



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Erin Roseman
Director of Finance

SUBJECT: Fiscal Year 2021-22 Tax Levy For
Voter Approved Indebtedness

DATE: August 2, 2021

City Administrator Approval


LaTonda Simmons (Aug 6, 2021 11:20 P)

Date: Aug 6, 2021

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 2021-22 For Voter-Approved Indebtedness.

EXECUTIVE SUMMARY

Adoption of the proposed resolution will permit the City of Oakland (the “City”) to collect the Fiscal Year 2021-22 (“FY21-22”) 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 FY21-22’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 FY21-22 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/Council Recess
August 24, 2021

ANALYSIS AND POLICY ALTERNATIVES

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 the City's FY21-22 voter-approved indebtedness, the rates in **Table 1** are estimated to satisfy the debt service obligations of the indicated GO bond series.

Table 1: Property Tax Rates

Bond Issue		Property Tax Rates
\$128,895,000	General Obligation Refunding Bonds, Series 2015A	0.0148%
\$26,500,000	General Obligation Bonds, Series 2017C (Measure DD)	0.0016%
\$62,735,000	General Obligation Bonds, Series 2017A-1 (Measure KK)	0.0024%
\$55,120,000	General Obligation Bonds, Series 2017A-2 (Measure KK)	0.0045%
\$140,010,000	General Obligation Bonds, Series 2020B-1 (Measure KK)	0.0049%
\$44,880,000	General Obligation Bonds, Series 2020B-2 (Measure KK)	0.0096%
\$64,260,000	General Obligation Refunding Bonds, Series 2020	0.0058%

For FY21-22, the property tax levy rate required to fund the City's continuing obligations and indebtedness to PFRS is 0.1575%.

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 resolution will allow the City to levy and collect the FY21-22 property tax revenues of approximately \$31.7 million which are included in the FY 2021-2023 Adopted Policy Budget for the payment of debt service on the City's outstanding general obligation bonds and Police and Fire Retirement System obligations. The property tax rates calculations can be found in **Attachment A**.

PUBLIC OUTREACH / INTEREST

This item did not require additional 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 the voter-approved special tax measures.

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

Race & Equity: The funding provided from the 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 provide a mechanism for the exemptions from parcel tax to qualifying low-income households, senior household, 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 2021-22 For Voter-Approved Indebtedness.

For questions regarding this report, please contact David Jones, Treasury Administrator, at (510) 238-6508.

Respectfully submitted,



[Erin Roseman \(Aug 6, 2021 09:26 PDT\)](#)

Erin Roseman
Director of Finance

Reviewed by:
David Jones, Treasury Administrator

Prepared by:
Jackie Lee, Principal Financial Analyst

Attachments (1):

A: General Obligation Bonds Levy Calculations for Fiscal Year 2021-22

ATTACHMENT A

City of Oakland
General Obligation Bonds

Levy Calculations for Fiscal Year 2021-22

Bond Description		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	GOB TOTAL
Cash available for debt service as of	6/30/2021								
Cash held by Treasury		3,879,189	690,445	1,480,251	1,296,255	-	829,614	1,902,065	10,077,818
Cash held by Trustee		2	0	1	1	2,579,634	6	-	2,579,644
Total cash as of	6/30/2021	3,879,191	690,445	1,480,252	1,296,255	2,579,634	829,620	1,902,065	12,657,462
Debt service payments through	12/31/2022								
DS payments for	FY 2021-22	13,670,925	1,450,181	2,239,056	4,133,605	3,932,700	7,809,475	5,801,647	39,037,589
DS payment for	7/15/2022	1,645,838	433,716	1,119,528	634,365	1,966,350	294,587	529,249	6,623,632
DS payment for	12/31/2022	-	-	-	-	-	-	-	-
Bank and Bond expenses for	FY 2021-22	8,000	11,000	7,500	7,500	7,500	7,500	7,000	56,000
Total debt service through	12/31/2022	15,324,763	1,894,897	3,366,084	4,775,470	5,906,550	8,111,562	6,337,896	45,717,221
Total DS Shortfall		11,445,572	1,204,452	1,885,833	3,479,215	3,326,916	7,281,942	4,435,831	33,059,759
Add: Reserve of DS at	6.00%	820,256	87,011	134,343	248,016	235,962	468,568	348,099	2,342,255
Add: Projected delinquencies, unsecured roll at	5.22%	39,806	4,322	6,824	12,283	-	20,699	15,468	99,402
Less: Unitary Tax collected as of	FY 2020-21	(1,524,135)	(165,478)	(261,280)	(470,305)	-	(792,550)	(592,235)	(3,805,984)
Balance to be levied on tax roll		10,781,498	1,130,307	1,765,720	3,269,209	3,562,878	6,978,659	4,207,162	31,695,432
Assessed Valuation ⁽¹⁾		72,865,782,834	72,865,782,834	72,865,782,834	72,865,782,834	72,865,782,834	72,865,782,834	72,865,782,834	72,865,782,834
Secured tax rate ⁽²⁾		0.0148%	0.0016%	0.0024%	0.0045%	0.0049%	0.0096%	0.0058%	0.0435%
Prior year's secured tax rate		0.0175%	0.0019%	0.0030%	0.0054%	0.0000%	0.0091%	0.0068%	0.0437%
Variance		-0.0027%	-0.0003%	-0.0006%	-0.0009%	0.0049%	0.0005%	-0.0010%	-0.0002%
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 2021-22 not factored into the secured tax rate given the uncertainty of the value of receipt; it will be taken into account for FY 2022-23 tax roll once the monies from County are received.									
Delinquency Calculation									
Unsecured roll (Net AV plus Homeowner's Exemptions)		4,357,536,716	4,357,536,716	4,357,536,716	4,357,536,716	4,357,536,716	4,357,536,716	4,357,536,716	4,357,536,716
Prior year's tax rate		0.0175%	0.0019%	0.0030%	0.0054%	0.0000%	0.0091%	0.0068%	0.0437%
Prior year's delinquency rate, unsecured roll		762,569	82,793	130,726	235,307	-	396,536	296,312	1,904,244
Projected delinquencies, unsecured roll		39,806	4,322	6,824	12,283	-	20,699	15,468	99,402
Projected Unitary Tax Calculation									
Unitary Tax for	FY 2020-21	1,524,135	165,478	261,280	470,305	-	792,550	592,235	3,805,984

