred to [the fiscal agent for the Refunded Bonds] for deposit in the redemption account established in the fiscal agent agreement relating to the Refunded Bonds. Amounts in such redemption account will be held uninvested and used to redeem the Refunded Bonds on or about [date] at a redemption price equal to 100% of the outstanding principal amount of the Refunded Bonds, plus accrued interest to the date of redemption.

The following table displays the maturity dates, CUSIP numbers and principal amounts of the outstanding City of Oakland General Obligation Refunding Bonds (Dedicated Unlimited *Ad Valorem* Property Tax), Series 2015 that are expected to be refunded with the proceeds of the Refunding Bonds. The Refunded Bonds, if any, will be determined based on market conditions and at the City's discretion at the time of the pricing of the Refunding Bonds.

City of Oakland General Obligation Refunding Bonds
(Dedicated Unlimited *Ad Valorem* Property Tax)
Series 2015A

Maturity Date	Principal Amount Outstanding	Principal Amount to be Redeemed	CUSIP[(1)]

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP numbers have been assigned by an independent company not affiliated with the City or the Underwriters and are included solely for the convenience of the holders of the applicable bonds. Neither the City nor the Underwriters are responsible for the selection or use of these CUSIP numbers and no representation is made as to their accuracy or correctness on the applicable bonds or as indicated above.

SECURITY FOR THE BONDS

General

Pursuant to the Authorizing Resolution, for the purpose of paying the principal of and interest on the Bonds, the City Council will, at the time of making the general tax levy after incurring the bonded indebtedness, and annually thereafter until the Bonds are paid, or until there is a sum set apart for that purpose in the Treasury of the City sufficient to meet all sums as they become due for payment of principal of and interest on the Bonds, levy and have collected by the County, a tax sufficient to pay the interest on the Bonds and such part of the principal as the same become due. Said tax will be in addition to all other taxes levied for City purposes and will be used only for the payment of the principal of the Bonds and previously issued and outstanding general obligation bonds of the City and the interest thereon.

The Bonds are payable from *ad valorem* taxes, and the City Council has the power and the City is obligated and has covenanted in the Fiscal Agent Agreement to levy *ad valorem* taxes upon all property within the City subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates), for the payment of the Bonds and the interest thereon. Provisions will be made for the levy and collection of such taxes in a manner provided by law. See APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS."

Said taxes as collected by the County shall be forthwith deposited by the City for each series of the Bonds into designated accounts for which the same were levied and collected (each, a "**debt service account**" and together, the "**debt service accounts**"), as appropriate. Pursuant to the Fiscal Agent Agreement, the City will transfer to the Fiscal Agent all sums as they become due for the principal of and interest on the Bonds from each such debt service account. The Fiscal Agent will deposit all such funds, as applicable, into the related debt service account created by the Fiscal Agent, for the benefit of the City pursuant to the Fiscal Agent Agreement, which account the Fiscal Agent shall keep separate and apart from all other of the funds of the Fiscal Agent and other accounts thereunder. Under the Fiscal Agent Agreement, the debt service accounts and amounts on deposit therein are pledged by the City for the payment of the principal and interest on the related series of Bonds when and as the same become due, including the principal of any Term Bonds required to be paid upon the mandatory sinking fund redemption thereof. Under the framework of the constitutional provisions and statutes applicable to California general obligation bonds, including the Bonds, taxes levied to pay debt service on the Bonds may not be used for any other purpose and are not available to support general City operations.

Under the Authorizing Resolution, the City is <u>not</u> obligated to pay the debt service from any sources other than as described herein. This Official Statement, including Appendix A hereto, provides certain information regarding the City's overall finances with an emphasis on its General Fund and therefore includes information on revenues and other funds that are not pledged to the Bonds and that should not be considered available to pay debt service on the Bonds.

Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes levied for the Bonds. Section 53515 of the California Government Code provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board and will be valid and binding from the time such bonds are executed and delivered. Section 53515 of the California Government Code further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act. See also "CERTAIN RISK FACTORS – Possible Limitation on Remedies; Bankruptcy."

PROPERTY TAXATION

Ad Valorem Property Taxes

Property taxes are assessed and collected by the County. Taxes arising from the general 1% levy are apportioned among local taxing agencies on the basis of a formula established by State law, which reflects the average tax rate levied by the taxing agency for the three years before Proposition 13 was adopted. The City receives about 19% of these collections for its General Purpose Fund. Taxes relating to voter-approved indebtedness are allocated to the relevant taxing agency. The City levies taxes for two forms of voter-approved indebtedness: pension obligations, collected as Pension Tax Override and reported in a separate fund in the General Fund, and general obligation bonds, reported in various debt service funds. See APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND - EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Program – *Police and Fire Retirement System*" and "- BONDS AND OTHER INDEBTEDNESS – General Obligation Debt."

The County is permitted under State law to pass on costs for certain services provided to local government agencies, including the collection of property taxes. The County imposes a fee on the City of approximately 0.3% of the taxes collected for tax collection services it provides.

Assessed Valuations

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. See "CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS – Article XIII A of the California Constitution" in Appendix A for more detail. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, nonprofit hospitals, and charitable institutions. State law also allows exemptions from *ad valorem* property taxation at $7,000 of full value of owner-occupied dwellings and 100% of business inventories. Revenue losses to the City from the homeowners' exemption are replaced by the State.

Property taxes associated with future assessed valuation growth allowed under Article XIIIA for new construction, certain changes of ownership, and annual increases in value, if any, subject to a maximum of 2% each year will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The availability to such entities of revenue from growth in the tax base were affected by the establishment of redevelopment project areas, which under certain circumstances, were entitled to revenues resulting from the increase in certain property values, as provided in Article XVI of the State Constitution. Since Fiscal Year 2012-13, following the dissolution of redevelopment agencies, tax revenues resulting from the increase in such property values have been deposited by the County Auditor-Controller into the City's Redevelopment Property Tax Trust Fund ("**RPTTF**"). See APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND - BONDS AND OTHER INDEBTEDNESS – Limited Obligations – *Redevelopment Agency of the City of Oakland*."

Because of the general limitation to 2% per year in increases in full cash value (which is reflected as assessed value in the table below) of properties that remain in the same ownership, the county tax roll does not reflect values uniformly proportional to actual market values. As a result of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than that of similar properties more recently sold, and that may be lower than its own market value. Likewise, changes in ownership of property and reassessment of such property to market value commonly will lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership. For further discussion of the limit on full cash value, see "CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS – Article XIIIA of the California Constitution" in APPENDIX A.

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The following Table 1 sets forth the history of assessed valuations in the City for Fiscal Years 2016-17 through 2025-26:

Table 1
City of Oakland
Assessed Valuations[1]
Fiscal Years 2016-17 through 2025-26
($ in Thousands)

Fiscal Year Ending June 30	Local Secured	Utility	Unsecured	Gross	Less Tax Increment[2]	Total Net Assessed Valuation
2017	$47,401,607	$24,318	$3,932,788	$51,358,713	($13,171,622)	$38,187,091
2018	51,334,369	19,326	3,671,801	55,025,497	0	55,025,497
2019	54,928,874	16,660	3,930,486	58,876,019	0	58,876,019
2020	59,428,014	16,679	4,069,713	63,514,406	0	63,514,406
2021	65,632,263	16,367	4,305,836	69,954,466	0	69,954,466
2022	69,693,144	48,671	4,357,537	74,099,351	0	74,099,351
2023	75,745,526	20,284	4,360,004	80,125,813	0	80,125,813
2024	80,750,118	20,193	4,641,992	85,412,303	0	85,412,303
2025	84,485,956	51,443	4,769,366	89,306,765	0	89,306,765
2026[3]	85,136,452	50,311	4,869,707	90,056,470	0	90,056,470

(1) Net of exemptions other than homeowners' exemptions. Valuations are determined as of January 1 preceding the respective fiscal year.
(2) Tax increments were allocations made to the Oakland Redevelopment Successor Agency under authority of the State of California Constitution, Article XVI. Beginning in Fiscal Year 2017-18, this figure is no longer provided by the County since only a portion of the Countywide 1% Tax will be remitted to the RPTTF for enforceable obligations. See APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – BONDS AND OTHER INDEBTEDNESS - Limited Obligations." No portion of the Police and Fire Retirement System pension tax override revenue will be remitted to the RPTTF.
(3) The City's lower assessed value growth in Fiscal Year 2025-26 is primarily driven by conditions in the Central District Redevelopment Project Area, which covers much of downtown Oakland and adjacent zones. Contributing factors include weak demand, limited sales activity, high vacancies, the granting of assessed value appeals filed due to vacancies, and reduced asking prices on properties offered for sale as a result of vacancies.
Source: Alameda County Auditor-Controller's annual certificates of fiscal year assessed value.

The City's assessed valuation and property-related revenues have grown at a steady rate historically. See "PROPERTY TAXATION" above. However, there can be no assurances that such growth will continue in the future. Total net assessed valuation in the City grew approximately 0.84% in Fiscal Year 2024-25 as compared to Fiscal Year 2023-24, significantly below the most recent 10 year gross annual growth average of approximately 6% as shown in Table 1.

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The following Table 2 indicates various land uses within the City based on assessed valuation and number of parcels for Fiscal Year 2025-26:

Table 2
City of Oakland
Assessed Valuation and Parcels by Land Use

Non-Residential:	2025-26 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Commercial/Office	$16,077,160,593	18.88%	5,996	5.32%
Vacant Commercial	221,551,639	0.26	372	0.33
Industrial	5,607,617,126	6.59	2,206	1.96
Vacant Industrial	237,670,898	0.28	404	0.36
Recreational	114,607,561	0.13	270	0.24
Government/Social/Institutional	377,265,799	0.44	3,274	2.90
Subtotal Non-Residential	$22,635,873,616	26.59%	12,522	11.10%
Residential:				
Single Family Residence	$42,203,229,687	49.57%	68,127	60.41%
Condominium/Townhouse	6,699,275,197	7.87	11,790	10.45
Mobile Home	415,922	0.00	6	0.01
2-4 Residential Units	3,724,857,326	4.38	12,999	11.53
5+ Residential Units/Apartments	9,293,058,310	10.92	3,328	2.95
Residential-Miscellaneous Uses	89,530,125	0.11	89	0.08
Vacant Residential	490,211,634	0.58	3,912	3.47
Subtotal Residential	$62,500,578,201	73.41%	100,251	88.90%
Total	$85,136,451,817	100.00%	112,773	100.00%

(1) Local Secured Assessed Valuation, excluding tax-exempt property.
Source: California Municipal Statistics Inc.

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The following Table 3 indicates the array of assessed valuation for single-family homes in the City for Fiscal Year 2025-26:

Table 3
City of Oakland
Per Parcel 2025-26 Assessed Valuation of Single-Family Homes

	No. of Parcels	2025-26 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	68,127	$42,203,229,687	$619,479	$478,061

2025-26 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	6,840	10.040%	10.040%	$ 437,180,526	1.036%	1.036%
$100,000 - $199,999	9,567	14.043	24.083	1,424,223,920	3.375	4.411
$200,000 - $299,999	7,257	10.652	34.735	1,795,801,762	4.255	8.666
$300,000 - $399,999	5,989	8.791	43.526	2,094,590,109	4.963	13.629
$400,000 - $499,999	5,677	8.333	51.859	2,555,310,282	6.055	19.684
$500,000 - $599,999	5,428	7.967	59.827	2,978,377,219	7.057	26.741
$600,000 - $699,999	4,320	6.341	66.168	2,798,839,535	6.632	33.373
$700,000 - $799,999	3,692	5.419	71.587	2,763,689,772	6.549	39.921
$800,000 - $899,999	3,390	4.976	76.563	2,876,841,836	6.817	46.738
$900,000 - $999,999	2,954	4.336	80.899	2,799,735,142	6.634	53.372
$1,000,000 - $1,099,999	2,232	3.276	84.175	2,337,891,919	5.540	58.911
$1,100,000 - $1,199,999	1,829	2.685	86.860	2,098,824,352	4.973	63.884
$1,200,000 - $1,299,999	1,514	2.222	89.082	1,890,069,236	4.478	68.363
$1,300,000 - $1,399,999	1,361	1.998	91.080	1,833,170,817	4.344	72.707
$1,400,000 - $1,499,999	1,108	1.626	92.706	1,601,077,360	3.794	76.500
$1,500,000 - $1,599,999	952	1.397	94.104	1,471,906,584	3.488	79.988
$1,600,000 - $1,699,999	767	1.126	95.229	1,263,481,538	2.994	82.982
$1,700,000 - $1,799,999	615	0.903	96.132	1,074,675,171	2.546	85.528
$1,800,000 - $1,899,999	531	0.779	96.912	979,592,376	2.321	87.849
$1,900,000 - $1,999,999	394	0.578	97.490	765,298,333	1.813	89.663
$2,000,000 and greater	1,710	2.510	100.000	4,362,651,898	10.337	100.000
	68,127	100.000%		$42,203,229,687	100.000%	

(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics Inc.

Tax Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property situated in the City as of the preceding January 1. A supplemental roll is developed when property is transferred or sold or new construction is completed that produces additional revenue.

All taxable real and personal property is classified as either "secured" or "unsecured." The "secured roll" contains real property (land and improvements), certain taxable personal property (such as business equipment on business-owned property), and possessory interests (a leasehold on otherwise exempt government property). The "unsecured roll" contains all other taxable property, the majority of which is business equipment on leased or rented premises, and other taxable personal property such as boats and aircraft, as well as delinquent possessory interests. The process of assessing commercial aircraft at Oakland International Airport takes into account the location of the aircraft during a representative period of time which is established for each tax year. The balance of personal property has been exempted by State law from property taxes.

Secured property taxes are due on November 1 and March 1 and become delinquent if not paid by December 10 and April 10, respectively. A 10% penalty attaches to any delinquent payment for secured roll taxes. In addition, property on the secured roll with respect to which taxes are delinquent becomes tax-defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus interest at 1.5% per month from the July 1 first following the default. If taxes remain unpaid for a period of five years or more, the property is subject to auction sale by the County Tax Collector.

In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year; a lien is also recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) pursuing a civil action against the taxpayer; (2) filing a certificate in the office of the clerk of the court specifying certain facts in order to obtain a judgment lien on specific property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's Office in order to obtain a lien on specified property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Certain counties within the State, including the County, have adopted an "Alternative Method of Distribution of Tax Levies and Collections and Tax Sale Proceeds" authorized under the State Revenue and Taxation Code (the "**Teeter Plan**"). Under the Teeter Plan, local taxing agencies receive 100% of the tax levy for each fiscal year rather than on the basis of actual collections. The City does not participate in the County's Teeter Plan and thus absorbs current delinquencies and receives the payment of past delinquencies, penalties and interest.

The following Table 4 represents the City's tax levy and collected amounts for Fiscal Years 2019-20 through 2023-24. Included in these collections are the City's share of the 1% tax rate and levies for voter-approved indebtedness.

Table 4
City of Oakland
Property Tax Levies and Collections
Fiscal Years 2019-20 through 2023-24
($ in Thousands)

Fiscal Year	City's Share of 1% Levied	Levied Voter-Approved Debt[1]	Total	Total Collected[2]	Percent Collected
2019-20	$130,998	$140,258	$271,256	$266,497	98.25%
2020-21	139,467	157,364	296,831	291,954	98.36
2021-22	146,646	171,901	318,547	313,023	98.27
2022-23	158,251	188,124	346,375	339,768	98.09
2023-24	168,485	201,368	369,853	362,238	97.94

(1) Includes levy for the City's general obligation bonds and the Pension Tax Override (as defined herein), which is used to pay the City's Pension Obligation Bonds. See APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND - EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Program – *Police and Fire Retirement System*" and "BONDS AND OTHER OBLIGATIONS – General Obligation Debt" and "- Pension Obligations Bonds."
(2) As of June 30 of the related Fiscal Year.
Source: County of Alameda, as shown in the City of Oakland Annual Comprehensive Financial Report for the Year Ended June 30, 2024.

Assessment Appeals

The following Table 5 sets forth resolved and unresolved pending assessment appeals in the City as of July 3, 2025. For discussion of appeals, see "CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS – Article XIII A of the California Constitution" in Appendix A and "RISK FACTORS - *Total Assessed Value of Taxable Property in the City.*"

Table 5
City of Oakland
Pending Appeals of Assessed Valuations
as of July 3, 2025

Pending Appeals (Fiscal Year 2019-20 through Fiscal Year 2024-25)	
Number of Pending Appeals[(1)]	1,850
Total Assessed Value Under Appeal	$17,158,177,632
Owner's Opinion of Value	$9,139,702,527
Maximum Potential Loss[(1)]	$8,018,475,105
Maximum Potential Loss as Percent of Value under Appeal	46.73%
Resolved Appeals (Fiscal Year 2024-25)	
Number of Resolved Appeals	65
Total Appealed Value of Resolved Appeals	$1,643,712,424
Appeals Denied	52
Assessed Value of Denied Appeals	$1,373,015,925
Appeals Allowed with Change of Value	13
Original Assessed Value of Allowed Appeals	$270,696,499
Value Determined by Appeals Board	$151,849,000
Board Approved Reduction in Value	$118,847,499
Percent of Original Assessed Value of Allowed Appeals Reduction	43.90%
City of Oakland 2024-25 Taxable Value[(2)]	$89,306,764,583
Maximum Potential Appeals Loss[(3)]	$8,018,475,105
Maximum Potential Loss as Percent of Total City Taxable Value	8.98%

[(1)] Represents pending appeals as of July 3, 2025.
[(2)] This amount represents the full taxable value for the City including secured, unsecured and utility, as reported by the Alameda County Auditor-Controller for Fiscal Year 2024-25 assessed values. It does not include homeowners' exemption, Aircraft or State Board of Equalization non-unitary values.
[(3)] Assumes all pending assessment appeals are resolved fully in favor of property owner's opinion of value.
Source: Alameda County Assessment Appeals Board.

Tax Rates

The City consists of 47 tax rate areas. The following Table 6 sets forth a five-year history of the property tax rates levied by the City and other local government agencies on properties in the City for Fiscal Years 2020-21 through 2024-25. **[to be updated for FY26 if available before posting (not currently available)]**

Table 6
City of Oakland
Property Tax Rates[(1)]
Fiscal Years 2020-21 through 2024-25

Fiscal Year	Countywide Tax[(2)]	City of Oakland[(3)]	Others[(4)]	Total
2020-21	1.0036%	0.2012%	0.2137%	1.4185%
2021-22	1.0041	0.2011	0.2270	1.4322
2022-23	1.0103	0.2035	0.2287	1.4425
2023-24	1.0088	0.2035	0.2407	1.4530
2024-25	1.0089	0.1145	0.2157	1.3391

(1) The Tax Rates shown are the highest tax rates among the City's tax rate areas. The City's other tax rate areas have lower tax rates, the lowest total tax rate in Fiscal Year 2024-25 being 1.2569%.
(2) Includes County-wide general 1% tax levy and County general obligation bonds tax rates.
(3) Tax rates for tax override collected for obligations relating to PFRS and revenues collected to fund debt service on general obligation bonds.
(4) "Others" includes San Leandro Unified School District, Chabot-Las Positas Community College District, Bay Area Rapid Transit District and East Bay Regional Park District in Fiscal Year 2024-25. The components of "other" may differ in prior years.

Table 7 below comprises a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc., dated August 15, 2025, and shows debt as of August 1, 2025. The Debt Report is included for general information purposes only. The City has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency. According to California Municipal Statistics, Inc., tax and revenue anticipation notes and enterprise revenue, mortgage revenue and non-bonded capital lease obligations are excluded from this debt statement.

Column 1 in Table 7 names each public agency which has outstanding debt as of the date of the Debt Report and whose territory overlaps the City's in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the City. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the Table) produces the amount shown in column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property within the City.

Table 7
City of Oakland
Direct and Overlapping Bonded Indebtedness

2025-26 Assessed Valuation: $90,056,469,826

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable		Debt 8/1/25	
Alameda County	20.659%		$ 95,007,642	
Bay Area Rapid Transit District	8.330		194,457,186	
East Bay Regional Park District	13.297	(1)	19,404,312	
Chabot-Las Positas Community College District	0.714	(1)	6,050,472	
Peralta Community College District	55.755		260,177,920	
Berkeley and Castro Valley Unified School Districts	0.002 & 0.103		161,095	
Oakland Unified School District	99.999		1,018,374,816	
San Leandro Unified School District	7.470		26,428,269	
City of Oakland	**100.**		**703,055,000**	
City of Oakland 1915 Act Bonds	100.		1,065,000	
City of Piedmont 1915 Act Bonds	86.182		1,922,662	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			$2,326,104,374	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:				
Alameda County and Coliseum Authority General Fund Obligations	20.659%		$128,641,011	
Alameda-Contra Costa Transit District Certificates of Participation	24.981	(1)	2,188,336	
Peralta Community College District Pension Obligation Bonds	55.755		55,652,562	
Castro Valley Unified School District Certificates of Participation	0.115		4,307	
City of Oakland and Coliseum Authority General Fund Obligations	**100.**		**18,292,500**	(2)
City of Oakland Pension Obligation Bonds	**100.**		**53,605,000**	
Eden Township Healthcare Certificates of Participation	1.464		193,760	
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			$258,577,476	
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	100. %		$187,105,000	
COMBINED TOTAL DEBT			$2,771,786,850	(3)

(1) 2024-25 ratios.
(2) Excludes issue to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2025-26 Assessed Valuation:
Direct Debt ($703,055,000).. 0.78%
Total Direct and Overlapping Tax and Assessment Debt...... 2.58%
Total Direct Debt ($774,952,500)....................................... 0.86%
Combined Total Debt 3.08%

Ratio to 2025-26 Redevelopment Successor Agency Incremental Valuation ($30,412,877,740,000):
Total Overlapping Tax Increment Debt................................ 0.62%

Source: California Municipal Statistics, Inc.

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Principal Secured Property Taxpayers

The following table sets forth the 20 largest secured taxpayers in terms of secured property in the City in Fiscal Year 2025-26.

Table 8
City of Oakland
Largest Fiscal Year 2025-26 Local Secured Taxpayers

	Property Owner	Primary Land Use	2025-26 Assessed Valuation	% of Total (1)
1.	BA2 300 Lakeside LLC	Office Building	$ 486,738,299	0.57%
2.	Uptown Broadway LLC	Office Building	430,000,000	0.51
3.	SOFXI WFO Center 21 Owner LLC	Office Building	396,968,567	0.47
4.	CP VI Franklin LLC	Apartments	376,358,374	0.44
5.	SFIII FOS 1111 Broadway Holding LLC	Office Building	347,838,298	0.41
6.	Nash Holland 24th & Harrison Investors	Apartments	281,285,288	0.33
7.	KRE 1221 Broadway Owner LLC	Office Building	280,802,977	0.33
8.	601 City Center LLC	Office Building	275,594,109	0.32
9.	CSHV 1999 Harrison LLC	Office Building	260,970,079	0.31
10.	USPA CITY CENTER LLC	Office Building	246,224,160	0.29
11.	MPI Macarthur Tower LLC	Apartments	202,227,281	0.24
12.	KRE 1330 Broadway Owner LLC	Office Building	196,328,000	0.23
13.	BIT Macarthur Commons Investors LLC	Apartments	195,765,636	0.23
14.	Pacific Oak SOR II Oakland City Center	Office Building	176,360,436	0.21
15.	CRP THC Oakland Broadway Uptown Owner	Apartments	173,702,331	0.20
16.	Sutter Bay Hospitals	Medical Building	172,987,755	0.20
17.	Nash Holland 1721 Webster Investors LLC	Apartments	168,930,382	0.20
18.	CH Property Owner LLC	Hotel	166,484,742	0.20
19.	CIM Oakland 1 Kaiser Plaza LP	Office Building	164,258,540	0.19
20.	SOF XI WFO Harrison Owner LLC	Office Building	164,205,392	0.19
			$5,164,030,646	6.07%

(1) 2025-26 Local Secured Assessed Valuation: $85,136,451,817
Source: California Municipal Statistics, Inc.

CERTAIN RISK FACTORS

Factors Affecting Property Tax Security for the Bonds

The annual property tax rate for payment of the Bonds will be based on the total assessed value of taxable property in the City and the scheduled debt service on the Bonds in each year. Fluctuations in the annual debt service on the Bonds and/or in the assessed value of taxable property in the City may cause the annual property tax rate applicable to the Bonds to fluctuate. In addition, issuance by the City of additional authorized bonds payable from *ad valorem* property taxes may cause the overall property tax rate to increase. Discussed below are certain factors that may affect the City's ability to levy and collect sufficient *ad valorem* taxes to pay scheduled debt service on the Bonds each year.

Total Assessed Value of Taxable Property in the City. The greater the assessed value of taxable property in the City, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the City's general obligation bonds. The total assessed valuation of taxable property in the City for Fiscal Year 2025-26, as indicated by the Alameda County Auditor-Controller, was approximately $90.06 billion, compared to $89.30 billion in Fiscal Year 2024-25. See Tables 1, 2, 3, and 6 above for information regarding the City's tax rate and fiscal year assessed valuation.

Natural and economic forces can affect the assessed value of taxable property in the City. The City is located in a seismically active region, and damage from an earthquake in or near the City could cause moderate to extensive or total damage to taxable property. See "*Seismic Risks*" below. Other natural or man-made disasters, such as wildfires, landslides, floods, droughts and sea level rise as well as acts of terrorism or public health emergencies, such as the COVID-19 pandemic, could also cause a reduction in the assessed value of taxable property within the City. See also "*Natural Hazards*" and "*Public Health Emergencies*." Economic and market forces, such as a downturn in the Bay Area's or City's economy, or legislative changes impacting tax deductions, for example, can also affect assessed values, particularly as these forces might trigger an increase in foreclosures or in delinquent tax payments or in the number of requests submitted to the assessment appeals board for a reduction in assessed value of taxable property in the City. Changes in law or the application of law, such as (without limitation), local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures, could also adversely affect assessed values.

Additionally, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). See "PROPERTY TAXATION" for a discussion of the City's assessed valuation, tax rates and delinquencies and assessment appeals. For a discussion of the City's other taxes, See APPENDIX A - "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND - OTHER TAXES AND REVENUES."

Concentration of Taxable Property Ownership. The more property (by assessed value) owned by any single taxpayer, the more exposure of tax collections to weakness in that taxpayer's financial situation and ability or willingness to pay property taxes. For Fiscal Year 2025-26, no single taxpayer owns more than 0.57% of the total taxable property in the City. See Table 8 titled "City of Oakland, Largest Fiscal Year 2025-26 Local Secured Taxpayers" above.

Property Tax Rates. Another factor impacting the ability of taxpayers to pay additional taxes for general obligation bonds is the cumulative rate of tax. The total tax rate per $100 of assessed value (including the basic countywide 1% rate required by statute) is shown for each of the last five years in Table 6 titled "City of Oakland, Property Tax Rates" above. See also, Table 7, entitled "City of Oakland, Direct and Overlapping Bonded Indebtedness."

Debt Burden on Owners of Taxable Property in the City. Another measure of the debt burden on local taxpayers is total debt as a percentage of taxable property value. As of September 15, 2025, the City had outstanding approximately $703.1 million in aggregate principal amount of general obligation bonds, as shown in Table 24, entitled "City of Oakland, General Obligation Bonds" in APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND - BONDS AND OTHER INDEBTEDNESS – General Obligation Debt." This equals approximately 0.78% of the total taxable assessed valuation of the City reported by Alameda County Auditor-Controller for Fiscal Year 2025-26.

Additional Debt; Authorized but Unissued Bonds. Issuances of additional authorized bonds can cause the overall property tax rate to increase. As of September 15, 2025, the City had voter approval for $817.1 million in aggregate principal amount of bonds payable from *ad valorem* property taxes which have not yet been issued, including the Bonds, as shown in Table 25 titled "City of Oakland, General Obligation Bond Remaining Authorization as of September 15, 2025" in APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – BONDS AND OTHER INDEBTEDNESS – General Obligation Debt." The City expects that, from time to time, it will propose further bond measures to the voters to help meet its capital needs.

Natural Hazards

Property values in the City could be reduced by natural hazards and/or the occurrence of natural disasters beyond the City's control, including, but not limited to some of the events listed below. It is not possible for the City to make any representation regarding the extent to which the occurrence of any of these hazards could cause reduced economic activity within the boundaries of the City or may adversely impact the assessed value of taxable property within the City.

Seismic Risks. The City is located in a seismically active region. Active earthquake faults underlie both the City and the surrounding Bay Area. Three major earthquake faults that comprise the San Andreas fault system extend through the Bay Area, including the San Andreas fault, the Hayward fault, and the Calaveras fault. Portions of the City have been identified as liquefaction and earthquake-induced landslide zones pursuant to Section 2696 of the California Public Resources Code. The effects of strong ground shaking, liquefaction, landslides, or other ground failure account for approximately 95 percent of economic losses caused by an earthquake.

During the past 155 years, the Bay Area has experienced several major, and numerous minor, earthquakes. The largest was the 1906 San Francisco earthquake along the San Andreas fault, which passes through the San Francisco Peninsula, west of the City, with an estimated magnitude of 8.3 on the Richter scale of earthquake intensity. More recently, on August 24, 2014, an earthquake occurred in Napa, California. The tremor's epicenter was located approximately 3.7 miles northwest of American Canyon near the West Napa Fault and registered 6.0 on the Richter scale of earthquake intensity. The Napa earthquake caused fires, damaged buildings and roads, and injured approximately 200 people. The City did not suffer any material damage as a result of this earthquake. The Napa earthquake was the largest earthquake in the Bay Area since the 1989 Loma Prieta earthquake on the San Andreas Fault, which registered 6.9 on the Richter scale. The Loma Prieta earthquake caused fires and collapses of, and structural damage to, buildings, highways and bridges in the Bay Area, including in the City.

In March 2015, the 2014 Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey ("**USGS**"), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more earthquakes of magnitude 6.7 (the magnitude of the 1994 Northridge earthquake) or larger will occur in the San Francisco Bay Area before the year 2043. In addition, the USGS released a report in April 2017 entitled "The HayWired Earthquake Scenario," which estimates that property damage and direct business disruption losses from a magnitude 7.0 earthquake on the Hayward Fault would be more than $82 billion (in 2016 dollars). Most of the losses are expected to be attributable to shaking damage, liquefaction, and landslides (in that order). Such earthquakes may be very destructive. Property within the City could sustain extensive damage in a major earthquake, and a major earthquake could adversely affect the area's economic activity and assessed values of taxable property.

Wildfire. In recent years, portions of California, including several areas in Northern California, have experienced multiple significant wildfires that have burned thousands of acres and destroyed thousands of homes and structures, such as the Camp Fire in Butte County in November 2018, which burned over 150,000 acres, destroyed over 18,000 structures, and caused approximately $16.5 billion in damage. Property damage due to a wildfire could result in a significant decrease in the assessed value of taxable property in the City. In October 1991, a firestorm on the hillsides of the northern section of the City and southeastern Berkeley burned 1,520 acres and destroyed over two thousand single-family homes and hundreds of apartment and condominium units. The economic loss from that fire was estimated at $1.5 billion.

In 2020 and 2021, parts of the City experienced several blackout days as a result of PG&E's wildfire prevention strategy, the Public Safety Power Shutoff ("PSPS"). PSPS days were considered in October 2022 due to severe winds and temperature but ultimately not implemented. While no PSPS events occurred in the City from 2022 – 2024, PSPS remains a key preventative strategy considered by PG&E during extreme weather conditions to reduce wildfire risk. Additional PSPS events may occur in the future and it is uncertain what effects these future PSPS events could have on the local economy.

In addition, the smoke from wildfires impacts the quality of life in the Bay Area and the City, and, if the frequency of wildfires increases, it could impact the desirability of the City and the Bay Area as places to live, potentially impacting real estate market trends and values. Wildfires both in California and nationally have also adversely impacted the insurance markets, leading to higher costs for coverage; coverages becoming prohibitively expensive; limited or restricted coverage to certain types of risks; or coverage at insufficient levels.

It is not possible for the City to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the City or the extent to which wildfires may impact the assessed value of taxable property within the City.

The City's Vegetation Management Unit ("**VMU**") serves to inspect properties in the City's Oakland Hills, much of which is designated as a Very High Fire Hazard Severity Zone ("**VHFHSZ**"). The VMU works under the City's Fire Prevention Bureau and is responsible for the inspection of homes and vacant parcels in the VHFHSZ. The purpose of these inspections is to identify and mitigate hazards and reduce the amount of fuel (combustible, flammable vegetation) that could contribute to the spread, growth, and intensity of wildfire. Inspections are done annually, and property owners are required to actively maintain their parcels in a fire-safe condition year-round. The City's Fire Prevention Bureau employs a proactive approach for property owners to participate in the re-inspection process for non-compliance violations found in an initial inspection. In Fiscal Year 2023-24, 25,952 total inspections were completed with a 90% compliance rate for inspected parcels.

In May 2024, the City Council formally adopted a 10-year Vegetation Management Plan ("**VMP**"). Adoption of the VMP, which outlines implementation measures for managing fuel loads and vegetation on City-owned properties and along roadways in the City's VHFHSZ, is an actionable step to reduce the likelihood of a catastrophic wildfire, such as the 1991 Oakland Hills Fire. Along with adoption of the VMP, the City Council certified the VMP's Environmental Impact Report ("**EIR**"), which ensures the VMP's vegetation management measures are consistent with the California Environmental Quality Act ("**CEQA**") and thus can be implemented swiftly without further environmental review. In November 2024, residents in Oakland Hills voted in favor of passing a special wildfire prevention tax (Measure MM) to generate nearly $3.0 million annually to fund the critical work included in the VMP.

In addition, on June 30, 2025, the Governor signed SB 131, creating a statutory CEQA exemption for specified wildfire risk reduction projects—such as prescribed fires, defensible-space clearances, home hardening, and fuel breaks—for those projects up to 50 acres, within a half-mile of a subdivision with 30 or more dwelling units, and on land excluding sensitive habitats. The City anticipates using this CEQA exemption for those vegetation management projects that may not fall within the scope of the VMP, providing even more flexibility and streamlining to the City's vegetation management strategies.

Drought. In recent years, California has experienced severe drought conditions. In January 2014, the Governor declared a state-wide "Drought State of Emergency" due to the State facing serious water shortfalls due to the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The California State Water Resources Control Board (the "**State Water Board**") subsequently issued a statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. In a series of proclamations in 2021 (April 12, 2021, May 10, 2021, July 8, 2021, and October 19, 2021 (the "**2021 Drought Proclamations**")), the Governor encouraged Californians to materially reduce their water usage and empowered the State Water Board to adopt regulations to prohibit certain wasteful water use practices. On March 28, 2022, the Governor signed Executive Order N-7-22, escalating prior water conservation efforts noting that a majority of California remains under "extreme and expanding drought" conditions. Executive Order N-7-22 effected significant policies, including, suspending any ordinance, policy or requirement of any kind that prohibits the hauling of water if the water is for human consumption, cooking or sanitization, and prohibiting the City and other public agencies from approving or issuing permits for certain groundwater wells or the alteration of certain existing wells. However, due to increased rainfall in late 2022 and early 2023, some of these restrictions were rescinded. Specifically, in March 2023, following one of the wettest winters on record, the Governor rolled back certain drought restrictions, but material restrictions and prohibitions remain in effect. It is not possible for the City to make any representation regarding the extent to which drought conditions or proclamations could cause reduced economic activity within the boundaries of the City or the extent to which the drought has had or may have in the future an impact on the assessed value of taxable property within the City.

Flooding. Approximately 560 properties within the City are required to purchase of flood insurance due to such properties being located within a flood-prone area as outlined in the National Flood Insurance Program ("**NFIP**") managed by Federal Emergency Management Agency ("**FEMA**"). Full compliance and good standing under the NFIP are application prerequisites for most FEMA grant programs. The City is in compliance with all NFIP requirements and in good-standing. Flooding can take many forms - river floods, storm-related flash floods, and coastal floods, for example - and can be caused by a variety of reasons, including heavy rains, such as the winter storms occurring during Fiscal Year 2022-23, melting snow, and inadequate drainage systems. Urbanization also increases the risk of flooding by increasing stormwater runoff and, to a lesser extent, erosion. A UC Berkeley study, *"Toxic Tides and Environmental Injustice: Social Vulnerability to Sea Level Rise and Flooding of Hazardous Sites in Coastal California,"* published in May 2023, documented the rising groundwater levels across the Bay Area, including the City, relating to sea level rise and the potential for it to increase the intensity and impact of flooding in coastal areas. See also "- *Climate Change; Risk of Sea Level Rise*."

Landslides. More than half of the City's area, including most of its vacant land, consists of gently sloping or hilly land. Most sloping land has some landslide potential. The risks tend to be greatest where a number of contributing factors are present, including slopes over 15 percent, weak, unconsolidated or shallow soils, water saturation, a history of landslides, active earthquake faults, extensive grading and vegetation removal (from fires or development activity). The slide itself is usually triggered by an earthquake, heavy rain or misdirected runoff. Landslides are a relatively common hazard in the East Bay hills, especially during and soon after heavy rainstorms, when the ground is saturated. Mudslides - fast, shallow movements of water-saturated earth that flow as muddy slurries, typically following water courses - are the most common type of landslides in the City; they are also known as debris flows or soil slumps.

Approximately one-quarter of the City, including all of the Oakland Hills, contains slopes greater than 15 percent. Slopes of 15-30 percent are considered developable but are likely to require site modification or special grading or foundation design to reduce the potential for slope instability. Slopes of that degree are found in the City throughout the southern Oakland Hills, in the roughly triangular area formed by I-580 and State Highways 13 and 24, in the vicinity of Northeastern University's Mills College campus and Eastmont, and on some of the hills around Lake Merritt. Development on slopes exceeding 30 percent is considered difficult and potentially hazardous. Such slopes are concentrated throughout the Oakland Hills (especially in the northern hills) and within two miles south of Highway 13. The landslide hazard in the Oakland Hills is exacerbated by the fact that the area is crossed by the Hayward fault. During a major earthquake on that fault, landslides, widespread failure of steep slopes and the collapse of natural stream banks are anticipated in the Oakland Hills in response to the strong ground movements anticipated with such a quake. Landslides could block roads, which would hamper evacuation, firefighting and relief operations within the area.

Nevertheless, landslides are not expected to produce a large-scale disaster; rather, they present a persistent risk of damage to buildings and infrastructure in areas of potentially unstable slopes and potential bodily injury or loss of life, from the collapse of structures and tumbling earth, rocks, and debris. Although the landslide hazard cannot be completely eliminated, damage can be minimized by following proper development practices or by steering development away from areas of unstable slopes. While efforts have been taken by the City through the development process to minimize landslide potential, most hillside development predates the imposition of grading and related requirements. For this reason, older hillside homes and subdivisions are the most susceptible to damage from landslides.

Climate Change; Risk of Sea Level Rise. Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution.

In 2024, the State of California Ocean Protection Council published its State of California Sea-Level Rise Guidance (2024 Science and Policy Update), which provides projections for increases in sea levels and associated risk factors. This report indicates that ocean levels along the California coast are likely to rise 0.8 feet by 2050 and between 1.6 to 3.1 feet by 2100, with significantly higher rises being possible.

The Bay Conservation and Development Commission, which is the State agency tasked with leading the San Francisco Bay Area's preparedness for, and resilience to, rising sea level, tides, and storm surge due to climate change, has done additional analysis of the impacts of local tidal influences and storm surges under these sea level rise scenarios, and projects that storm surges and king tides can result in temporary flooding conditions equivalent to an additional 14 to 41 inches above the sea level rise projections. Projected possible impacts of climate change in the City include rising Bay and delta waters, increased vulnerability to flood events, and exposure to soil toxins resulting from flooding and rising groundwater due to sea level rise, decreased potable water supply due to saltwater intrusion into groundwater reservoirs and shrinking Sierra snowpack, increased fire danger, more extreme heat events and public health impacts, and added stress on infrastructure associated with sea level rise due to development on its coastline.

On October 20, 2018, the City Council adopted a Climate Emergency and Just Transition Resolution endorsing the declaration of a climate emergency and requesting regional collaboration on an immediate just transition and emergency mobilization effort to restart a safe climate. Following that effort, the City adopted the Oakland 2030 Equitable Climate Action Plan on July 28, 2020 (the "**2030 ECAP**"), reflecting the City's strategy for an equitable transition to a low-carbon economy. The goal of the 2030 ECAP is to identify an equitable path towards cost-effectively reducing the City's local climate emissions by a minimum of 56%, transitioning away from fossil fuel dependence, and ensuring that all of the City's communities are resilient to the foreseeable impacts of climate change (especially those communities hit hardest by social and economic injustices), by 2030. See also APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – OVERVIEW - Commitment to Environmental, Social and Governance (ESG) Principles." The 2030 ECAP includes multiple action items to address climate adaptation needs, including sea level rise along Oakland's waterfront. Significant implementation has occurred on these actions through 2025, including formation of a regional partnership to coordinate projects and information (Oakland Alameda Adaptation Committee), development of pilot projects to test shoreline designs and flood control measures, and technical analysis to better understand localized risk levels relating to the combination of rising sea levels and rising groundwater intrusion.

The City is unable to predict whether sea level rise or any other impacts of climate change will occur, the extent to which they will occur, when they may occur, and, if any such events occur, whether they will have a material adverse effect on the financial condition of the City and the local economy.

Hazard Mitigation. The City has developed, and the City Council has adopted, a hazard mitigation plan (updated as of July, 2021 and referred to as the "**Hazard Mitigation Plan 2021-2026**"). The Hazard Mitigation Plan 2021-2026 has as its objective to reduce risks from disasters (including, but not limited to those discussed above) to the people, property, economy, and environment within the City and seeks, among other things, to:

- Enable the City to apply for federal grant funding to reduce hazard risk through mitigation.
- Fulfill state and federal requirements for hazard mitigation planning.
- Create a risk assessment that focuses on the hazards of concern in the City.
- Coordinate existing plans and programs so that high-priority projects to mitigate potential disaster impacts are funded and implemented.
- Establish eligibility for funding under FEMA grant programs.

In 2024, the City was awarded $205,254 in federal and State grants to update its hazard mitigation plan for Fiscal Year 2026-27.

Additionally, in 2017, the City filed a lawsuit against the five largest investor-owned fossil fuel companies in Alameda County Superior Court, entitled *The People of the State of California, acting by and through the Oakland City Attorney, Barbara J. Parker, v. BP P.L.C., et al*. This case brings public nuisance and other related tort claims on behalf of the City of Oakland and the people of the State of California in Oakland against Exxon, Shell, Conoco Phillips, BP, Chevron, and their subsidiaries. The litigation addresses alleged efforts by such fossil fuel/oil companies to hide the impacts of climate change hazards from the public in order to encourage continued use of fossil fuels and discourage the transition to renewable sources of energy. The City Attorney is seeking to have the defendant oil companies found liable for creating, participating in, and/or perpetuating a public nuisance and to have them ordered to abate the nuisance, including via an equitable abatement fund of multi-millions of dollars to address, among other things, the hazards of sea level rise for the City's property, infrastructure, and residents.

After the case was filed in State court, the defendants attempted to remove the case to federal court. After multiple rounds of briefing and appeals, the case was eventually remanded to State court. It is currently assigned to Judge Schulman in San Francisco Superior Court in a coordinated proceeding alongside similar actions brought by nine other local governments and the State of California.

Defendants filed a Motion to Quash the Summons based on lack of personal jurisdiction, which was denied in the trial court. Writ petitions on those motions have also been denied. Chevron filed a motion to strike all claims on anti-SLAPP grounds, which was also denied in the trial court. A writ petition is pending in the California Supreme Court. Defendants have filed demurrers which will be heard in August 2025. [**NOTE: To be updated as needed closer to posting**].

While the City believes that its claim is meritorious, there can be no assurance as to whether the case will be successful nor whether the City will obtain the requested relief from the courts or desired contributions to an abatement fund from the defendants.

Public Health Emergencies

The outbreak of the strain of coronavirus called COVID-19, which was declared a global pandemic by the World Health Organization in February 2020, materially and adversely impacted local and global economies, as governments, including the City, businesses, and citizens reacted to, planned for, and tried to prevent or slow further transmission of the virus. The City experienced significant and material economic and tax revenue losses associated with the COVID-19 pandemic and increased expenses due to public health responses. With the significant decline of COVID-19 case rates and increase in vaccination rates, emergency orders have been lifted, the national and local economy has begun improving, and scientists predict that COVID-19 will become endemic over time. However, the resulting and long-term impacts of COVID-19 on the City's economy, finances and operations are not fully known. Uncertain too are the actions that may be taken by federal and State governmental authorities to contain or mitigate the effects of COVID-19 or some future pandemic. See also APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – BUDGET AND FINANCIAL OPERATIONS – City's General Financial Condition and Impact of COVID-19 Pandemic."

Notwithstanding the impacts that COVID-19 may have had or future pandemics may have on the global, national or local economy, or on the City's revenues, the Bonds are voter-approved general obligations of the City payable solely from the levy and collection of *ad valorem* property taxes and are not payable from the General Fund of the City. See "PROPERTY TAXATION" above.

City Financial Challenges

The City of Oakland has experienced considerable financial challenges over the past few years. For discussion of the City's recent financial challenges and some risks associated with the City's finances, see ["BUDGET AND FINANCIAL OPERATIONS – City's General Financial Condition"] in Appendix A. While the City does not expect that its current financial condition will impede its ability to make timely payments of debt service on any of its outstanding bonds or necessitate a draw by the City on any of its debt service reserve funds or policies (where applicable) to meet its payment obligations and while the City is taking steps to improve its financial condition, the City cannot guarantee that its financial condition will not deteriorate.

Possible Limitation on Remedies; Bankruptcy

Enforceability of the rights and remedies of the Owners of the Bonds, and the obligations incurred by the City, are limited by applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles that may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose, and the limitations on remedies against school and community college districts in the State. Bankruptcy proceedings, if initiated, could subject the beneficial owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Effects of Senate Bill 222. SB 222 became effective January 1, 2016. SB 222 was introduced initially to amend Section 15251 of the California Education Code to clarify the process of lien perfection for general obligation bonds issued by or on behalf of California school and community college districts. Subsequently, SB 222 was amended to include an addition to the Government Code to similarly clarify the process of lien perfection for general obligation bonds issued by cities, counties, authorities and special districts.

SB 222, applicable to general obligation bonds issued after its effective date, such as the Bonds, removes the extra step between (a) the issuance of general obligation bonds by cities, counties, cities and counties, school districts, community college districts, authorities and special districts; and (b) the imposition of a lien on the future *ad valorem* property taxes that are the source of repayment of the general obligation bonds. By clarifying that the lien created with each general obligation bond issuance is a "statutory" lien (consistent with bankruptcy statutory law and case precedent), SB 222, while it does not prevent default, should reduce the ultimate bankruptcy risk of non-recovery on local general obligation bonds.

Special Revenues. If the City were to become a debtor in a proceeding under Chapter 9 of the United States Bankruptcy Code ("Chapter 9"), because the Bonds are for the financing of specific capital projects and are supported by a consensual lien on *ad valorem* property taxes that are use-restricted to the repayment of the Bonds, the City believes that those taxes are "special revenues" as defined in the Bankruptcy Code, and thus there is a special revenue lien in favor of owners of the Bonds in addition to, and separate and independent of, the statutory lien created by SB 222. In comparison to other consensual pledges and liens arising by agreement (that are all made ineffective post-bankruptcy by Section 552 of the Bankruptcy Code), special revenues acquired by a municipality during a Chapter 9 case will remain subject to the lien that arose from the security agreement entered into prior to the beginning of the case, and will survive the conclusion of the Chapter 9 proceeding. In addition, the automatic stay arising upon the filing of the bankruptcy petition has historically been understood not to stay the application of special revenues to payment of the bonds secured by such special revenues. Thus, regularly scheduled payments of principal of and interest to Owners of the Bonds likely would continue under 11 U.S.C. § 922(d) throughout any bankruptcy proceeding.

Based on the foregoing, if the City were to become a debtor in a Chapter 9 proceeding, the City believes that: the *ad valorem* property taxes could not be used for any other purpose other than repayment of the Bonds; the *ad valorem* property taxes should be determined to be special revenues in a Chapter 9 proceeding, and thus Owners of the Bonds would ordinarily continue to be paid post-petition; and the *ad valorem* property taxes are also protected by a statutory lien in favor of the bondholders. However, bankruptcy courts are courts of equity and as such have broad discretionary powers, and there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise. If the City were to become a debtor in a proceeding under Chapter 9, the bankruptcy court could find that the automatic stay exception for special revenues does not apply, and the parties to the proceedings may thus be prohibited from taking any action to collect any amount from the City (including *ad valorem* tax revenues), or to enforce any obligation of the City, without the bankruptcy court's permission. It is also possible that the bankruptcy court may not enforce the State law use restriction imposed on *ad valorem* property taxes.

Even if the *ad valorem* property tax revenues are determined to be "special revenues," the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the City is entitled to use the *ad valorem* property tax revenues to pay necessary operating expenses of the City, before the remaining revenues are paid to the owners of the Bonds. It should also be noted that it is possible – in the context of confirming a Plan of Adjustment (the "Plan") in a Chapter 9 case where the Plan has not received the requisite consent of the holders of the Bonds – a bankruptcy court may confirm a Plan that adjusts the timing of payments on the Bonds or the interest rate or other terms of the Bonds provided that (a) the Owners of the Bonds retain their lien on the revenues subject to the statutory and/or special revenues lien, (b) the payment stream has a present value equal to the value of the revenues subject to the lien(s) and (c) the bankruptcy court finds that these and any other adjustments to the Bonds' terms are fair and equitable.

Possession of Revenues; Remedies. If the City goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the City does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

Cybersecurity and Threats

As a large public sector organization, the City manages a complex technical environment. Through its normal operations, the City collects, processes, and maintains potentially sensitive information about residents, businesses, employees, contractors, and elected officials, making it a target for sophisticated, professional criminal organizations. As such, cybersecurity is of the utmost importance to the successful ongoing operations of the City. The City's Information Technology Department ("**ITD**") continually manages programs and initiates projects aimed at strengthening the City's overall technology infrastructure and automating processes, monitoring systems, and analyzing operational and security issues in real-time. The City believes these measures improve its ability to effectively respond to incidents once detected. Regarding specific security measures, the City has established an Information Security Office ("**ISO**") as part of ITD, reporting directly to the City's Chief Information Officer.

The ISO is responsible for the active monitoring of the City's technology systems, as well as analysis, discussion and development of information security policy and recommendations. The ISO has implemented citywide policies and procedures aligned to the National Institute of Standards and Technology, Special Publication 800-53, Security and Privacy Controls for Information Systems and Organizations ("**NIST SP800-53 Rev 5**"). In addition to frameworks and policies, the ISO also recognizes the need for dedicated security personnel and ongoing training. Frameworks and policies are only effective if they are enforced and tools are only effective if they remain current. Combating cybersecurity threats from both inside and outside the organization is an ongoing active endeavor, as the threats are continually evolving. While the City maintains its technology systems and continuously implements new information security controls, no assurances can be given that the City's will be successful in guarding against all cyber threats and attacks.

To help mitigate the impacts of any such impacts, the City carries a cyber insurance policy, but there is no assurance that such coverage will be maintained in the future or that the coverage amount will be sufficient to address the cost of any particular cyberattack.

In February 2023, the City detected suspicious activity on its network and quickly contained the threat with the help of a forensics firm. While several systems were taken offline, the City confirmed that critical systems like 911, Office 365, and Oracle were unaffected. The City engaged legal and technical assistance through its cyber liability insurance policy and the City Council enacted a local state of emergency to enable rapid responses and contracting and activated its Emergency Operations Center to mobilize all City departments, agencies, and resources to respond to the incident. A majority of the City's systems were back online within 18 days after the threat was detected, and all systems were back online within 3 months.

In March 2023, it was discovered that a threat actor published stolen City data on the dark web, followed by a second publication of City data in April 2023. The City sent notifications of both leaks to affected individuals. A full recovery of all affected internet technology systems was achieved by May 2023.

To continue improving the City's infrastructure and data security systems and operations, the City's 2023-2025 biennial budget included a $9.5 million investment in technology and security.

Although the City's 2025-2027 biennial budget includes reductions impacting multiple departments, the ITD budget preserves core security and technology systems. Alongside these efforts, the City's ERP financial system was successfully migrated to Oracle Cloud Infrastructure in May 2024, providing significant security and infrastructure improvements to the City's financial data systems.

No assurances can be made that the security and other measures taken by the City will be successful in guarding against another cyber threat or attack. The City cannot predict the outcome of any future attack nor its effect on the City's operations and finances. The results of any attack on the City's computer and information technology systems could have a material adverse impact on the operations of the City and damage its digital networks and systems. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the City to material litigation and other legal risks, which could cause the City to incur material costs related to such legal claims or proceedings.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel is of the further opinion that interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Tax-Exempt Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

Tax-Exempt Bonds

The following discussion summarizes certain United States federal income tax considerations generally applicable to U.S. Holders (as defined in the Taxable Bonds discussion, below) of the Bonds that acquire their Bonds in the initial offering, and does not address tax considerations applicable to any investors in the Bonds other than investors that are U.S. Holders.

To the extent the issue price of any maturity of the Tax-Exempt Bonds is less than the amount to be paid at maturity of such Tax-Exempt Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Tax-Exempt Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Tax-Exempt Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Tax-Exempt Bonds is the first price at which a substantial amount of such maturity of the Tax-Exempt Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Tax-Exempt Bonds accrues daily over the term to maturity of such Tax-Exempt Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted U.S. federal income tax basis of such Tax-Exempt Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Tax-Exempt Bonds. Beneficial Owners of the Tax-Exempt Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Tax-Exempt Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Tax-Exempt Bonds in the original offering to the public at the first price at which a substantial amount of such Tax-Exempt Bonds is sold to the public.

Tax-Exempt Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Tax-Exempt Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Tax-Exempt Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's U.S. federal income tax basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Tax-Exempt Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Bonds. The Issuer has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Tax-Exempt Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Tax-Exempt Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-Exempt Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Tax-Exempt Bonds may adversely affect the value of, or the tax status of interest on, the Tax-Exempt Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes and State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Tax-Exempt Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Tax-Exempt Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Tax-Exempt Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Issuer has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Tax-Exempt Bonds ends with the issuance of the Tax-Exempt Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the Beneficial Owners regarding the tax-exempt status of the Tax-Exempt Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of Tax-Exempt Bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Tax-Exempt Bonds, and may cause the Issuer or the Beneficial Owners to incur significant expense.

Payments on the Tax-Exempt Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Tax-Exempt Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Tax-Exempt Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Tax-Exempt Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Taxable Bonds

Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Taxable Bonds.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the Taxable Bonds that acquire their Taxable Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Taxable Bonds as part of a hedge, straddle or an integrated or conversion transaction, investors whose "functional currency" is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Taxable Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Taxable Bonds pursuant to this offering for the issue price that is applicable to such Taxable Bonds (i.e., the price at which a substantial amount of the Taxable Bonds are sold to the public) and who will hold their Taxable Bonds as "capital assets" within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Taxable Bonds other than investors that are U.S. Holders.

As used herein, "U.S. Holder" means a beneficial owner of a Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Taxable Bonds (including their status as U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Taxable Bonds in light of their particular circumstances.

For U.S. Holders of Taxable Bonds

Interest. Interest on the Taxable Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Taxable Bonds is less than the amount to be paid at maturity of such Taxable Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Taxable Bonds) by more than a de minimis amount, the difference may constitute original issue discount ("OID"). U.S. Holders of Taxable Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Taxable Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Taxable Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Taxable Bond.

<u>Sale or Other Taxable Disposition of the Taxable Bonds</u>. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Issuer) or other disposition of a Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Taxable Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Taxable Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

<u>Defeasance of the Taxable Bonds</u>. If the Issuer defeases any Taxable Bond, the Taxable Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted U.S. federal income tax basis in the Taxable Bond.

<u>Information Reporting and Backup Withholding</u>. Payments on the Taxable Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Taxable Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. Holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Foreign Account Tax Compliance Act ("FATCA")

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Taxable Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws

LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the City. Certain matters will be passed upon for the City by Nixon Peabody LLP, San Francisco, California, as Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by the City Attorney. Certain legal matters will be passed upon for the Underwriters by Norton Rose Fulbright US LLP, Los Angeles, California, in connection with the issuance and sale of the Bonds. Bond Counsel, Disclosure Counsel, Counsel to the Underwriters and the City Attorney undertake no responsibility for the accuracy, completeness or fairness of this Official Statement. Payment of fees of Bond Counsel and Disclosure Counsel is contingent upon the issuance of the Bonds.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC is acting as a municipal advisor to the City ("**Municipal Advisor**") with respect to the Bonds. The Municipal Advisor has assisted the City in the review and preparation of this Official Statement and in other matters relating to the planning, structuring, execution and delivery of the Bonds. The Municipal Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the City to determine the accuracy or completeness of this Official Statement and assumes no responsibility for the accuracy or completeness of any of the information contained herein. The Municipal Advisor will receive compensation from the City contingent upon the sale and delivery of the Bonds.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending, or to the knowledge of the City, threatened, concerning the validity of the Bonds, or the City's ability to receive *ad valorem* taxes and to collect other revenues, or contesting the City's ability to issue the Bonds. The City is not aware of any litigation pending or threatened questioning the political existence of the City or contesting the title to their offices of City officials who will sign the Bonds and other certifications relating to the Bonds, or the powers of those offices. See also APPENDIX A - "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – LEGAL MATTERS AND RISK MANAGEMENT - Litigation."

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate, the City will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the City by not later than nine months after the end of the City's Fiscal Year (currently June 30) (each, an "**Annual Report**"), commencing with the report for the Fiscal Year ending June 30, 2025, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the City (or its dissemination agent, if any) with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("**EMMA**") system. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events and the text of the Continuing Disclosure Certificate are set forth under the caption APPENDIX C – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants will be made in order to assist the Underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission.

The City, on its own behalf and on behalf of related entities, has entered into a number of prior continuing disclosure undertakings under the Rule in connection with the issuance of long-term obligations, and has provided annual financial information and event notices in accordance with those undertakings. In August 2024, Assured Guaranty Municipal Corp., the insurer of certain of the City's bonds, merged with and into its affiliate Assured Guaranty Inc. The City did not file a notice at the time of the merger but expects to do so. Based on an independent, third-party review, other than as described in this paragraph, the City is not aware of any instances in the past five years of any material failures by it to comply with its continuing disclosure undertaking under the Rule with respect to any bond issue of the City.

RATINGS

The Bonds have received the ratings of "___" by Moody's Investors Service, Inc. ("**Moody's**") and "___" by Standard & Poor's Global Ratings ("**S&P**"). Each rating agency generally bases its rating on its own investigations, studies and assumptions. All such ratings reflect only the views of the respective rating agencies, and any explanation of the significance of any rating may be obtained from the rating agency furnishing such rating. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency furnishing the rating, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. The City undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

UNDERWRITING

The Bonds are being purchased through negotiation by Siebert Williams Shank & Co., LLC, on its own behalf and as representative of BofA Securities, Inc. and Loop Capital Markets LLC (collectively, the "**Underwriters**"). The Underwriters have agreed to purchase the Bonds at a purchase price of $____________ (representing the aggregate par amount of the Bonds, plus an original issue premium thereon ($____________), less an Underwriters' discount of $____________). The Underwriters are obligated to purchase all of the Bonds if any are purchased. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions set forth in the bond purchase agreement relating to the Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the City and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

The Underwriters may also offer and sell the Bonds to certain dealers and others at prices lower than the respective public offering prices stated or derived from information stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters.

BofA Securities, Inc. has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("**MLPF&S**"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

[Add additional distribution agreement disclosures, if any.]

FINANCIAL STATEMENTS

The audited annual financial report of the City for its Fiscal Year ended June 30, 2024, is included in APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2024." Said annual financial report has been audited by Macias Gini & O'Connell LLP, independent accountants (the "**Auditor**"), as stated in the Auditor's report appearing in APPENDIX B. The City has not requested, nor has the Auditor given, the Auditor's consent to the inclusion in APPENDIX B of its report. The Auditor has not reviewed this Official Statement nor performed any procedures subsequent to rendering its opinion on such annual financial report.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to purchasers of the Bonds. Quotations from and summaries and explanations of the Authorizing Resolution, Project Allocation Resolution, the Ordinance, the Bonds and the Fiscal Agent Agreement authorizing the Bonds and of statutes and other documents contained herein do not purport to be complete, and reference is hereby made to said resolutions, Ordinance, Fiscal Agent Agreement, statutes and documents for full and complete statements of their provisions. Additional information can be obtained from the City's Director of Finance. Any statement in this Official Statement involving matters of opinion, whether or not expressly stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners or beneficial owners of any of the Bonds.

The preparation and distribution of this Official Statement have been duly authorized and approved by the City Council of the City of Oakland.

CITY OF OAKLAND, CALIFORNIA

By: ___________________________________
City Administrator

APPENDIX A

CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND

APPENDIX A

CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND

Page

The information in this appendix concerning the City's finances and operations is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the General Fund (defined herein) or any other funds of the City. The Bonds are payable from the proceeds of an unlimited ad valorem tax approved by the voters of the City pursuant to all applicable laws and State Constitutional requirements and required to be levied by the City Council on property within the City in an amount sufficient for the timely payment of principal of and interest on each series of the Bonds. See "SECURITY FOR THE BONDS" in the front portion of this Official Statement.

Certain statements included or incorporated by reference in this APPENDIX A constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

OVERVIEW

General

The City of Oakland (the "**City**" or "**Oakland**") is located in the County of Alameda (the "**County**") on the eastern shore of the San Francisco Bay, approximately seven miles from downtown San Francisco via the San Francisco-Oakland Bay Bridge. Occupying approximately 53.8 square miles of land, the City is the most populous of the "East Bay" cities. The City is the seat of government for the County and is the eighth most populous city in the State of California (the "**State**"). Its geography ranges from industrialized areas in the west, which border the San Francisco Bay, to suburban foothills in the east.

The City is the hub of an extensive transportation network, which includes several interstate freeways, which are key regional corridors for mobility and goods movement, the western terminus of major railroad and trucking operations, and one of the largest container-ship ports in the Unites States, the Port of Oakland. The City is also served by an active international airport and the Bay Area Rapid Transit system ("**BART**"), which connects the City by commuter rail to most of the San Francisco Bay area (the "**Bay Area**").

Formerly the industrial heart of the Bay Area, the City has developed into a vibrant metropolitan center, home to a diverse mix of residential neighborhoods and financial, governmental and commercial activities. The City's mix of traditional employers as well as companies from emerging industries are attracted to the City's quality of life, central Bay Area location close to where the workforce lives, comparatively low business costs, proximity to research institutions and vast intermodal transportation network. Leading industries include health care and social assistance, professional, scientific, and technical services, transportation and warehousing, educational services, accommodation and food services, light manufacturing, government, and arts, culture, and entertainment.

Culturally, the City is home to a nationally-recognized symphony, the Oakland Ballet, a rich array of artistic and cultural institutions, an award-winning zoo, the Paramount Theatre and the Fox Theater, the Oakland Museum of California, and a celebrated restaurant scene. Oakland's diverse population is reflected in a variety of attractions, including Chinatown, Little Saigon, the Latin-infused Fruitvale area, and the African American Museum and Library downtown.

Oakland boasts a wide array of parks and open space. In addition to its waterfront, the City maintains over 100 city parks, mini parks and open spaces, including Lake Merritt and Lakeside Park, home of the nation's oldest wildlife refuge and Fairyland, a popular children's theme park. The City counts lush green hills, redwood and other forests, creeks, an estuary and two lakes among its natural amenities. The extensive East Bay Regional Park District borders Oakland and is easily accessible from the City.

Population

The Demographic Research Unit of the California Department of Finance estimated the City's population as of January 1, 2025 at 426,457. This figure represents approximately 25.65% of the corresponding County figure and 1.08% of the corresponding State figure. The following Table 1 sets forth the estimated population of the City, the County and the State for calendar years 2021 through 2025 with 2020 included as a benchmark reference.

Table 1
City of Oakland, County of Alameda and State of California
Population
2020-2025

Calendar Year	City	County	State
2020	433,148	1,682,353	39,538,223
2021	431,073	1,669,095	39,369,530
2022	420,963	1,648,467	39,179,680
2023	424,172	1,657,334	39,228,444
2024	424,235	1,658,061	39,420,663
2025	426,457	1,662,482	39,529,101

Note: Data reflect population estimates as of January 1 of each year except for 2020 data which is as of April 1, 2020.
Source: State of California, Department of Finance.

Income

The following Table 2 summarizes personal income for the County (which is larger than, but encompasses, the City) for the calendar years 2019 through 2023, the most current year for which data is available. Personal income increased by 28.46% from 2019 to 2023. Per capita personal income in the area grew by 33.35% in that same time period.

Table 2
Personal Income and Per Capita Income
County of Alameda
2019 - 2023[1]

Year	Personal Income (in Thousands)	Annual Percent Change[2]	Per Capita Income	Annual Percent Change[2]
2019	$134,683,858	8.03%	$79,984	7.81%
2020	148,200,977	10.04	88,190	10.26
2021	161,725,572	9.13	98,370	11.54
2022	164,187,433	1.52	100,836	2.51
2023	173,018,284	5.38	106,657	5.77

(1) Most current data available as of the date of this Official Statement.
(2) Rounded numbers.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, *CAINC1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income, by County*, 2019-2023, last updated February 20, 2025 - revised statistics for 2010-2019; data pulled on June 4, 2025.

Industry and Employment

The following Table 3 sets forth estimates of the civilian labor force, employment, and unemployment for County residents, State residents and United States residents from calendar years 2020 through 2024. The California Employment Development Department has reported preliminary unemployment figures for July 2025 at 6.1% for the State, 5.3% for the County and 5.3% for the Oakland-Fremont-Berkeley metropolitan division (not seasonally adjusted).

Table 3
County of Alameda, State of California and United States[ǂ]
Civilian Labor Force, Employment and Unemployment
Annual Average[1] for Years 2020 through 2024[2]

Year and Area	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
2020				
County of Alameda	860,300	787,400	73,000	8.5%
California	18,956,600	17,039,800	1,916,800	10.1
United States	160,742,000	147,795,000	12,947,000	8.1
2021				
County of Alameda	846,500	796,900	49,600	5.9%
California	18,954,600	17,564,900	1,389,700	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
2022				
County of Alameda	856,600	829,100	27,500	3.2%
California	19,218,300	18,393,900	824,400	4.3
United States	164,287,000	158,291,000	5,996,000	3.6
2023				
County of Alameda	866,300	833,200	33,100	3.8%
California	19,471,000	18,551,800	919,200	4.7
United States	167,116,000	161,037,000	6,080,000	3.6
2024				
County of Alameda	866,300	827,700	38,600	4.5%
California	19,644,100	18,600,900	1,043,100	5.3
United States	168,106,000	161,346,000	6,761,000	4.0

(1) Data presented as annual averages, except where otherwise indicated. Data may not add due to rounding.
(2) *Source*: For 2020-2024 data for County and State, State of California Employment Development Department, Labor Market Information Division, *Unemployment Rates (Labor Force),* Labor Force Data Search Tool, Annual historical data from 2020-2024, Data Not Seasonally Adjusted, data pulled on June 4, 2025.
(ǂ) *Source*: U.S. Department of Labor, Bureau of Labor Statistics. Access to Historical Data. Household Data. Annual Averages Table 1, Employment status of the civilian noninstitutional population, 1952 to 2024.

The following Table 4 sets forth the largest industries in the County in terms of employment in each respective industry, as estimated by the State of California Employment Development Department, for calendar years 2020 through 2024.

Table 4
County of Alameda
Employment by Industry Group
Annual Averages
2020 - 2024(1)

Industry	2020	2021	2022	2023	2024
Trade, Transportation and Utilities	129,400	134,000	137,300	137,100	132,000
Professional and Business Services	128,900	134,400	137,800	135,000	132,700
Educational and Health Services	121,800	125,100	128,500	135,800	142,200
Government	118,400	114,500	113,200	115,500	116,200
Manufacturing	83,700	91,800	98,300	97,800	90,900
Leisure and Hospitality	53,000	57,900	68,600	71,100	69,900
Mining, Natural Resources and Construction(2)	46,700	48,700	48,400	47,400	46,800
Financial Activities	27,000	27,100	27,100	27,300	26,900
Other Services	22,500	23,800	25,800	27,200	26,200
Information	19,900	18,800	19,100	18,600	17,000
Farm	700	1,000	900	800	800
TOTAL:	752,000	777,100	804,900	813,600	801,500

(1) Employment is reported by place of work. Figures are rounded to the nearest hundred. Columns may not add to totals due to rounding.
(2) Includes logging.
Source: California Employment Development Department, as of September 2025.

The following Table 5 sets forth the top ten employers in the City as of June 2024.

Table 5
City of Oakland
Top Ten Employers
as of June 2024

Rank	Employer Name	Employee Count	Percent of Total Employment[1]
1.	Kaiser Permanente Medical Group, Kaiser Foundation Hospitals and Health Plan	11,500+	5.8%
2.	County of Alameda	8,000+	4.1
3.	Oakland Unified School District	5,500+	2.8
4.	City of Oakland	4,500+	2.3
5.	State of California	4,000+	2.0
6.	San Francisco Bay Area Rapid Transit District	4,000+	2.0
7.	Southwest Airlines	3,000+	1.5
8.	Alameda Health System	2,500+	1.3
9.	UCSF Benioff Children's Hospital & Research Center	2,500+	1.3
10.	Federal Express Corporation	2,000+	1.0
	Total	**47,500+**	

(1) Percentage of total employment is based on June 2024 employment of 196,600.
Source: City of Oakland Annual Comprehensive Financial Report for Year Ended June 30, 2024.

Commercial Activity

The following Table 6 sets forth a history of taxable transactions for the City for calendar years 2020 through 2024.

Table 6
City of Oakland
Taxable Transactions by Type of Business
for Calendar Years 2020 through 2024
($ in Thousands)

Type of Business	2020	2021	2022	2023	2024
Motor Vehicle & Parts Dealers	$450,686	$588,561	$572,303	$581,526	$554,802
Home Furnishings & Appliance Stores	131,792	155,359	147,394	142,792	187,545
Building Material & Garden Equipment & Supplies Dealers	259,402	258,652	252,581	228,639	212,691
Food & Beverage Stores	356,250	355,965	362,609	354,274	348,348
Gasoline Stations	294,474	444,045	644,871	531,427	473,773
Clothing & Clothing Accessories Stores	64,805	100,892	111,792	109,046	106,592
General Merchandise Stores	99,910	112,818	134,867	157,088	96,280
Food Services & Drinking Places	575,433	792,369	950,985	980,077	958,120
Other Retail Group	402,834	393,144	381,829	338,340	338,296
Total Retail & Food Service	2,635,587	3,201,805	3,559,230	3,423,208	3,276,445
All Other Outlets	1,214,911	1,403,122	1,641,427	1,566,262	1,435,612
Total All Outlets	$3,850,498	$4,604,928	$5,200,657	$4,989,470	$4,712,057

Note: Totals may differ due to rounding.
Source: Taxable Sales In California, California State Department of Tax and Fee Administration.

Economic Development and Construction Activity

The following Table 7 sets forth a summary of residential and commercial building permit valuations in the City for Fiscal Years 2019-20 through 2023-24.

Table 7
City of Oakland
Building Permit Valuation
2019-20 through 2023-24

	2019-20	2020-21	2021-22	2022-23	2023-24
Building Permits Issued	11,812	12,784	14,356	15,700	13,700
Authorized New Dwelling Units	1,656	1,159	1,469	1,378	880
Commercial Value (in thousands) (1)	$301,304	$322,408	$367,304	$172,550	$459,135
Residential Value (in thousands) (2)	$853,155	$380,814(1)	$473,718	$358,387	$285,071

(1) Decreased value for commercial permits in fiscal year 2023 reflects changing market conditions, including higher borrowing costs in recent years. Increased value for commercial permits in fiscal year 2024 reflects an investment by the Stanford Medical Health Cancer Center for a medical facility.

(2) Decreased values for residential permits since fiscal year 2021 reflect changing market conditions, including higher borrowing costs in recent years.

Source: City of Oakland Annual Comprehensive Financial Report for Year Ended June 30, 2024.

The City continues to experience new commercial real estate investment and development activity in its downtown, as well as other areas of the City. Several large mixed-use projects are underway, including: (i) the Brooklyn Basin, a $1.5 billion project creating a new mixed-use waterfront neighborhood with a maximum of 3,700 housing units entitled for and 1,696 units constructed thus far, associated retail and approximately 32 acres of publicly accessible parks and open space; (ii) the construction of a mixed-use residential community at the site of the former Oak Knoll Naval Medical Center, for which a total of 918 units are entitled for with 97 building permits recently applied for; (iii) new transit-oriented developments adjacent to the City's BART stations including the MacArthur, Fruitvale, Lake Merritt and West Oakland stations; and (iv) significant investment in the health care sector, including construction of a new campus for Samuel Merritt University in downtown Oakland, which broke ground in May 2023 and is expected to be completed later this year, a new $250 million cancer center developed in partnership between Stanford University and Sutter Health, and the $300 million redevelopment and modernization of UCSF Benioff Children's Hospital. Another recently completed project is the $70 million rehabilitation and adaptive reuse of the Henry J. Kaiser Convention Center into a new performing arts center at the south end of Lake Merritt. Pacific Gas & Electric Company relocated its headquarters to the City from San Francisco, and just recently finalized its purchase of the 910,000 square-foot Class A office building that it had been leasing at 300 Lakeside Drive. Additionally, the City and County are closer to finalizing the sale of the Coliseum Complex to the Oakland Acquisition Company LLC, expected to close this fiscal year, signifying a major infusion of private capital in East Oakland.

To complement and accelerate this real estate and investment activity, the City has created a series of plans for creating sustainable and vibrant neighborhoods, including a Downtown Oakland Specific Plan (the "**DOSP**"), which was adopted by the City Council in July 2024. The DOSP provides a vision together with goals and strategies to continue growing the City's downtown as a major regional employment, cultural, and residential center while meeting the needs of its most vulnerable stakeholders [over the next 20 years]. It encourages dense development by increasing development capacity and also addresses community priorities for a sense of place, shelter, economic opportunity, cultural belonging, and mobility. The DOSP lays the groundwork for more flexible use of existing space and future development, ensuring Oakland is ready for the next development cycle. The DOSP expands the range of uses that will be allowed by right which then, will help address ground-floor commercial vacancies.

Development capacity created by the DOSP could add approximately 29,000 housing units, 18.3 million square feet of new commercial space, 1.3 million square feet of new institutional space, and 500,000 square feet of new industrial space resulting in approximately 57,000 jobs and $41 million in impact fees to fund affordable housing and transportation improvements units. Notwithstanding the recent slowdown in the construction of market-rate housing, which is a reflection of the significant supply delivered in the past several years and where Oakland is in the development cycle (high development costs relative to residential values), the DOSP also creates development capacity for 29,000 housing units.

The Development Feasibility Analysis and Housing Strategy Study conducted as part of the Impact Fees Update Phase 2 process in June 2024 found that Oakland's economy and real estate market are still recovering and adjusting to the impacts of the pandemic. Current economic conditions are very different from those of 2016-2019 due to reduced demand, higher vacancy rates, lower rents, and higher construction and capital investment costs, which are impacting all sectors. The demand surrounding new housing and the ability to charge rents required for new construction was reduced due to uncertainties introduced by remote and hybrid work trends and declined activity in downtown areas surrounding new housing. rapidly escalating construction costs, high interest rates, and depressed market rents significantly impacted multifamily housing projects, the only unit type to experience a major decline.

Commitment to Environmental, Social and Governance (ESG) Principles

The City, including its leaders and residents, has a long history of activism around issues of equity and social justice. The City's environmental and social equity goals are rooted in the knowledge that all City residents have the right to pursue safe, happy, healthy, and fulfilling lives. The effects associated with climate change, including long-term issues like sea level rise and immediate concerns like poor air quality, present opportunities to address these complex economic and environmental issues through equitable climate action. The City regularly reports on its efforts to become a more sustainable city that seeks to tackle the interconnected issues of climate change and social equity openly.

City leaders have committed to promoting equity measures to address decades of discrimination. The City established a Department of Race and Equity ("**DRE**") to analyze and approve all policies and practices conducted by the City to ensure that race and social equity measures are considered prior to policy adoption and implementation. These efforts can be seen in the City's Biannual Capital Improvement Program Community Engagement Process, which has yielded significant solicitation and input from communities of color in the recent budget cycles. The DRE also publishes a biannual accomplishments report that tracks City department activities to address inequities in services and programs, trains staff, and supports City departments in taking an active role in developing policies and programs to encourage local small businesses to be included in the City's contracting processes.

The City also has a long and storied history of environmental achievement and sustainability efforts. For instance, the Sustainability and Resilience Division ("SRD") is an outgrowth of the Sustainable Community Development Initiative, established by the City Council in 1998. Housed in the City Administrator's Office, it supports the City's progress in becoming a more resilient and sustainable city. The division provides bi-annual updates to the public and City Council on progress in implementing the adopted Oakland 2030 Equitable Climate Action Plan (the "**2030 ECAP**") and its 40 Actions.

- The City partners with multiple local, regional, and statewide entities to market and deliver a range of energy savings and electrification resources to Oaklanders, both residential and commercial. This includes the Bay Area Multifamily Building Enhancements Program, a program of the Bay Area Regional Energy Network ("BayREN"), which in calendar years 2023-2024 provided technical assistance and $647,020 in incentives to upgrade 244 residential units across eight Oakland multifamily properties; BayREN's Home+ program, which served 437 Oakland homes over the same two-year period, delivering $0.45M in incentives and yielding 274 MWH savings and 26.45 Therm savings; the statewide TECH program, which has installed 217 heat pump water heaters and 655 heat pump HVAC systems in Oakland since 2020; the Green Housecalls program, delivered by Oakland-based Rising Sun Center for Opportunity and providing energy efficiency measures and in-home, hands-on training for energy and water conservation for Oaklanders every Summer; PG&E's Energy savings Assistance Program and similar public- and ratepayer-funded income-based energy efficiency programs; a range of building and transportation electrification programs led by Ava Community Energy, Alameda County's publicly-owned electricity provider; contractor and business owner trainings provided directly by the City's Housing and Community Development Department ("HCD") and SRD; and a range of means-tested home upgrade services, including electrification, provided by HCD.

- The City's Departments of Planning and Building and Economic and Workforce Development have led efforts to streamline building and business permitting. In combination with building code updates since 2010 that encourage green building, energy and resource conservation, and electrification, these reforms further the City's leadership in sustainability and local economic development.

- In 2018, the City was awarded a SolSmart Gold designation for efforts to make it faster, easier, and more affordable for homes and businesses to install solar photovoltaics. SolSmart is led by the Solar Foundation and the International City/County Management Association, and is funded by the U.S. Department of Energy's Solar Energies Technologies Office. Since its founding in 2016, over 550 communities have achieved SolSmart designation. Oakland qualified in 2018 by creating a streamlined permitting process for small solar systems, installing solar capacity on local facilities, offering PACE financing, and providing solar charging for City employees. With its Gold designation, the City is recognized as a national leader in advancing solar energy and helping to attract solar industry investment that generates economic development and employment opportunities.

- Between 2005 and 2022, the City decreased greenhouse gas emissions by more than 20%. During this same timeframe, the City's population grew by 8.0% and commercial activity in the Bay Area flourished. This demonstrates that the community is finding ways to reduce its emissions even as more people live and work in the City. In addition, per capita emissions are very low by national standards. The City averages 5.70 metric tons of carbon dioxide per person, 46% lower than the state average and 71% lower than the national average.

Most recently, the City's efforts to be a leader in the area of sustainability is exemplified in the City's 2030 ECAP, which is the City's roadmap for climate mitigation and adaptation and affirms that reducing disparities is a cornerstone of the City's climate goals. In the 2030 ECAP, the City has committed to substantially cut greenhouse gas emissions and implement green building codes, standards and environmental practices and a long-term plan to maintain clean air supported by green jobs.

The 2030 ECAP includes a Racial Equity Impact Assessment & Implementation Guide to be used for guidance on effective implementation and community oversight. The implementation guide describes the disparities that disproportionately impact the City's frontline communities and details a process for utilizing City-specific data to identify the frontline communities related to each 2030 ECAP action item, flexible to the constraints and objectives of each City department. It further provides in-depth recommendations and best practices for an equitable community engagement structure for the 2030 ECAP implementation that is inclusive of underrepresented frontline communities across the City. Finally, it identifies the equity gaps related to each 2030 ECAP action item and provides guidance on addressing these gaps to best maximize equity outcomes.

Both Measure KK and Measure U (the "**Measures**") authorize the use of bond proceeds for, among other things, water, energy, environmental and seismic improvements to City facilities and systems consistent with the 2030 ECAP, as well as for the acquisition and construction of, and improvements to, affordable housing.

Additionally, the Measures provide that, prior to issuance of bonds pursuant to the Measures, the City Council must identify how the projects and programs authorized for funding with such bond proceeds: (i) address improvements to the City's existing core capital assets; (ii) maintain or decrease the City's existing operations and maintenance costs; and (iii) address social and geographic equity, such as providing greater benefit to under-served populations and in geographic areas of greatest need. Measure KK additionally requires the City Council to identify how the projects and programs authorized for funding with Measure KK bond proceeds address improvements to energy consumption, resiliency and mobility.

Many of the improvements financed with proceeds of the Bonds are anticipated or designed to improve the City's aging building stock to align City buildings with the State's current Building Energy Efficiency Standards (California Code of Regulations, Title 24), incorporate energy conservation, natural resource reduction, water efficiencies, and stormwater treatment. These infrastructure improvements will reduce resource consumption, reduce litter, and will be compliant with accessibility laws.

CITY GOVERNMENT

Overview

The City was incorporated as a town in 1852 and as a city in 1854. In 1889, the City became a charter city. The Charter of the City provides for among other matters: the election, organization, powers, and duties of the legislative branch, known as the City Council (the "City Council"); the powers and duties of the executive and administrative branches, including the elected Mayor of the City ("Mayor") and the appointed City Administrator; the election, powers, and duties of other City Officers including the City Attorney and the City Auditor; fiscal and budgetary matters; personnel administration; employee pension funds; and the creation and organization of the Port of Oakland. An eight-member City Council, seven of whom are elected by district and one of whom is elected on an at-large citywide basis, is the governing body of the City. City Councilmembers serve four-year terms, staggered at two-year intervals. City Councilmembers are limited to three consecutive terms, though district councilmembers may serve in the at-large seat for an additional three consecutive terms.

The Mayor is not a member of the City Council but is the City's chief elective officer. The current Mayor, Barbara Lee, is serving her first term after an April 2025 special election to fill the vacancy from a Mayoral recall. Her term will expire in January 2027. The next regularly scheduled mayoral election is November 2026, for a four-year term commencing January 2027. No person can be elected Mayor for more than two consecutive terms.

The City Attorney is elected to a four-year term at the same election as the Councilmember-at-large. The current City Attorney, Ryan Richardson, is serving his first term, which will expire in January 2029. The City Auditor is elected to a four-year term at the same election as the Mayor. The current City Auditor, Michael C. Houston, is serving his first term after a March 2024 special election to fill a vacancy in the Office of the City Auditor. His term will expire in January 2027.

The Mayor appoints a City Administrator who is subject to confirmation by the City Council. The City Administrator is responsible for daily administration of City affairs and preparation of the biennial budget for the Mayor to submit to the City Council. Subject to civil service regulations, the City Administrator appoints all City employees who are not elected officers of the City. The City Administrator is appointed for an indefinite term and serves at the pleasure of the Mayor. The current City Administrator, Jestin D. Johnson, was confirmed on May 16, 2023.

The City provides a full range of services required by State law and the Charter, including those functions delegated to cities under State law. These services include public safety (police and fire), sanitation, recreational and cultural activities, human services, economic development, public improvements, planning, zoning and general administrative services.

The Port of Oakland (the "**Port**"), designated by the Charter as an independent department of the City, operates the airport, maritime operations, and certain land along the waterfront. The Port is governed by a separate board of directors appointed by the Mayor and ratified by the City Council. Funds of the Port are accounted for in a separate enterprise fund held by the City Treasurer.

Recall of Former Mayor

In January 2024, a group of City residents filed a notice of intention to start a recall effort against then-Mayor Sheng Thao, citing an increase in crime, other public safety concerns, and mishandling of City finances. The recall petition was certified on June 14, 2024 by the Alameda County Registrar of Voters.

In a recall election consolidated with the City's general election held on November 5, 2024, voters approved the removal of then-Mayor Thao from office. On that same election date, voters elected then-City Council President and District 2 Councilmember Nikki Fortunato Bas to the Alameda County Board of Supervisors for the term commencing January 6, 2025. On December 17, 2024, the City Council adopted a resolution declaring the City of Oakland election results and adopted a resolution declaring an immediate vacancy in the Office of the Mayor, declaring a vacancy in the District 2 Council Office as of January 6, 2025, and calling for a special election to fill the vacancies.

Following the Council action on December 17, 2024, then-City Council President Nikki Fortunato Bas became interim Mayor pursuant to section 303 of the City Charter. On January 6, 2025, the City Council elected Kevin Jenkins as Council President and he became interim Mayor, a position that he held until the special election could be held and a new Mayor could be sworn in.

At the special election held on April 15, 2025, voters elected Barbara Lee as Mayor, to serve the remainder of the unexpired term, which ends January 4, 2027. Mayor Lee was sworn in on May 20, 2025.

Former Mayor Thao has been indicted by a grand jury for acts taken in an alleged bribery scheme, as further described under the heading "LEGAL MATTERS AND RISK MANAGEMENT – Criminal Investigation of Former Mayor" in this Appendix A.

BUDGET AND FINANCIAL OPERATIONS

Overview

The City's finances are organized into several fund groups. The General Fund (sometimes referred to as the general fund group) includes a number of funds intended for general use or citywide functions, the largest of which is the General Purpose Fund. The General Purpose Fund accounts for revenues from most of the City's taxes, fees and service charges and is unrestricted in its use. In the Fiscal Year 2025-26 Budget, the General Purpose Fund included $791 million of estimated appropriations and revenues and represented approximately 75% of the General Fund. The second largest component of the General Fund is the Pension Tax Override Fund representing $94 million (9% of the Fiscal Year 2025-26 General Fund). See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*" regarding the Pension Tax Override (defined herein). Other funds reported as part of the General Fund include the City's Self-Insurance Liability Fund; the Kids First Fund (which receives 3% of unrestricted General Purpose Fund Revenues); Comprehensive Clean-Up Fund; the Affordable Housing Trust Fund; a special surcharge on refuse collection bills to cover costs associated with illegal dumping enforcement, street sweeping, and other clean-up activities; and funds to account for the proceeds of several voter-approved general taxes relating to Sugar Sweetened Beverages, Violence Prevention and Public Safety. Various reserves are also accounted for separately in the General Fund. See " – Financial Policies – *Consolidated Fiscal Policy; Reserves*."

The City also maintains more than 150 special revenue funds, enterprise funds for sewer and golf operations, and various capital, debt service, internal service and fiduciary funds.

City's General Financial Condition

Overview

The City has experienced considerable financial challenges over the past few years. While the immediate crisis of the COVID-19 pandemic has passed, its effects are still being felt. Shortfalls in certain general-purpose revenues, notably in real estate transfer tax, business license tax, and transient occupancy tax first arose during the COVID-19 pandemic and in some cases have proven long-lasting. The effects of revenue shortfalls were mitigated in the short-term by federal COVID-19 subsidies that have now ended. Between Fiscal Year 2020-21 and Fiscal Year 2022-23, the City received $188 million in direct federal subsidies and used these funds to offset revenue shortfalls arising from reduced economic activity. Major revenue sources, such as property and sales tax, are growing at slower rates than the recent historical average. The City's property market, historically a key factor in the strength of its General Fund, has shown signs of weakness as a result of commercial vacancies, declines in median prices for residential properties, and lower sales volumes resulting from a variety of factors, including continuing remote work by a significant portion of the workforce (which has led to declining property taxes for certain office buildings, lower real estate property transfer taxes, and reductions in taxes based on employees physically located in the City), continuing weakness in the local hospitality and convention industries (resulting in declines in hotel and sales taxes), and general economic conditions). In addition, expenditure pressures have exacerbated the challenge of revenue declines following multi-year labor cost increases intended to address the impacts on employees of extraordinary price inflation. Furthermore, heightened crime rates and negative media coverage of the City and of the Bay Area generally have impacted regional tourism and retail consumption.

On May 15, 2018, the City Council adopted its Consolidated Fiscal Policy, which stated that one-time revenues should be used for one-time expenses, or if not, to fund debt retirement and unfunded long-term obligations; or shall remain as fund balance, unless the City Council adopts a resolution explaining the need to use one-time funds and the steps the City will take to return to using one-time revenues in accordance with the Consolidated Fiscal Policy. Each year since Fiscal Year 2019-20, the City Council has adopted such a Resolution and significantly relied on outside one-time revenues to balance the General Purpose Fund and other funds, including the federal grants described in the preceding paragraph and then-anticipated proceeds of the Coliseum Sale as defined and described below. This has led to a prolonged structural deficit in the City's finances where ongoing expenditures exceed ongoing revenues. While a structural deficit existed prior to the 2020 COVID-19 pandemic, the scale and depth of this deficit greatly expanded after 2020. The City has made recent efforts to address its financial challenges as described below.

Fiscal Year 2024-25

As of June 2024, the City's General Purpose Fund, which accounts for revenues from most of the City's taxes, fees and service charges and is unrestricted in its use, faced a shortfall in its Fiscal Year 2024-25 Budget of approximately $175 million compared to the revenues estimated for the fiscal year at the time of the adoption of the two-year Fiscal Year 2023-2025 budget (the "Fiscal Years 2023-25 Biennial Budget") in June 2023. In addition, the City faced deficits totaling over $45 million across several non-General Purpose Fund funds. The decline in the General Purpose Fund was primarily caused by the absolute decline in real estate transfer tax, diminished growth in business license tax and transient occupancy tax relative to pre-pandemic trends, increased labor costs, a reduction in fund balance previously planned for appropriation, increased internal service costs (such as utilities, security, etc.), and increased insurance costs.

On July 2, 2024, the City Council adopted its midcycle budget for Fiscal Year 2024-25 (the "2024-25 Budget"), which updated the second year of its Fiscal Years 2023-25 Biennial Budget. In response to the deficit described in the preceding paragraph and the City's largest General Purpose Fund budgetary shortfall in its history, the City Council declared a state of extreme fiscal necessity for Fiscal Year 2024-25. This declaration allowed the City Council, among other things, greater discretion to suspend certain expenditures and reduce certain reserves. Consistent with City policy, the City Council authorized the use of one-time revenues to balance the 2024-25 Budget. The 2024-25 Budget also allowed for the suspension of maintenance of effort provisions in special tax measures and the suspension of certain City Charter requirements for minimum budget set-asides to legally required minimum levels. The 2024-25 Budget also reflected the freezing of current vacant positions and the utilization of cost savings therefrom, departmental reorganizations and permissible transfers of appropriations and funds.

In addition, the 2024-25 Budget assumed the receipt of one-time revenues in the amount of $63 million from a portion of the proceeds of the anticipated sale of the City's 50% undivided ownership interest in the Oakland-Alameda County Coliseum Complex ("Coliseum Complex"), previously the home to the Oakland Athletics and the Golden State Warriors (the "Coliseum Sale"). The remaining $42 million of the assumed Coliseum Sale proceeds were allocated to restoration of the then projected operating deficit at the end of Fiscal Year 2023-24. The City's General Purpose Fund was balanced using at total of an assumed $105 million from the aforementioned sale across the two fiscal years.

As a contingency, the 2024-25 Budget provided for $63 million of expenditure reductions that would take effect if proceeds of the Coliseum Sale were not realized by the dates or in the amounts anticipated (payments totaling $105 million were to be paid between September 2024 and February 2025). In addition to these budget reductions, the contingency provisions directed the City Administrator to take a variety of administrative actions intended to preserve the fiscal health of the City. The Coliseum Sale did not close as anticipated, and the contingency provisions became legally effective in September 2024. Many of the actions required by the contingency provisions including the brownout of fire engine companies were not immediately implemented, though others were put in place in October 2024. Preliminary reports from the First Quarter of Fiscal Year 2024-25 also showed trends in overspending in the General Purpose Fund.

In December of 2024, following the close of its books for Fiscal Year 2023-24, staff affirmed that the City General Purpose Fund had a negative balance of $47.8 million. This negative balance effectively reduced the City Emergency Reserve to a net amount of $22.84 million. The City's Consolidated Fiscal Policy requires a balance equivalent to 7.5% of General Purpose Fund expenditures, and the $22.84 million represents just 2.64% of General Purpose Fund expenditures. For further discussion of reserves, see " – Financial Policies –Reserves" below.

On December 17, 2024, the City Council approved a series of balancing measures and a City Administrator's balancing plan to address the projected General Purpose Fund deficit and restore the General Purpose Fund emergency reserve to the levels required in the Consolidated Fiscal Policy. Through the spring of 2025 the City implemented the initial elements of the balancing plan including unrestricting certain resources and their transfer of funds into the General Purpose Fund. Other actions included a freeze on hiring, travel, and similar expenditures; a reduction in force that resulted in both demotions and layoffs of non-sworn staff, and significant control on policy overtime. On March 4, 2025, the City Council approved a resolution that further amended the Fiscal Year 2024-25 budget to reopen fire stations that were impacted by prior balancing actions.

As of the Third Quarter revenue and expenditure report developed in May 2025 the City's balancing plan were projected to resolve the Fiscal Year 2024-25 deficit and restore the General Purpose Fund emergency reserve to its required levels. In June of 2025 the City became aware of a significant property sale that would result in an additional $24.64 million in Real Estate Transfer Tax above that which was forecast in the Third Quarter Revenue and Expenditures report.

Between November 2024 and February 2025, Fitch, Moody's and S&P downgraded the City's credit ratings. Fitch did not downgrade the City's general obligation bonds, but Moody's downgraded the City's general obligation bonds from Aa1 to Aa2 and changed the outlook on such bonds from stable to negative and S&P downgraded the City's general obligation bonds from AA+ to AA- and changed the outlook from watch negative to negative.

Fiscal Years 2025-26 and 2026-27

The City Council adopted a Fiscal Year 2025-2027 biennial budget (the "Fiscal Years 2025-27 Biennial Budget") in early June 2025. This budget began with a substantial funding gap in the General Purpose Fund of $265 million over two years, as well as projected shortfalls in several special revenue funds. The Fiscal Years 2025-27 Biennial Budget is balanced in both the General Purpose Fund and other special revenue funds. Similarly to for the Fiscal Year 2023-25 Biennial Budget, the City Council declared a state of extreme fiscal necessity for Fiscal Years 2025-27. This declaration allowed the City Council, among other things, greater discretion to suspend certain expenditures and reduce certain reserves. The budget incorporated the revenue from the passage of a local option transaction and use tax (sales tax) approved as Measure A in the April 2025 special municipal election. The second year (Fiscal Year 2026-27) of the biennial budget is balanced contingent on the passage of a new revenue measure that generates at least $40 million in Fiscal Year 2026-27 at the June 2026 election. No such revenue measure has been approved by the City Council or the voters, and no assurance can be given that any such measure will be approved. Should this measure not be submitted to voters or fail to be approved by the voters, the City will need to make appropriate reductions to its Midcycle Budget in June of 2026 to balance the budget. The Fiscal Year 2025-27 Budget does not include any revenues from the assumed sale of the Coliseum. Assuming that the Fiscal Year 2024-25 balancing measure result in a positive General Proceeds Fund fund balance the City will be in compliance with its General Purpose Fund Emergency Reserve Policy for the Fiscal Year 2025-26. The Fiscal Year 2025-26 Budget contains expenditures of $791.29 million requiring an emergency reserve of $59.35 million. The amount held in the City's Emergency Reserve Fund is $62.90 at the end of Fiscal Year 2024-25. Assuming that the Fiscal Year 2024-25 balancing measures do not result in a negative General Purpose Fund fund balance that must be offset against the cash held in the Emergency Reserve, the reserve target will be met.

In August 2025 the City reached tentative agreements with its non-sworn employees for a one-year contract extension through June 2026. Non-sworn employees represent approximately 70% of City employees. The cost of these agreements would be roughly $10.25 million in one-time expenses in Fiscal Year 2026. The additional expenses are expected to be supported by the aforementioned property sale that resulted in an additional $24.64 million in Real Estate Transfer Tax. The agreements also included triggered Cost of Living Increases should General Purpose Fund revenues exceed budget, up to a maximum of 3% at a cost of roughly $15 million, no earlier than May 2026. In June 2026, the City's collective bargaining agreements for all employees both sworn police, sworn fire, and non-sworn will be up for renegotiation. These agreements are not reflected in the Fiscal Years, 2025-27 Biennial Budget.

Other Long Term Challenges

The City also faces longer-term financial challenges including increases in required payments to CalPERS of an additional estimated $68 million by 2031 and expected growth of employee healthcare costs at rates higher than revenue growth.

Roadmap to Fiscal Health

The City Administrator has developed a roadmap to fiscal health that includes establishing a fiscal health executive team to manage these financial initiatives, achieving short-term structural balance during the upcoming two-year budget period (through the Fiscal Years 2025-27 Biennial Budget), diversifying the City's revenue base with a new voter-adopted revenue proposal in 2026, developing a multi-year plan to meet voter-mandated staffing and service levels, developing long-term plans to contain rising pension and other benefit costs, developing contingency plans given the risk of federal and state revenues, review and update the City's governing financial policies, developing long-term investment plans for the City's infrastructure, fleet and systems, maximizing existing revenue sources, strengthening the City's revenue base through focused economic development efforts and improving structures needed to hold the City and its contractors accountable for the delivery of city services.

Grand Jury Report

On June 20, 2025, the Alameda County Civil Grand Jury released its 2024-2025 Final Report (the "Grand Jury Report") which, among other matters, described structural deficits contained in the City's budget for Fiscal Year 2024-25 and its resulting effects on the City's issuance of bonds and ability to carry out infrastructure projects. In addition to highlighting the structural deficit in the City's general purpose fund (which has been addressed in the Fiscal Years 25-27 Biennial Budget as described above), the grand jury expressed concerns that the City's financial situation was more precarious than had been acknowledged publicly, that there was a disconnect between the City's finance officials and elected City Council, and that the City's financial condition was impacting scheduled bond issuances. Additionally, the grand jury expressed concerns about the failure to conduct required audits under Measure KK and Measure U and the failure of the public oversight committee to perform its role. The City is preparing a response to the Grand Jury Report and expects to submit such response in November 2025.

Federal Policy

The City receives significant funding from the federal government for community development, social services, emergency and safety services, early childhood education, infrastructure, and other purposes pursuant to various federal programs. In Fiscal Year 2025-26, the City of Oakland Adopted budget includes $48.8 million in federal grant receipts, excluding the Port of Oakland. Additional competitive grants may be received by the City and appropriated by standalone resolution of the City Council.

The City cannot predict the outcome of future federal budget deliberations and the impact that such budgets will have on the City's finances and operations. The federal administration's proposed Fiscal Year 2025-26 budget eliminates a number of key formula grants the City has historically received. The federal administration has also made statements about potential plans to phase out FEMA, provide less federal aid to states for natural disaster response, and to distribute such funds directly from the President's Office. Additionally, the federal administration has issued a series of executive orders and other policy documents and notices which, if legally enforceable and fully implemented, could impact federal spending programs, including federal funds payable to the City. In particular, these executive orders have sought to cut federal funding to programs which promote diversity, equity, and inclusion, and what the administration terms "gender ideology", and have sought to withhold funding for municipalities like Oakland that have declared themselves sanctuary jurisdictions or provide services to undocumented immigrants. The City, along with other jurisdictions across the country, has filed litigation challenging the legality of these actions by the federal government to preserve funding and has won preliminary injunctions from district courts that protect certain of the City's grants. Notwithstanding, the federal government is appealing these injunctions and litigation remains pending, thus the potential adverse impact of enforcement of executive orders and related federal policy changes on City finances, if any, cannot be clearly predicted at this time.

The City can provide no certain assurances with respect to continued grant funding or other direct payments to the City in support of governmental services, whether previously made directly or by pass-through to the State.

Funds from State of California

Changes in the revenues received by the State of California can affect the amount of funding, if any, to be received from the State by the City and by other local governments in the State. The State has recently been experiencing budgetary challenges, and the City cannot predict the extent of the budgetary problems the State may encounter in this or future fiscal years, not is it clear what measures could be taken by the State to balance its budget as is required by law.

While the City does not expect that its current financial condition will impede its ability to make timely payments of debt service on any of its outstanding bonds or necessitate a draw by the City on any of its debt service reserve funds or policies (where applicable) to meet its payment obligations and while the City is taking steps to improve its financial condition, the City cannot guarantee that its financial condition will not deteriorate.

Financial Reporting and Fiscal Year 2023-24 Results

The City prepares its financial statements in accordance with Generally Accepted Accounting Principles ("**GAAP**") and specific guidance from the Government Accounting Standards Board ("**GASB**"). Since 1999, GASB has required that basic financial statements include government-wide financial statements, which are designed to provide readers with a broad overview of the City's finances. The government-wide statement of net position presents information on all the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating. Various GASB rules have required the inclusion of both pension and other post-employment benefits ("**OPEB**"), such as and retiree health liabilities in the government-wide financial statements. The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities).

The City's most recent audited financial statements are presented in the City's Annual Comprehensive Financial Report[1] for the Fiscal Year Ended June 30, 2024, which reported a net position for the governmental and business-type activities of $982.8 million, an improvement of $122.9 million over the prior fiscal year that primarily resulted from increases in general revenues, including interest and investment income, property taxes, business license taxes, and voter-approved special taxes—partially offset by a decline in real estate transfer tax revenues. The improvement also reflected the net impact of actuarial changes related to pension and OPEB liabilities. While unrestricted net position remained negative at $1.2 billion, it improved compared to prior the fiscal year, reflecting progress in addressing historical underfunding of the pension and OPEB liabilities, as well as other unfunded long-term liabilities. Net pension and OPEB liabilities were among the largest contributing factors at $1.9 billion and $0.5 billion respectively, while other non-current liabilities, including long-term debt, totaled $1.2 billion.

The government-wide statements focus on the measurement of economic resources and account for long-term liabilities. The fund financial statements in the City's audited annual comprehensive financial report utilize an alternate measurement focus that considers current financial resources and excludes most long-term liabilities. Information presented in the tables below relating to the General Fund relies on the fund financial statements as reported in the City's audited annual comprehensive financial reports ("**Annual Financial Reports**") for Fiscal Years 2019-20 through 2023-24.

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[1] For earlier years the City's audited financial statements were presented in its "Comprehensive Annual Financial Report." The change in nomenclature to "Annual Comprehensive Financial Report" was made for financial statements beginning with the fiscal year ending June 30, 2022 pursuant to GASB Statement No. 98.

Table 8
City of Oakland
Revenues and Expenditures
General Fund
2019-20 through 2023-24
($ in Thousands)

Revenues	2019-20	2020-21	2021-22	2022-23	2023-24
Taxes					
Property[1]	$342,052	$377,175	$410,089	$444,098	$462,551
State-collected[2]	55,860	58,143	64,669	66,834	62,275
Local[3]	296,996	314,100	351,400	318,529	299,272
Licenses and Permits	1,606	1,243	1,413	1,037	1,436
Fines and Penalties	18,702	17,591	19,741	18,747	18,759
Interest Income (loss)[4]	6,865	(7,860)	(16,531)	17,901	30,048
Charges for Services[5]	97,848	83,173	84,948	81,813	86,552
Grant Revenue	3,586	4,983	3,189	3,719	3,390
Other Revenue	3,057	33,553	2,663	10,785	6,625
Annuity Income	6,107	5,120	5,015	4,305	4,591
TOTAL REVENUES	**$832,679**	**$887,221**	**$926,596**	**$967,768**	**$975,499**
Expenditures					
General Government[6]	$163,102	$184,053	$152,326	$171,660	$207,843
Public Safety[7]	488,474	446,722	402,364	462,660	550,640
Public Works and Transportation	42,600	36,172	48,229	55,317	53,354
Community and Human Services[8]	54,344	46,613	64,812	78,895	74,304
Community and Economic Development[9]	10,040	15,678	18,494	28,010	36,290
Other [10]	4,995	4,752	4,429	12,426	4,887
TOTAL EXPENDITURES	**$763,555**	**$733,990**	**$690,654**	**$808,968**	**$927,318**
Other Financing Sources and Uses[11]	($91,951)	($93,533)	($85,997)	($100,744)	($78,479)
Net Change in Fund Balance	($22,827)	$59,698	$149,945	$58,056	($30,298)
Fund Balance (deficit) – Ending	$404,268	$463,966	$613,911	$671,967	$641,669

(1) Includes General Purpose Fund property tax revenue, as well as property tax override collections for obligations relating to PFRS (defined herein).
(2) Primarily Sales and Use Tax, as well as Motor Vehicle in-lieu.
(3) Includes Business License, Utility Consumption, Real Estate Transfer, Transient Occupancy, Parking, Sugar Sweetened Beverage Tax and Franchise Tax.
(4) Losses reflect marked-to-market valuation of investments.
(5) Includes revenues arising from charges for goods and services, such as fees for building inspections, parking, or parks and recreation programs.
(6) Includes elected and appointed officials, general governmental agencies, and administrative services. The decline in 2021-22 primarily results from a reorganization that shifted several City departments from General Government to Community and Human Services.
(7) Includes police and fire services and the police commission.
(8) Includes Parks and Recreation, Library, Human Services, and Department of Violence Prevention.
(9) Includes Planning and Building, Aging & Health and Human Services, Cultural and Community Services and Cultural Arts and Museums.
(10) Includes capital outlays and certain debt service charges not paid from a general obligation bond tax levy.
(11) Includes operating transfers between the General Fund and other major funds, primarily to account for debt service payments made from revenues collected in the General Fund.

Source: City of Oakland, Annual Financial Reports for Fiscal Years Ended June 30, 2020 through June 30, 2024.

Table 9
City of Oakland
Balance Sheet
General Fund as of June 30
($ in Thousands)

ASSETS	2020	2021	2022	2023	2024
Cash and investments	$509,238	$598,755	$745,592	$829,927	$842,398
Receivables[1]					
Accrued interest	1,494	313	1,842	8,061	10,345
Property taxes	10,153	6,293	7,373	7,952	8,491
Accounts receivable	36,762	58,931	52,404	45,176	51,510
Grants Receivable	-	-	312	-	334
Lease Receivable	-	-	13,884	11,992	12,411
Due from component unit[2]	10,571	11,974	7,849	8,972	9,762
Due from other funds[3]	8,234	8,104	6,142	2,303	2,485
Due from other governments	11,472	12,475	12,573	13,651	12,583
Notes and loans receivable [4]	7,186	11,415	17,601	21,951	38,059
Restricted cash and investments	58,164	50,164	40,565	35,613	28,391
Property held for resale	-	17,964	17,964	17,964	17,964
Other/Prepaid items	311	723	1,271	790	859
TOTAL ASSETS	**$653,585**	**$777,111**	**$925,372**	**$1,004,352**	**$1,035,592**
LIABILITIES					
Accounts payable and other accrued liabilities	$212,504	$275,559	$252,614	$269,152	$311,961
Due to other funds[3]	-	-	-	-	-
Due to other governments	1,446	1,354	116	-	-
Unearned revenue	5,084	4,388	4,562	4,565	4,782
Other	7,347	2,777	4,306	7,030	7,534
TOTAL LIABILITIES	**$226,381**	**$284,078**	**$261,598**	**$280,747**	**$324,277**
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property tax	$1,750	$6,612	$7,405	$8,160	$9,381
Unavailable revenue – notes and loans	7,186	11,415	17,599	21,951	38,059
Unavailable revenue – grants and others	14,000	11,040	11,376	10,386	10,173
Leases	-	-	13,482	11,141	12,033
TOTAL DEFERRED INFLOWS	**$22,936**	**$29,067**	**$49,863**	**$51,638**	**$69,646**
FUND BALANCES					
Nonspendable[5]	$ -	$18,687	$19,235	$18,754	$18,823
Restricted[6]	254,309	267,811	286,994	342,050	411,444
Committed[7]	47,441	38,739	52,195	67,525	54,642
Assigned[8]	40,145	41,786	49,251	74,239	55,894
Unassigned[9]	62,373	96,943	206,236	169,399	100,866
TOTAL FUND BALANCES	$404,268	$463,966	$613,911	$671,967	$641,669
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$653,585**	**$777,111**	**$925,372**	**$1,004,352**	**$1,035,592**

(1) Net of allowance for uncollectibles.

(2) Includes payments due from Port, from the Oakland Redevelopment Successor Agency ("**ORSA**") trust fund and from custodial funds.

(3) "Due to" and "due from" balances have primarily been recorded when funds overdraw their share of pooled cash and interfund loans.

(footnotes continue on next page)

(4) Net of allowance for uncollectibles.
(5) Includes prepaid items and property held for resale with no restrictions on the use of proceeds.
(6) Primarily restricted for capital projects, pension obligations annuity and PFRS pension liabilities.
(7) Primarily restricted for Affordable Housing.
(8) Assigned for prior year commitments of appropriations for capital projects and encumbrances as well as projects funded from Sugar-Sweetened Beverages tax.
(9) Includes General Purpose Fund Emergency Reserve.
Source: City of Oakland, Annual Financial Reports for Fiscal Years Ended June 30, 2020 through June 30, 2024.

Fiscal Year 2024-25 Results

[to come to the extent available before posting]

City Budget Process

The City's budget cycle is a two-year process that is intended to promote long-term decision making, increase funding stability and allow for greater performance evaluation. The City's budget is adopted for a two-year period, with appropriations divided into two one-year spending plans, and is referred to as the "policy budget" or the "biennial budget". During the second year of the two-year cycle, a review is conducted to amend the budget and address variances in estimated revenues and revised mandates due to Federal, State, and/or court actions, and the City adopts a "midcycle budget." The City is currently operating under the Fiscal Year 2025-26 Policy Budget.

Under the Charter, the City Administrator prepares budget recommendations that the Mayor presents to the City Council. The City Administrator and Department Directors conduct internal budget hearings to develop budget recommendations. The proposed budget is based on the Mayor's budget priorities and includes estimates of receipts from the City's various revenue sources. The Mayor then submits the proposed two-year budget to the City Council. The City Council may propose adjustments and/or revisions to the proposed budget. Following public budget hearings, the City Council adopts by resolution the City's budget. In practice, the City Council adopts the City's budget on or before June 30.

The final adopted policy budget and midcycle budgets, are subject to review and revision to reflect any changes in revenue and expenditure projections. As part of this process, the City Administrator prepares quarterly reports for the City Council's review. Included in these quarterly reports are summary-level overviews of the City's finances, a review of revenues by major category, information on variances in departmental budgetary performance and projected changes in fund balance.

In support of the biennial budget process, the City prepares a Five-Year Financial Forecast ("**Forecast**") to help the City make better informed financial and operational decisions by projecting future revenues, expenditures, and financial risks. The Forecast often projects a gap between estimated expenditures and revenues, as is the case in every year of the Forecast for Fiscal Year 2025-26 to Fiscal Year 2029-30. The forecast is completed prior to balancing measures and thus does not include the result of any budget actions taken to restore balance in the coming biennium. Although General Purpose Fund shortfalls are expected to decrease during the Forecast period, the cumulative gap over this period, assuming no corrective actions, is forecasted to exceed $624 million. The Charter and Consolidated Fiscal Policy requires adoption of a balanced budget each fiscal year, and the City will therefore need to develop strategies to address the shortfalls projected in the Forecast.

The City also prepares a five-year Capital Improvement Program ("**CIP**") to guide decisions regarding the construction, repair and replacement of the City's assets including libraries, public safety facilities, sewers, recreation centers and parks, and transportation and street improvements. Funding sources for the CIP include the proceeds of general obligation bonds and a number of special fund revenues. The City develops a new CIP Budget every two years for inclusion in the overall City budget.

Financial Policies

The City has adopted a number of policies to guide its financial management. The City has consolidated many of its fiscal policies by ordinance into the City's Consolidated Fiscal Policy. The Consolidated Fiscal Policy includes policies on budgeting practices, reserve funds, use of one-time revenues, the budget process, fiscal planning and public participation. The following highlights some key components of that policy.

Reserves

The Consolidated Fiscal Policy establishes a number of reserves to address unanticipated adverse financial conditions, including a General Purpose Fund Emergency Reserve subfund, any unassigned fund balance in the General Purpose Fund, and a Vital Services Stabilization Fund. Together, these three elements represent the City's total General Fund Reserve.

The General Purpose Fund Emergency Reserve consists of the combined balance of the Emergency Reserve subfund and the unassigned General Purpose Fund balance. Per the Consolidated Fiscal Policy, the City shall maintain a General Purpose Fund Emergency Reserve equal to 7.5% of the General Purpose Fund appropriations as adopted in the biennial or midcycle budget. If in any fiscal year the General Purpose Fund Reserve Policy is not met, the City Administrator shall present to the City Council a strategy to meet the General Purpose Fund Emergency Reserve. Pursuant to the City's Consolidated Fiscal Policy, this Emergency Reserve may be appropriated by Council only to fund unusual, unanticipated and seemingly insurmountable events of hardship of the City, and only upon declaration of fiscal emergency. The City did not meet the 7.5% policy as of the end of Fiscal Year 2023-24; however, the City's Fiscal Year 2025-27 Biennial Budget complies with the policy.

The Vital Services Stabilization Fund is separately established with a target funding level of 15% of General Purpose Fund revenues. The Vital Services Stabilization Fund is funded by transfers from the real estate transfer tax when revenues of such tax exceed 15% of General Purpose tax revenues. Such additional revenue is deemed to be one-time and is applied as follows: one-half of excess real estate transfer tax may be spent on one-time expenditures, 25% is to be allocated to the Vital Services Stabilization Fund and 25% is allocated to repayment of long-term obligations such as unfunded retirement obligations. See also "OTHER TAXES AND GENERAL FUND REVENUES – Real Estate Transfer Tax." In those years when the City forecasts that total General Purpose Fund revenues will be less than the current year's revenues, or anytime significant service reductions, such as layoffs or furloughs, are contemplated due to adverse financial conditions, use of the Vital Services Stabilization Fund may be considered to maintain existing services. While the City was able to increase the fund balance to $10.6 million during the Fiscal Year 2021-23 cycle, a significant deficit projection for the Fiscal Year 2023-25 budget cycle led to the existing balance being appropriated in Fiscal Year 2023-24 for service stabilization. The Fiscal Year 2025-27 Budget temporarily suspends the Vital Services Stabilization Fund policy and does not make additional contributions to the fund.

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The following Table 10 is a summary of the City's key General Fund reserves available for City general purposes as of each June 30 from 2020 through 2024:

Table 10
City of Oakland
Certain General Fund Reserves
(as of June 30)
($ in Thousands)

Reserve Fund	**2020**	**2021**	**2022**	**2023**	**2024**
1) General Purpose Fund Emergency Reserve [(1)]:					
i) General Purpose Fund Emergency Reserve Subfund	-	-	$90,610	$66,630	$70,162
ii) General Purpose Fund unassigned fund balance	$40,100	$52,700	53,971	18,670	(47,822)
Total General Purpose Fund Emergency Reserve	$40,100	$52,700	$144,581	$85,300	$22,340
2) Vital Services Stabilization Fund	$14,923	$251	$2,800	$10,600	$500
TOTAL	**$55,023**	**$52,951**	**$147,381**	**$95,900**	**$22,840**
General Purpose Fund (GPF) Appropriations	$684,000	$644,000	$728,000	$853,584	$863,678
% of GPF Appropriations	5.86%	8.18%	19.86%	9.99%	2.59%

(1) Prior to Fiscal Year 2021-22, the City calculated the General Purpose Fund Emergency Reserve as the sum of all unassigned fund balance in the General Purpose Fund. Beginning in Fiscal Year 2021-22, the City established a separate subfund within the General Fund as the General Purpose Fund Emergency Reserve, and appropriated an amount equal to 7.5% of total General Purpose Fund appropriations to this new fund. The table above includes amounts in this new subfund as well as additional General Purpose Fund unassigned fund balance to provide a consistent measure of reserves across fiscal years. In Fiscal Year 2023-24, the unassigned fund balance in the General Purpose Fund was negative, which reduced the total emergency reserve available. The negative unassigned fund balance offsets portion of the reserve under the City's reserve calculation methodology.

Source: City of Oakland

OPEB Funding Policy

In Fiscal Year 2018-19, the City adopted an OPEB Funding Policy, which remains in effect. This policy is described under ""EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Other Post-Employment Benefits."

Debt Mangement Policy

The City has adopted and amended a debt management policy, which sets forth the City's goals and objectives, its approach to debt management and standards for use of debt financing (including financing criteria such as structure and terms), refinancing goals and methods of issuance; as well as the City's policy of charging an administrative fee equal to its costs.

Investment Policy

The City invests funds of the City in accordance with the City's Investment Policy adopted by the City Council. See "INVESTMENT OF CITY FUNDS."

Fiscal Years 2025-27 Adopted Biennial Policy Budget

The Fiscal Year 2025-2027 budget was based on the Fiscal Year 2024-25 Midcycle Budget (prior to contingency implementation) using strategic spending reductions and targeted operational efficiencies. The Fiscal Year 2025-27 Budget began with a substantial funding gap in the General Purpose Fund, as well as projected shortfalls in several special revenue funds. This Fiscal Year 2025-27 Budget is balanced without any significant fiscally driven service impacts or changes, although substantial changes were made for policy reasons to the City's strategy and means for delivery of public safety services.

The City's most recent policy budgets are summarized below:

Category	Midcycle FY 2022-23	FY 2023-24	Midcycle FY 2024-25	FY 2025-26	FY 2026-27
General Purpose Fund (unrestricted)	$ 872,069,302	$ 834,800,344	$807,189,360	$791,285,083	$856,986,849
Other Funds (restricted)[(1)]	1,398,512,553	1,303,086,016	1,416,210,120	1,382,651,242	1,341,182,106
TOTAL - All Funds	**$2,270,581,855**	**$2,137,886,360**	**$2,223,399,480**	**$2,173,936,325**	**$2,198,168,955**

(1) Includes other funds reported in the General Fund other than the General Purpose Fund, Special Funds, and other funds of the City. Does not include the Port of Oakland.

Source: City of Oakland

As is noted above under " – City Financial Condition," the second year (Fiscal Year 2026-27) of the biennial budget is balanced contingent on the passage of a new revenue measure that generates at least $40 million in Fiscal Year 2026-27 at the June 2026 election. No such revenue measure has been approved by the City Council or the voters, and no assurance can be given that any such measure will be approved. Should this measure not be submitted to voters or fail to be approved by the voters, the City will need to make appropriate reductions to its Midcycle Budget in June of 2026 to balance the budget. The budget does not include proceeds from any assumed sale of the Coliseum Complex.

GENERAL PURPOSE FUND REVENUES

The City's General Fund receives revenues from a variety of sources, including property and local taxes, taxes imposed by the State, intergovernmental transfers and fees and charges for services. The General Fund has seen 47% growth over the past ten fiscal years through the end of Fiscal Year 2023-24, with surpluses every year in the same period (except for Fiscal Years 2016-17 and 2019-20). The General Fund includes the General Purpose Fund, into which general unrestricted revenues that can be used for any governmental purpose are deposited. See "BUDGET AND FINANCIAL OPERATIONS – Overview."

The following Table 11 presents information regarding the City's Fiscal Year 2023-24 year-end General Purpose Fund revenues and expenditures, Fiscal Year 2024-25 projected year-end for General Purpose Fund revenues and expenditures, and Fiscal Year 2024-25 and Fiscal Year 2025-26 Budgets for the General Purpose Fund.

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Table 11
City of Oakland
General Purpose Fund Revenues and Expenditures
(in Millions)

	FY 2023-24 Year-End	FY 2024-25 Adopted Budget[1]	FY 2024-25 Projected Year-End	FY 2025-26 Adopted Budget[5]
REVENUES				
Property Tax[2]	$299.15	$306.57	$312.91	$322.29
Sales Tax[3]	61.74	63.73	60.37	84.14
Vehicle License Fee	0.54	0.00	0.00	0.00
Business License Tax	123.48	120.06	121.27	129.53
Utility Consumption Tax	66.22	68.44	70.05	75.62
Real Estate Transfer Tax	57.61	73.72	66.31	68.30
Transient Occupancy Tax	18.93	19.74	16.07	15.48
Parking Tax	11.87	13.07	11.17	11.94
Local Tax	0.00	0.00	0.00	0.00
Licenses & Permits	1.44	1.16	1.16	1.35
Fines & Penalties	19.19	19.34	23.95	24.57
Interest Income	3.55	2.50	0.00	0.34
Service Charges	46.98	51.84	51.84	51.90
Grants & Subsidies	1.77	0.00	0.92	
Miscellaneous Revenue	9.14	64.32	17.12	3.10
Interfund Transfers	13.08	2.70	3.08	2.16
Subtotal Revenues	**$734.68**	**$807.19**	**$756.19**	**$790.72**
Transfers from Fund Balance[4]	80.13	0.00	0.00	0.56
Total Revenues	**$814.81**	**$807.19**	**$756.19**	**$791.29**
EXPENDITURES				
Mayor	$4.02	$5.59	$4.07	$5.70
City Council	6.38	7.87	7.02	7.28
City Administrator	8.38	5.99	6.50	4.17
City Clerk	5.42	8.00	9.90	3.97
City Attorney	20.56	21.71	23.63	22.25
Human Resources Management Department	8.73	0.33	0.43	0.44
City Auditor	2.31	3.73	2.91	3.49
Finance Department	25.78	29.13	28.66	23.35
Police Department	358.61	347.21	349.52	349.96
Fire Department	186.70	180.45	192.37	210.49
Oakland Public Works Department	2.50	2.73	3.23	0.79
Department of Transportation	22.14	21.72	21.47	26.20
Information Technology Department	15.04	6.55	7.08	6.06
Oakland Parks and Recreation Department	14.91	11.80	13.03	12.69
Oakland Public Library Department	10.54	12.40	10.04	11.75
Oakland Animal Services	5.84	6.84	5.94	5.27
Race and Equity Department	1.22	1.27	1.27	1.01
Public Ethics Commission	1.75	2.52	2.43	2.82
Police Commission	6.16	8.78	7.52	7.13
Department of Workplace and Employment Standard	4.91	2.39	1.80	1.33
Department of Violence Prevention	10.43	7.49	6.24	5.72
Human Services Department	44.42	43.08	43.99	36.36
Economic and Workforce Development Department	9.60	15.24	13.18	10.38
Housing and Community Development Department	2.88	0.00	0.00	0.00
Non Departmental & CIP	35.41	54.36	48.62	32.67
Total Expenditures	**$814.81**	**$807.19**	**$810.83**	**$791.29**

(1) Budget as adopted by the City Council on July 2, 2024.

(2) Excludes the tax override (defined herein) collected for obligations relating to PFRS and revenues collected to fund general obligation bond debt service, which is collected from property taxes but allocated to separate funds outside of the General Purpose Fund. See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*," herein.

(3) For Fiscal Year 2025-26, Sales Tax reflects the passage of Measure A, a half-cent Transactions and Use Tax increase that Oakland voters approved during the special election on April 15, 2025. Measure A took effect October 1, 2025, meaning that

Fiscal Year 2025-26 would generate only 75% of the projected revenue. For further information, see "OTHER TAXES AND REVENUES – Sales or Transactions & Use Tax."

(4) Transfers from Fund Balance and any unspent carryforward funds.

(5) Budget as amended by the City Council on June 11, 2025.

Source: City of Oakland.

The following Table 12 summarizes the major General Purpose Fund revenues for Fiscal Years ended June 30, 2022 through June 30, 2024, and projected General Purpose Fund revenues for the Fiscal Year ended June 30, 2025, and sets forth the major General Purpose Fund revenues budgeted for Fiscal Year 2025-26 and Fiscal Year 2026-27.

Table 12
City of Oakland
General Purpose Fund Revenues (1)
(as of June 30)

Revenue Types	2022	2023	2024	2025 (Projected)	2026 (Budgeted)	2027 (Budgeted)
Property Tax(2)	$258,968,959	$281,280,027	$299,146,868	$312,907,624	$322,294,850	$332,285,994
Sales Tax(3)	64,165,884	66,389,881	61,739,826	60,365,031	84,144,030	94,501,646
Vehicle License Fee	503,130	443,982	535,025	-	-	-
Business License Tax	101,289,622	115,376,772	123,481,692	121,266,064	129,533,110	127,520,512
Utility Consumption Tax	57,929,743	64,507,560	66,217,111	70,046,128	75,621,536	79,629,478
Real Estate Transfer Tax	138,395,515	78,054,510	57,613,105	66,306,239	68,295,426	70,344,289
Transient Occupancy Tax	16,661,834	20,199,664	18,930,460	16,066,987	15,477,994	15,787,554
Parking Tax	9,538,679	12,005,876	11,870,935	11,168,994	11,936,276	12,115,321
Local Tax(4)	-	-	-	-	-	40,000,000
Licenses & Permits	1,412,791	1,036,757	1,436,106	1,161,090	1,347,328	1,347,328
Fines & Penalties	20,366,959	18,845,241	19,187,327	23,949,185	24,573,536	24,818,309
Interest Income	911,741	4,994,920	3,550,044	-	340,069	310,069
Service Charges	51,806,788	54,176,587	46,982,172	51,843,139	51,898,289	52,492,010
Grants & Subsidies	1,839,562	2,420,812	1,774,726	917,221	-	-
Miscellaneous Revenue	(3,423,012)	5,787,017	9,139,525	17,118,717	3,099,085	3,099,085
Interfund Transfers(5)	3,256,617	2,904,867	13,075,127	3,078,023	2,158,824	2,170,524
Transfers from Fund Balance(4)	-	-	-	-	564,730	564,730
TOTAL:	$723,624,811	$728,424,473	$734,680,048	$756,194,442	$791,285,083	$856,986,849

(1) Totals may not be precise due to rounding.

(2) Excludes the tax override (defined herein) collected for obligations relating to PFRS and revenues collected to fund general obligation bond debt service, which is collected from property taxes but allocated to separate funds outside of the General Purpose Fund. See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*," herein.

(3) For Fiscal Year 2025-26 and Fiscal Year 2026-27, Sales Tax reflects the passage of Measure A, a half-cent Transactions and Use Tax increase that Oakland voters approved during the special election on April 15, 2025. Measure A took effect October 1, 2025, meaning that Fiscal Year 2025-26 would generate only 75% of the projected revenue. For further information, see "OTHER TAXES AND REVENUES – Sales or Transactions & Use Tax."

(4) Fiscal Year 2026-27 figure assumes the generation of $40 million through a new revenue source that has not yet been approved by the City Council or the City's voters.

(5) Interfund transfers in Fiscal Year 2022 through Fiscal Year 2025 represent the appropriation of revenues from the City's parking garage operations. In addition, Fiscal Year 2024 includes a Transfer out of the City's Vital Services Stabilization Fund and Fiscal Years 2026 and 2027 include a transfer out of the Affordable Housing Trust Fund in response to the General Purpose Fund budgetary shortfall in those years.

Source: City of Oakland.

OTHER TAXES AND REVENUES

In addition to property taxes, the City's General Fund receives revenues from other sources, including the City's transaction and use tax, sales and use tax, utility consumption tax, business license tax, real estate transfer tax, transient occupancy tax, and parking tax. See Tables 10 and 11, above, for historic General Fund revenues and Table 12 for projected General Purpose Fund revenues.

Sales or Transactions & Use Tax

Sales or transactions and use tax ("**Sales Tax**") applies to the retail sale or use of "tangible personal property." The total Sales Tax percentage in the City currently is 10.75%, meaning that a $1 taxable purchase results in Sales Tax of 10.75 cents. The City receives 1.5% of the total sale as a distribution to its General Fund, meaning the City receives 1.5 cent on a $1 purchase. Oakland's diverse Sales Tax base consists of six major business groups: auto and transportation; fuel and service stations; business and industry; general consumer goods; building and construction; and food and drugs.

Sales Tax reflects the passage of Measure A, a new half-cent Transactions and Use Tax that Oakland voters approved during the special election on April 15, 2025. Measure A raised Oakland's total Sales Tax rate from 10.25% to 10.75%, generating an estimated $29.82 million annually. Due to the timing of the election, the operative date of the tax is October 1, 2025, meaning that in Fiscal Year 2025-26, Measure A would generate only 75% of the annual projected revenue.

The Fuel and Service Stations, Building and Construction, Autos and Transportation, Food and Drugs, and Restaurants and Hotels industries all experienced year over year declines in taxable sales in the City in Fiscal Year 2023-24 as compared to Fiscal Year 2022-23. The economic outlook for Sales Tax revenues remains uncertain as sales continue to be impacted from persistently high inflation and consequently high federal interest rates, as well as uncertainty resulting from policy changes from the new Federal administration, including tariffs and potential tax reductions which may affect consumer spending patterns. The budget for Fiscal Year 2025-26 anticipates a modest growth of 2.7% from the Fiscal Year 2024-25 third quarter year end projection, which is slightly below the City's historical annual growth rate average of 3.1% for Sales Tax collections over the past 20 years. The budget estimates that in Fiscal Year 2026-27 the annual growth rate in Sales Tax collections will be approximately 3.5%, slightly above the City's 20 year average percentage growth with the expectation of lower inflation and interest rates.

Utility Consumption Tax

The City's utility consumption tax ("**UCT**") is a surcharge to all users of a given utility (i.e., on the use of electricity, gas, telephone, water and cable television). The current UCT rate is 7.5%, however, certain persons qualify for a low-income rate assistance program (LIRA) offered by the Pacific Gas & Electric Company. In 2024, UCT received a significant boost from a 12.7% utility rate increase approved by the California Public Utilities Commission ("**CPUC**"). Pacific Gas and Electric, a key driver of the City's UCT, rolled out this increase gradually over the course of 2024. As UCT is tied to utility bills, these incremental rate increases have driven up tax revenue. According to the CPUC's Public Advocates Office 2024 Q4 Report, residential average utility rates have significantly increased by 101% over the previous 10 years leading to February 2025. In Fiscal Year 2023-24, UCT collections reached $66.22 million, while the Fiscal Year 2024-25 Q3 projection of $70.05 million marks an estimated increase of $3.83 million, or 5.8%, year over year driven by the utility rate increases. For Fiscal Year 2025-26 and Fiscal Year 2026-27, the Adopted Budget anticipates annual growth of approximately 6.7% on average accounting for the continuous ongoing rate increases and consumption growth.

Business License Tax

The City's business license tax ("**BLT**") is charged annually to businesses based in the City and calculated either by gross receipts (which accounts for approximately 60% of BLT revenue) or rental income (which accounts for 40% of BLT revenue). The BLT rate on gross receipts varies by type of business, ranging currently from a low of $0.60 per $1,000 of receipts (0.06%) for grocers up to 2.40% for firearm dealers when applied to gross receipts, and 0.12% when applied to gross payroll. The BLT rate on rental income is $13.95 per $1,000.

BLT has traditionally been a reliable revenue source for the City, growing at an average annual rate of more than 5% over the last 20 years (adjusted for Measure T, described below). However, Fiscal Year 2024–25 is projected to finish slightly below Fiscal Year 2023–24 levels, attributable to the loss of several large BLT contributors, where the top 30 account closures represented over $4 million in BLT payments made in the prior fiscal year. This reduction was largely offset by increases in revenue from the property rental and professional services sectors, driven by enhanced outreach most notably through rental registry notices which brought more residential rental accounts into compliance during Fiscal Year 2024-25. Looking ahead, special projects designed to expand outreach and compliance in Fiscal Year 2025–26 have raised the budget estimate to $129.53 million, a 6.8% increase over Fiscal Year 2024–25. The increased revenues generated as more businesses are brought into compliance are for the most part ongoing for the City. However, Fiscal Year 2026-27 anticipates a slight decrease compared to Fiscal Year 2025-26 due to fewer delinquent payments that are expected to be processed after the initial surge of the outreach program.

Measure T, which was passed in November 2022, changed the BLT rate structure into a progressive, tiered rate system, which became effective in the second half of Fiscal Year 2022-23.

Real Estate Transfer Tax

Real Estate Transfer Tax ("**RETT**") revenues are generated by the transfer of ownership of existing properties. The RETT is applied to the sale price of the property, and the cost is typically split between the buyer and seller. The RETT rate is composed of a City portion and a County portion: 0.11% is allocated to the County and the remaining tax is allocated to the City.

On November 6, 2018, Oakland voters approved Measure X, establishing a progressive RETT rate for the City (previously, the City RETT rate was 1.50%). The new RETT rates became effective on January 1, 2019, and are as follows:

Amount of Transfer	RETT Rate
Up to $300,000	1.00%
$300,001 to $2,000,000	1.50%
$2,000,001 to $5,000,000	1.75%
$5,000,001 and above	2.50%

Historically, this revenue has been the City's most volatile as it is directly dependent on the number and value of real estate sales, often impacted by a handful of high value transfers in a given year. Due to this revenue source's volatility, the City enacted Ordinance No. 13487 C.M.S. creating policies for the use of excess RETT. The Ordinance defines "excess" RETT as any amounts of RETT revenues whose value exceeds 15% of the corresponding General Purpose Fund tax revenues (inclusive of RETT). The excess RETT is to be used in the following manner:

- At least 25% shall be allocated to the Vital Services Stabilization Fund until the value in such fund is projected to equal to 15% of General Purpose Fund revenues over the coming fiscal year.
- At least 25% shall be used to fund accelerated debt retirement and unfunded long-term obligations, including negative fund balances, the PFRS liability, other unfunded retirement and pension liabilities, unfunded paid leave liabilities, and OPEB liabilities.
- The remainder shall be used to fund one-time expenses, to augment the General Purpose Fund Emergency Reserve, and to augment the Capital Improvements Reserve Fund.

See also "BUDGET AND FINANCIAL OPERATIONS—Financial Policies."

In Fiscal Year 2023-24, RETT collections fell sharply to $57.61 million against a budgeted $110.41 million. That shortfall stemmed from elevated federal funds rates, which pushed mortgage rates higher, lowered property demand, and led to a 10.1% drop in sales compared to Fiscal Year 2022-23. In Fiscal Year 2024-25, Real Estate Transfer Tax (RETT) collections through the second quarter have seen an improvement compared to the decline observed in Fiscal Year 2023-24, driven by a 9.7% increase in property sales, amounting to 167 additional transactions and a 16.9% rise in gross sales value compared to the same period in the previous year. A moderate progressive growth in real estate transfer activity is anticipated in the Fiscal Year 2025-27 Biennial Budget, but similar to the 2008 recession, the budget does not anticipate an immediate rebound to prior RETT collection highs, which reached as high as $138.40 million in Fiscal Year 2021-22. The estimated RETT revenue in the 2025-27 Biennial Budget is $68.30 million for Fiscal Year 2025-26 and $70.34 million for Fiscal Year 2026-27. In this proposed budget, there is no excess RETT projected, reflecting the decline in RETT revenues that began in fiscal year 2022-23.

Transient Occupancy Tax

The transient occupancy tax ("**TOT**") represents a surcharge on room rates imposed on transient or temporary accommodations within the City. The tax is levied on persons staying 30 days or less in a hotel, motel, inn or other lodging facility and is collected by the lodging facility operator, who then remits the collected tax to the City. In July 2009, the voters approved Measure C, which increased the TOT rate from 11% to 14%. Measure C allocates 3% of total TOT revenue to support various community-based institutions, which amount is reported as a special fund revenue and not as part of the General Purpose Fund. The COVID-19 Pandemic impacted TOT severely, reducing General Purpose Fund TOT collections to a low of $10.61 million in Fiscal Year 2020-21. TOT recovered to $20.20 million collected in the General Purpose Fund in Fiscal Year 2022-23. However, the upward trend reversed in Fiscal Year 2023-24, when collections declined to $18.93 million. In the first half of Fiscal Year 2024-25, TOT collections declined further by 14.4% compared to the same period in the prior year and now projects to end Fiscal Year 2024-25 at $16.07 million. The main contributor to TOT revenue declines comes from the closure of major hotels in the City which have reduced significant revenue sources for the City, also affecting to a lesser degree the City's collection of Sales Tax, Business License Tax and Parking Tax. The 2025-27 Biennial Budget estimates TOT to remain in this lower level range for each year, with revenues projected at $15.48 million in Fiscal Year 2025-26 and $15.79 million in Fiscal Year 2026-27.

Parking Tax

The City's parking tax ("**PT**") is imposed on the occupant of an off-street parking space for the privilege of renting the space within the City. The tax is collected by private parking facility operators who then remit the collected tax to the City. The current PT rate, which is applied to the gross receipts of parking facility operators, is 20.0%, with 10.0% restricted to funding the Oakland Community Violence Reduction and Emergency Response Act of 2024 (captured outside the General Purpose Fund in the Measure NN fund). Most of PT revenue is generated from parking at the Oakland International Airport and the downtown area. PT revenue was greatly affected by the effects of the COVID-19 pandemic, which left downtown offices empty and triggered large reductions in commuting for both business and personal travel. This drove PT collections in the General Purpose Fund to come in as low as $6.26 million in Fiscal Year 2020-21 after collecting $11.05 million in Fiscal Year 2018-19, the year immediately preceding the pandemic. The collections level increased to $12.05 million in Fiscal Year 2022-23, indicating a solid recovery. While the collection level in Fiscal Year 2023-24 came in at $11.87 million, slightly below the prior year, and Fiscal Year 2024-25 is estimated to end lower at approximately $11.17 million, both still reflect a higher level than that collected pre-pandemic in Fiscal Year 2018-19. Collection levels within a similar range of those observed over the past three years are included in the Fiscal Year 2025-27 Biennial Budget.

Fines and Penalties

Fines and penalties consist primarily of parking enforcement fines (about 88% of the total) and penalties and interest for late tax payments. Revenue from parking citations has increased in the past two years primarily due to a 5% increase in parking fine rates implemented in Fiscal Year 2023-24, followed by another 5% increase in Fiscal Year 2024-25 to account for retroactive inflation. Additionally, increased parking enforcement efforts—supported by new hires in the Parking Enforcement Unit who joined at various times over the past two years—have led to a 20% rise in parking fine collections through the second quarter of Fiscal Year 2024-25, compared to the same period in the previous fiscal year. Similar revenue growth is projected in the Fiscal Year 2025-26 Adopted Budget, driven by enhanced enforcement programs and a full year of increased staffing. While revenues are expected to remain high, the Fiscal Year 2025-27 Biennial Budget anticipates growth to stabilize, with a more modest 1.9% increase projected for Fiscal Year 2026-27.

Licenses and Permits

These revenues primarily include special police and fire permits, traffic, bingo permits, residential parking permits, and animal licenses.

Service Charges

These revenues include franchise fees imposed on utilities for use of City rights of way, City-operated parking meter and other parking revenues, reimbursements for services provided to the Port, and various other fees and charges. Most of these revenues are considered cost recovery. Each department prepares amendments to the Master Fee Schedule and presents these proposed amendments to the City Council in the Spring; if approved, these changes are incorporated into the budget.

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VOTER-APPROVED SPECIAL TAX REVENUES

The City has sought voter approval for a number of special taxes and assessments to supplement its revenues in order to provide additional funding for City services. The following table summarizes some of these revenues which provide funds for services that otherwise might be funded by the General Purpose Fund. Several of these taxes have maintenance-of-service requirements for their collection.

Table 13
City of Oakland
Certain Special Tax Revenues[1]

Tax	Basis	FY 2023-24 Revenues (Year-End Actuals)	FY 2024-25 Revenues (Budgeted)	FY 2025-26 Revenues (Budgeted)	Expiration
The Oakland Community Violence Reduction and Emergency Response Act of 2024 (Measure NN)[2]	Parcel tax and 10% parking tax	$0.00	$0.00	$47.37	2034
Public Safety and Services Violence Prevention (Measure Z)	Parcel tax and 8.5% parking tax	31.13	28.83	0.00	2024
Transient Occupancy Tax for Tourism and Cultural Facilities (Measure C)	3% special transient occupancy tax	5.16	6.38	4.22	None
Library Services Retention and Enhancement (Measure C)	Parcel Tax	19.08	21.45	20.86	2054
Library Services (Measure D)	Parcel Tax	15.03	16.20	16.86	2038
Parks & Recreation Preservation, Litter Reduction, and Homelessness Support (Measure Q)	Parcel Tax	31.18	32.49	34.14	2040
Paramedic Services on Fire Trucks (Measure N)	Parcel Tax	2.05	2.11	2.18	None

Vacant Property, Housing and Illegal Dumping (Measure W)	Parcel tax	6.29	5.36	7.44	2040
Emergency Medical Services (Measure M)	Parcel Tax	2.57	2.66	2.73	None
Landscaping & Lighting Assessment District	Parcel Tax	19.32	19.11	19.51	None
The Oakland Children's Initiative (Measure AA)	Parcel Tax	44.18	42.44	47.28	2048
The Wildfire Prevention Financing Act of 2024 (Measure MM)(3)	Parcel Tax	0.00	0.00	$2.67	2045

(1) In millions.
(2) Replaces the Public Safety and Services Violence Prevention (Measure Z), which expired in 2024.
(3) Special tax levied exclusively on parcels within a defined "Wildfire Prevention Zone" representing approximately 22% of the City.
Source: City of Oakland.

INVESTMENT OF CITY FUNDS

The City Treasurer invests City funds within the guidelines of State law (specifically Section 53600 *et seq*. of the Government Code). The City Council adopts an investment policy, copies of which can be found on its website: https://www.oaklandca.gov/documents/investment-policies. The current investment policy (Investment Policy for Fiscal Year 2023-24) was adopted by the City Council on July 18, 2023, and is in effect until such time as it is subsequently revised and such revision is adopted by the City Council. An updated investment policy is expected to be presented to City Council in the third quarter of 2025.

The objectives of the Investment Policy are to preserve capital, liquidity, diversity, and yield. The Investment Policy addresses the soundness of financial institutions in which the City may deposit funds, types of investment instruments permitted by the City and the Government Code, investment duration, and the amounts that may be invested in certain instruments. The Investment Policy also reflects certain ordinances and resolutions of the City further restricting investments, including the Nuclear Free Zone Ordinance, the Tobacco Divestiture Resolution, Linked Banking Ordinance, the Fossil Fuel Divestiture Resolution, and the Firearm or Gun Manufacturer Divestiture Resolution.

The City's Operating Pool Portfolio is composed of different types of investment securities and is invested in accordance with the Investment Policy. The following Table 14 summarizes the composition of the Operating Pool Portfolio as of June 30, 2025.

Table 14
City of Oakland
Operating Pool Portfolio
as of June 30, 2025

Investments	Market Value	Book Value	Percent of Portfolio	Days to Maturity	YTM 360 Equivalent	YTM 365 Equivalent
Federal Agency Issues - Coupon	503,466,997.20	507,270,296.59	22.26	625	3.228	3.273
Federal Agency Issues - Discount	1,194,314,937.73	1,179,833,087.92	51.78	108	4.207	4.265
Money Market	320,000,000.00	320,000,000.00	14.04	1	4.195	4.253
Local Agency Investment Funds	75,089,873.25	75,000,000.00	3.29	1	4.211	4.269
Corporate Bonds	10,031,103.40	10,000,000.00	0.44	1,047	3.355	3.401
Negotiable CD's	20,003,020.00	20,000,000.00	0.88	106	4.530	4.593
Federal Agency Issues-Coupon/Bullet	91,426,262.50	91,337,848.19	4.01	449	4.081	4.137
Commercial Paper - Discount	49,015,770.00	48,762,891.67	2.14	166	4.435	4.497
Money Market Bank Account	26,220,438.93	26,220,438.93	1.15	1	4.001	4.057
	$2,289,568,403.01	$2,278,424,563.30	100.00%	222	3.984	4.039

Source: City of Oakland.

EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS

Labor Relations

As of July 10, 2025, the City employees are represented by seven labor unions and associations (identified in the following Table 15). The largest employee organization is the Service Employees International Union, Local 1021, which represents approximately 38% of City employees. Approximately 97% of City employees are covered by negotiated agreements, as detailed below. **[section to be further updated closer to posting, including cross reference to discussion of new contract terms in city finances discussion]**

Table 15
City of Oakland
Labor Relations
as of July 10, 2025

Employee Organization / Representation Unit	Number of Employees	Contract Expiration
Confidential Management Employees' Association, Unit U31	44	June 30, 2025
International Association of Fire Fighters Local 55, Unit FQ1	493	June 30, 2026
International Brotherhood of Electrical Workers Local 1245, Units IE1, TV1	17	June 30, 2025
International Federation of Professional and Technical Engineers (IFPTE) (Includes TA1, TF1, TL1, TM2, TW1, UH1, U41, UM1 and UM2)	1343	June 30, 2025
Service Employees International Union (SEIU) Local 1021	1688	July 30, 2025
Oakland Police Officers' Association, Unit PP1, PT1	752	June 30, 2026
Oakland Police Management Association, Unit UN2	16	June 30, 2026
Unrepresented Employees	119	N/A
TOTAL EMPLOYEES	**4,472**	

Source: City of Oakland, Department of Human Resources Management, Employee Relations Unit.

As part of labor negotiations with its public safety unions in Fiscal Year 2018-19, the City reduced the growth of long-term liabilities for retiree health benefits by capping its contributions for active employees and current retirees effective January 1, 2020, implementing new, lower costs tiers for employees hired after January 1, 2019, and aligning benefits for new public safety employees with that of the City's civilian employees. While these reforms are anticipated to provide significant long-term relief to the City's retiree medical costs, even with these measures, rising costs for employees and retirees continue to pressure the City's finances and will require careful management in future years.

Retirement Programs

The City currently maintains one closed pension system, the Police and Fire Retirement System ("**PFRS**"). In addition, the City is a member of the California Public Employees' Retirement System ("**CalPERS**"), a multiple-employer pension system that provides a contributory defined-benefit pension for most current employees. Additional information concerning the City's retirement program can be found in "APPENDIX B –ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR YEAR ENDED JUNE 30, 2024 – Notes to the Basic Financial Statements" and - "Required Supplementary Information (unaudited)."

Police and Fire Retirement System. PFRS is a defined benefit plan administered by a seven-member Board of Trustees (the "**Retirement Board**"). PFRS is a closed plan and covers uniformed employees hired prior to July 1, 1976. On December 12, 2000, the voters of the City amended the Charter to give active members of PFRS the option to terminate their membership and transfer to CalPERS upon certain conditions. As a result, 126 former members transferred to CalPERS. See "*-California Public Employees' Retirement System*" below. As of June 30, 2025, PFRS covered no active employees and 597 retired employees and beneficiaries.

In accordance with voter-approved measures adopting the Charter provisions that govern PFRS, the City annually levies an *ad valorem* tax (the "**Pension Tax Override**") on all property within the City subject to taxation by the City to help fund its pension obligations to PFRS. State law limits the City's tax rate for this purpose at the rate of 0.1575%, the level at which the City has levied the tax since 1983. In the second half of 2024, the City Council adopted Resolution No. 90393 C.M.S., reducing the Pension Tax Override to 0.0705% due to sufficient fund balance available to support the PFRS obligations. The City is required to fund all liabilities for future benefits for all PFRS members by June 30, 2026, at which time the unfunded actuarial liability ("UAL") is expected to be fully amortized. In order to do so, the City makes contributions at rates established by consulting actuaries based upon plan valuations. The contribution for Fiscal Year 2025-26 was $27.5 million, all of which was funded out of Pension Tax Override proceeds. Any unfunded liabilities that may remain after the exhaustion of the Pension Tax Override fund, as well as administrative expenses, would be an obligation of the City's General Fund.

As of July 1, 2024, the actuarial liability of $496.7 million less the actuarial value of assets of $438.3 million results in a unfunded actuarial liability of approximately $47.2 million. The funded ratio based on actuarial value was 88.3%.

As a result of the 2012 Pension Obligation Bonds, which funds were used to refund a $210 million debenture, the City was not required to make any periodic contributions to PFRS through June 30, 2017, pursuant to the Funding Agreement dated July 1, 2012 (the "**2012 Funding Agreement**"), between the City and PFRS. The City resumed contributions to PFRS in Fiscal Year 2017-18, in accordance with the 2012 Funding Agreement.

A schedule of funding progress for the PFRS is set forth below in Table 16. The funding status reflects a number of assumptions (such as future interest earnings, inflation, and the demographics of beneficiaries) and certain facts (including changes to labor agreements, to which benefits are tied, and actual mortality and earnings on assets).

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Table 16
City of Oakland
Police and Fire Retirement System
Schedule of Funding Progress[(1)]
as of July 1, 2024
($ In Millions)

Valuation Date (July 1)	Actuarial Liability	Actuarial Value of Assets	Market Value of Assets	Unfunded Actuarial Liability	Funded Ratio Based on Actuarial Value	Funded Ratio Based on Market Value	Number of Active Employees[(2)]
2020	$597.0	$371.5	$379.0	$225.5	62.2	63.5	0
2021	571.9	412.7	458.5	159.3	72.2	80.2	0
2022	553.0	422.8	401.5	130.2	76.5	72.6	0
2023	522.5	425.4	416.1	97.0	81.4	79.6	0
2024	496.7	438.3	450.0	58.4	88.3	90.6	0

(1) Does not include outstanding pension obligation bond principal and accreted interest; see "BONDS AND OTHER INDEBTEDNESS — Pension Obligation Bonds."
(2) Because this is a closed system with no active employee during the periods shown, UAAL as a percentage of payroll is not presented.
Source: Oakland Police and Fire Retirement System, Actuarial Valuation Report as of July 1, 2024. Most current information available.

Certain current assumptions and estimated contributions as of July 1, 2024, are set forth in Table 17 below.

Table 17
City of Oakland
Police and Fire Retirement System
Projection of Future Contributions[(1)]
as of July 1, 2024

	Valuation Assumptions
Investment Return	5.00%
City Contribution for FY 2024-25	$34.8 Million
City Contribution for FY 2025-26	$27.5 million

(1) If actual investment returns or wage growth varies from the assumptions, then the contribution rate will vary.
Source: Oakland Police and Fire Retirement System, Actuarial Report as of July 1, 2024.

The City's required contribution decreased from $34.8 million in Fiscal Year 2024-25 to $27.5 million in Fiscal Year 2025-26, as the current unfunded liability is fully amortized and recent asset losses are recognized. This assumes that the annual payments by the City will equal the administrative expenses, plus an amount needed to amortize the remaining unfunded liability as a level percentage of overall public safety payroll by July 1, 2026, as is required under the Charter.

California Public Employees' Retirement System. CalPERS is a defined-benefit plan administered by the State and covers all uniformed employees hired after June 30, 1976 and all non-uniformed employees hired after September 1, 1970 as well as certain former members of PFRS and the Oakland Municipal Employees Retirement System ("**OMERS**"), which was terminated effective March

31, 2015. CalPERS acts as a common investment and administrative agent for public entities participating with the State. CalPERS is a contributory plan deriving funds from employee contributions as well as employer contributions and earnings from investments. A menu of benefit provisions is established by State statutes within the Public Employees' Retirement Law. The City selects its optional benefit provisions from the benefit menu by contract with CalPERS. The information contained in this paragraph has been obtained from CalPERS. Additional information regarding CalPERS may be obtained from its website at www.calpers.ca.gov. However, the contents of such website are not incorporated herein by such reference.

For accounting purposes, employees covered under CalPERS are classified as either miscellaneous employees or safety employees (police and fire).

In July 2011, the City approved a CalPERS second tier (two-tiered pension plans) for all labor unions to reduce the City's CalPERS retirement cost over time. The two-tiered pension plans were subsequently approved through collective bargaining agreements between the City and labor organizations representing miscellaneous and safety employees. The City implemented the two-tiered pension plan for safety employees effective February 8, 2012, and for miscellaneous employees effective June 8, 2012.

In September 2012, Assembly Bill 340 (known as "**PEPRA**") was enacted into law. PEPRA reforms all State and local public retirement systems and their participating employers with the exception of charter cities and counties that operate an independent retirement system. PEPRA limits the pension benefits offered to new employees and increases flexibility for employee and employer cost sharing for current employees. A third tier was implemented as a result of PEPRA for miscellaneous and safety employees hired on or after January 1, 2013 ("**Tier 3**").

As of June 30, 2020, CalPERS provisions and benefits and the active number of members in each tier are as follows:

	Employee Organization	
Tier Pension Plans	**Safety**	**Miscellaneous**
Tier One (Classic Member)	Receive 3% at age 50. Pension benefits are based on the year of highest salary. Active members: 601	Receive 2.7% at age 55. Final compensation is based on the 12 highest paid consecutive months. Active members: 1,397
Tier Two (New Hires as of June 9, 2012)	Receive 3% at age 55. Pension benefits are based on the final average salary of three years under the Government Code 20037. Active members: 36	Receive 2.5% at age 55. Final compensation is based on the highest average annual compensation of the three consecutive years. Active members: 162
Tier Three: AB 340 (January 1, 2013)	Receive 2% at age 57. Option 1: 2.5% at age 57. Option 2: 2.7% at age 57. Pension benefits are based on the final average salary of three years subject to established cap. Active members: 530	Receive 2% at 62. Pension benefits are based on the final average salary of the three years subject to established cap. Active members: 1,238

Source: City of Oakland

The contribution requirements of the plan participants and the City are established by and may be amended by CalPERS. Beginning Fiscal Year 2017-18, CalPERS collects minimum required employer contributions equal to the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability Contribution Amount (billed monthly in dollars unless prepaid at the beginning of the fiscal year, as the City has done the past several years. See "BONDS AND OTHER INDEBTEDNESS – Short-Term Obligations"). In prior fiscal years, the Employer Unfunded Accrued Liability Contribution Amount was a contribution rate. As percentages of projected annual covered payroll, the total required employer contribution rates for Fiscal Year 2025-26 are estimated to be 38.17% for miscellaneous employees and 63.76% for safety employees (police and fire employees). As percentages of projected annual covered payroll, the total required employer contribution rates for Fiscal Year 2026-27 are estimated to be 37.96% for miscellaneous employees and 66.49% for safety employees (police and fire employees).

In addition, under current bargaining agreements, all City participants, other than Tier 3 (described herein) employees, are required to contribute 8% for miscellaneous employees, 12% for police employees, and 13% for fire employees of their annual covered salary to CalPERS. Tier 3 employees are required to contribute 50% of normal cost (currently, 8.25% for miscellaneous employees, 12% for police employees, and 12% for fire employees of their annual covered salary) to CalPERS. The contribution requirements of the plan members are established by State statute and the employer contributions are established, and may be amended, by CalPERS.

The following Table 18 sets forth the City's employer contribution rates and amounts as determined by CalPERS for Fiscal Years 2020-21 through 2024-25, and CalPERS's projections for Fiscal Years 2025-26 and 2026-27. The Total Required Employer Contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability Contribution Amount.

Table 18
City of Oakland
California Public Employees' Retirement System
Contribution Rates and Amounts
Fiscal Years 2020-21 through 2024-25
and Projected Fiscal Years 2025-26 and 2026-27

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26 (Projected)[1]	2026-27 (Projected)[1]
Safety Plan							
Total Required Employer Contribution (as percentage of payroll)	51.04%[3]	54.02%	56.61%	57.30%	63.64%	63.76%	66.49%
Employer Normal Cost Rate (as percentage of payroll)	19.51%	18.94%	18.53%	20.43%	19.86%	19.58%	19.09%
Employer Unfunded Accrued Liability Contribution Amount	$52,041,128	$61,868,629	$68,414,725	$66,753,911	$77,373,054	$87,318,626	$96,274,560
Miscellaneous Plan							
Total Required Employer Contribution (as percentage of payroll)	44.60%	45.83%	46.67%	44.66%	40.3%	38.17%	37.96%
Employer Normal Cost Rate (as percentage of payroll)	12.34%	11.85%	11.54%	12.28%	12.01%	11.7%	11.37%
Employer Unfunded Accrued Liability Contribution Amount	$80,187,025	$88,323,290	$96,340,598	$91,160,034	$83,344,315	$86,147,844	$94,235,602

(1) Based on various assumptions, including 6.8% actuarial rate.
Source: CalPERS Annual Valuation Reports as of June 30, 2021, through June 30, 2024. Most current information available.

CalPERS uses an actuarial method that takes into account those benefits that are expected to be earned in the future as well as those already accrued. CalPERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities.

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the Fiscal Year 2015-16 rates, CalPERS no longer uses an actuarial value of assets and instead employs an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a five-year period.

On December 21, 2016, the CalPERS Board of Administration voted to further lower CalPERS's discount (i.e. assumed investment return) from 7.50% to 7.00% using a three-year phase-in, beginning with the June 30, 2016 actuarial valuations. Notwithstanding the CalPERS Board of Administration's decision to phase into a 7.00% discount rate, in July 2021, CalPERS announced that their investment returns for Fiscal Year 2020-21 was 21.3%, which triggered an automatic reduction in the discount rate, from 7% to 6.8%, under their funding risk mitigation policy. Subsequent analysis of the expected investment return of CalPERS assets or changes to the investment allocation could result in a change to this discount rate schedule. There can be no assurance that CalPERS will not again lower its investment assumptions thus increasing the City's contribution obligations.

On November 25, 2021, CalPERS adopted its most recent asset liability management study incorporating actuarial assumptions and strategic asset allocation, making relatively modest changes to the asset allocation and demographic assumptions. The 6.8% discount rate was retained.

The following Tables 19 and 20 set forth the schedules of funding progress as of June 30 for 2020 through 2024 for public safety employees and for miscellaneous employees.

Table 19
City of Oakland
California Public Employees' Retirement System Schedule of Funding Progress
Public Safety Employees
($ in Millions)

Valuation Date (June 30)	Actuarial Accrued Liability	Market Value of Assets	Unfunded Actuarial Accrued Liability	Funded Status (MVA Basis)	Annual Covered Payroll	UAAL as % of Payroll
2020	$2,401.8	$1,494.0	$907.9	62.2%	$165.6	548.2%
2021	2,558.7	1,825.1	733.6	71.3	166.7	440.1
2022	2,698.6	1,674.1	1,024.5	62.0	162.7	629.7
2023	2,847.1	1,764.4	1,082.7	62.0	182.0	594.9
2024	3,003.9	1,919.0	1,084.8	63.9	187.0	580.1

Source: CalPERS Actuarial Valuation Report as of June 30, 2024. Most current information available.

Table 20
City of Oakland
California Public Employees' Retirement System Schedule of Funding Progress
Miscellaneous Employees
($ in Millions)

Valuation Date (June 30)	Actuarial Accrued Liability	Market Value of Assets	Unfunded Actuarial Accrued Liability	Funded Status (MVA Basis)	Annual Covered Payroll	UAAL as % of Payroll
2020	$2,999.7	$2,010.4	$989.3	67.0%	252.8%	391.3%
2021	3,125.4	2,434.5	690.9	77.9	259.2	266.6
2022	3,241.5	2,213.8	1,027.7	68.3	271.2	379.0
2023	3,368.0	2,315.5	1,052.5	68.8	299.6	351.3
2024	3,490.5	2,497.5	993.0	71.6	326.3	304.3

Source: CalPERS Actuarial Valuation Report as of June 30, 2024. Most current information available.

For Fiscal Year 2023-24, the City's CalPERS pension contributions are $77.3 million for the Safety Plan and $83.3 million for the Miscellaneous Plan. The following Table 21 represents the City's annual contribution to CalPERS for Fiscal Years 2020-21 through 2024-25.

Table 21
City of Oakland
California Public Employees' Retirement System
Annual Pension Contributions
Fiscal Years 2020-21 through 2024-25
($ in Millions)

Fiscal Year Ended June 30	Annual Contributions[(1)]
2021	$178.5
2022	184.9
2023	157.9
2024	158.0
2025	160.6

Effective July 1, 2011, all City employees pay the employee contributions.
(1) Amount includes both Safety and Miscellaneous Plans.
Sources: City of Oakland Annual Financial Reports for Fiscal Years Ended June 30, 2021 through June 30, 2024, CalPERS Actuarial Valuation Report as of June 30, 2024.

Other Post-Employment Benefits

The City pays the partial costs of health insurance premiums for certain classes of retirees from City employment. Retirees meeting certain requirements relating to age and years of service are eligible for health benefits. The health benefits are extended to retirees pursuant to labor agreements between the City and certain of its employee labor unions and in resolutions adopted by the City. Traditionally, the City has financed these obligations on a pay-as-you go basis.

In 2014, the City began to partially pre-fund the annual required contribution ("**ARC**") to the California Employer's Retiree Benefit Trust ("**CERBT**"), an agent multiple-employer defined benefit post-employment healthcare plan administered by CalPERS. The CERBT is an Internal Revenue Code ("**IRC**") Section 115 Trust and an investment vehicle that can be used by all California public employers to prefund future retiree health and OPEB costs. Since that time, the City has made contributions to the CERBT as set forth in the table below. The balance of the CERBT as of September 5, 2025 was estimated to be $113.6 million.

Table 22
City of Oakland
Contributions to the California Employer's Retiree Benefit Trust
Fiscal Years 2017-18 through 2024-25
($ in Millions)

Fiscal Year (ended June 30)	City Contribution to the CERBT
2017-18	$10.0
2018-19	10.0
2019-20	–
2020-21	–
2021-22	15.0
2022-23	15.0
2023-24	13.5
2024-25	14.8

Source: City of Oakland.

On February 26, 2019, the City Council adopted an OPEB Funding Policy intended to formalize its prepayment practice, providing for ongoing contributions of 2.5% of payroll in addition to the City's pay-as-you-go requirements. These additional contributions are intended to support the sustainability of the City's retiree medical program. The policy was suspended and these contributions were postponed for Fiscal Year 2019-20 and Fiscal Year 2020-21 in response to the financial crisis accompanying the COVID-19 pandemic. In both Fiscal Years 2021-22 and 2022-23 the City contributed $15 million to CERBT to offset reductions in prior years as shown in the above table. The adopted budget for Fiscal Years 2023-25, provided for the resumption of these contributions at the policy level of 2.5%. The City anticipates contributing $15.6 million in Fiscal Year 2025-26 and an additional $15.8 million in Fiscal Year 2026-27. Additional contributions may be made pursuant to policies regarding the application of "excess" real estate transfer tax revenues.

Additionally, in Fiscal Year 2018-19 the City reached agreement with its sworn public safety unions to cap retiree medical benefits for existing employees and retirees effective January 1, 2020, and to implement new, lower-cost tiers for employees hired after January 1, 2019, aligning benefits for new public safety employees with that of the City's civilian employees.

The following Table 23 sets forth certain information with respect to the City's OPEB obligations for the Fiscal Years ended June 30, 2020 through June 30, 2024.

Table 23
City of Oakland
Post-Employment Benefits Other than Pensions
Fiscal Years 2019-20 through 2023-24
($ in Millions)

Fiscal Year Ended June 30[(1)]	Total OPEB Liability	Net OPEB Liability	Actuarial Determined Contribution	Benefit payments	City Contribution[(5)]
2020	$625.9[(2)]	$598.6	$50.7	$29.1	$28.9
2021	871.1[(3)]	842.8	52.8	28.9	29.5
2022	653.5[(4)]	617.5	54.3	29.5	43.0
2023	536.9	492.9	56.6	26.8	43.4
2024	611.8	549.0	53.9	28.4	43.2

(1) Amounts reported for each Fiscal Year figures are based on measurement year for actuarial purposes, which is one year prior.
(2) Includes reduction in estimated liabilities of $147.6 million from reduction to benefits for public safety employees hired on or after January 1, 2019 and changes in assumptions, which reduced estimated liabilities by $139.1 million.
(3) Increase to liability includes $222.3 million increase due to changes in assumptions, including a decrease in the discount rate applied from 4.5% to 2.2%.
(4) Decrease to liability includes $197.6 million decrease due to changes in assumptions, including an increase in the discount rate applied from 2.2% to 3.74%.
(5) Includes employer contributions and contributions to irrevocable trust.
Source: City of Oakland Annual Comprehensive Financial Report for Year Ended June 30, 2024.

The size of the City's medical, pension and OPEB liabilities are based on a number of assumptions that are subject to change, including, but not limited to, estimates regarding personnel costs, assumed investment returns and actuarial assumptions. It is possible that actual results of these initiatives will differ materially from current assumptions and such changes in personnel costs, investment returns or other actuarial assumptions could increase budgetary pressures on the City.

BONDS AND OTHER INDEBTEDNESS

The City has issued or caused the issuance of a variety of bonded and other debt obligations as provided for under the State Constitution, judicial interpretation of the State Constitution, State statutes, and its own Charter powers. The following summarizes existing indebtedness.

General Obligation Debt

The City may issue general obligation bonds for the acquisition and improvement of real property, subject to two-thirds voter authorization of the bond proposition. An *ad valorem* tax on all taxable property within the City is levied by the City and collected by the County to pay principal and interest on general obligation bonds on the secured and unsecured property tax bills within the City.

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Table 24 below summarizes the City's outstanding General Obligation Bonds as of September 15, 2025.

Table 24
City of Oakland
General Obligation Bonds
as of September 15, 2025
($ in Thousands)

Issue Name	Purpose	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
General Obligation Refunding Bonds, Series 2015A[(1)]	Refunded Series 2005, Series 2006 (Measure G) and Series 2009B (Measure DD)	6/2/2015	1/15/2039	$128,895	$54,380
General Obligation Bonds, Series 2017C (Measure DD)	Acquire and improve water quality-related infrastructure and facilities and properties for open space purposes, design and construction of parks, bridges and trails	1/26/2017	1/15/2047	26,500	22,090
General Obligation Bonds, Measure KK, Series 2017A-1 (Tax Exempt)	For street paving and construction; bicycle, pedestrian and traffic calming improvements; construction, purchase, improvement or rehabilitation of City facilities including fire, police, library, parks & recreation, and senior facilities; and water, energy and seismic improvements.	8/30/2017	1/15/2047	62,735	62,735
General Obligation Bonds, Measure KK, Series 2017A-2 (Taxable)	Provide for anti-displacement and affordable housing preservation projects, including acquisition.	8/30/2017	1/15/2035	55,120	31,220
General Obligation Bonds, Measure KK, Series 2020B-1 (Tax Exempt)	For street paving and construction; bicycle, pedestrian and traffic calming improvements; construction, purchase, improvement or rehabilitation of City facilities including fire, police, library, parks & recreation, and senior facilities; and water, energy and seismic improvements.	2/27/2020	1/15/2050	140,010	140,010
General Obligation Bonds, Measure KK, Series 2020B-2 (Taxable)	Provide for anti-displacement and affordable housing preservation projects, including acquisition.	2/27/2020	1/15/2030	44,880	19,765
General Obligation Refunding Bonds, Series 2020	Refunded General Obligation Refunding Bonds, Series 2012	2/27/2020	1/15/2033	64,260	40,585
General Obligation Bonds, Measure KK, Series 2022C-1 (Tax Exempt)	Provide funds for certain street and road projects, Safe Routes to Schools projects, and for the construction, improvement or rehabilitation of City facilities.	3/10/2022	7/15/2052	198,645	187,895
General Obligation Bonds, Measure U, Series 2023A-1 (Tax Exempt)	Provide funds for the construction of certain affordable housing and for the improvement or renovation of City recreation, fire, library, and infrastructure facilities	10/18/2023	7/15/2053	32,760	32,760
General Obligation Bonds, Measure U, Series 2023A-2 (Taxable Social Bonds)	Provide funds for the construction of certain affordable housing and for the improvement or renovation of City recreation, fire, library, and infrastructure facilities	10/18/2023	7/15/2042	68,370	59,140

General Obligation Bonds, Measure KK, Series 2023D (Tax Exempt)	Provide funds for certain street and road projects, Safe Routes to Schools projects, and for the construction, improvement or rehabilitation of City facilities.	10/18/2023	7/15/2053	52,475	52,475
TOTAL					$703,055

(1) All or a portion of these bonds are expected to be refunded with the proceeds of the Refunding Bonds.
Source: City of Oakland.

The following Table 25 summarizes the voter-approved measures for which debt obligations have not yet been issued as of September 15, 2025. The City may seek additional voter authorization in the future.

Table 25
City of Oakland
General Obligation Bond Remaining Authorization
as of September 15, 2025
($ in Thousands)

Authorization	Date Passed	Use	Bond Total	Authorization Remaining(1)
Measure DD	11/5/2002	Water quality-related infrastructure and facilities, open spaces, parks, bridges and trails, recreational and aquatic facilities.	$198,250	$ 35,755
Measure KK	11/8/2016	Infrastructure, affordable housing, and facility improvements.	600,000	32,465
Measure U	11/8/2022	Improvements to real property	850,000	748,870

(1) Does not include the issuance of the New Money Bonds, which will utilize some of the remaining authorization under Measure U.
Source: City of Oakland.

Short-Term Obligations

The City has issued tax and revenue anticipation notes ("**TRANs**") to finance general fund temporary cash flow deficits and/or to finance prepayments of the City's CalPERS Employer Unfunded Accrued Liability Contribution ("**UAL**"), all of which TRANs have been paid when due. The following Table 26 sets forth the principal amount of TRANs issued in Fiscal Years 2020-21 through 2024-25, all of which were issued with taxable interest solely for the purpose of prepayment of the City's CalPERS UAL contributions and were privately placed with a bank.

Table 26
City of Oakland
Tax and Revenue Anticipation Notes
($ in Thousands)

Fiscal Year Ended June 30	Principal Amount
2020-21	$109,220
2021-22	124,085
2022-23	136,810
2023-24	0
2024-25	0

Source: City of Oakland.

Lease Obligations

The City has entered into various long-term lease arrangements that secure lease revenue bonds or certificates of participation, under which the City must make annual payments, payable by the City from its General Fund, for the use of public buildings or equipment. The following Table 27 summarizes the City's outstanding long-term lease obligations and the principal amounts outstanding as of September 15, 2025.

Table 27
City of Oakland
Lease Revenue Bonds
as of September 15, 2025
($ in Thousands)

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding	Leased Asset
Oakland – Alameda County Coliseum Authority Lease Revenue Bonds, (Arena Project) 2015 Refunding Series A	4/29/2015	2/1/2026	$39,868[1]	$2,443[1]	Coliseum Arena[2]
Oakland Joint Powers Financing Authority Lease Revenue Refunding Bonds, (Oakland Administration Building), Series 2018	5/23/2018	11/1/2026	60,025	15,850	Oakland Administration Buildings
TOTAL				$18,293	

(1) The lease payments securing these bonds are joint and several obligations of both the City and the County as the members of the Oakland- Alameda County Coliseum Authority (the "**Coliseum Authority**"). See – "Limited Obligations." Each entity has covenanted to budget and appropriate one-half of the annual lease payments and to take supplemental budget action if required to cure any deficiency. Principal amounts shown here represent one-half of the total original and outstanding principal amount of the bonds, which represents the amount which is directly attributable to the City.

(2) On December 9, 2020, the California Supreme Court rejected an appeal from the Golden State Warriors of lower court rulings that required them to continue to make payments towards debt service on the Arena Bonds following the team's move to San Francisco, consistent with their original agreement with the Coliseum Authority. It is anticipated that the Warriors will continue to pay these debt service installments, in accordance with the agreement with the Coliseum Authority, until the Arena Bonds debt obligation is satisfied.

Source: City of Oakland.

Master Lease Obligations

The City has entered into various long-term, master lease-purchase agreements to finance the acquisition of essential-use assets. As of September 1, 2025, the City's master lease-purchase agreements, which generally are backed by the City's General Fund, were outstanding in the principal amount of $4,727,677. These financings are fixed rate with interest rates ranging from 1.7698% - 2.8780% and maturities between 2025 and 2030. As of September 1, 2025, the aggregate maximum annual debt service payment is $1,384,541 in Fiscal Year 2025-26.

Pension Obligation Bonds

The City has previously issued three series of pension obligation bonds (in 1997, 2001 and 2012) to fund a portion of the City's unfunded actuarial accrued liability ("**UAAL**") for retirement benefits to members of the PFRS, a closed plan covering uniformed employees hired prior to July 1, 1976. In Fiscal Year 2025-26, the City levied an *ad valorem* tax at a rate of 0.0705% on all property within the City subject to taxation to fund PFRS pension obligations. For more information, see "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs –*Police and Fire Retirement System*" herein.

The pension obligation bonds are obligations of the general fund and are secured by a senior pledge of Pension Tax Override proceeds. The second series of pension obligation bonds, which was a series of capital appreciation bonds issued in 2001 (the "**2001 Pension Obligation Bonds**"), was part of a plan of finance undertaken by the City to restructure a portion of the City's 1997 pension obligation bonds (the "**1997 Pension Obligation Bonds**"), to reduce the annual net debt service on such bonds and to minimize the need for the City to use General Fund revenues other than Pension Tax Override funds to pay debt service on the 1997 Pension Obligation Bonds and the 2001 Pension Obligation Bonds. The 1997 Pension Obligation Bonds matured in December 2010 and the 2001 Pension Obligation Bonds matured in December 2022. The third series of pension obligation bonds were issued on July 12, 2012 (the "**2012 Pension Obligation Bonds**") to prepay a portion of the City's UAAL for retirement benefits to members of PFRS.

The following Table 28 summarizes the 2012 Pension Obligation Bonds as of September 15, 2025.

Table 28
City of Oakland
Pension Obligation Bonds
as of September 15, 2025
($ in Thousands)

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
City of Oakland Taxable Pension Obligation Bonds, Series 2012	7/30/2012	12/15/2025	$212,540	$53,605
TOTAL				$53,605

Source: City of Oakland.

The 2012 Pension Obligation Bonds are secured by a senior pledge of Pension Tax Override revenues. See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*." For additional information on the City's pension systems, see "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs."

Limited Obligations

Oakland-Alameda County Coliseum Authority

The City is a member with the County of Alameda in a joint exercise of powers agreement forming the Oakland-Alameda County Coliseum Authority (the "**Coliseum Authority**"), which was formed on July 1, 1995, to assist the City and the County in the financing of public capital improvements of the Oakland-Alameda County Coliseum Complex, comprised of the stadium and arena complex, (the "**Coliseum Complex**") pursuant to the Marks-Roos Local Bond Pooling Act of 1985. Bonds issued by the Coliseum Authority are limited obligations of the Coliseum Authority payable solely from certain revenues of the Coliseum Authority, including revenues from the stadium and arena, as applicable. In the event that revenues received in connection with the stadium or arena, as applicable, are insufficient to make base rental payments, the City and the County are obligated to make up the shortfall in the base rental payments from their respective general funds, which obligation is a joint and several liability, which means that the City could have to pay the total amount of any shortfall in revenue necessary to make the base rental payments. See Table 27 – "*City of Oakland Lease Revenue Bonds*" above for the outstanding Coliseum Authority bonds. Debt service on Coliseum Authority bonds are not general obligations of the City or the County. See also APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR YEAR ENDED JUNE 30, 2024 – Note II.J to the Basic Financial Statements" for a discussion regarding the Coliseum Authority and current and prior bond issuances.

Redevelopment Agency of the City of Oakland

The City's Redevelopment Agency, prior to its dissolution in 2012, issued several series of tax allocation bonds to provide funding for blight alleviation and economic development in parts of the City or for the construction of low-income housing, which are payable from tax increment revenues received from the specific redevelopment project areas which they support. In addition, the Oakland Redevelopment Successor Agency ("ORSA") has issued bonds that are secured by the Redevelopment Property Tax Trust Fund and dedicated housing set-aside revenues from all the City's redevelopment project areas.

The following Table 29 sets forth outstanding tax allocation bonds issued by Redevelopment Agency or ORSA, including the final maturity date, original principal amounts and principal amounts outstanding. All information below is presented, and sets forth the principal amount of debt outstanding, as of September 15, 2025.

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Table 29
Tax Allocation Bonds
as of September 15, 2025
($ in Thousands)

Broadway/MacArthur/San Pablo Redevelopment Project Area

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds Series 2006C-T	10/12/2006	9/1/2032	$12,325	$4,615
Broadway/MacArthur/San Pablo Redevelopment Project Tax Second Lien Allocation Bonds Series 2010-T (RZEDB)	11/12/2010	9/1/2040	7,390	6,540
TOTAL BROADWAY/MACARTHUR/SAN PABLO DISTRICT			$19,715	$11,155

Central City East Redevelopment Project Area

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-T	10/12/2006	9/1/2034	$62,520	$28,420

Coliseum Area Redevelopment Project Area

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-T	10/12/2006	9/1/2035	$73,820	$39,905

Multiple Project Areas and Housing

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Subordinated Tax Allocation Refunding Bonds, Series 2015-TE	9/2/2015	9/1/2036	$22,510	$22,510
Subordinated Tax Allocation Refunding Bonds, Series 2015-T	9/2/2015	9/1/2035	66,675	32,330
Subordinated Tax Allocation Refunding Bonds, Series 2018-TE	6/6/2018	9/1/2031	15,190	12,525
Subordinated Tax Allocation Refunding Bonds, Series 2018-T	6/6/2018	9/1/2039	41,765	29,285
TOTAL MULTIPLE PROJECT AREAS AND HOUSING			$146,140	$96,650

____
Source: City of Oakland

Special Assessment

The City has debt outstanding for one bond issue supported by assessment districts. Debt service on this assessment and reassessment bond issue is paid solely from assessments levied on real property within the district. The following Table 30 sets forth the City's outstanding special assessment bonds as of September 15, 2025.

Table 30
City of Oakland
Special Assessment Bonds
as of September 15, 2025
($ in Thousands)

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Oakland Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1, Limited Obligation Refunding Bonds (Reassessment and Refunding of 2018)	6/6/2018	9/2/2039	1,380	1,005
TOTAL				$1,005

Source: City of Oakland.

Enterprise Revenue Bonds

The City also has issued bonds secured solely by revenues of its sewer system. On March 20, 2014, the City issued Sewer Revenue Refunding Bonds, 2014 Series A, in the principal amount of $40,590,000 (the "2014 Sewer Bonds"). The proceeds of the 2014 Sewer Bonds were used to refund the City's then outstanding Sewer Revenue Bonds, Series 2004A. The 2014 Sewer Bonds have an outstanding principal amount of $12,935,000 as of September 15, 2025, and mature on June 15, 2029.

Estimated Direct and Overlapping Debt

Located within the City are numerous overlapping local agencies providing public services. These local agencies have outstanding bonds issued in the form of general obligation, lease revenue, certificates of participation and special assessment bonds. The direct and overlapping debt of the City as of August 1, 2025, according to California Municipal Statistics, Inc., is presented in Table 7 in the forepart of this Official Statement.

CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS

Article XIII A of the California Constitution

Section 1(a) of Article XIII A of the State Constitution limits the maximum *ad valorem* tax on real property to 1% of full cash value (as defined in Section 2 of Article XIII A), to be collected by counties and apportioned according to law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to *ad valorem* taxes to pay interest or redemption charges on: (1) indebtedness approved by the voters prior to July 1, 1978; (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; or (3) any bonded indebtedness incurred by a school district, community college district or county office of education for the construction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities approved after November 8, 2000 by 55% of the voters of the district or county, as appropriate, voting on the proposition. Section 2 of Article XIII A defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment" ("**Full Cash Value**"). The Full Cash Value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. Taxpayers in the City may appeal the determination of the County Assessor of the Full Cash Value of their property. At any given point in time, hundreds of appeals are pending in the City. See Table 5 – "*City of Oakland Pending Appeals of Assessed Valuations*" in the front portion of this Official Statement. If the assessed value of a property is reduced as a result of an assessment appeal, the reduction is borne by relevant taxing agencies, including the City.

Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIII A has been amended a number of times. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first $1,000,000 of the Full Cash Value of other real property between parents and children, do not constitute a "purchase" or "change of ownership" triggering reappraisal under Article XIII A. Other amendments permitted the State Legislature to allow persons over the age of 55 who meet certain criteria or "severely disabled homeowners" who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence.

In the November 1990 election, the voters approved an amendment of Article XIII A to permit the State Legislature to exclude from the definition of "new construction" certain additions and improvements.

Article XIII A has also been amended to provide that there would be no increase in the Full Cash Value base in the event of reconstruction of property damaged or destroyed in a disaster or construction or reconstruction of seismic retrofitting components.

Section 4 of Article XIII A provides that cities, counties and special districts cannot, without a two-thirds vote of the qualified electors, impose special taxes, which have been interpreted to include special fees in excess of the cost of providing the services or facility for which the fee is charged, or fees levied for general revenue purposes.

Article XIII B of the California Constitution

State and local government agencies in the State are each subject to annual "appropriations limits" imposed by Article XIII B of the State Constitution ("**Article XIII B**"). Article XIII B prohibits government agencies and the State from spending "appropriations subject to limitation" in excess of the appropriations limit imposed. "Appropriations subject to limitation" are generally authorizations to spend "proceeds of taxes," which include, but are not limited to, all tax revenues, and the proceeds from (i) regulatory licenses, user charges or other user fees to the extent that such proceeds exceed "the cost reasonably borne by that entity in providing the regulation, product, or service," (ii) the investment of tax revenues, and (iii) certain subventions received from the State. No limit is imposed on appropriations of funds which are not "proceeds of taxes," appropriated for debt service on indebtedness existing prior to the passage of Article XIII B or authorized by the voters or appropriations required to comply with certain mandates of courts or the federal government.

The voters of the City have approved increasing the appropriations limit from time to time. Most recently, on March 5, 2024, the voters of the City of Oakland approved increasing the appropriations limit until March 5, 2028 by the maximum aggregate amount projected to be collected pursuant to twelve (12) voter-approved general and special tax ballot measures relating to municipal services and income from the investment of said tax revenue. The ballot measure provides that the purpose of increasing the appropriations limit is to permit the City to continue to expend revenues generated from taxes that City voters previously approved to pay for municipal services such as but not limited to emergency medical services, paramedic services, library services, public safety and violence prevention services, homeless services, children's services, parks and recreation, the Oakland Zoo and other lawful governmental purposes, without increasing or imposing new taxes.

Articles XIII C and XIII D of the California Constitution

Articles XIII C and XIII D of the State Constitution were added pursuant to Proposition 218, which was approved by the voters of the State in November 1996, and amended pursuant to Proposition 26, which was approved by the voters of the State in November 2010. Articles XIII C and XIII D contain a number of provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City require a majority vote and taxes for specific purposes, even if deposited in the general fund, require a two-thirds vote. The voter approval requirements of Article XIII C reduce the City's flexibility to deal with fiscal problems by raising revenue through new, or extended or increased taxes and no assurance can be given that the City will be able to raise taxes in the future to meet increased expenditure requirements.

Article XIII D contains several provisions making it generally more difficult for cities to levy and maintain "assessments" for municipal services and programs. "Assessment" is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property.

Article XIII D also contains several provisions affecting a "fee" or "charge," defined for purposes of Article XIII D to mean "any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by a city upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) with respect to any parcel or person, exceed the proportional cost of the service attributable to the parcel, (iv) are for a service not actually used by, or immediately available to, the owner of the property in question, or (v) are used for general governmental services, including police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The City must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the City may not impose or increase the fee or charge. Moreover, except for fees or charges for sewer, water and refuse collection services (or fees for electrical and gas service, which are not treated as "property related" for purposes of Article XIII D), no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area. The City has two enterprise funds that are self-supporting from fees and charges, which could, depending upon judicial interpretation of Proposition 218, ultimately be determined to be property related for purposes of Article XIII D. If fees and charges cannot be appropriately increased, or are reduced pursuant to exercise of the initiative power (described in the following paragraph), the City may have to decide whether to support any deficiencies in these enterprise funds with moneys from the general fund or to curtail service, or both.

In addition to the provisions described above, Article XIII C also removes prohibitions and limitations on the initiative power in matters of any "local tax, assessment, fee or charge." Consequently, the voters of the City could, by future initiative, repeal, reduce or prohibit the future imposition or increase of any local tax, assessment, fee or charge. "Assessment," "fee" and "charge," are not defined in Article XIII C and it is not clear whether the definitions of these terms in Article XIII D (which are generally property-related as described above) would limit the scope of the initiative power set forth in Article XIII C. If the Article XIII D definitions are not held to limit the scope of Article XIII C initiative powers, then the Article XIII C initiative power could potentially apply to revenue sources that currently constitute a substantial portion of general fund revenues. No assurance can be given that the voters of the City will not, in the future, approve initiatives that repeal, reduce or prohibit the future imposition or increase of local taxes, assessments, fees or charges.

Proposition 1A

The California Constitution and existing statutes give the State Legislature authority over property taxes, sales taxes and the vehicle license fee (the "**VLF**"). The State Legislature has authority to change tax rates, the items subject to taxation and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance.

The California Constitution generally requires the State to reimburse the local governments when the State mandates a new local program or higher level of service. Due to financial difficulties of the State in past years, it did not provide reimbursements for many mandated costs. In other cases, the State has suspended mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

On November 3, 2004, the voters of the State approved Proposition 1A, which amended the California Constitution to, among other things, reduce the State Legislature's authority over local government revenue sources by placing restrictions on the State's access to local government's property, sales and VLF revenues. Proposition 1A generally prohibits the shift of property tax revenues from cities, counties and special districts, except to address a "severe state financial hardship," which must be approved by a two-thirds vote of both houses of the State Legislature, and only then if, among other things, such amounts were agreed to be repaid with interest within three years. The measure also (i) protects the property tax backfill of sales tax revenues diverted to pay the State's economic recovery bonds, and the reinstatement of the sales tax revenues once such bonds are repaid, and (ii) protects local agency VLF revenue (or a comparable amount of backfill payments from the State).

If the State reduces the VLF rate below its current level of 0.65 percent of the vehicle value, Proposition 1A requires the State to provide local governments with equal replacement revenues. Proposition 1A provides two significant exceptions to the above restrictions regarding sales and property taxes. First, the State may shift to schools and community colleges up to 8 percent of local government property tax revenues if the Governor proclaims that the shift is needed due to a severe State financial hardship, the legislature approves the shift with a two-thirds vote of both houses and certain other conditions are met. The State must repay local governments for the diversion of their property tax revenues, with interest, within three years. Second, Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A amends the California Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. If the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties or special districts to abide by the mandate would be suspended. In addition, Proposition 1A expands the definition of what constitutes a mandate to encompass State action that transfers to cities, counties and special districts financial responsibility for a required program for which the State previously had complete or partial financial responsibility. This provision does not apply to mandates relating to schools or community colleges, or to those mandates relating to employee rights.

Proposition 1A restricts the State's authority to reallocate local tax revenues to address concerns regarding funding for specific local governments or to restructure local government finance. For example, the State could not enact measures that changed how local sales tax revenues are allocated to cities and counties. In addition, measures that reallocated property taxes among local governments in a county would require approval by two-thirds of the members of each house of the legislature (rather than a majority vote). As a result, Proposition 1A could result in fewer changes to local government revenues than otherwise would have been the case.

Proposition 22

Proposition 22 which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase a school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating VLF revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. While Proposition 22 will not change overall State and local government costs or revenues by the express terms thereof, it will cause the State to adopt alternative actions to address its fiscal and policy objectives. The City is unable to predict how Proposition 22 will be interpreted, or to what extent the measure will affect the revenues in the general fund of local agencies, although it could eventually provide greater stability in local agency revenues.

Due to the prohibition with respect to the State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A (2004). However, borrowings and reallocations from local governments during 2009 are not subject to Proposition 22 prohibitions. In addition, Proposition 22 supersedes Proposition 1A of 2006. Accordingly, the State is prohibited from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local governments except pursuant to specified procedures involving public notices and hearings.

Proposition 26

On November 2, 2010, the voters of the State approved Proposition 26, revising certain provisions of Articles XIII A and XIII C of the California Constitution. Proposition 26 re-categorizes many State and local fees as taxes, requires local governments to obtain two-thirds voter approval for taxes levied by local governments, and requires the State to obtain the approval of two-thirds of both houses of the State Legislature to approve State laws that increase taxes. Furthermore, pursuant to Proposition 26, any increase in a fee beyond the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require a two-thirds vote. In addition, for State-imposed charges, any tax or fee adopted after January 1, 2010 with a majority vote which would have required a two-thirds vote if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote. Proposition 26 eliminates the previous practice whereby a tax increase coupled with a tax reduction that resulted in an overall neutral fiscal effect was subject only to a majority vote in the State Legislature.

Proposition 26 amends Article XIII C of the State Constitution to state that a "tax" means a levy, charge or exaction of any kind imposed by a local government, except: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase, rental or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law, including late payment fees, fees imposed under administrative citation ordinances, parking violations, etc.; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Proposition 218. Fees, charges and payments that are made pursuant to a voluntary contract that are not "imposed by a local government" are not considered taxes and are not covered by Proposition 26.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two–thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a 50 percent voter requirement. Proposed local government fees that are not subject to Proposition 26 are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of property owners.

Future Initiatives

Article XIII A, Article XIII B and Propositions 218 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the City or local districts to increase revenues or to increase appropriations which may affect the City's revenues or its ability to expend its revenues.

LEGAL MATTERS AND RISK MANAGEMENT

Insurance and Risk Management

The City is self-insured for its general liability, malpractice liability, public official's errors and omissions, products and completed operations, employment practices liability and auto liability up to $5.0 million retention level and up to $750,000 for workers' compensation. For all major insurance programs, the City insures risk and has excess insurance through its partnership with Public Risk Innovation, Solutions, and Management ("**PRISM**"), a member directed risk sharing pool, previously known as the CSAC Excess Insurance Authority. The City is a member of the PRISM General Liability 2 ("**GL2**") Program, which provides coverage for claims from third parties alleging damages due to negligence arising out of bodily injury, personal injury, property damage, public official's errors and omissions, employment practices liability, and automobile liability. The GL2 Program has a $25,000,000 per occurrence limit, which is subject to a per occurrence self-insured retention of $5,000,000. The City also carries cyber insurance. See also APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR YEAR ENDED JUNE 30, 2024 – Note II.I to the Basic Financial Statements."

The City is also a member of the PRISM Property Program. The Property Program provides protection from physical damage to property, it covers real and person property and boiler and machinery. The Property Program covers most types of risk, but it does not automatically cover earthquake damage. The City does not insure for damage from earthquakes (see "SECURITY FOR THE BONDS – Natural Hazards -*Seismic Risks*" in the forepart of the Official Statement). The Property Program is subject to a $50,000 deductible. The City is also a member of the PRISM Excess Workers' Compensation ("**EWC**") Program. The EWC Program provides workers' compensation coverage for employees injured on the job. Coverage includes reimbursement for payments above the City's SIR of $750,000. This includes compensation for temporary disability benefits at statutory rates, medical benefits, and some allocated expenses.

As of June 30, 2024, the City Liability Program had estimated outstanding losses of $$95,404,014 calculated at the expected confidence level. As of June 30, 2024, the City's Self-Insured Workers' Compensation Program had estimated outstanding losses of $88,056,044 calculated at the expected confidence level. Workers' compensation claims are paid through annual appropriations, with approximately $25,411,959 expected to be paid out during the Fiscal Year 2024-25

Litigation

The City is involved in litigation relating to its operations. Upon the basis of information currently available, the City Attorney believes that the aggregate amount of any liability that the City might incur as a result of an adverse decision against the City would be covered by the City's insurance program, and, in any event, any ultimate liability in the excess of applicable insurance coverage relating thereto will not materially affect the ability of the City to pay debt service on the Bonds. Cases of note are as follows:

Oakland Bulk & Oversized Terminal, LLC Litigation. The City has a dispute with its master tenant at a potential bulk commodity shipping terminal on the San Francisco Bay. The master tenant is called Oakland Bulk & Oversized Terminal, LLC ("OBOT"). The City claimed OBOT failed to reach an initial development milestone and breached the lease, and as a result the City issued a notice of default to OBOT. OBOT sued the City, claiming the City hindered its ability to reach the initial development milestone through a variety of actions. In a bench trial in Alameda County Superior Court in 2023, the court agreed with OBOT. OBOT claimed but was not awarded any damages, and instead opted to pursue specific performance, and was given additional time to reach the first development milestone in a judgment entered on January 23, 2024. The court awarded OBOT attorneys' fees in the amount of $6,572,880.44, as the prevailing party, as well as litigation costs.

The City appealed the trial court's judgment. All activity on the terminal project has been stayed by the court while the appeal is pending. On June 27, 2025, the California Court of Appeal issued a published opinion, affirming the trial court's judgment. On August 6, 2025 the City filed a petition for review with the California Supreme Court. The case has not yet returned to the trial court.

Insight Terminal Solutions Litigation. As a result of the case described above, OBOT's subtenant, which would actually build and operate the terminal, called Insight Terminal Solutions ("ITS"), sued the City, filing an "adversary proceeding" complaint on March 11, 2024 in the U.S. Bankruptcy Court for the Western District of Kentucky. ITS is a single-purpose entity formed to operate the terminal, and was originally owned by a coal industry executive who lived in Kentucky. ITS filed for bankruptcy in July 2019, was reorganized in 2020, and its assets and liabilities were assumed by a California-based entity called Autumn Wind Lending. ITS claims that the City's conduct that hindered OBOT's progress also caused ITS to file for bankruptcy in 2019, and asserts California state law claims for tortious interference with prospective economic advantage and tortious interference with contract. ITS seeks what it claims is the full value of ITS as of September 2018 – the time of the City's alleged tortious interference – over the course of its 66-year lease, which it asserts amounts to $673,658,000 in lost business value and $311,701,557 in interest, or a total of $985,359,557.

The City filed a motion to dismiss the adversary proceeding, which was denied. The City filed a motion to "withdraw the reference" and move the case from the bankruptcy court to the district court, and to have the district court transfer the case from the Western District of Kentucky to the Northern District of California; that motion has been fully briefed for months but has not been ruled upon by the district court. The parties have completed discovery, and have filed cross-motions for summary judgment which will be heard in late August 2025. Following that will be a jury trial before the district court in the Western District of Kentucky.

Brooklyn Moore, et al. Litigation. In the matter of Brooklyn Moore, et al. v. City of Oakland, twenty-four former City employees ("Plaintiffs") who were terminated after being denied their requests for exemptions from the City's 2021 COVID-19 vaccine mandate (the "Vaccine Mandate") bring two actions under California's Fair Employment and Housing Act (FEHA). Plaintiffs specifically alleged that they had sincerely held religious beliefs that prevented them from taking the COVID-19 vaccine and that the City should have accommodated these beliefs by waiving the vaccine requirement for Plaintiffs. They also allege that the City retaliated against them by terminating them.

The City has filed a motion for summary judgment as to all Plaintiffs. In that motion, the City argues that Plaintiffs had medical not religious objections to taking the COVID-19 vaccine. The City also argues that Plaintiffs did not have sincere religious objections to the fetal cell line technology used to develop and/or test the COVID-19 vaccines because Plaintiffs habitually took other products developed using this exact same technology. Finally, the City explains that Plaintiffs were terminated for non-compliance with the Vaccine Mandate, not for seeking an exemption. That motion is set for hearing on September 11, 2025.

Plaintiffs are seeking their lost wages since their termination, economic damages, and general damages. Many of the Plaintiffs were former police officers who tend to be high income earners. Plaintiffs claim roughly $1.5 million in damages per Plaintiff. If Plaintiffs prevail at trial, they may also be entitled to their attorneys' fees, which could exceed $1 million. While the City is vigorously litigating this matter and disagrees with the Plaintiffs' damages calculations, it remains uncertain what—if anything—Plaintiffs will ultimately recover. Trial, if the City does not succeed on summary judgment as to all Plaintiffs, is set for January 26, 2026.

Assembly Bill 218 (California Child Victims Act). Assembly Bill 218, the "California Child Victims Act," became effective in January 2020 and Assembly Bill 2777, the "Sexual Abuse Cover Up Accountability Act," became effective in January 2023. These laws extended the statute of limitations for commencing an action for recovery of damages suffered as a result of childhood sexual assault to 22 years after the plaintiff reaches the age of majority (i.e., until age 40) or within five years of the date the plaintiff discovers or reasonably should have discovered that the psychological injury or illness occurring after the age of majority was caused by sexual assault, whichever is later.

One such lawsuit was filed against the City in 2022 in Alameda County Superior Court, based on allegations occurring in 1985 when the plaintiff was being transported by a City police officer to a youth group home. The court granted summary judgment to the City on June 6, 2025, on the basis that these laws, and the statutes amended thereby, did not revive vicarious liability claims against entity employers without direct liability. The case is currently pending appeal. The City's potential exposure is difficult to predict, but could be as much as $10 million. There is no insurance that would cover this claim. The City can give no assurances that additional claims will not be brought against the City as a result of these laws, or that any additional claims will not have a material effect on the City's finances.

Criminal Investigation of Former Mayor

On June 20, 2024, the Federal Bureau of Investigation executed search warrants at the home of then-Mayor Sheng Thao and her longtime romantic partner, as well as the homes and properties of two local businessmen who own a recycling collection company and a housing company. The search warrants were part of a federal public corruption and bribery investigation. Thao was subsequently recalled by voters in November 2024, as described under the heading "CITY GOVERNMENT – Recall of Former Mayor" in this Appendix A.

On January 9, 2025, a federal grand jury in the Northern District of California indicted former Mayor Thao. The indictment alleges that Thao was part of a bribery scheme in which she received funding from the two local businessmen for her November 2022 mayoral campaign, and her romantic partner received benefits from a no-show job with the businessmen's housing company. The indictment alleges that in exchange for the campaign funding and no-show job, Thao promised to take official actions to benefit the housing company and recycling collection company, including by using City funds to purchase prefabricated modular homes from the housing company, and extending a City contract with the recycling company, respectively. After her election, then-Mayor Thao allegedly appointed an individual selected by the businessmen to a high-level position in the City's Housing and Community Development Department (who has since resigned) and arranged meetings between City staff and the housing company. The indictment alleges concealment of the bribery scheme, misrepresentations and failures to disclose benefits from then-Mayor Thao's partner's employment, mail fraud, and wire fraud. Former Mayor Thao and the other defendants have pled not guilty, and no trial date is currently set.

The City is not aware of any allegations of criminal wrongdoing against current elected officials or senior staff in connection with the indictment or the allegations made therein.

APPENDIX B

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2024

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$[_______]*
City of Oakland
General Obligation Bonds
(Measure U)
Series 2025B-1
(Tax-Exempt)

$[_______]*
City of Oakland
General Obligation Bonds
(Measure U)
Series 2025B-2
(Taxable) (Social Bonds)

$[_______]*
City of Oakland
General Obligation Bonds
(Measure U)
Series 2025B-3
(Taxable)

$[_______]*
City of Oakland
General Obligation Refunding Bonds
Series 2025
(Tax-Exempt)

This Continuing Disclosure Certificate (the "Disclosure Certificate") dated October __, 2025, is executed and delivered by the City of Oakland (the "City") in connection with the issuance of the above-named bonds (the "Bonds"). The specific terms and conditions for issuance of the Bonds are contained in Resolution No. [__] C.M.S. adopted by the City Council of the City on _________, 2025 (the "Resolution"). The Bonds are being issued by the City pursuant to a Fiscal Agent Agreement, dated as of [November 1], 2025 (the "Fiscal Agent Agreement"), between the City and UMB Bank, National Association, as fiscal agent (together with any successors, the "Fiscal Agent"). The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter (as hereinafter defined) in complying with Securities and Exchange Commission ("S.E.C.") Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person, which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"Financial Obligation" shall have the meaning ascribed to it in the Rule, any other applicable federal securities laws and guidance provided by the SEC in its Release No. 34-83885 dated August 20,

* Preliminary, subject to change.

2018 (the "2018 Release"), any further amendments or written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the S.E.C., filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at *http://emma.msrb.org*.

"Official Statement" shall mean the official statement relating to the Bonds, dated ________________, 2025.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the City's fiscal year (currently ending June 30), commencing with the report for the 2024-25 Fiscal Year (which is due not later than March 31, 2026), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) Not later than 15 business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the City), file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the City for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the City's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the City, the Annual Report shall also include the following additional items for the prior fiscal year:

1. The assessed valuation of taxable property in the City;

2. Property taxes due, property taxes collected and property taxes delinquent;

3. Property tax levy rate per $1,000 (or other amount) of assessed valuation; and

4. Outstanding general obligation debt of the City.

(c) Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

6. Tender offers;

7. Defeasances;

8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Note: For the purposes of the event identified in subparagraph (9) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, ***if material***, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in Section 5(a)(5), material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. Modifications to rights of Bond holders;

3. Optional, unscheduled or contingent Bond calls;

4. Release, substitution, or sale of property securing repayment of the Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. Appointment of a successor or additional fiscal agent or the change of name of a fiscal agent; or

8. Incurrence of a Financial Obligation of the City, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affects Holders of the Bonds.

(c) The City shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a), as provided in Section 3(b).

(d) Whenever the City obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the City shall determine if such event would be material under applicable federal securities laws.

(e) If the City learns of the occurrence of a Listed Event described in Section 5(a) or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the City shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Fiscal Agent Agreement.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the City.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of Alameda (the "County") or in U.S. Federal Court in or nearest to the County. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Certificate is not intended to create any monetary rights on behalf of any person based upon the Rule.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Continuing Disclosure Certificate on the date as first written above.

CITY OF OAKLAND, CALIFORNIA

By: ______________________________________
City Administrator

CONTINUING DISCLOSURE EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of City:	CITY OF OAKLAND
Name of Bond Issue:	CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE U) SERIES 2025B-1 (TAX-EXEMPT)
	CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE U) SERIES 2025B-2 (TAXABLE) (SOCIAL BONDS)
	CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE U) SERIES 2025B-3 (TAXABLE)
	CITY OF OAKLAND GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025 (TAX-EXEMPT)
Date of Issuance:	October __, 2025

NOTICE IS HEREBY GIVEN that the City of Oakland, California (the "City"), has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate of the City, dated the Date of Issuance. [The City anticipates that the Annual Report will be filed by _____________.]

Dated: ___________________

CITY OF OAKLAND, CALIFORNIA

By __________[to be signed only if filed]_________

APPENDIX D

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in numbered paragraphs 1 -10 of this APPENDIX D concerning The Depository Trust Company ("DTC") and DTC's book-entry system, has been furnished by DTC for use in securities offering documents, and the City and Underwriters take no responsibility for the accuracy or completeness thereof. The City and Underwriters cannot and do not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of interest or principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement including this APPENDIX D. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this APPENDIX D, "Securities" means the Bonds, "Issuer" means the City, and "Agent" means the Fiscal Agent.

1. The Depository Trust Company ("DTC") will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. (The information set forth on such website is not incorporated into this Official Statement by this reference.)

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of

the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Securities documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, principal, and interest payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this APPENDIX D concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The foregoing description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest and other payments with respect to the Bonds to Direct Participants, Indirect Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Bonds and other related transactions by and between DTC, the Direct Participants, the Indirect Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants, the Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the Participants, as the case may be. The City will not have any responsibility or obligation to Direct Participants and Indirect Participants or the persons for whom they act as nominees with respect to the Bonds.

THE CITY, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES FOR OWNERS TO ONLY DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS" IN THE FOREPART OF THIS OFFICIAL STATEMENT) SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). If the City determines not to continue the DTC book-entry only system, or DTC discontinues providing its services with respect to the Bonds and the City does not select another qualified securities depository, the City will deliver physical Bond certificates to the Beneficial Owners. The Bonds may thereafter be transferred upon the books of the Fiscal Agent in accordance with the Fiscal Agent Agreement.

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon issuance and delivery of the Bonds, Bond Counsel to the City proposes to render its opinion with respect to the Bonds in substantially the following form:

[Closing Date]

City of Oakland
Oakland, California

[TO COME FROM BOND COUNSEL]