



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.

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

Attachment A

City of Oakland General Obligation Bonds Levy Calculations for Fiscal Year 2024-25

Bond Description Fund Number		Series 2015A (Refunding) 6064	Series 2017C (Measure DD) 6322	Series 2017A-1 (Measure KK) 6330	Series 2017A-2 (Measure KK) 6331	Series 2020B-1 (Measure KK) 6332	Series 2020B-2 (Measure KK) 6333	Series 2020 (Refunding) 6334	Series 2022C-1 (Measure KK) 6335	Series 2023 A-1 (Measure U) 6340	Series 2023A-2 (Measure U) 6341	Series 2023D (Measure KK) 6337	GOB TOTAL
Cash available for debt service as of	6/30/2024												
Cash held by Treasury		1,095,736	389,846	1,175,006	560,378	2,037,974	538,291	-938,363	7,889,491	802,483	11,203,936	1,183,846	25,938,624
Cash held by Trustee		2,753	7,570	652	2,057	1,440	3,412	3,858	2,573	1,831,021	698	3,108,553	4,964,589
Total cash as of	6/30/2024	1,098,489	397,416	1,175,658	562,436	2,039,414	541,704	-934,505	7,892,065	2,633,504	11,204,635	4,292,399	30,903,214
Debt service payments through	12/31/2025												
DS payments for	FY 2024-25	5,504,675	1,447,931	2,239,056	4,129,280	3,932,700	4,956,444	5,798,950	10,437,900	1,755,463	12,926,355	2,811,850	55,940,604
DS payment for	7/15/2025	1,245,588	387,966	1,119,528	501,615	1,966,350	189,006	414,622	7,144,200	877,731	1,722,419	1,405,925	16,974,949
DS payment for	12/31/2025	-	-	-	-	-	-	-	-	-	-	-	-
Bank and Bond expenses for	FY 2024-25	12,500	8,500	8,500	8,500	12,000	8,500	8,000	8,500	8,500	8,500	8,500	100,500
Total debt service through	12/31/2025	6,762,763	1,844,397	3,367,084	4,639,395	5,911,050	5,153,950	6,221,572	17,590,600	2,641,694	14,657,274	4,226,275	73,016,053
Total DS Shortfall		5,664,274	1,446,981	2,191,426	4,076,959	3,871,636	4,612,246	7,156,077	9,698,535	8,189	3,452,639	(66,124)	42,112,839
Add: Reserve of DS at	6.00%	330,281	86,876	134,343	247,757	235,962	297,387	347,937	626,274	105,328	775,581	168,711	3,356,436
Unsecured Roll (Prior Year's Rate)	FY 2023-24	(162,158)	(66,771)	(109,695)	(195,544)	(190,775)	(267,084)	(85,849)	(629,556)	(81,556)	(734,005)	(109,695)	(2,632,690)
Add: Projected delinquencies, unsecured roll at	6.48%	10,508	4,327	7,108	12,671	12,362	17,307	5,563	40,795	5,285	47,564	7,108	170,598
Less: Unitary Tax collected as of	FY 2023-24	(428,701)	(176,524)	(290,004)	(516,963)	(504,354)	(706,096)	(226,959)	(1,664,369)	(37,246)	(1,940,503)	0	(6,491,718)
Balance to be levied on tax roll		5,414,203	1,294,889	1,933,179	3,624,880	3,424,832	3,953,760	7,196,769	8,071,679	0	1,601,276	0	36,515,466
Assessed Valuation ⁽¹⁾		83,041,997,549	83,041,997,549	83,041,997,549	83,041,997,549	83,041,997,549	83,041,997,549	83,041,997,549	83,041,997,549	83,041,997,549	83,041,997,549	83,041,997,549	83,041,997,549
Secured tax rate ⁽²⁾		0.0065%	0.0016%	0.0023%	0.0044%	0.0041%	0.0048%	0.0087%	0.0097%	0.0000%	0.0019%	0.0000%	0.0440%
Prior year's secured tax rate		0.0034%	0.0014%	0.0023%	0.0041%	0.0040%	0.0056%	0.0018%	0.0132%	0.0017%	0.0154%	0.0023%	0.0552%
Variance		0.0031%	0.0002%	0.0000%	0.0003%	0.0001%	-0.0008%	0.0069%	-0.0035%	-0.0017%	-0.0135%	-0.0023%	-0.0112%
Note: Totals may not add up due to rounding.													

(1) AV is net of 1.77% in secured roll delinquencies.

(2) Expected Unitary Tax Revenue for FY 2024-25 not factored into the secured tax rate given the uncertainty of the value of receipt; it will be taken into account for FY 2025-26 tax roll once the monies from the County are received.

Delinquency Calculation

Unsecured roll (Net AV plus Homeowner's	4,769,365,621	4,769,365,621	4,769,365,621	4,769,365,621	4,769,365,621	4,769,365,621	4,769,365,621	4,769,365,621	4,769,365,621	4,769,365,621	4,769,365,621	4,769,365,621	4,769,365,621
Prior year's tax rate	0.0034%	0.0014%	0.0023%	0.0041%	0.0040%	0.0056%	0.0018%	0.0132%	0.0017%	0.0154%	0.0023%	0.0552%	0.0552%
Prior year's delinquency rate, unsecured roll	162,158	66,771	109,695	195,544	190,775	267,084	85,849	629,556	81,556	734,005	109,695	2,632,690	2,632,690
Projected delinquencies, unsecured roll	10,508	4,327	7,108	12,671	12,362	17,307	5,563	40,795	5,285	47,564	7,108	170,598	170,598

APPROVED AS TO FORM AND LEGALITY


CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

**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**

WHEREAS, the City of Oakland (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 that year’s property tax bill; and

WHEREAS, passage of this resolution will permit the City to collect the Fiscal Year 2024-25 tax revenues for the payment of ongoing obligations and indebtedness of the City to the Police and Fire Retirement System and debt service on outstanding and certain expected City general obligation bonds, as approved by the voters of the City; and

WHEREAS, this resolution cannot be deferred for Council approval following the Council recess because the City must set the rates and inform the County by August 31st for inclusion on the year’s property tax bill, and the City calculates the property tax levy rates using Fiscal Year 2024-25’s assessed valuation figures which are published by the County annually in early August; now, therefore be it

RESOLVED: That a tax of 0.0705% is hereby fixed and levied for Fiscal Year 2024-25 on taxable property, real and personal, within the corporate limits of the City, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended to fund payment of ongoing indebtedness of the City to the Police and Fire Retirement System as approved by the voters of the City; and be it

FURTHER RESOLVED: That an estimated tax of 0.0065% is hereby fixed and levied for Fiscal Year 2024-25 on taxable property, real and personal, within the corporate limits of the City, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Refunding Bonds, Series 2015A, as approved by the voters of the City; and be it

FURTHER RESOLVED: That an estimated tax of 0.0016% is hereby fixed and levied for Fiscal Year 2024-25 on taxable property, real and personal, within the corporate limits of the City, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby

identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2017C (Measure DD), as approved by the voters of the City; and be it

FURTHER RESOLVED: That an estimated tax of 0.0023% is hereby fixed and levied for Fiscal Year 2024-25 on taxable property, real and personal, within the corporate limits of the City, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2017A-1 (Measure KK), as approved by the voters of the City; and be it

FURTHER RESOLVED: That an estimated tax of 0.0044% is hereby fixed and levied for Fiscal Year 2024-25 on taxable property, real and personal, within the corporate limits of the City, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2017A-2 (Measure KK), as approved by the voters of the City; and be it

FURTHER RESOLVED: That an estimated tax of 0.0041% is hereby fixed and levied for Fiscal Year 2024-25 on taxable property, real and personal, within the corporate limits of the City, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2020B-1 (Measure KK), as approved by the voters of the City; and be it

FURTHER RESOLVED: That an estimated tax of 0.0048% is hereby fixed and levied for Fiscal Year 2024-25 on taxable property, real and personal, within the corporate limits of the City, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2020B-2 (Measure KK), as approved by the voters of the City; and be it

FURTHER RESOLVED: That an estimated tax of 0.0087% is hereby fixed and levied for Fiscal Year 2024-25 on taxable property, real and personal, within the corporate limits of the City of Oakland, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Refunding Bonds, Series 2020, as approved by the voters of the City; and be it

FURTHER RESOLVED: That an estimated tax of 0.0097% is hereby fixed and levied for Fiscal Year 2024-25 on taxable property, real and personal, within the corporate limits of the City, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2022C-1 (Measure KK), as approved by the voters of the City; and be it

FURTHER RESOLVED: That an estimated tax of 0.0000% is hereby fixed and levied for Fiscal Year 2024-25 on taxable property, real and personal, within the corporate limits of the City, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2023A-1 (Measure U), as approved by the voters of the City; and be it

FURTHER RESOLVED: That an estimated tax of 0.0019% is hereby fixed and levied for Fiscal Year 2024-25 on taxable property, real and personal, within the corporate limits of the City, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby

identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2023A-2 (Measure U), as approved by the voters of the City; and be it

FURTHER RESOLVED: That an estimated tax of 0.0000% is hereby fixed and levied for Fiscal Year 2024-25 on taxable property, real and personal, within the corporate limits of the City, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2023D (Measure KK), as approved by the voters of the City; and be it

FURTHER RESOLVED: That if the estimated General Obligation Bond rates of 0.0065% for Series 2015A, 0.0016% for Series 2017C, 0.0023% for Series 2017A-1, 0.0044% for Series 2017A-2, 0.0041% for Series 2020B-1, 0.0048% for Series 2020B-2, 0.0087% for Series 2020, 0.0097% for Series 2022C-1, 0.0000% for Series 2023A-1, 0.0019% for Series 2023A-2, and 0.0000% for Series 2023D need to be adjusted to reflect the actual figures for the assessed valuations, the City Administrator is hereby authorized to make the necessary adjustments.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, JENKINS, KALB, KAPLAN, RAMACHANDRAN, REID, AND
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California