



AGENDA REPORT

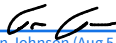
TO: Jestin D. Johnson
City Administrator

FROM: Erin Roseman
Director of Finance

SUBJECT: Fiscal Year 2024-25 Tax Levy For
Voter Approved Indebtedness

DATE: August 1, 2024

City Administrator Approval


Jestin Johnson (Aug 5, 2024 09:18 PDT)

Date: **Aug 5, 2024**

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Fixing The Rate Of Property Tax And Levying A Tax On Real And Personal Property In The City Of Oakland For Fiscal Year 2024-25 For Voter-Approved Indebtedness.

EXECUTIVE SUMMARY

Adoption of the proposed resolution will permit the City of Oakland (the “City”) to collect the Fiscal Year 2024-25 (“FY24-25”) property tax revenues for the payment of the City’s voter approved outstanding general obligation (“GO”) bonds debt service and Police and Fire Retirement System (“PFRS”) obligations. The City must annually set property tax levy rates, based on the assessed valuation subject to taxation, and must inform the County of Alameda (the “County”) of these rates by August 31st for inclusion on the stated year’s property tax bill. If the estimated GO bond rates need to be adjusted to reflect the actual figures for the assessed valuation, the City Administrator or his designee will be authorized to make the necessary adjustments.

This resolution is submitted during the Summer Recess in order to calculate the property tax levy rates using FY24-25’s assessed valuation figures, which become available in early August, and meet the County’s August 31st deadline for submitting these rates for inclusion on this year’s property tax bill.

BACKGROUND / LEGISLATIVE HISTORY

The proposed resolution has been prepared pursuant to California Government Code and Article VIII, Section 802, of the Oakland City Charter, setting the FY24-25 property tax rate for voter-approved indebtedness. Article XIII A of the California Constitution (Proposition 13) precludes the adoption of a City-wide property tax rate. A County-wide one percent (1%) property tax rate is assessed by Alameda County and apportioned to cities and special districts in accordance with State law.

Mayor’s/Council Summer Recess
August 20, 2024

ANALYSIS AND POLICY ALTERNATIVES

The Citywide priority advanced by this recommended policy action meets the goal of a **responsive, trustworthy government**.

For the City’s outstanding GO bonds, the required property tax levy rates are calculated annually based on the year’s debt service obligations and assessed valuation figures.

For FY2024-25, the property tax levy rate required to fund the City’s continuing indebtedness to PFRS is 0.0705%.

For the City’s FY2024-25 voter-approved indebtedness, the rates in **Table 1** are estimated to satisfy the debt service obligations of the indicated GO bond series and indebtedness to PFRS.

Table 1: Property Tax Rates

Bond Issue		Property Tax Rates
\$128,895,000	General Obligation Refunding Bonds, Series 2015A	0.0065%
\$26,500,000	General Obligation Bonds, Series 2017C (Measure DD)	0.0016%
\$62,735,000	General Obligation Bonds, Series 2017A-1 (Measure KK)	0.0023%
\$55,120,000	General Obligation Bonds, Series 2017A-2 (Measure KK)	0.0044%
\$140,010,000	General Obligation Bonds, Series 2020B-1 (Measure KK)	0.0041%
\$44,880,000	General Obligation Bonds, Series 2020B-2 (Measure KK)	0.0048%
\$64,260,000	General Obligation Refunding Bonds, Series 2020	0.0087%
\$198,645,000	General Obligation Bonds, Series 2022C-1 (Measure KK)	0.0097%
\$32,760,000	General Obligation Bonds, Series 2023A-1 (Measure U)	0.0000%
\$68,370,000	General Obligation Bonds, Series 2023A-2 (Measure U)	0.0019%
\$52,580,000	General Obligation Bonds, Series 2023D (Measure KK)	0.0000%
	Police and Fire Retirement System obligations	0.0705%
Total Levy Rate		0.11450%

In the event of any changes to the County’s assessed valuation data, the proposed resolution allows the City Administrator or his designee to approve any necessary adjustments in the property tax levy rates for the indicated general obligation bonds prior to the County’s preparation of the tax bills. The City Council will be notified of any significant changes to the rates estimated in this report.

FISCAL IMPACT

Adoption of this proposed resolution will allow the City to levy and collect the FY24-25 property tax revenues of approximately \$37 million, which are included in the FY 2024-2025 Adopted Mid-Cycle Budget, for the payment of debt service on the City’s outstanding general obligation bonds and \$59 million for the payment of Police and Fire Retirement System obligations. The property tax rate calculations can be found in **Attachment A**.

PUBLIC OUTREACH / INTEREST

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

COORDINATION

This report was prepared by the Finance Department, and the legislation has been reviewed by the City Attorney's Office.

SUSTAINABLE OPPORTUNITIES

Economic: Essential City services that serve the public greatly rely upon revenues generated from voter-approved special tax measures.

Environmental: There are no direct environmental impacts associated with the City Council action requested in this report.

Race & Equity: To the extent authorized by the individual measure, the funding provided from tax levies can be used to support Oakland's equity goals and objectives, including programs and services to Oakland's vulnerable population and communities of color. Some voter-approved measures, other than the general obligation bond measures, provide a mechanism for the exemptions from parcel tax to qualifying low-income households, senior households, affordable housing projects and certain religious organizations and schools.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Fixing The Rate Of Property Tax And Levying A Tax On Real And Personal Property In The City Of Oakland For Fiscal Year 2024-25 For Voter-Approved Indebtedness.

For questions regarding this report, please contact Dawn Hort, Assistant Treasury Administrator, at (510) 238-2994.

Respectfully submitted,



Erin Roseman (Aug 2, 2024 12:00 PDT)

ERIN ROSEMAN
Director of Finance
Finance Department

Reviewed by:
David Jones, Treasury Administrator
Treasury Bureau

Prepared by:
Greg Danielian, Financial Analyst
Treasury Bureau

Attachments (1)

(A) : General Obligation Bonds Levy Calculations for Fiscal Year 2024-25