ATTACHMENT B

Husch Blackwell LLP
Draft 08/30/2023

PRELIMINARY OFFICIAL STATEMENT DATED ___, 2023

NEW ISSUE, BOOK-ENTRY ONLY

RATINGS: Moody's: __
Standard & Poor's: __
(See "RATINGS" herein.)

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Tax-Exempt Bonds (as defined below) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Tax-Exempt Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Tax-Exempt Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the City, under existing statutes, interest on the Tax-Exempt Bonds is exempt from personal income taxes imposed by the State of California. See "TAX MATTERS – TAX-EXEMPT BONDS" herein.

In the opinion of Bond Counsel to the City, interest and original issue discount on the U Series 2023A-2 Bonds (i) is not excludable from gross income for United States federal income tax purposes and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of California. See "TAX MATTERS – U SERIES 2023A-2 BONDS" herein.

$56,365,000*	**$35,185,000***	**$73,450,000***
City of Oakland	**City of Oakland**	**City of Oakland**
General Obligation Bonds	**General Obligation Bonds**	**General Obligation Bonds**
(Measure KK)	**(Measure U)**	**(Measure U)**
Series 2023D	**Series 2023A-1**	**Series 2023A-2**
(Tax-Exempt)	**(Tax-Exempt)**	**(Taxable) (Social Bonds)**

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

The City of Oakland (the "**City**") is issuing its $56,365,000* aggregate principal amount of City of Oakland General Obligation Bonds (Measure KK) Series 2023D (Tax-Exempt) (the "**KK Series 2023 Bonds**"), $35,185,000* aggregate principal amount of City of Oakland General Obligation Bonds (Measure U) Series 2023A-1 (Tax-Exempt) (the "**U Series 2023A-1 Bonds**" and, collectively, with the KK Series 2023 Bonds, the "**Tax-Exempt Bonds**"), and $73,450,000* aggregate principal amount of City of Oakland General Obligation Bonds (Measure U) Series 2023A-2 (Taxable) (the "**U Series 2023A-2 Bonds**" and, together with the U Series 2023A-1 Bonds, the "**U Series 2023 Bonds**" and, collectively, with KK Series 2023 Bonds, the "**Bonds**"), under the Constitution of the State of California (the "**State**"), the Charter of the City, Measure U or Measure KK (each as defined herein), as applicable, and the City's Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54. 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 19], 2023. See "THE BONDS – Authority for Issuances."

The proceeds of the Bonds will be used to finance the Projects (as defined herein), to fund a debt service fund and to pay for certain costs related to the issuance of the Bonds. See "THE BONDS – Purpose of the Bonds."

The Bonds will be issued only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**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 U.S. Bank Trust Company, 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 – "BOOK-ENTRY ONLY SYSTEM." The Bonds will be dated and bear interest from the date of original issuance. Interest on the Bonds will be payable semiannually on January 15 and July 15 of each year, commencing January 15, 2024. The Bonds will be subject to optional 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 Hawkins Delafield & Wood LLP, Bond Counsel to the City in the form attached hereto as Appendix E. Certain legal matters will be passed upon for the City by Husch Blackwell LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, San Francisco, California. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about ___, 2023.

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.

Citigroup **Siebert Williams Shank & Co., LLC**

Dated: ___, 2023

$___*
CITY OF OAKLAND
GENERAL OBLIGATION BONDS
(MEASURE KK)
SERIES 2023D
(TAX-EXEMPT)

$___* Serial Bonds
CUSIP* Base: 672240

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

$___* ___% Term Bonds due July 15, 20__, Yield ___%, Price ___, CUSIP† No. 672240___

* *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 is 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 2023A-1
(TAX-EXEMPT)

$___* Serial Bonds
CUSIP* Base: 672240

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

$___* ___% Term Bonds due July 15, 20__, Yield ___%, Price ___, CUSIP† No. 672240____

* *Preliminary, subject to change*

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$___*
CITY OF OAKLAND
GENERAL OBLIGATION BONDS
(MEASURE U)
SERIES 2023A-2
(TAXABLE) (SOCIAL BONDS)

$___* Serial Bonds
CUSIP* Base: 672240

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

$___* ___% Term Bonds due July 15, 20__, Yield ___%, Price ___, CUSIP† No. 672240___

** Preliminary, subject to change*

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CITY OF OAKLAND
County of Alameda, California

CITY COUNCIL

Rebecca Kaplan (At-Large)
Councilmember and Vice Mayor

Dan Kalb (District 1)
Councilmember and President Pro Tempore

Nikki Fortunato Bas (District 2)
City Council President and Councilmember

Carroll Fife (District 3)
Councilmember

Janani Ramachandran (District 4)
Councilmember

Noel Gallo (District 5)
Councilmember

Kevin Jenkins (District 6)
Councilmember

Treva Reid (District 7)
Councilmember

CITY OFFICIALS

Sheng Thao, *Mayor*
Jestin D. Johnson, *City Administrator*
Courtney Ruby, *City Auditor*
Barbara Parker, *City Attorney*
Asha Reed, *City Clerk*
Erin Roseman, *Director of Finance*

SPECIAL SERVICES

Bond Counsel
Hawkins Delafield & Wood LLP
San Francisco, California

Disclosure Counsel
Husch Blackwell LLP
Oakland, California

Fiscal Agent
U.S. Bank Trust Company, National Association
San Francisco, 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.

In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

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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APPENDICES

OFFICIAL STATEMENT

INTRODUCTION

General

The purpose of this Official Statement (including the cover page and appendices attached hereto) is to provide certain information concerning the initial issuance, sale and delivery by the City of Oakland, California (the "**City**"), of its $56,365,000* aggregate principal amount of City of Oakland General Obligation Bonds (Measure KK) Series 2023D (Tax-Exempt) (the "**KK Series 2023 Bonds**"), $31,185,000* aggregate principal amount of City of Oakland General Obligation Bonds (Measure U) Series 2023A-1 (Tax-Exempt) (the "**U Series 2023A-1 Bonds**" and, collectively, with the KK Series 2023 Bonds, the "**Tax-Exempt Bonds**"), and $73,450,000* aggregate principal amount of City of Oakland General Obligation Bonds (Measure U) Series 2023A-2 (Taxable)(Social Bonds) (the "**U Series 2023A-2 Bonds**" and, together with the U Series 2023A-1 Bonds, the "**U Series 2023 Bonds**" and, collectively, with the KK Series 2023 Bonds, the "**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 "GENERAL PURPOSE FUND REVENUES – Property Taxation" and "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 55.9 square miles, 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 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, property tax revenues and collection, 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, 2022."

* *Preliminary, subject to change*

THE BONDS

Authority for Issuances

The Bonds will be issued (a) under provisions of the (i) Constitution of the State, (ii) the Charter of the City, (iii) Measure KK or Measure U (each as defined herein), as applicable, and (iv) the City of Oakland Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54 (the "**Bond Act**"), and (b) pursuant to Ordinance No. [___] C.M.S. adopted by the City Council on [September 19,] 2023 (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 [___,] 2023 (the "**Authorizing Resolution**"), and a Fiscal Agent Agreement, dated as of ___, 2023 (the "**Fiscal Agent Agreement**"), between the City and U.S. Bank Trust Company, National Association, as fiscal agent (together with any successors, the "**Fiscal Agent**").

The KK Series 2023 Bonds constitute the seventh series of bonds to be issued from an aggregate authorized amount of $600,000,000 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, 2016, to provide funds to acquire and make improvements to real property such as improvement and rehabilitation of streets, sidewalks and related infrastructure, renovation and rehabilitation of City facilities including libraries, public safety, recreation and other buildings, and acquisition, improvement, rehabilitation, preservation, construction and repair of affordable housing ("**Measure KK**"). After the issuance of the KK Series 2023 Bonds, authorization for the issuance of approximately $[___]* million of general obligation bonds under Measure KK will remain.

The U Series 2023 Bonds constitute the first and second 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 U Series 2023 Bonds, authorization for the issuance of approximately $[___]* million of general obligation bonds under Measure U will remain.

Measure KK and Measure U require 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 KK or Measure U, as applicable, and to evaluate the impacts and outcomes of the bond expenditures on the stated goals of Measure KK or 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, established in 2016 to oversee the proceeds of all Measure KK bond expenditures, has been expanded to include oversight of all Measure U expenditures (the "**Oversight Committee**"). The Oversight Committee reports to the City Council.

**Preliminary subject to change.*

Purpose of the Bonds

The KK Series 2023 Bonds are being issued by the City to: (a) provide funds for certain street and road projects including street repaving, resurfacing and other improvements, curb ramps and sidewalk repair, and Safe Routes to Schools projects, and for the construction, improvement or rehabilitation of City facilities including fire, library, parks and recreation, head start and senior facilities, consistent with the City's Fiscal Year 2023-25 Capital Improvement Program (the "**KK 2023 Projects**"), all as set forth in Resolution No. [___] C.M.S., adopted by the City Council on [___,] 2023 (the "**KK/U 2023 Projects Resolution**"); (b) fund a debt service account related to the KK Series 2023 Bonds; and (c) pay costs associated with the issuance of the KK Series 2023 Bonds. See "SOURCES AND USES OF FUNDS."

The U Series 2023 Bonds are being issued by the City to: (a) provide funds for the construction of certain affordable housing and for the improvement or renovation of City entertainment, fire, library, and infrastructure facilities (the "**U 2023 Projects**" and, together with the KK 2023 Projects, the "**Projects**"), all as set forth in the KK/U 2023 Projects Resolution, Resolution No. 89645 adopted by the City Council on March 21, 2023, and Resolution No. 89646 adopted by the City Council on March 17, 2023 (collectively, with the Authorizing Resolution, the "**Resolutions**"); (b) fund a debt service account related to the U Series 2023 Bonds; and (c) pay costs associated with the issuance of the U Series 2023 Bonds. See "SOURCES AND USES OF FUNDS."

Designation of the U Series 2023A-2 Bonds as Social Bonds

The City is designating the U Series 2023A-2 Bonds as "Social Bonds" as it has determined that the U 2023 Projects to be financed with the proceeds of the U Series 2023A-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 over 6,000 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 2016, over 82% of voters approved Measure KK which authorized $100,000,000 in General Obligation Bonds for affordable housing, as well as $500,000,000 in funding for various sidewalk, public safety, bike/pedestrian and facility improvements. 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, 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 projects planned to be financed with proceeds of the U Series 2023A-2 Bonds will address the need within the City to preserve or increase affordable housing stock. See "THE BONDS – Purpose of the Bonds."

The designation of the U Series 2023A-2 Bonds as "Social Bonds" is intended to generally comport with The Social Bond Principles promulgated by the International Capital Market Association ("**ICMA**"), updated as of June 2020. 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 are further described below.

The term "Social Bonds" is neither defined in nor related to provisions in the Fiscal Agent Agreement. The U Series 2023A-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 2023A-2 Bonds do not assume any specific project risk related to any of the projects funded thereby. ICMA is a European-based entity with some members from the United States. The City assumes no obligation to ensure that the projects financed with proceeds of the U Series 2023A-2 Bonds comply with any legal or other standards or principles that may relate to "Social Bonds." The designation of the U Series 2023A-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 and Social Bonds: A High-Level Mapping to the Sustainable Development Goals* (June 2021), 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 "UNSDGs" generally and "SDG 1", "SDG 10" and "SDG 11," specifically). According to the United Nations, the UNSDGs were adopted by the United Nations General Assembly in September 2015 as part of its 2030 Agenda for Sustainable Development. According to the United Nations, SDG 1 is focused on ending poverty in all its forms everywhere, SDG 10 is focused on reducing inequality and SDG 11 is focused on making the cities and communities inclusive, safe, resilient and sustainable. ICMA maps SDG 1.4 to ICMA Social Bond Principles "Affordable Housing," "Access to Essential Services," and "Socioeconomic Advancement and Empowerment"; and maps SDG 11.1 to ICMA Social Bond Principles "Affordable Housing" and "Affordable Basic Infrastructure." The City has a long-standing commitment to ESG. See also APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – OVERVIEW - *Commitment to Environmental, Social and Governance (ESG) Principles*."

Use of Proceeds. The projects to be financed with proceeds of the U Series 2023A-2 will address the need to preserve or increase affordable housing stock within the City. The City's Department of Housing and Community Development's ("**HCD**") 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 addressing the City's homeless crisis. This work in turn guided the City's 2023 New Construction Notice of Funding Availability process, which awarded Measure U and other affordable housing funding to support 643 affordable units, including 284 Permanent Supportive Housing ("**PSH**") units. A total of $68 million in Measure U funding has been committed to these projects, as well as another project that will include another 240 affordable units and 60 PSH units.

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 2023A-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. Measure U provides the parameters for use of the U Series 2023A-2 proceeds in compliance with the process described in the KK/U 2023 Projects Resolution. City 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 the City's Strategic Action Plan for 2023-2027. City staff also works closely with local communities, the Oversight Committee and City Council to report on use of program funds and provide details regarding project status. The City Council approve usage of the bond measure funding for affordable housing projects and programs.

Management of Proceeds. Social Bond proceeds net of costs of issuance will be deposited into funds and invested in accordance with the KK/U Series 2023 Projects Resolution requirements until drawn and disbursed for the approved projects. The City's Treasury department monitors the disbursement of funds, as needed. The City anticipates the Social Bond proceeds will be fully spent within 18-36 months following the issuance 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 both Measure U and Measure KK, and provides reports to the City Council when necessary. The Oversight Committee meets at least four times per year, and its agendas can be found at https://www.oaklandca.gov/boards-commissions/affordable-housing-infrastructure-bond-public-oversight-committee. The City may also provide updates through other publications. 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 2023A-2 Bonds.

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 (12) 30-day months and will be payable on January 15, 2024, and on each January 15 and July 15 thereafter (each, an "**Interest Payment Date**").

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, New York, New York ("**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 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 – "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 will 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 – "BOOK-ENTRY ONLY SYSTEM."

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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 KK)
Series 2023D
Debt Service

Period Ending (July 15)	Principal	Interest	Total Debt Service
TOTAL			

CITY OF OAKLAND
General Obligation Bonds
(Measure U)
Series 2023A
Debt Service

Period Ending (July 15)	2023A-1 Principal	2023A-1 Interest	2023A-2 Principal	2023A-2 Interest	Total Debt Service
TOTAL					

Redemption

KK Series 2023 Bonds

Optional Redemption of the KK Series 2023 Bonds

The KK Series 2023 Bonds maturing on or before July 15, 20__, are not subject to optional redemption prior to their respective stated maturities. The KK Series 2023 Bonds maturing on and 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 within the KK Series 2023 Bonds to be redeemed to be determined by the City and by lot within a maturity), on or after July 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 of the KK Series 2023 Bonds

The KK Series 2023 Term Bond maturing on July 15, 20__ (the "**KK Series 2023 ___ Term Bond**"), is subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date 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 KK Series 2023 Term Bonds of that maturity optionally redeemed prior to the Mandatory Sinking Fund Redemption Date unless otherwise directed by the City.

U Series 2023 Bonds

Optional Redemption of the U Series 2023A-1 Bonds

The U Series 2023A-1 Bonds maturing on or before July 15, 20__, are not subject to optional redemption prior to their respective stated maturities. The U Series 2023A-1 Bonds maturing on and 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 within the U Series 2023A-1 Bonds to be redeemed to be determined by the City and by lot within a maturity), on or after July 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 of the U Series 2023A-1 Bonds

The U Series 2023A-1 Term Bond maturing on July 15, 20__ (the "**U Series 2023A-1 ___ Term Bond**"), is subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date 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 2023A-1 Term Bonds of that maturity optionally redeemed prior to the Mandatory Sinking Fund Redemption Date unless otherwise directed by the City.

Optional Redemption of the U Series 2023A-2 Bonds

The U Series 2023A-2 Bonds maturing on or before July 15, 20__, are not subject to optional redemption prior to their respective stated maturities. The U Series 2023A-2 Bonds maturing on and 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 within the U Series 2023A-2 Bonds to be redeemed to be determined by the City and by lot within a maturity), on or after July 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.

Make-Whole Optional Redemption. The U Series 2023 A-2 Bonds are subject to optional redemption by the City prior to their stated maturity dates, as a whole or in part, on any business day, prior to _____*, at the "Make-Whole Redemption Price," plus accrued and unpaid interest on the U Series 2023 A-2 Bonds to be redeemed on the date fixed for redemption. For the purposes of this paragraph, the following terms shall have the following meanings:

The "Make-Whole Redemption Price" is the greater of (i) 100 percent of the principal amount of the U Series 2023 A-2 Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the U Series 2023 A-2 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such U Series 2023 A-2 Bonds are to be redeemed, discounted to the date on which the U Series 2023 A-2 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the "Treasury Rate" defined below, plus the "Applicable Spread" defined below.

"Applicable Spread" means (i) with respect to the U Series 2023 A-2 Bonds maturing July 15, 20__, __ basis points; (ii) with respect to the U Series 2023 A-2 Bonds maturing July 15, 20__, __ basis

* *preliminary, subject to change.*

points; (iii) with respect to the U Series 2023 A-2 Bonds maturing July 15, 20__, __ basis points; and (iv) with respect to the U Series 2023 A-2 Bonds maturing July 15, 20__, __ basis points.

"Treasury Rate" means, with respect to any redemption date for particular U Series 2023 A-2 Bonds, the yield to maturity as of such Valuation Date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15 (519) that has become publicly available on the Valuation Date selected by the City (excluding inflation indexed securities) (or, if such Statistical release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the U Series 2023 A-2 Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actual traded United States Treasury securities adjusted to a constant maturity of one year will be used.

At the request of the City or the Fiscal Agent, the Make-Whole Redemption Price of the U Series 2023 A-2 Bonds, with respect to (ii) above, will be calculated by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City's expense. The City and the Fiscal Agent may conclusively rely on the determination of the Treasury Rate by the investment banking firm or financial advisory firm and on any Make-Whole Redemption Price calculated by an independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

"Valuation Date" means a Business Day not later than the third Business Day preceding the redemption date but no more than 45 calendar days prior to the redemption date.

Selection of Bonds for Redemption

Whenever less than all of the Outstanding Bonds of a series are called for optional redemption, the City shall select the maturities to be redeemed. Whenever less than all the Outstanding Bonds maturing on any one date are called for redemption on any one date, 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 30 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 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 by irrevocably depositing with the Fiscal Agent or other fiduciary: (i) 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 Bonds Outstanding (including all principal, interest, and premium, if any) at or before their stated maturity date; or (ii) United States Treasury Obligations 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 (i) or (ii) of the paragraph 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 of said Bonds 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.

SOURCES AND USES OF FUNDS

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

	KK Series 2023 Bonds	U Series 2023A-1 Bonds	U Series 2023A-2 Bonds	Total
Sources				
Principal Amount of Bonds				
Original Issue Premium				
Original Issue Discount				
Total Sources of Funds				
Uses				
Proceeds Account:		-	-	
KK Series 2023D				
U Series 2023A-1	-		-	
U Series 2023A-2	-	-		
Debt Service Account:				
KK Series 2023D		-	-	
U Series 2023A-1	-		-	
U Series 2023A-2	-	-		
Costs of Issuance Account:[(1)]				
KK Series 2023D		-	-	
U Series 2023A-1	-		-	
U Series 2023A-2	-	-		
Total Uses of Funds				

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

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 Bonds 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 not 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 Purpose 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 27% 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 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 0.7% of the taxes collected for tax collection services it provides.

In prior years, the State budget has resulted in various reallocations affecting property tax revenues, including the "triple flip" involving property tax and sales tax, the replacement of Vehicle License Fee revenues, and the temporary Education Revenue Augmentation Fund ("**ERAF**") transfers. See "– OTHER TAXES AND GENERAL FUND REVENUES" below. However, Proposition 1A, ratified by voters in 2004, protects City revenues from future shifts to the State and passage of Proposition 22 in 2010 further strengthened these protections by eliminating the provision which allowed the State to borrow a limited amount of property tax revenue under certain conditions.

Assessed Valuations

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. 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 homeowner's 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. Beginning with Fiscal Year 2012-13, following the dissolution of redevelopment agencies, tax revenues resulting from the increase in such property values were 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 – Redevelopment Agency of the City of Oakland."

The following Table 1 sets forth a ten-year history of assessed valuations in the City for Fiscal Years 2012-13 through 2023-24:

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Table 1
City of Oakland
Assessed Valuations[(1)]
Fiscal Years 2012-13 through 2023-24
($ In Thousands)

Fiscal Year Ending June 30	Local Secured	Utility	Unsecured	Gross	Less Tax Increment [(2)]	Total Net Assessed Valuation
2013	$36,395,895	$16,985	$3,481,349	$39,894,229	($9,496,227)	$30,398,002
2014	$37,629,227	$16,320	$3,528,280	$41,173,827	($9,625,116)	$31,548,711
2015	$40,225,963	$15,071	$3,522,706	$43,763,740	($10,353,808)	$33,409,932
2016	$44,304,801	$20,517	$3,475,263	$47,800,581	($11,932,782)	$35,867,799
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

(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 Redevelopment 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 Redevelopment Property Tax Trust Fund ("**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.

Source: Alameda County Auditor-Controller's annual certificates of fiscal year assessed value. California Municipal Statistics Inc.

The following Table 2 indicates various land uses within the City based on assessed valuation and number of parcels for Fiscal Year 2023-24:

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

Non-Residential:	2023-24 Assessed Valuation[(1)]	% of Total	No. of Parcels	% of Total
Commercial/Office	$15,436,983,871	19.12%	6,060	5.38%
Vacant Commercial	216,078,972	0.27	372	0.33
Industrial	6,156,595,922	7.62	2,201	1.95
Vacant Industrial	318,516,675	0.39	405	0.36
Recreational	121,369,458	0.15	269	0.24
Government/Social/Institutional	343,541,040	0.43	3,339	2.96
Subtotal Non-Residential	$22,593,085,938	27.98%	12,646	11.22%
Residential:				
Single Family Residence	$39,112,879,837	48.44%	68,085	60.43%
Condominium/Townhouse	6,473,765,798	8.02	12,807	11.37
Mobile Home	33,696,541	0.04	173	0.15
2-4 Residential Units	3,686,015,477	4.56	12,974	11.52
5+ Residential Units/Apartments	8,395,320,197	10.40	3,146	2.79
Residential-Miscellaneous Uses	85,963,125	0.11	89	0.08
Vacant Residential	369,127,019	0.46	2,745	2.44
Subtotal Residential	$58,156,767,994	72.02%	100,019	88.78%
Total	$80,749,853,932	100.00%	112,665	100.00%

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

The following Table 3 indicates the array of assessed valuation for single family homes in the City for Fiscal Year 2023-24:

Table 3
City of Oakland
Per Parcel 2023-24 Assessed Valuation of Single-Family Homes

	No. of Parcels	2023-24 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	68,085	$39,112,879,837	$574,471	$432,826

2023-24 Assessed Valuation	No. of Parcels(1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	2,411	3.541%	3.541%	$ 94,763,697	0.242%	0.242%
$50,000 - $99,999	5,538	8.134	11.675	412,448,738	1.055	1.297
$100,000 - $149,999	5,371	7.889	19.564	673,614,389	1.722	3.019
$150,000 - $199,999	4,893	7.187	26.750	853,356,365	2.182	5.201
$200,000 - $249,999	3,999	5.874	32.624	897,801,544	2.295	7.496
$250,000 - $299,999	3,531	5.186	37.810	967,409,921	2.473	9.970
$300,000 - $349,999	3,231	4.746	42.556	1,049,779,505	2.684	12.654
$350,000 - $399,999	3,129	4.596	47.151	1,172,746,832	2.998	15.652
$400,000 - $449,999	2,964	4.353	51.505	1,258,835,683	3.218	18.870
$450,000 - $499,999	2,962	4.350	55.855	1,405,710,931	3.594	22.464
$500,000 - $549,999	2,767	4.064	59.919	1,450,569,511	3.709	26.173
$550,000 - $599,999	2,424	3.560	63.479	1,390,159,217	3.554	29.727
$600,000 - $649,999	2,179	3.200	66.680	1,360,568,022	3.479	33.206
$650,000 - $699,999	1,948	2.861	69.541	1,313,048,369	3.357	36.563
$700,000 - $749,999	1,826	2.682	72.223	1,322,416,685	3.381	39.944
$750,000 - $799,999	1,743	2.560	74.783	1,349,761,672	3.451	43.395
$800,000 - $849,999	1,664	2.444	77.227	1,373,245,311	3.511	46.906
$850,000 - $899,999	1,533	2.252	79.479	1,340,006,143	3.426	50.332
$900,000 - $949,999	1,529	2.246	81.724	1,413,701,452	3.614	53.946
$950,000 - $999,999	1,212	1.780	83.504	1,181,620,856	3.021	56.967
$1,000,000 and greater	11,231	16.496	100.000	16,831,314,994	43.033	100.000
	68,085	100.000%		$39,112,879,837	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 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 uncollected amounts for Fiscal Years 2017-18 through 2021-22. 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 2017-18 through 2021-22
($ In Thousands)

Fiscal Year	City's Share of 1%	Levied Voter-Approved Debt[1]	Total	Total Collected[2]	Percent Collected
2017-18	$116,778	$127,411	$244,189	$240,596	98.53%
2018-19	122,790	129,504	252,294	248,664	98.56
2019-20	130,998	140,258	271,256	266,497	98.25
2020-21	139,467	157,364	296,831	291,954	98.35
2021-22	146,646	171,901	318,547	313,023	98.27

(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 - 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's Annual Comprehensive Financial Report for Year Ended June 30, 2022.

Assessment Appeals. The following Table 5 sets forth resolved and unresolved pending assessment appeals in the City as of July 10, 2023.

Table 5
City of Oakland
Pending Appeals of Assessed Valuations
as of July 10, 2023[*]

Pending Appeals (2017-18 through 2022-23)		
Number of Pending Appeals		654
Total Assessed Value Under Appeal	$	10,625,724,211
Owner's Opinion of Value	$	5,576,998,150
Maximum Potential Loss[(1)]	$	5,048,726,061
Maximum Potential Loss as Percent of Value under Appeal		52.49%
Resolved Appeals (Fiscal Year 2022-23)		
Number of Resolved Appeals		39
Total Appealed Value of Resolved Appeals	$	129,803,755
Appeals Denied		10
Assessed Value of Denied Appeals	$	107,491,811
Appeals Allowed with Change of Value		29
Original Assessed Value of Allowed Appeals	$	22,311,944
Value Determined by Appeals Board	$	18,536,647
Board Approved Reduction in Value	$	3,775,297
Percent of Original Assessed Value of Allowed Appeals Reduced		16.92%
City of Oakland 2022-23 Taxable Value[(2)]	$	84,568,067,314
Maximum Appeals Loss[(1)]	$	5,048,726,061
Percent of Taxable Value		5.97%

[*]Most current data.
[(1)]Assumes all pending assessment appeals are resolved fully in favor of property owner.
[(2)] This amount represents the full taxable value for the City including secured, unsecured and utility, as reported in the Alameda County Auditor-Controller Report of FY 2022-23 Assessed Values. It does not include homeowners' exemption, Aircraft or State Board of Equalization non-unitary values.
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 2018-19 through 2022-23.

Table 6
City of Oakland
Property Tax Rates(1)
Fiscal Years 2018-19 through 2022-23

Fiscal Year	Countywide Tax(2)	City of Oakland(3)	Others(4)	Total
2018-19	1.0112%	0.1982%	0.1896%	1.3999%
2019-20	1.0108	0.1975	0.2252	1.4335
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

(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 2022-2023 being 1.3584%, resulting from different school districts and community college districts.
(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" will include bonded indebtedness for local school and community college districts and special districts such as the Bay Area Rapid Transit District, East Bay Regional Park District and East Bay Municipal Utility District Special District No. 1.

Source: County of Alameda, Office of the Auditor-Controller.

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Principal Secured Property Taxpayers

The following Table 7 sets forth the 20 largest secured taxpayers in terms of secured property in the City in Fiscal Year 2023-24.

Table 7
City of Oakland
Largest FY 2023-24 Local Secured Taxpayers

	Property Owner	Primary Land Use	2023-24 Assessed Valuation	% of Total(1)
1.	BA2 300 Lakeside LLC	Office Building	$ 467,811,767	0.58%
2.	Uptown Broadway LLC	Office Building	438,146,100	0.54
3.	CP VI Franklin LLC	Apartments	435,090,813	0.54
4.	SOFXI WFO Center 21 Owner LLC	Office Building	378,508,784	0.47
5.	SFIII FOS 1111 Broadway Holding LLC	Office Building	334,331,885	0.41
6.	Nash Holland 24th & Harrison Investors	Apartments	292,522,129	0.36
7.	KRE 1221 Broadway Owner LLC	Office Building	269,939,421	0.33
8.	601 City Center LLC	Office Building	264,813,252	0.33
9.	CSHV 1999 Harrison LLC	Office Building	250,837,633	0.31
10.	3093 Broadway Holdings LLC	Apartments	248,294,219	0.31
11.	USPA City Center LLC	Office Building	236,664,480	0.29
12.	Kaiser Foundation Health Plan Inc.	Office Building	233,510,887	0.29
13.	LMV 1640 Broadway Holdings LP	Apartments	206,405,857	0.26
14.	CP V JLS LLC	Apartments	201,899,460	0.25
15.	MPI Macarthur Tower LLC	Apartments	194,376,689	0.24
16.	Jack London Square Development Oakland	Apartments	192,223,088	0.24
17.	KRE 1330 Broadway Owner LLC	Office Building	188,705,438	0.23
18.	BSREP II Station on 12th LLC	Apartments	186,198,078	0.23
19.	BIT Macarthur Commons Investors LLC	Apartments	184,048,502	0.23
20.	Oakland Grand Owner LLC	Office Building	183,954,750	0.23
			$5,388,283,232	6.67%

(1) 2023-24 Local Secured Assessed Valuation: $80,749,853,932.
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 2023-24, as indicated by the Alameda County Auditor-Controller, was approximately $85.4 billion, compared to $80.1 billion in Fiscal Year 2022-23. 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. See also Tables 1, 2 and 3 above." 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 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 Emergency – COVID-19*." Economic and market forces, such as a downturn in the Bay Area'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.

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 GENERAL FUND 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 2023-24, no single taxpayer owned more than 0.58% of the total taxable property in the City. See Table 7 titled "City of Oakland, Largest FY 2023-24 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.

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 1, 2023, the City had outstanding approximately $597.5 million in aggregate principal amount of general obligation bonds, which equals approximately 0.70% of the total taxable assessed valuation of the City reported by Alameda County Auditor-Controller for Fiscal Year 2023-24, as shown in Table 23 titled "City of Oakland, General Obligation Bonds" in APPENDIX A – "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND – BONDS AND OTHER INDEBTEDNESS – General Obligation Debt."

Additional Debt; Authorized but Unissued Bonds. Issuances of additional authorized bonds can cause the overall property tax rate to increase. As of January 1, 2023, the City had voter approval for $970.7 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 24 titled "City of Oakland, General Obligation Bond Remaining Authorization" 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 impact the 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 passed thru 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.

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 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**"). 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.

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 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 Oakland Fire Department'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 launched a pilot program in 2020 that generated 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 2021-22, 27,133 total inspections (including re-inspections) were completed and 13,765 parcels were found to be compliant.

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 Resources Control 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. See "- *2022-23 Winter Storms*." 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 value of taxable property within the City.

2022-23 Winter Storms. California experienced an unseasonably wet winter in late 2022 and early 2023 marked by an unexpected increase in rain and snowfall (the "**2022-23 Winter Storms**"), which impacted communities throughout the State, including the City. The increased rainfall brought by the 2022-23 Winter Storms eased drought conditions considerably, resulting in the Governor rescinding some of the drought restrictions as described above.

Flooding. The City has approximately 560 properties where the purchase of flood insurance is required 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 2022-23 Winter Storms, 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 {insert name} 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 2018, the State of California Ocean Protection Council published its State of California Sea-Level Rise Guidance (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 increase between 2.4 and 3.4 feet by 2100, with the potential for increases of 5.7 to 6.9 feet in Medium-High Risk Aversion scenarios and 10.2 feet in the Extreme Risk Aversion Scenario. 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 December 4, 2012, the City Council adopted an Energy and Climate Action Plan (the "**2012 ECAP**") for the purpose of identifying and prioritizing actions that the City can take to reduce energy consumption and greenhouse gas emissions in the City through 2020, including a 36% reduction in Citywide greenhouse gas emissions from those recorded in 2005. 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. In connection with that effort, the City began a robust process to expand the 2012 ECAP to meet or exceed greenhouse emission targets, with a new target of 56% reduction by the year 2030, in addition to continued implementation of other priority actions set forth in the plan. The resulting Oakland 2030 Equitable Climate Action Plan adopted by the City Council on July 28, 2020, (the "**2030 ECAP**") reflects 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 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.

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 is a public nuisance action (filed together with other local governments on behalf of the people of the State) responding to alleged efforts by such fossil fuel/oil companies to hide the impacts of climate change hazards like sea level rise. After it was filed in State court, the defendants removed the case to federal court. In this action, the City Attorney, on behalf of the People, 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.

The United States District Court Northern District of California entered judgment in favor of the defendants on July 27, 2018. The City Attorney on behalf of the People filed a notice of appeal to the United States Court of Appeals for the Ninth Circuit. On May 26, 2020, the Ninth Circuit reversed and found in favor of the People and remanded the case to the District Court. Defendants sought certiorari to the United States Supreme Court, which was denied on June 14, 2021. The District Court has ordered that the case be remanded to State court, but that decision has been stayed pending appeal in the Ninth Circuit. The City Attorney is now awaiting action by the Ninth Circuit before the case can be remanded to state court and litigated on the merits.

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 Emergency – COVID-19

The outbreak of the novel 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. 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 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 District. The City's assessed valuation and property-related revenues have continued to grow at a steady rate. See –"PROPERTY TAXATION" above. However, there can be no assurances that such growth will continue in the future.

Possible Limitation on Remedies; Bankruptcy

General. Enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the City, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which 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 public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the 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.

Bankruptcy. Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the City were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the parties to the proceedings may 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. In such a proceeding, as part of its plan of adjustment in bankruptcy, the City may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, in such a proceeding, as part of such a plan, the City may be able to eliminate the obligation of the City to raise taxes if necessary to pay the Bonds. There also may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any City bankruptcy proceeding, the fact of a City bankruptcy proceeding, could have an adverse effect on the liquidity and market price of the Bonds.

As stated above, if the City were to go into bankruptcy, the bankruptcy petition would be filed under Chapter 9 of the Bankruptcy Code. Chapter 9 provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. In addition, Chapter 9 provides that a bankruptcy court may not interfere with the political or governmental powers of the debtor, unless the debtor consents to that action or the plan so provides. State law provides that the *ad valorem* taxes levied to pay the principal and interest on the Bonds shall be used for the payment of principal and interest of the City's general obligation bonds and for no other purpose. If this restriction on the expenditure of such *ad valorem* taxes is respected in a bankruptcy case, then the *ad valorem* tax revenue could not be used by the City for any purpose other than to make payments on the Bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016, as part of Senate Bill 222), 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 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 the bonds are executed and delivered. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the City, the automatic stay provisions of the Bankruptcy Code would apply, preventing bondholders from enforcing their rights to payment from such taxes, so payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed (unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code).

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The City has specifically pledged the taxes for payment of the Bonds. Additionally, the *ad valorem* taxes levied for payment of the Bonds are permitted under the State Constitution only where the applicable bond proposition is approved by at least two-thirds of the votes cast. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the applicable Bond proposition so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

In addition, even if the *ad valorem* 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* tax revenues to pay necessary operating expenses of the City or the Projects before the remaining revenues are paid to the owners of the Bonds.

Accordingly, Bondholders may experience delays or reductions in payment on the Bonds, the Bonds may decline in value or Bondholders may experience other adverse effects should the City file for bankruptcy.

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 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. In regard to specific security measures, the City has invested significant resources to establish a new Information Security Office **("ISO"**) as part of ITD, reporting directly to the 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. The City is finalizing the implementation of 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.

In February 2023, the City experienced a security incident that resulted in several IT systems being taken offline, as well as the exfiltration of certain City records and data. From the start of the incident through present day, the City has regularly and diligently kept its residents and impacted parties notified, working with industry experts to identify and resolve issues, and has instituted and maintained a state of emergency to facilitate rapid contracting in support of its investigative and remediation efforts. Specifically, on the morning of February 9, 2023, the City's Information Technology Department ("**ITD**") became aware of activity on the City network. The City immediately engaged with a forensics firm and by midafternoon, the threat had been fully contained. The City further determined its 911, Office 365, and financial enterprise resource planning systems (Oracle) were not impacted.

On February 10, 2023, the City engaged outside legal counsel and technical assistance through its cyber liability insurance service. The City also notified the public that it had recently been subject to a ransomware attack. On February 14th, the City Council enacted a local state of emergency to enable rapid responses and contracting and activated its Emergency Operations Center ("**EOC**") to mobilize all City departments, agencies, and resources to respond to the incident (the "**Local State of Emergency**"). On February 15th, the City posted a voluntary EMMA Notice disclosing the occurrence of the security incident. Twelve days after the initial attack, the City announced that its core network, access to public computers and services at libraries and Wi-Fi at city facilities was restored and that critical (i.e., non-emergency) public safety services were also restored, including the City network. By February 22nd, more public safety systems, and access to the City's financial system were restored along with permitting services. By February 28, 2023, the City's contracting and funding opportunities system were restored.

On March 3, 2023, the City learned the threat actor had published approximately 10GB of exfiltrated data acquired from the breach of the City's network on the "dark web." *i.e.*, a website not searchable via the traditional Internet. The City subsequently determined that the personal information of employees employed between July 2010 - January 2022 was published and began notifying impacted employees and mailing notification letters to impacted residents to provide them with further details and resources to help protect their personal information. The City posted fraud protection best practices to its website and created a dedicated email line for affected parties.

In April, 2023, the City completed an extensive manual review of the data and determined that the personal information of certain current and former employees and a limited subset of residents (such as some individuals who filed a claim against the City or applied for certain federal programs with the City) – was involved in the confirmed incident. On April 5th, the City became aware that the same unauthorized third-party had posted additional data allegedly taken from City systems during the incident in February to the dark web. The second data leak totaled approximately 590GB. By May 4th, nearly all City IT systems that were impacted as a result of this incident had been restored; GIS, work order systems, business licenses, and more were fully operational. As part of its remediation effort, the City also significantly improved its security operations, including the deployment of multifactor authentication, and implementation of 24/7 monitoring and remediation services, and began development of formal incident response plans to guide the activities of the EOC should such an event happen again.

On June 23, 2023, despite service restoration, the Local State of Emergency was renewed and continued to allow for procurement of emergency technical services and to assess and provide for new safeguards leading into budget season. On August 24th, the City announced the results of its analysis of the second, larger data leak and began notifying impacted individuals and providing free credit monitoring services. Aside from the considerable staff time involved, the cost of engaging outside consulting services to address for respond to and address the incident and ongoing budget impacts for enhanced IT (as described below), the City's finances were not materially impacted by the incident.

The City's 2023-2025 biennial budget allocates $10 million over two years to further improve and enhance security and technology throughout the City, including upgrading IT infrastructure; hiring new operations and security staff; migrating to Cloud services; and investing in new security tools and technologies such as business continuity and disaster recovery systems, and procedures. Alongside these efforts, the City's ERP financial system is being migrated to Oracle Cloud Infrastructure (OCI) with an expected completion date of mid-2024.

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.

TAX MATTERS – TAX-EXEMPT BONDS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and (ii) interest on the Tax-Exempt Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code*,* however for tax years beginning after December 31, 2022, interest on the Tax-Exempt Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City and others in connection with the Tax-Exempt Bonds, and Bond Counsel has assumed compliance by the City with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Tax-Exempt Bonds from gross income under Section 103 of the Code.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Tax-Exempt Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Tax-Exempt Bonds in order that interest on the Tax-Exempt Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Tax-Exempt Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Tax-Exempt Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The City has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Tax-Exempt Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Tax-Exempt Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Tax-Exempt Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Tax-Exempt Bonds.

Prospective owners of the Tax-Exempt Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Tax-Exempt Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("**OID**") is the excess of the sum of all amounts payable at the stated maturity of a Tax-Exempt Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Tax-Exempt Bonds. In general, the issue price for each maturity of Tax-Exempt Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Tax-Exempt Bonds having OID (a "**Tax-Exempt Discount Bond**"), OID that has accrued and is properly allocable to the owners of the Tax-Exempt Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Tax-Exempt Bonds.

In general, under Section 1288 of the Code, OID on a Tax-Exempt Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Tax-Exempt Discount Bond. An owner's adjusted basis in a Tax-Exempt Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Tax-Exempt Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Tax-Exempt Discount Bond even though there will not be a corresponding cash payment.

Owners of Tax-Exempt Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Tax-Exempt Discount Bonds.

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "**Tax-Exempt Premium Bond**"). In general, under Section 171 of the Code, an owner of a Tax-Exempt Premium Bond must amortize the bond premium over the remaining term of the Tax-Exempt Premium Bond, based on the owner's yield over the remaining term of the Tax-Exempt Premium Bond determined based on constant yield principles (in certain cases involving a Tax-Exempt Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Tax-Exempt Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a Tax-Exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Tax-Exempt Premium Bond may realize a taxable gain upon disposition of the Tax-Exempt Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Tax-Exempt Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Tax-Exempt Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Tax-Exempt Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Tax-Exempt Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Tax-Exempt Bonds under federal or state law or otherwise prevent beneficial owners of the Tax-Exempt Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Tax-Exempt Bonds.

Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the foregoing matters.

TAX MATTERS – U SERIES 2023A-2 BONDS

In the opinion of Bond Counsel to the City, (i) interest and original issue discount (as described herein) on the U Series 2023A-2 Bonds is included in gross income for federal income tax purposes and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of California.

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of U Series 2023A-2 Bonds by original purchasers of the U Series 2023A-2 Bonds who are “U.S. Holders,” as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the U Series 2023A-2 Bonds will be held as “capital assets”; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the U Series 2023A-2 Bonds as a position in a “hedge” or “straddle,” U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire U Series 2023A-2 Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements and file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the U Series 2023A-2 Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

U.S. Holders of U Series 2023A-2 Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the U Series 2023A-2 Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount

In general, if OID is greater than a statutorily defined *de minimis* amount, a U.S. Holder of a U Series 2023A-2 Bond must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such U.S. Holder holds such U Series 2023A-2 Bond) the daily portion of OID, as it accrues (generally on a constant-yield method) and regardless of the U.S. Holder's method of accounting. "OID" is the excess of (i) the "stated redemption price at maturity" over (ii) the "issue price." For purposes of the foregoing: "issue price" means the first price at which a substantial amount of the U Series 2023A-2 Bond is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); "stated redemption price at maturity" means the sum of all payments, other than "qualified stated interest," provided by such U Series 2023A-2 Bond; "qualified stated interest" is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and "*de minimis* amount" is an amount equal to 0.25 percent of the U Series 2023A-2 Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on a U Series 2023A-2 Bond using the constant-yield method, subject to certain modifications.

Bond Premium

In general, if a U Series 2023A-2 Bond is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the U Series 2023A-2 Bond other than "qualified stated interest" (a "**Taxable Premium Bond**"), that Taxable Premium Bond will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Taxable Premium Bond elects to amortize the premium as "amortizable bond premium" over the remaining term of the Taxable Premium Bond, determined based on constant-yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder's basis in the Taxable Premium Bond. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a U Series 2023A-2 Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the U Series 2023A-2 Bond.

The City may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the U Series 2023A-2 Bonds to be deemed to be no longer outstanding under the Fiscal Agent

Agreement. For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the U Series 2023A-2 Bonds subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate U.S. Holders of the U Series 2023A-2 Bonds with respect to payments of principal, payments of interest, and the accrual of OID on a U Series 2023A-2 Bond and the proceeds of the sale of a U Series 2023A-2 Bond before maturity within the United States. Backup withholding may apply to U.S. Holders of U Series 2023A-2 Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term "**U.S. Holder**" means a beneficial owner of a U Series 2023A-2 Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the U Series 2023A-2 Bonds under state law and could affect the market price or marketability of the U Series 2023A-2 Bonds.

Prospective purchasers of the U Series 2023A-2 Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Hawkins Delafield & Wood LLP, San Francisco, California, Bond Counsel to the City. Certain matters will be passed upon for the City by Husch Blackwell LLP, Oakland, 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 Orrick, Herrington & Sutcliffe LLP in connection with 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.

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) (the "**Annual Report**"), commencing with the report for the Fiscal Year ending June 30, 2023, 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.

On limited occasions during the last five years, certain event notices of ratings changes were not made in a timely manner. The City has adopted additional practices to enhance timely filing and to review and monitor compliance with all of its continuing disclosure undertakings.

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, Citigroup Global Markets Inc., on its own behalf and as representative of Siebert Williams Shank & Co., LLC (collectively, the "**Underwriters**"). The Underwriters have agreed to purchase the Bonds at a purchase price of $[___] (representing the aggregate par amount of the Bonds, [plus/less] original issue [premium/discount] thereon ($[___]), 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.

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "**Fidelity**"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

FINANCIAL STATEMENTS

The audited annual financial report of the City for its Fiscal Year ended June 30, 2022, is included in APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2022." 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 Resolutions, Ordinance, 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

The information in this appendix concerning the City of Oakland'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 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 (the "**Bay**"), approximately seven miles from downtown San Francisco via the San Francisco-Oakland Bay Bridge. Occupying approximately 55.9 square miles, 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 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 in 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 business services, healthcare services, transportation, food processing, light manufacturing, government, arts, culture, entertainment, and tech-startups.

Culturally, the City is home to a nationally-recognized symphony, many up-and-coming artistic and cultural institutions, an award-winning zoo, the Paramount Theatre and the Fox Theater, the recently remodeled Oakland Museum of California, and a celebrated restaurant scene. Oakland's diverse population is reflected in a variety of attractions, including a Chinatown, 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, 2023, at 419,556. This figure represents approximately 25.6% of the corresponding County figure and 1.1% 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 2019 through 2023.

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

Calendar Year	City	County	State
2010	390,724	1,510,271	37,253,956
2019	429,932	1,659,608	39,605,361
2020	432,327	1,663,114	39,648,938
2021	435,514	1,656,591	39,466,855
2022	421,806	1,644,248	39,078,674
2023	419,556	1,636,194	38,940,231

Note: Data reflect population estimates as of January 1 of each year.
Source: State of California, Department of Finance, *E-4 Population Estimates for Cities, Counties, and the State, 2021-2023, with 2020 Census Benchmark.* Sacramento, California, Released May 1, 2023; State of California, Department of Finance, *E-4 Population Estimates for Cities, Counties, and the State, 2011-2020, with 2010 Census Benchmark.* Sacramento, California, Release May 7, 2021.

Income

The following Table 2 summarizes personal income for the County (which is larger than, but encompasses, the City) for the calendar years 2017 through 2021. Personal income increased by 40.8% from 2017 to 2021, the most current year for which data is available. Per capita personal income in the area grew by 42.8% in that same time period.

Table 2
Personal Income and Per Capita Income
County of Alameda
2017 – 2021[1]

Year	Personal Income (in Thousands)	Annual Percent Change[2]	Per Capita Income	Annual Percent Change[2]
2017	$116,790,960	6.6	$70,982	5.2
2018	125,572,560	7.5	76,023	7.0
2019	135,758,980	8.1	81,802	7.9
2020	149,239,559	9.9	89,735	10.2
2021	164,437,681	10.2	98,858	12.3

(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*, 2018-2022, last updated November 16, 2022 — new statistics for 2021; revised statistics for 2010-2020, data pulled on June 6, 2023. While the source data estimated per capita income based on the 2010 census, the estimates in this table were calculated using the population estimates shown above in Table 1.

Industry and Employment

The following Table 3 sets forth estimates of the labor force, civilian employment, and unemployment for City residents, State residents and United States residents from calendar years 2018 through 2022. The California Employment Development Department has reported preliminary unemployment figures for May 2023, at 4.9% for the State, 4.2% for the County and 4.2% for the Oakland -Hayward-Berkeley metropolitan area (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 2018 through 2022(2)

Year and Area	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
2018				
County of Alameda	841,600	815,800	25,700	3.1%
California	19,289,500	18,469,900	819,600	4.2
United States	162,075,000	155,761,000	6,314,000	3.9
2019				
County of Alameda	843,100	818,000	25,100	3.0%
California	19,413,200	18,617,900	795,300	4.1
United States	163,539,000	157,538,000	6,001,000	3.7
2020				
County of Alameda	819,700	746,500	73,200	8.9%
California	18,971,600	17,047,600	1,924,000	10.1
United States	160,742,000	147,795,000	12,947,000	8.1
2021				
County of Alameda	813,000	176,500	49,500	6.1%
California	18,973,400	17,586,300	1,387,100	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
2022				
County of Alameda	825,600	798,400	27,200	3.3%
California	19,252,000	18,440,900	811,100	4.2
United States	164,287,000	158,291,000	5,996,000	3.6

(1) Data presented as annual averages, except where otherwise indicated. Data may not add due to rounding.
(2) Source: For 2018-2022 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 2018-2022, Data Not Seasonally Adjusted, data pulled on June 6, 2023.
(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 2022.

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 2018 through 2022.

Table 4
County of Alameda
Employment by Industry Group
Annual Averages
2018 – 2022[(1)]

Industry	2018	2019	2020	2021	2022
Trade, Transportation and Utilities	139,700	138,800	129,400	134,000	137,800
Professional and Business Services	134,000	136,600	128,900	134,400	139,100
Educational and Health Services	123,600	126,000	121,800	125,100	129,900
Government	123,900	124,100	118,400	114,500	113,000
Manufacturing	84,700	85,000	83,700	91,800	97,900
Leisure and Hospitality	76,400	78,000	53,000	57,900	68,100
Mining, Natural Resources and Construction [(2)]	49,000	49,600	46,700	48,700	48,400
Financial Activities	28,000	28,400	27,000	27,100	27,400
Other Services	27,500	27,500	22,500	23,800	26,700
Information	20,000	20,500	19,900	18,800	19,000
Farm	600	700	700	1,000	800
TOTAL:	807,400	815,200	752,000	773,500	808,100

[(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 July, 2023.

"Prominent" private employers or businesses headquartered in the City include Kaiser Permanente, Clorox Company, Pacific Gas & Electric (PG&E), Blue Shield of California, and Block (formerly known as Square). The following Table 5 sets forth the top ten major employers in the City as of June 30, 2022.

Table 5
City of Oakland
Major Employers
as of June 30, 2022

Rank	Employer Name	Employee Count	Percent of Total Employment(6)
1	Kaiser[1]	12000+	6.23%
2	City Of Oakland[2]	9000+	4.68%
3	State Of California[3]	5000+	2.60%
4	San Francisco Bay Area Rapid Transit (BART)	3500+	1.82%
5	Alameda County[4]	3500+	1.82%
6	Federal Governnment[5]	3500+	1.82%
7	Southwest Airlines Co	2500+	1.30%
8	Children's Hospital & Research Center	2000+	1.04%
9	Federal Express Corp	2000+	1.04%
10	United Parcel Service	2000+	1.04%
11	East Bay Municipal Utility District	1500+	0.78%
12	Sutter Bay Hospitals	1500+	0.78%
13	Metro Maintenance Inc.	1000+	0.52%
14	Blue Shield of California	1000+	0.52%
15	Manos Home Care	1000+	0.52%
16	Universal Security Solutions	1000+	0.52%
17	Alameda Contra Costa Transit District	1000+	0.52%
18	Robert Half International, Inc.	1000+	0.52%
19	East Bay Regional Park District	500+	0.26%
20	10x Genomics, Inc.	500+	0.26%
21	Kipp Bay Area Schools	500+	0.26%
22	Peralta Community College District	500+	0.26%
23	La Clinica De La Raza	500+	0.26%
	Total	**63000+**	**32.73%**

(1) The Permanente Medical Group Inc, Kaiser Foundation Health Plan Inc and Kaiser Foundation Hospitals.
(2) The City Of Oakland, Oakland Unified School District, Port Of Oakland And Housing Authority Of The City Of Oakland.
(3) The University Of California.
(4) Superior Court Of California, Alameda County, Office Of Education, Transportation Commission, Waste Management And Alameda Health System.
(5) Administrative Office Of US Courts, Consumer Product Safety Commission, Department of Agriculture, Department of Justice, Department of The Interior, Department Of Transportation, Department of Treasury, Department of Veterans Affairs, Equal Employment Opportunity Commission, General Services Administration, Homeland Security, National Labor Relations Board, Social Security Administration, US Postal Service, United States Judges. (*footnotes continue onto next page*)

(6) Percentage of total employment is based on June 2022 employment of 192,500. Percentages and totals for 2022 data are based on the upper end of indicated ranges.
Source: City of Oakland - Q2 2022 CA EDD Payroll & Employee Counts

Commercial Activity

The following Table 6 sets forth a history of taxable sales for the City for Fiscal Years 2017-18 through 2021-22.

Table 6
City of Oakland
Taxable Sales by Category
for Fiscal Years 2017-18 through 2021-22
($ in Thousands)

	2017	2018	2019	2020 [1]	2021 [1]	2022
Auto and Transportation	$904,626	$888,309	$901,894	$789,318	$811,315	$899,802
Building and Construction	508,167	566,605	602,144	559,064	570,001	597,871
Business and Industry	608,558	662,062	690,536	598,930	587,305	619,110
Food and Drugs	516,629	542,632	539,733	585,993	599,354	556,796
Fuel and Service Stations	528,216	647,796	741,754	551,574	421,823	747,706
General Consumer Goods	546,722	564,182	566,006	522,262	559,069	573,500
Restaurants and Hotels	999,328	1,050,032	1,109,458	889,842	686,546	981,563
County and State Pools [2]	778,408	833,449	930,151	1,074,516	1,239,452	1,222,682
TOTAL	$4,612,246	$4,921,618	$5,151,525	$4,496,983	$4,235,413	$4,976,348
City Direct Sales Tax Rate [3]	2.0%	2.0%	2.0%	2.0%	2.0%	3.0%

(1) Declines in 2020 and 2021 reflect the impacts of the COVID-19 global pandemic.
(2) County and State Pool amounts primarily result from allocations for internet sales.
(3) The reported City direct sales tax rates include the 1% Bradley-Burns rate due to the City as well as countywide voter-approved half-cent sales taxes for health care and transportation.
Source: The HdL Companies.

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 2017-18 through 2021-22.

Table 7
City of Oakland
Building Permit Valuation
2016-17 through 2021-22

	2017-18	2018-19	2019-20	2020-21	2021-22
Building Permits Issued	14,331	13,013	11,812	12,784	14,356
Authorized New Dwelling Units	4,272	2,512	1,656	1,159	1,469
Commercial Value (in thousands)	$359,016	$260,822	$301,304	$322,408	$367,304
Residential Value (in thousands)	$1,180,188	$827,832	$853,155	$380,814(1)	$473,718

(1) Decreased values for residential permits in fiscal year 2020-21 reflect delays in permit issuance for multi-unit dwellings, which were offset by growth in permits issued for lower-value residential projects, such as remodels and accessory dwelling units.
Source: City of Oakland Annual Comprehensive Financial Reports for Fiscal Years Ended June 30, 2018 through June 30, 2022.

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: the Brooklyn Basin, a $1.5 billion project creating a new mixed-use waterfront neighborhood with approximately 3,100 housing units, associated retail and more than 30 acres of publicly accessible parks; the construction of a mixed-use residential community at the site of the former Oak Knoll Naval Medical Center; new transit-oriented developments adjacent to the City's BART stations including the Fruitvale, Lake Merritt and West Oakland stations and construction of a new campus for Samuel Merritt University in downtown Oakland, which broke ground in May 2023. Other major developments in progress or recently completed include several high-rise towers and other large in-fill residential developments and new hotels in the downtown Oakland area, port-side development at the former Oakland Army Base and 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 recently relocated its headquarters to the City from San Francisco, and just announced plans to exercise an option to purchase the 910,000 square-foot Class A office building that it has been leasing at 300 Lakeside.

The City has created a series of plans for creating sustainable and vibrant neighborhoods, including a Downtown Oakland Specific Plan (the "**DOSP**"), which is expected to be presented to the Planning Commission and City Council in Fall 2023 for approval and adoption. The DOSP has been under development for several years and 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. 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. Development proposed under the DOSP could add approximately 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. It would also targets to develop 29,000 housing units, including approximately 4,000-7,000 income-restricted affordable units, resulting in $480-544 million in impact fees to fund additional affordable housing.

Commitment to Environmental, Social and Governance (ESG) Principles

The City, including its leaders and residents have 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 an annual equity indicators report, trains city staff internally on several key social justice measures and takes an active policy 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 activism and sustainability efforts. For instance, the Sustainable Oakland program is an outgrowth of the Sustainable Community Development Initiative, established by the City Council in 1998. Housed in the Environmental Services Division of Oakland Public Works, it supports the City's progress in becoming a more sustainable city. The Sustainable Oakland Report is produced periodically to report on success and further define the scope of the City's sustainable vision. Highlights of the most recent report include:

- In May 2018, the City Council approved a new Property Assessed Clean Energy ("**PACE**") financing administrator with seven new providers to operate in the City, creating more competition within the local PACE market. PACE enables homeowners and commercial property owners to finance clean energy and water efficiency projects, seismic retrofits, and much more on their property taxes. Eligibility is based on property equity, rather than credit. The City Council approved five financing providers in 2015. Since then, there have been 1,028 projects, which over the course of their lifetimes will prevent 31,533 metric tons of carbon emissions, save 68,407,213 gallons of water, and save 100,033,446.8 kWh of energy.

- 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 go solar. 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 200 municipalities have achieved SolSmart designation. Oakland qualified 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 the Gold designation, the City is being 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 2015, the City decreased greenhouse gas emissions by 16%. During this same timeframe, the City's population grew by 5.8% 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 5.90 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 can be seen, and is exemplified in the City's 2030 Equitable Climate Action Plan (the "**2030 ECAP**"). The 2030 ECAP is the City's roadmap for climate mitigation and adaptation and affirms that reducing disparities is a cornerstone of 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 ECAP 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 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 ECAP implementation that is inclusive of underrepresented frontline communities across the City. Finally, it identifies the equity gaps related to each 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 water, energy, environmental and seismic improvements to City facilities and systems consistent with the City's ECAP and Measure U also authorizes the use of bond proceeds for acquisition and construction of, and improvements to, affordable housing..

Additionally, both Measures provide that, prior to issuance of bonds pursuant to these Measures, the City Council must identify how the projects and programs authorized for funding with such bond proceeds: 1) address improvements to the City's existing core capital assets, 2) maintain or decrease the City's existing operations and maintenance costs, and 3) address improvements to energy consumption, resiliency and mobility. Measure KK additionally requires the City Council to identify how the projects and programs authorized for funding with Measure KK bond proceeds address social and geographic equity, provide greater benefit to under-served populations and in geographic areas of greatest need.

Many of the improvements financed with proceeds of the Bonds will improve the City's aging building stock to align City buildings with current California's 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

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 (the "**Charter**") provides for: 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; fiscal and budgetary matters, personnel administration, franchises, licenses, permits, leases and sales; 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, governs the City. City Council members serve four-year terms, staggered at two-year intervals. The Mayor of the City (the "**Mayor**") is not a member of the City Council but is the City's chief executive officer. The current Mayor, Sheng Thao, is serving her first term, which expires on January 31, 2027. The City Attorney is elected to a four-year term, two years following the election of the Mayor. The current City Attorney, Barbara Parker, is serving her second term, which will expire on January 31, 2025. The City Auditor is elected to a four-year term at the same election as the Mayor. The current City Auditor, Courtney Ruby, is serving her second term, which will expire on January 31, 2027. No person can be elected Mayor for more than two consecutive terms. City Councilmembers are limited to three four-year terms, though district councilmembers may choose to run for the at-large seat for an additional three terms.

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 City 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 City's Mayor and ratified by the City Council.

BUDGET AND FINANCIAL OPERATIONS

Overview

The City's finances are organized into several fund groups. 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 2023-24 Budget, the General Purpose Fund included $834.1 million of estimated appropriations and revenues and represented approximately 75.7% of the General Fund Group. The second largest component of the General Fund Group is the Pension Tax Override Fund representing $93.1 million (8.4% of the Fiscal Year 2023-24 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 Group include the City's Self-Insurance Liability Fund; the Kids First Fund (which receives 2.2% of General Purpose 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 Group. 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.

Financial Reporting and Fiscal Year 2021-22 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. These statements are prepared using accounting methods similar to those used by private-sector businesses. 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, 2022, which reported a net position for the governmental and business-type activities of $551 million, an improvement of $455 million over the prior fiscal year that primarily resulted from changes in actuarial valuations of net pension and OPEB liabilities. Unrestricted net position remained negative despite these gains at $1.6 billion, which was mainly due to historical underfunding of the pension and OPEB liabilities, as well as long-term debt. The net pension and OPEB liability deficits were the biggest contributing factors at $1.2 billion and $0.6 billion, respectively.

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 Group relies on the fund financial statements as reported in the City's audited annual comprehensive financial reports ("**Annual Financial Reports**") for Fiscal Years 2017-18 through 2021-22.

Table 8
City of Oakland
Revenues and Expenditures
General Fund Group
2017-18 through 2021-22
($ in Thousands)

Revenues	2017-18	2018-19	2019-20	2020-21	2021-22
Taxes					
Property[(1)]	$295,216	$312,255	$342,052	$377,175	$410,089
State-collected[(2)]	57,689	62,260	55,860	58,143	64,669
Local[(3)]	280,939	319,708	296,996	314,100	351,400
Licenses and Permits	2,384	1,783	1,606	1,243	1,413
Fines and Penalties	18,267	21,081	18,702	17,591	19,741
Interest Income (loss)[(4)]	(3,069)	7,263	6,865	(7,860)	(16,531)
Charges for Services[(5)]	97,371	102,826	97,848	83,173	84,948
Grant Revenue	3,813	3,568	3,586	4,983	3,189
Other Revenue, Including Transfers	6,320	3,399	3,057	33,553	2,663
Annuity Income	6,952	6,291	6,107	5,120	5,015
TOTAL REVENUES	$765,882	$840,434	$832,679	$887,221	$926,596
Expenditures					
General Government[(6)]	$143,136	$156,754	$163,102	$184,053	$152,326
Public Safety[(7)]	398,105	438,500	488,474	446,722	402,364
Public Works and Transportation	34,107	42,662	42,600	36,172	48,229
Community and Human Services[(8)]	47,448	44,656	54,344	46,613	64,812
Community and Economic Development[(9)]	7,607	10,966	10,040	15,678	18,494
Other [(10)]	7,679	4,598	4,995	4,752	4,429
TOTAL EXPENDITURES	$638,082	$698,136	$763,555	$733,990	$690,654
Other Financing Sources and Uses[(11)]	$(88,359)	$(100,370)	$(91,951)	$(93,533)	$(85,997)
Net Change in Fund Balance	$39,441	$41,928	$(22,827)	$59,698	$149,945
Fund Balance (deficit) – Ending	$385,167	$427,095	$404,268	$463,966	$613,911

[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 pursuant to GASB Statement No. 98.

(1) Includes General Purpose Fund property tax revenue, as well as property tax override collections for obligations relating to PFRS.
(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, Voter Approved Special Tax, Sugar Sweetened Beverage Tax and Franchise Tax.
(4) Losses reflect marked-to-market valuation of investments and an annuity.
(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. Formerly, Planning, Building and Neighborhood Preservation, Aging & Health and Human Services, Cultural and Community Services and Cultural Arts and Museums.
(9) Includes Planning and Building, Economic and Workforce Development and Housing & Community Development.
(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, 2018, through June 30, 2022.

Table 9
City of Oakland
Balance Sheet
General Fund Group as of June 30

($ in Thousands)

ASSETS	2018	2019	2020	2021	2022
Cash and investments(1)	$400,305	$459,435	$509,238	$598,755	$745,592
Receivables(2)					
Accrued interest	1,553	2,231	1,494	313	1,842
Property taxes	7,487	7,873	10,153	6,293	7,373
Accounts receivable	47,145	47,326	36,762	58,931	52,404
Grants Receivable	305	-	-	-	312
Lease Receivable	-	-	-	-	13,884
Due from component unit(3)	8,675	9,487	10,571	11,974	7,849
Due from other funds(4)	22,592	27,697	8,234	8,104	6,142
Due from other governments	10,891	10,790	11,472	12,475	12,573
Notes and loans receivable (5)	6,855	7,006	7,186	11,415	17,601
Restricted cash and investments	57,390	57,437	58,164	50,164	40,565
Property held for resale	-	-	-	17,964	17,964
Other/Prepaid items	50	50	311	723	1,271
TOTAL ASSETS	$563,248	$629,332	$653,585	$777,111	$925,372
LIABILITIES					
Accounts payable and other accrued liabilities	$140,892	$167,176	$212,504	$275,559	$252,614
Due to other funds(4)	2,312	-	-	-	-
Due to other governments	1,356	1,494	1,446	1,354	116
Unearned revenue	5,546	5,541	5,084	4,388	4,562
Other	3,796	3,116	7,347	2,777	4,306
TOTAL LIABILITIES	$153,902	$177,327	$226,381	$284,078	$261,598
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property tax	$ 3,520	$3,896	$1,750	$6,612	$7,405
Unavailable revenue – notes and loans	6,855	7,006	7,186	11,415	17,599
Unavailable revenue – mandated claims (State)	10,891	-(6)	-	-	-
Unavailable revenue – grants and others	2,913	14,008	14,000	11,040	11,376
Leases	-	-	-	-	13,482
TOTAL DEFERRED INFLOWS	$24,179	$24,910	$22,936	$29,067	$49,863
FUND BALANCES					
Nonspendable(7)	$ -	$ -	$ -	$ 18,687	$19,235
Restricted(8)	235,084	240,247	254,309	267,811	286,994
Committed(9)	14,323	14,648	47,441	38,739	52,195
Assigned(10)	41,959	53,958	40,145	41,786	49,251

Unassigned[11]	93,801	118,242	62,373	96,943	206,236
TOTAL FUND BALANCES	$385,167	$427,095	$404,268	$463,966	$613,911
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$563,248	$629,332	$653,585	$777,111	$925,372

(1) Increases in cash and investments reflect borrowing in advance of expenditures as well as underspending relative to appropriations in recent years.
(2) Net of allowance for uncollectibles of $5,978 as of June 30, 2022.
(3) Includes payments due from Port.
(4) "Due to" and "due from" balances have primarily been recorded when funds overdraw their share of pooled cash and interfund loans. These include amounts due from the Oakland Redevelopment Successor Agency ("**ORSA**") related to advances and interfund loans made by the City for projects, loans, and services. Receivable amounts for ORSA relate to project advances made by ORSA for the City
(5) Net of allowance for uncollectibles of $638 as of June 30, 2022.
(6) The mandated claims are included in the "grants and others" line item for FY2018-19, FY2019-20, FY2020-21 & FY2021-22.
(7) Includes prepaid items and property held for resale with no restrictions on the use of proceeds.
(8) Restricted for pension obligations annuity and PFRS pension liabilities.
(9) Reserved for Vital Services and, in FY2019-20 and FY 2020-21, Affordable Housing.
(10) Includes capital reserves and various operating department designations.
(11) Includes General Purpose Fund Emergency Reserve.
Source: City of Oakland, Annual Financial Reports for Fiscal Years Ended June 30, 2018, through June 30, 2022.

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, referred to as the "policy 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 2023-24 Policy Budget.

Under the City Charter, the City Administrator prepares budget recommendations that the Mayor presents to the City Council in accordance with the following procedure. First, 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 and formal public budget hearings are held. The City Council may make 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 and has never failed to achieve this deadline.

The final adopted policy throughout its two fiscal years, and midcycle budgets, are subject to review and revision to reflect any changes in revenue and expenditure projections. Among those updates are quarterly reports to the City Council prepared by the City Administrator. 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 2023-24 to Fiscal Year 2027-28. Although General Purpose Fund shortfalls are expected to decrease during the forecast period, the cumulative gap over this period, assuming no corrective actions, is forecast to exceed $750 million. The City's 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.

City's General Financial Condition and Impact of the COVID-19 Pandemic

The City's financial condition has strengthened materially in the wake of the COVID-19 global pandemic. Cash balances remain strong and have increased from pre-pandemic levels, most revenue categories have resumed growth following the dramatic economic contraction that accompanied pandemic shutdowns, and reserve levels have risen substantially following the City's election to utilize federal COVID-19 subsidies to strengthen its financial position in preparation for future fiscal shocks.

Prior to the pandemic, the City was experiencing strong growth in its General Fund tax revenues, including revenues from its Property Tax, Real Estate Transfer Tax, Sales Tax, Business License Tax, Transient Occupancy Tax, and voter-approved special taxes. In particular, the City's property-related revenues were growing at a healthy rate based on a strong real estate market and steady increases in assessed valuations. Growth in assessed valuations continued through the pandemic and exceeded 8% in Fiscal Year 2022-23. See also "PROPERTY TAXATION - Assessed Valuations" in the forepart of this Official Statement. Although both property values and sales have experienced declines in Fiscal Year 2022-23 following broad increases in borrowing rates, property taxes may continue to increase even without an increase in aggregate market values of property due to Proposition 13's limitations on increases in assessed value. This dynamic constrains property tax growth in the short-term but also insulates local governments from tax declines due to decreases in assessed values, which typically lag behind market values.

Other local revenues, such as sales and use tax and transient occupancy tax, were more severely impacted than property tax by the COVID-19 pandemic but have shown strong signs of recovery. Sales and use tax revenues increased by 11.0% in Fiscal Year 2021-22 while local tax revenues improved by a collective 13.1%. Among local taxes, parking taxes and Transient Occupancy Taxes rebounded especially strongly in Fiscal Year 2021-22 with year-over-year increases of 52.3% and 57%, respectively.

Federal funding played a critical role in supporting the City's finances during the pandemic. The City used its entire $188 million allocation under the American Rescue Plan Act's ("**ARPA**") State and Local Fiscal Recovery Fund to replace pandemic revenue losses and subsidize general governmental services. Of this total, $33 million in revenue was recognized in Fiscal Year 2020-21, $87 million was recognized in Fiscal Year 2021-22, and $68 million was recognized in Fiscal Year 2022-23. In accordance with federal accounting requirements, these federal subsidies enabled the City to reduce expenditures recorded in the General Fund for those periods. The reduction in General Fund expenditures, in turn, allowed the City to replenish and increase General Fund reserves. See also "-Financial Policies - *Consolidated Fiscal Policy*."

The City's economy has experienced steady recovery from pandemic impacts with the resumption of local business activity, declines in unemployment, and a rebound in travel. Business License and Sales Tax revenue now exceed pre-pandemic levels, with additional growth projected over the next two years. See also "OTHER TAXES AND REVENUES." Local unemployment rates have also returned to historical lows following sharp increases during the pandemic, while personal income and per capita incomes continued to rise throughout this period. See also "OVERVIEW." In addition, during the first six months of Fiscal year 2022-23 passenger volume at Oakland International Airport rose by 8.35% compared to the same period in the prior year, as travel activity began to return to pre-pandemic levels.

In Fiscal Year 2022-23 the City's economy faces numerous headwinds that may challenge this recovery. Historically high inflation rates, increased borrowing rates, and decreased consumer confidence pose ongoing risks to City revenues. The City's robust property market, 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. The impact of these larger economic trends on City tax revenues remains uncertain.

Equally uncertain is whether the lingering effects of the COVID-19 pandemic will lead to long-term or even permanent shifts in behavior. To the extent business travelers choose video conferences over in- person meetings, consumers continue to prefer online shopping to in-person shopping, and employees relocate or telecommute rather than return to in-person work, the City's economy will suffer, and with it the City's revenue receipts. While current indications suggest that all of these effects will persist, at least to some extent, the City nonetheless remains well-positioned to take advantage of ongoing regional economic growth. The City remains a desirable location to live and work, and commercial and residential construction have continued throughout the pandemic, as the City draws new residents and businesses. Population growth also appears likely to resume, consistent with projections by the California Department of Finance, as the substantial uptick in residential construction which began in prior years makes more housing available in a region with continued strong housing demand and a longstanding shortfall of supply.

Notwithstanding any such growth in the regional or local economy, the City's expenditures continue to grow, driven primarily by personnel costs as described above, as well as ongoing pressures to provide affordable housing, address homelessness and balance the desire for public safety and violence with concerns regarding social equity. Managing these demands for increased services amidst ongoing revenue constraints will remain a challenge for the City going forward, as it has been for many years, which the City will continues to address in its biennial budget process.

Financial Policies

The City has adopted a number of policies to guide its financial management, as described below.

Consolidated Fiscal Policy. 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.

<u>Reserves</u>. The Consolidated Fiscal Policy establishes a number of reserves to address unanticipated adverse financial conditions, including 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. 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 has also established a Vital Services Stabilization Fund 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 ("**RETT**") when revenues 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 RETT 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. During the Fiscal Year 2021-23 cycle, the City was able to increase the fund balance to $10.5 million, but a significant deficit projection for the Fiscal Year 2023-25 budget cycle lead the existing balance to be appropriated in Fiscal Year 2023-24 for service stabilization.

The following Table 10 is a summary of the City's key General Fund reserves available for City general purposes since Fiscal Year 2018-19:

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

Reserve Fund	2019	2020	2021	2022
General Purpose Fund Emergency Reserve[1]	-	-	-	$90,610
Additional General Purpose Fund Reserve (unassigned fund balance)	$48,800	$40,100	$52,700	53,971
Vital Services Stabilization Fund	14,648	14,923	251	2,800
TOTAL	**$63,448**	**$55,023**	**$52,951**	**$147,381**
General Purpose Fund (GPF) Appropriations	$650,667	$684,000	$644,000	$728,000
% of GPF Appropriations	9.75%	8.04%	8.22%	20.24%

[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.
Source: City of Oakland

OPEB Funding Policy. In Fiscal Year 2018-19, the City adopted an OPEB Funding Policy providing for ongoing prefunding contributions of 2.5% of payroll, equal to approximately $10 million per year, 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. Due to the impact of the COVID-19 pandemic on City revenues, this funding policy was suspended for Fiscal Years 2019-20 and 2020-21. The adopted budget for Fiscal Years 2021-23 resumed these contributions, and the adopted budget for Fiscal Year 2023-25 continues these contributions. The City contributed $15.0 million in Fiscal Year 2021-22 and contributed an additional $15.0 million in Fiscal Year 2022-23. The City anticipates contributing $16.0 million in Fiscal Year 2023-24 and $16.0 million in Fiscal Year 2024-25. See also "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Other Post-Employment Benefits." Additional contributions may be made pursuant to policies regarding the application of "excess" Real Estate Transfer Tax revenues.

Debt 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 2023-25 Adopted Biennial Policy Budget

This balanced budget was based on the Fiscal Year 2022-23 Midcycle Budget using strategic spending reductions and targeted operational efficiencies. The Fiscal Year 2023-25 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 2023-25 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	FY 2020-21	Midcycle FY 2020-21	FY 2021-22	Midcycle FY 2022-23	FY 2023-24
General Purpose Fund (unrestricted)	$ 684,546,119	$ 644,092,166	$ 784,393,266	$872,069,302	$834,121,344
Other Funds (restricted)[1]	967,505,981	1,069,051,241	1,249,069,773	1,398,512,553	1,302,818,516
TOTAL - All Funds	**$1,652,052,100**	**$1,713,143,407**	**$2,033,463,039**	**$2,270,581,855**	**$2,136,939,860**

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

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 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 2021-23 and Fiscal Year 2023-24 Budgets for the General Purpose Fund and Fiscal Year 2021-22 year-end General Purpose Fund revenues and expenditures.

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

	FY 2021-22 Adopted Budget[1]	FY 2021-22 Year End	FY 2022-23 Adopted Budget[5]	FY 2023-24 Adopted Budget[6]
REVENUES				
Property Tax[2]	$247.15	$258.97	$265.49	$294.17
Sales Tax[3]	58.97	64.17	62.60	67.70
Business License Tax	97.75	101.29	111.88	125.25
Utility Consumption Tax	49.14	57.93	54.40	61.90
Real Estate Transfer Tax	96.43	138.40	112.20	110.41
Transient Occupancy Tax	16.73	16.66	23.97	22.48
Parking Tax	7.84	9.54	12.39	11.26
Licenses & Permits	4.05	1.41	6.08	1.39
Fines & Penalties	15.74	20.37	19.00	23.07
Interest Income	0.48	0.91	0.48	0.48
Service Charges	50.27	51.81	55.55	51.60
Grants & Subsidies	0.00	1.84	0.00	0.00
Miscellaneous	1.60	(3.42)	0.80	21.22
Interfund Transfers	89.93	3.26	70.91	13.08
Subtotal Revenues	736.08	723.14	795.77	804.00
Transfers from Fund Balance[4]	48.31	48.31	76.30	30.12
Total Revenues	**$784.39**	**$771.45**	**$872.07**	**$834.12**
EXPENDITURES				
Mayor	4.26	3.42	4.54	4.60
City Council	6.28	6.31	7.32	7.12
City Administrator	8.01	-0.81	9.90	9.70
City Attorney	15.00	15.29	21.04	21.75
City Auditor	2.41	2.43	3.12	3.31
City Clerk	3.56	1.97	10.37	7.85
Finance Department	21.57	19.61	28.92	30.00
Human Resource Management	6.48	6.46	8.72	9.50
Information Technology	13.31	13.67	19.40	16.97
Police Department	313.92	223.39	329.67	325.39
Police Commission	4.49	3.47	8.19	7.96
Fire Department	171.96	166.83	179.82	199.87
Human Services	15.26	21.28	51.54	44.76
Oakland Animal Services	5.41	4.94	6.16	6.49
Oakland Public Library	14.11	12.41	14.44	12.31
Oakland Parks, Recreation & Youth Development	16.68	14.73	21.98	18.30
Oakland Public Works	1.86	1.77	2.26	1.06
Department of Transportation	15.95	18.04	22.69	20.54
Economic & Workforce Development	10.96	11.03	16.46	11.19
Housing & Community Development	0.10	0.10	2.18	0.24
Planning & Building	0.00	0.00	0.00	0.00
Department of Violence Prevention	11.36	8.18	13.57	10.79
Race & Equity	0.92	0.84	1.46	1.29
Public Ethics Commission	1.49	1.37	1.81	2.25
Workplace and Employment Standards	4.36	3.59	5.96	4.31
Non-Departmental & CIP	114.69	111.91	80.57	56.57
Total Expenditures	**$784.39**	**$672.25**	**$872.07**	**$834.12**

(1) Budget as adopted by the City Council on June 24, 2021.
(2) Excludes the tax override (defined herein) collected for obligations relating to PFRS (defined herein) and revenues collected to fund general obligation bond debt service. See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*," herein.
(3) Refers to Sales & Use Tax.
(4) Transfers from Fund Balance and any unspent carryforward funds.
(5) Budget as amended by the City Council on July 11, 2022.
(6) Budget as adopted by the City Council on June 26, 2023.

Source: City of Oakland.

The following Table 12 summarizes the major General Purpose Fund revenues as of June 30 for Fiscal Years ended June 30, 2020, through June 30, 2023 and sets forth the major General Purpose Fund revenues budgeted for Fiscal Year 2023-24 as a percentage of total General Purpose Fund revenues for Fiscal Year Fiscal Year 2023-24.

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

Revenue Types	2020	2021	2022	2023 (Budgeted)	2024 (Budgeted)	% of 2024 Budgeted Total General Purpose Revenues
Property Tax	$218,658,259	$238,928,903	$258,968,959	$265,493,946	$294,168,232	35.27 %
Sales Tax	55,516,844	57,824,365	64,165,884	62,600,000	67,689,746	8.12
Vehicle License Fee	342,618	318,089	503,129	0	0	0
Business License Tax	98,039,982	104,232,387	101,289,622	111,880,000	125,248,004	15.02
Utility Consumption Tax	49,830,535	51,801,434	57,929,743	54,400,000	61,898,792	7.42
Real Estate Transfer Tax	91,533,921	113,359,327	138,395,515	112,200,000	110,412,094	13.24
Transient Occupancy Tax	19,578,414	10,609,759	16,661,833	23,968,951	22,482,510	2.70
Parking Tax	9,067,238	6,264,372	9,538,678	12,390,000	11,262,935	1.35
Licenses & Permits	1,606,012	1,243,171	1,412,791	6,081,473	1,388,483	0.17
Fines & Penalties	19,038,476	17,792,898	20,366,959	18,999,999	23,071,854	2.77
Interest Income	902,700	1,268,914	911,741	484,097	484,097	0.06
Service Charges	58,172,750	52,717,457	51,806,788	55,548,458	51,602,846	6.19
Grants & Subsidies	2,217,850	3,508,677	1,839,562	0	0	0
Miscellaneous	3,243,629	29,651,146	(3,423,012)	800,000	21,216,000	2.54
Interfund Transfers[2]	4,006,233	17,552,618	3,256,618	70,907,407	13,075,123	1.57
Transfers from Fund Balance [2]	-	-	48,310,000	76,296,971	30,120,628	3.61
TOTAL:	$631,755,460	$707,104,467	$771,934,810	$872,069,302	$834,121,344	100%

[1] Totals may not be precise due to rounding.
[2] Interfund transfers in Fiscal Year 2018 through Fiscal Year 2024 represent the appropriation of revenues from the City's parking garage operations. In addition, interfund transfers for Fiscal Year 2021 include the appropriation of the City's Vital Services Stabilization Fund, in response to COVID-related revenue shortfalls. For Fiscal Year 2023 increased interfund transfers reflect the utilization of Local Fiscal Recovery Funds received pursuant to the American Rescue Plan Act.
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 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 & Use Tax. Sales and Use Tax ("**Sales Tax**") applies to the retail sale or use of "tangible personal property." The total sales tax percentage in the City of Oakland is 10.25%, meaning that a $1 taxable purchase results in sales tax of 10.25 cents. The City receives 1% of the total sale as a distribution to its General Fund, meaning the City receives 1 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.

In Fiscal Year 2021-22, higher fuel prices for gasoline and jet fuel, along with a general rise in prices for consumer goods, resulted in sales tax revenue coming in higher than expected. This followed a dramatic drop in sales tax revenue in the prior year that was caused by the pandemic. Fiscal Year 2021-22 year end totals show that Sales Tax revenues came in at $64.17 million compared to the Adopted Budget of $58.97 million. The 2022-23 Midcycle Budget projects Sales Tax revenue to come in at approximately $62.60 million and the Fiscal Year 2023-24 Adopted Budget projects Sales Tax revenue to come in at $67.69 million, continuing the upward trend.

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 tax rate is 7.5%, however, certain persons qualify for a low-income rate assistance program (LIRA) offered by the Pacific Gas & Electric Corporation. In Fiscal Year 2021-22, UCT revenues increased slightly relative to the prior Fiscal Year, coming in at $57.93 million compared to $51.80 million in Fiscal Year 2020-21. Fiscal Year 2022-23 and the Fiscal Year 2023-24 adopted budgets project UCT to come in at $54.4 million and $61.90, respectively, due to a continuing a trend of increasing use of heat and electricity in homes and apartments as many workers continue to stay at home on weekdays even as office buildings' utilities consumption continues. Going forward, increases in energy usage are expected to be partially offset by energy efficiency gains and a higher rate of employees returning to work at the office, but overall, UCT is projected to continue its gradual year over year increase.

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

The passage of Measure T in the November 2022 General Election changed the BLT rate structure into a progressive, tiered rate system, which became effective in the second half of Fiscal Year 2022-23. The projected revenue attributable to Measure T is an increase of approximately $19.12 million in Fiscal Year 2022-23..

As a result of the COVID-19 pandemic, BLT revenue from several classes of businesses was affected, including retail and wholesale sales, personal services, recreation/entertainment, and residential and commercial rentals. The most significant ongoing effects of the pandemic are likely to be in the commercial sector due to changes brought about by telecommuting/hybrid work schedules and increased vacancies..

Real Estate Transfer Tax. Real Estate Transfer Tax ("***RETT***") revenues are generated by the transfer of ownership of existing properties. The tax is applied to the sale price of the property, and the cost is typically split between the buyer and seller. The tax 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 real estate transfer tax rate for the City (previously, the City tax rate was 1.50%). The new rates became effective on January 1, 2019, and are as follows:

Amount of Transfer	**Tax 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."

Despite the economic impacts of COVID-19, real estate transfer activity has performed well throughout the pandemic. In Fiscal Year 2021-22, RETT revenues were approximately $138.40 million compared to the Fiscal Year 2021-22 Adopted Budget of $96.43 million. During Fiscal Year 2021-22, the median price for single family residences rose above $1 million for the first time in the City. This increase as well as large property transactions contributed to the increase in RETT revenue. The City had 30 large transactions with a sales price greater than $10 million in Fiscal Year 2021-22, as compared to only 21 in the prior year. The increasing trend compared to the Fiscal Year 2021-22 Adopted Budget is expected to be more moderate in Fiscal Year 2022-23 and Fiscal Year 2023-24, as the Adopted Budgets estimate RETT to come in at $112.20 million and $110.41 million for those years respectively.

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 transient occupancy tax 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 outbreak of COVID-19 in March 2020 significantly reduced TOT revenues, which fell from a high of $25.9 million in Fiscal Year 2018-19 to $10.6 million in Fiscal Year 2020-21. TOT revenue for Fiscal Year 2021-22 came in at $16.66 million, improving from the historic low of $10.6 million in Fiscal Year 2020-21, but it has yet to recover to pre-pandemic level. The Fiscal Year 2022-23 and Fiscal Year 2023-24 Adopted Budgets estimate TOT revenues of $23.97 million and $22.48 million respectively, closer to pre-pandemic levels.

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 18.5%, with 8.5% restricted to funding the Violence Prevention and Public Safety Act of 2014 ("**Measure Z**"). Approximately half of PT revenue is generated from parking at the Oakland International Airport. PT revenue declined sharply following the onset of the COVID-19 pandemic, which left downtown offices empty and triggered large reductions in commuting and both business and personal travel.

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. These revenues have also declined as a result of reduced driving and the suspension of street sweeping, parking meter, and residential parking permit enforcement during the pandemic.

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 of Oakland, and various other fees and charges. These parking revenues were significantly reduced due to the pandemic.

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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 the level of services expected by residents of the City. 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

Tax	Basis	FY 2023-24 Revenues (Budgeted)(1)	Expiration
Public Safety and Services Violence Prevention (Measure Z)	Parcel tax and 8.5% parking tax	$30.83	2024
Transient Occupancy Tax for Tourism and Cultural Facilities (Measure C)	3% special transient occupancy tax	6.13	None
Library Services Retention and Enhancement (Measure Q/C)	Parcel Tax	20.32	2054
Library Services (Measure D)	Parcel Tax	15.35	2038
Parks & Recreation Preservation, Litter Reduction, and Homelessness Support (Measure Q)	Parcel Tax	30.78	2040
Paramedic Services on Fire Trucks (Measure N)	Parcel Tax	2.05	None
Vacant Property, Housing and Illegal Dumping (Measure W)	Parcel tax	5.35	2040
Emergency Medical Services (Measure M)	Parcel Tax	2.58	None
Landscaping & Lighting Assessment District	Parcel Tax	19.08	None
The Oakland Children's Initiative (Measure AA)	Parcel Tax	40.21	2048

(1) In millions.
Source: City of Oakland.

At the November 2018 election, 62.47% of Oakland voters voted in favor of a special parcel tax, "The Children's Initiative of 2018" (Measure AA), that would authorize the City to collect a 30-year annual parcel tax of $198 per year on single-family parcels, $135 per year on each multi-unit parcel, and an amount calculated based on parcel type and size for nonresidential parcels. The tax is estimated to raise $25 million annually to fund education for young children and boost college preparedness among high schoolers. Measure AA was challenged and the City delayed its implementation. A trial court entered judgment declaring the tax invalid. On December 30, 2021, the Court of Appeal issued its decision reversing the trial court's ruling that Measure AA was invalid and directing the trial court to enter judgment in favor of the City.

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 its subsequently revised and such revisions is adopted by the City Council.

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, 2023.

Table 14
City of Oakland
Operating Pool Portfolio
as of June 30, 2023

Investments	Market Value	Book Value	Percent of Portfolio	Days to Maturity	YTM 360 Equivalent	YTM 365 Equivalent
Federal Agency Issues – Coupon	$540,219,680.08	$566,016,032.84	26.12%	550	2.497	2.531
Federal Agency Issues – Discount	930,662,666.18	917,447,632.49	42.33	104	4.947	5.016
Money Market	380,000,000.00	380,000,000.00	17.53	1	4.946	5.015
Local Agency Investment Funds	49,241,424.95	50,000,000.00	2.31	1	3.124	3.167
Corporate Bonds	3,810,955.68	3,998,466.90	0.18	353	0.533	0.540
Negotiable CDs	9,998,640.00	10,000,000.00	0.46	268	5.734	5.813
Federal Agency Issues - Coupon/Bullet	230,392,540.35	234,870,704.76	10.84	241	2.701	2.739
Commercial Paper – Discount	4,997,890.00	4,928,741.67	0.23	2	5.103	5.174
TOTAL/AVERAGE	$2,149,323,797.24	$2,167,261,578.66	100%	216	4.017	4.073

Source: City of Oakland.

EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS

Labor Relations

As of July 1, 2023, 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 50% of City employees. Approximately 96% of City employees are covered by negotiated agreements, as detailed below.

Table 15
City of Oakland
Labor Relations
as of July 1, 2023

Employee Organization / Representation Unit	Number of Represented Employees	Contract Expiration
Confidential Management Employees' Association, Unit U31	37	June 30, 2025
International Association of Fire Fighters Local 55, Unit FQ1	440	June 30, 2026
International Brotherhood of Electrical Workers Local 1245, Units IE1, TV1	16	June 30, 2025
International Federation of Professional and Technical Engineers (IFPTE) (Includes TA1, TF1, TL1, TM2, TW1, UH1, U41, UM1 and UM2)	987	June 30, 2025
Service Employees International Union (SEIU) Local 1021	2,242	June 30, 2025
Oakland Police Officers' Association, Unit PP1, PT1	733	June 30, 2026
Oakland Police Management Association, Unit UN2	14	June 30, 2026
TOTAL	**4,469**	

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, and implementing new, lower costs tiers for employees hired after January 1, 2019, 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, 2022 – 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 City 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 July 1, 2022, PFRS covered no active employees and 686 retired employees and beneficiaries.

In accordance with voter-approved measures adopting the City 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. The City is allowed to levy the Pension Tax Override through 2026. The City is required to fund all liabilities for future benefits for all PFRS members by June 30, 2026, at which time the 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 2022-23 was $32.7 million, all of which was funded out of Pension Tax Override proceeds. Any unfunded liabilities that may remain after the expiration of the Pension Tax Override, as well as administrative expenses, would be an obligation of the City's General Fund.

As of June 30, 2022, the PFRS total pension liability of $553.3 million less the fiduciary net position of $401.5 million results in a net pension liability of approximately $151.8 million. The fiduciary net position as a percentage of the total pension liability is 72.6%.

As a result of the 2012 Pension Obligation Bonds, which funds were used to refund a $210,000,000 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 status of 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, 2022
($ 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]
2016	672.9	363.6	361.6	309.4	54.0	53.7	0
2017	673.4	333.4	353.2	340.1	49.5	52.4	0
2018	647.3	347.5	376.0	299.8	53.7	58.1	0
2019	622.8	361.0	384.7	261.8	58.0	61.8	0
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

(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, 2022. Most current information available.

Certain current assumptions and estimated contributions as of July 1, 2022, 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, 2022

	Valuation Assumptions
Investment Return	5.19%
City Contribution for FY 2022-23	$32.7 Million
City Contribution for FY 2023-24	$40.8 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, 2022.

The City's required contribution increased from $32.7 million in fiscal year 2023 to $40.8 million in fiscal year 2024, 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 Safety payroll by July 1, 2026, as is required under the City's 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 one 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 2023-24 are estimated to be 44.67% for miscellaneous employees and 57.30% 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 2019-20 through 2023-24, and CalPERS's projections for Fiscal Years 2024-25 and 2025-26. 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.

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Table 18
City of Oakland
California Public Employees' Retirement System
Contribution Rates and Amounts
Fiscal Years 2019-20 through 2023-24
and Projected Fiscal Years 2024-25 and 2025-26

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (Projected)[1]	2025-26 (Projected)[1]
Safety Plan							
Total Required Employer Contribution(as percentage of payroll)	46.97%	51.04%[3]	54.02%	56.61%	57.30%	56.1%	54.0%
Employer Normal Cost Rate (as percentage of payroll)	18.58%	19.51%	18.94%	18.53%	20.43%	19.9%	19.4%
Employer Unfunded Accrued Liability Contribution Amount	$46,171,999	$52,041,128	$61,868,629	$68,414,725	$66,753,911	$67,250,000	$66,089,000
Miscellaneous Plan							
Total Required Employer Contribution (as percentage of payroll)	42.22%	44.60%	45.83%	46.67%	44.66%	36.8%	32.5%
Employer Normal Cost Rate (as percentage of payroll)	11.60%	12.34%	11.85%	11.54%	12.28%	11.9%	11.5%
Employer Unfunded Accrued Liability Contribution Amount	$73,490,639	$80,187,025	$88,323,290	$96,340,598	$91,160,034	$72,266,000	$62,609,000

[1] Based on various assumptions, including 7.00% actuarial rate for Fiscal Year 2020-21 and each year thereafter.
Source: CalPERS Annual Valuation Reports as of June 30, 2015, through June 30, 2022. 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 2017 through 2022 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[1]	Unfunded Actuarial Accrued Liability	Funded Status (MVA Basis)	Annual Covered Payroll	UAAL as % of Payroll
2017	$1,997.7	$1,283.4	$714.3	64.2%	$149.4	478.1%
2018	2,176.7	1,370.9	805.8	63.0	152.2	529.5
2019	2,302.7	1,442.9	859.8	62.7	162.6	528.8
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

Source: CalPERS Actuarial Valuation Report as of June 30, 2022. 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
2017	$2,616.0	$1,783.4	$832.6	68.2%	$220.1	378.3%
2018	2,824.7	1,885.2	939.5	66.7	229.4	409.6
2019	2,913.0	1,961.1	951.9	67.3	239.6	397.3
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

Source: CalPERS Actuarial Valuation Report as of June 30, 2022. Most current information available.

For Fiscal Year 2023-24, the City's CalPERS pension contributions are $66.8 for the Safety plan and $91.1 for the Miscellaneous plan. The following Table 21 represents the City's annual contribution to CalPERS for Fiscal Years 2018-19 through 2022-23.

Table 21
City of Oakland
California Public Employees' Retirement System
Annual Pension Contributions
Fiscal Years 2018-19 through 2021-22
($ in Millions)

Fiscal Year Ended June 30	Annual Contributions
2019	$139.4
2020	160.3
2021	178.5
2022	184.9
2023	157.9

Effective July 1, 2011, all City employees pay the employee contributions.
(1) Amount includes both Safety and Miscellaneous plans.
Source: City of Oakland, Annual Financial Reports for Fiscal Years Ended June 30, 2019 through June 30, 2022.

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, including $10 million in both Fiscal Years 2017-18 and 2018-19 and $15 million in Fiscal Years 2021-22 and 2022-23. The balance of the CERBT as of August 1, 2023 was estimated to be $64.1 million.

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. See also "BUDGET AND FINANCIAL OPERATIONS – Financial Policies - *OPEB Funding Policy*." 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. The adopted budget for Fiscal Years 2023-25, provides for the resumption of these contributions at the policy level of 2.5%. The City anticipates contributing $16.0 million in Fiscal Year 2023-24 and an additional $16.0 million in Fiscal Year 2024-25.

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 22 sets forth certain information with respect to the City's OPEB obligations for the Fiscal Years ended June 30, 2018 through June 30, 2022.

Table 22
City of Oakland
Post-Employment Benefits Other than Pensions
Fiscal Years 2017-18 through 2021-22
($ in Millions)

Fiscal Year Ended June 30[(1)]	Total OPEB Liability	Net OPEB Liability	Actuarial Determined Contribution	Benefit payments	City Contribution [(5)]
2018	$853.8	$849.5	$72.5	$20.4	$38.1
2019	856.6	840.6	76.6	27.5	39.1
2020	625.9[(2)]	598.6	50.7	29.1	28.9
2021	871.1[(3)]	842.8	65.2	28.9	29.5
2022	653.5[(4)]	617.5	54.3	29.5	41.8

(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
Sources: City of Oakland Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2022.

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.

Table 23 below summarizes the City's outstanding General Obligation Bonds as of September 1, 2023.

Table 23
City of Oakland
General Obligation Bonds
as of September 1, 2023
($ in Thousands)

Issue Name	Purpose	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
General Obligation Refunding Bonds, Series 2015A	Refunded Series 2005, Series 2006 (Measure G) and Series 2009B (Measure DD)	6/2/2015	1/15/2039	$128,895	$59,980
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	23,340
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	37,205
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	28,705
General Obligation Refunding Bonds, Series 2020	Refunded General Obligation Refunding Bonds, Series 2012	2/27/2020	1/15/2033	64,260	50,290
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	195,235
TOTAL					$597,500

Source: City of Oakland.

The following Table 24 summarizes the voter-approved measures for which debt obligations have not yet been issued as of September 1, 2023. The City may seek additional voter authorization in the future.

Table 24
City of Oakland
General Obligation Bond Remaining Authorization
as of September 1, 2023
($ 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	84,940
Measure U	11/8/2022	Improvements to real property	$850,000	850,000

[1]Amounts shown do not reflect the issuance of the KK Series 2023 Bonds and Measure U Series 2023 Bonds, after which $___ million and $___ million, respectively, will remain authorized but unissued.
Source: City of Oakland.

Short-Term Obligations

For most of the last 17 fiscal years, 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 25 sets forth the principal amount of TRANs issued in Fiscal Years 2018-19 through 2022-23, 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 25
City of Oakland
Tax and Revenue Anticipation Notes
($ in Thousands)

Fiscal Year Ended June 30	Principal Amount
2018-19	$83,430
2019-20	97,255
2020-21	109,220
2021-22	124,085
2022-23	136,810

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 26 summarizes the City's outstanding long-term lease obligations and the principal amounts outstanding as of September 1, 2023.

Table 26
City of Oakland
Lease Obligations
as of September 1, 2023
($ 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)]	$12,068 [(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	30,185	Oakland Administration Buildings
Oakland-Alameda County Coliseum Authority Lease Revenue Notes (Oakland Coliseum Project), 2021 Refunding Series A (Taxable)	12/14/2021	2/1/2025	11,951[(1)]	6,611[(1)]	Coliseum Stadium
TOTAL				$48,864	

[(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, 2023, the City's master lease-purchase agreements, which generally are backed by the City's General Fund, were outstanding in the principal amount of $12,053,560. These financings are fixed rate with interest rates ranging from 1.6183% - 3.2300% and maturities between 2023 and 2030. As of September 1, 2023, the aggregate maximum annual debt service payment is $4,933,640 in Fiscal Year 2023-24.

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. The City annually levies an *ad valorem* tax at a rate of 0.1575% 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 27 summarizes the 2012 Pension Obligation Bonds as of September 1, 2023.

Table 27
City of Oakland
Pension Obligation Bonds
as of September 1, 2023
($ 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	$151,380
TOTAL				$151,380

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 paymentss. See Table 26 – "*City of Oakland Lease Obligations*" 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, 2022 – Note 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 28 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 1, 2023.

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Table 28
Tax Allocation Bonds
as of September 1, 2023
($ 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	$5,825
Broadway/MacArthur/San Pablo Redevelopment Project Tax Second Lien Allocation Bonds Series 2010-T (RZEDB)	11/12/2010	9/1/2040	7,390	6,695
TOTAL BROADWAY/MACARTHUR/SAN PABLO DISTRICT			$ 19,715	$12,520

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	$33,755

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	$45,185

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	36,565
Subordinated Tax Allocation Refunding Bonds, Series 2018-TE	6/6/2018	9/1/2031	15,190	15,190
Subordinated Tax Allocation Refunding Bonds, Series 2018-T	6/6/2018	9/1/2039	41,765	31,865
TOTAL MULTIPLE PROJECT AREAS AND HOUSING			$146,140	$106,130

Source: City of Oakland

Special Assessment

The City has debt outstanding for two bond issues supported by assessment districts. Debt service on each of these assessment and reassessment bond issues is paid solely from assessments levied on real property within the respective districts. The following Table 29 sets forth the City's outstanding special assessment bonds as of September 1, 2023.

Table 29
City of Oakland
Special Assessment Bonds
as of September 1, 2023
($ in Thousands)

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
City of Oakland 2012 Limited Obligation Refunding Improvement Bonds, Reassessment District No. 99-1	8/30/2012	9/2/2024	$3,545	$ 675
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	1,175
TOTAL				$1,850

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 $18,515,000 as of September 1, 2023, 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 September 30, 2023, according to California Municipal Statistics, Inc., is shown in the following Table 30. The City makes no representations as to the accuracy of the following table. Inquiries concerning the scope and methodology of procedures carried out to complete the information presented should be directed to California Municipal Statistics, Inc. 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.

Table 30
City of Oakland
Statement of Direct and Overlapping Debt
as of September 30, 2023

2023-24 Assessed Valuation: $85,412,303,101

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[(1)]	Debt 9/30/23
Alameda County	21.379%	$ 106,316,698
Bay Area Rapid Transit District	8.412	205,721,769
East Bay Regional Park District	13.317	19,370,908
Chabot-Las Positas Community College District	0.617	4,344,852
Peralta Community College District	56.918	247,143,648
Berkeley and Castro Valley Unified School Districts	0.002 & 0.103	145,235
Oakland Unified School District	99.999	992,215,078
San Leandro Unified School District	6.247	21,609,746
City of Oakland	**100%**	**597,500,000**
City of Oakland 1915 Act Bonds	100%	1,460,000
City of Piedmont 1915 Act Bonds	4.840	120,802
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,195,948,736
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Alameda County and Coliseum Authority General Fund Obligations	21.379%	$151,128,899
Alameda-Contra Costa Transit District Certificates of Participation	25.236	2,629,591
Peralta Community College District Pension Obligation Bonds	56.918	65,541,101
Castro Valley Unified School District Certificates of Participation	0.103	4,130
City of Oakland and Coliseum Authority General Fund Obligations	**100%**	**48,863,500**[(2)]
City of Oakland Pension Obligation Bonds	**100%**	**151,380,000**
Eden Township Healthcare Certificates of Participation	1.158	153,261
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$419,700,482
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	100%	$197,590,000
COMBINED TOTAL DEBT		$2,813,239,218[(3)]

Ratios to 2023-24 Assessed Valuation:
Direct Debt ($597,500,000) 0.70%
Total Direct and Overlapping Tax and Assessment Debt 2.57%
Total Direct Debt ($797,743,500) 0.93%
Combined Total Debt...3.29%

Ratio to 2022-23 Redevelopment Successor Agency Incremental Valuation ($27,513,689,743):
Total Overlapping Tax Increment Debt 0.72%

(1) 2022-23 ratios.
(2) Excludes the Bond issue to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

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. 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.

On November 19, 2019, the City Council approved, for submission to voters at the March 3, 2020 municipal election, a measure – now known as Measure S – to increase the City's appropriations limit for fiscal years 2020-21 through 2023-24 to ensure the City's ability to expend funds collected from eight (8) voter-approved general and special tax ballot measures relating to municipal services such as emergency dispatch services, paramedic services, libraries, violence prevention and services to the homeless without exceeding the City's appropriation limit. Passage of the measure required an affirmative vote of a majority of voters, and the Measure passed by the vote of 72.35% of the voters.

The appropriation for the City for Fiscal Year 2023-24 is $___ million, and the appropriations subject to the limit were $___ million, $___ million under the appropriations limit.

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 vehicle license fee 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 vehicle license fee 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 vehicle license fee 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.

On February 1, 2023, the California Secretary of State announced that a ballot initiative known as the "Taxpayer Protection and Government Accountability Act" ("**Initiative 1935**") received the required number of signatures to appear on the November 5, 2024 ballot. If approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIIIA, XIIIC and XIIID of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees. The full text of Initiative 1935 may be viewed at the website of the California Attorney General.

Among other things, Initiative 1935 would amend the definition of "tax" in Article XIIIC to include "every levy, charge, or exaction of any kind imposed by a local law that is not an exempt charge." Initiative 1935 defines "exempt charge" to mean a "reasonable charge 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 actual costs [as opposed to the reasonable costs] of providing the service or product to the payor." "Exempt charges" also encompass existing exceptions from the definition of "tax" added to Article XIIIC by Proposition 26, including property-related fees imposed in accordance with Article XIIID (see "—Articles XIIIC and XIIID of the California Constitution" above). "Actual costs" is defined as "the minimum amount necessary to reimburse the government for the cost of providing the service or product … less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product." Initiative 1935 further provides that the local government adopting an exempt charge would bear the burden of proving by clear and convincing evidence (as opposed to a preponderance of the evidence) that: (a) a levy, charge or exaction is an exempt charge and not a tax; and (b) the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor. Initiative 1935 would also amend Article XIIIC to provide that no local law, whether proposed by the governing body or by an elector, may impose any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote. The full definitions of the terms referenced above, along with the full text of Initiative 1935, may be viewed at the website of the California Attorney General.

Initiative 1935 is retroactive and provides that any tax or exempt charge adopted after January 1, 2022, but prior to the effective date of Initiative 1935, which was not adopted in compliance with the requirements thereof, would be void 12 months after the effective date of Initiative 1935, unless the tax or exempt charge is reenacted in compliance with the provisions of Initiative 1935.

The City cannot predict whether Initiative 1935 will be approved at the November 5, 2024 Statewide election. If Initiative 1935 is approved, the City cannot provide any assurances that it will not have a material adverse effect on the City's ability to adopt or increase rates, fees, and charges for the various services provided by the City.

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, 2022 – Note 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, 2023, the City Liability Program had estimated outstanding losses of $82,671,644 calculated at the expected confidence level. As of June 30, 2023, the City's Self-Insured Workers' Compensation Program had estimated outstanding losses of $69,530,774 calculated at the expected confidence level. Workers' compensation claims are paid through annual appropriations, with approximately $20,286,058 expected to be paid out during the Fiscal Year 2023-24.

Litigation

The City is involved in certain litigation and disputes relating to its operations. The following matters in which the City is a party, if determined by the court against the City, could have significant impact on the financial condition and/or business operations of the City. Upon the basis of information presently available, the City Attorney believes that in these matters where the City is a defendant: (1) there are substantial defenses to such litigation; and (2) in any event, any ultimate liability in the aggregate in excess of applicable insurance coverage resulting therefrom will not materially affect the ability of the City to pay debt service on the Bonds (as defined in the forepart Official Statement).

Zolly, McFadden and Clayton Litigation. In the matter of *Robert Zolly, Ray McFadden and Stephen Clayton v. City of Oakland, et al.*, the Plaintiffs, owners of multi-family dwelling properties in the City filed suit in June, 2016, alleging that: (1) the refuse collection, disposal, and recycling rates charged by the City's two franchisees, Waste Management of Alameda County ("**WMAC**") and California Waste Solutions ("**CWS**"); (2) the franchise fees that the franchisees pay to the City under their respective franchise agreements; and (3) the California statutory recycling fee (AB 939); all violate California Constitution Article XIIID. That provision of the state Constitution imposes certain restrictions on charges and fees for property-related public services. The contracts at issue went into effect on July 1, 2015. The WMAC contract has a 10-year term with the possibility of renewal, and the CWS contract has a 20-year term.

The case has been extensively litigated on the law (i.e., the parties have not yet reached discovery), including through a successful demurrer at the Superior Court, three amended complaints by Plaintiffs that increasingly narrowed the scope of their claims, through a Court of Appeal decision against the City and in Plaintiffs' favor, and now to the California Supreme Court. The course of the case has been heavily impacted by that Court's 2017 decision in *Jacks, et al v. City of Santa Barbara*, which provided guidance on whether compensation for the use of government property (i.e., a fee, such as a franchise fee) was subject to voter approval under Proposition 218.

Plaintiffs prevailed at the Court of Appeal, successfully arguing for a sweeping rule that would invalidate many local government franchise fees as impermissible taxes. The City sought review by the California Supreme Court, and that petition was granted in August 2020. The case is now fully briefed on the merits before the Court, and amicus briefs for and against the City have been filed by a number of parties. Argument is not yet scheduled.

A full recovery for Plaintiffs would include an as-of-yet undetermined portion of the $28 million annual franchise fee and the $3 million AB 939 fee, as well as a likely award of attorneys' fees. Any tax refunds arising from the litigation would likely be excluded from the City's insurance coverage.

APPENDIX B

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2022

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$___	**$___**	**$___**
City of Oakland	**City of Oakland**	**City of Oakland**
General Obligation Bonds	**General Obligation Bonds**	**General Obligation Bonds**
(Measure KK)	**(Measure U)**	**(Measure U)**
Series 2023D	**Series 2023A-1**	**Series 2023A-2**
(Tax-Exempt)	**(Tax-Exempt)**	**(Taxable) (Social Bonds)**

This Continuing Disclosure Certificate (the "Disclosure Certificate") dated ___, 2023, is executed and delivered by the City of Oakland (the "City") in connection with the issuance of $___ aggregate principal amount of the above-named bonds (the "Bonds"). The Bonds are issued under provisions of the Constitution of the State of California (the "State"), the City's Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54, the Charter of the City, and other applicable laws of the State. 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 [___,] 2023 (the "Resolution"). Bonds are being issued by the City pursuant to a Fiscal Agent Agreement, dated as of ___, 2023 (the "Fiscal Agent Agreement"), between the City and U.S. Bank Trust Company, 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, 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 ___, 2023.

"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.

"State" shall mean the State of California.

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 2022-23 Fiscal Year (which is due not later than March 31, 2024), 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 KK) SERIES 2023D (TAX-EXEMPT)
	CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE U) SERIES 2023A-1 (TAX-EXEMPT)
	CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE U) SERIES 2023A-2 (TAXABLE) (SOCIAL BONDS)
Date of Issuance:	___, 2023

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, New York, New York ("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, Hawkins Delafield & Wood LLP, Bond Counsel to the City, proposes to render its opinion with respect to the Bonds in substantially the following form:

{To come from Bond Counsel}