



CITY OF OAKLAND

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OAKLAND

2019 MAR 21 PM 1:08

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Director of Finance

SUBJECT: Delinquent Real Property Transfer
Taxes

DATE: March 11, 2019

City Administrator Approval

Date:

3/21/19

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Accepting and Confirming Reports of the City Administrator on the Costs Incurred by the City of Oakland for Delinquent Real Property Transfer Taxes and Authorizing the Recordation of Liens with Administrative and Assessment Charges as Necessary Pursuant to Chapter 4.20 of the Oakland Municipal Code, and Directing the Notice of Lien and Assessment Charges be Turned Over to the County Tax Collector for Collection (Option 1); or

Adopt a Resolution Continuing Hearing Of The Reports Of The City Administrator On Delinquent Real Property Transfer Taxes And The Recordation Of Liens With Administrative And Assessment Charges As Necessary Pursuant To Chapter 4.20 Of The Oakland Municipal Code (Option 2); or

Adopt a Resolution Overruling Protests And Objections And Accepting And Confirming Reports Of The City Administrator On The Costs Incurred By The City Of Oakland For Delinquent Real Property Transfer Taxes And Authorizing The Recordation Of Liens With Administrative And Assessment Charges As Necessary Pursuant To Chapter 4.20 Of The Oakland Municipal Code, And Directing The Notice Of Lien And Assessment Charges Be Turned Over To The County Tax Collector For Collection (Option 3)

EXECUTIVE SUMMARY

Staff Recommends Option 1.

Adopt a Resolution Accepting and Confirming Reports of the City Administrator on the Costs Incurred by the City of Oakland for Delinquent Real Property Transfer Taxes and Confirming the Recordation of Liens with Administrative and Assessment Charges as Necessary Pursuant to Chapter 4.20 of the Oakland Municipal Code, and Directing the Notice of Lien and Assessment Charges be Turned Over to the County Tax Collector for Collection.

Item: _____
City Council
April 2, 2019

Adoption of the recommended Resolution (**Option 1**) will authorize the placement of liens on real property for unpaid Real Property Transfer Taxes ("RPTT") and authorize the subsequent assessment, pursuant to Chapter 4.20 of the Oakland Municipal Code (O.M.C.), should the fees and charges remain unpaid prior to the transfer/recording of said special assessment levies to the Tax Collector and Auditor Controller for inclusion on the next property tax roll. All fees, charges and due dates are detailed on taxpayer notices and City Council Hearing notices. The proposed resolution has been prepared confirming the placement of liens on 24 properties and authorizing the subsequent assessment for all fees and charges for the period of August 2018 through November 2018, shown in **Attachment A**.

BACKGROUND / LEGISLATIVE HISTORY

Pursuant to O.M.C Chapter 4.20, all transfers of real property within the city limits of Oakland are subject to the real property transfer tax. The tax is due upon transfer of an interest of real property and is payable at the time of recordation with the Alameda County Recorder. The tax rate is 1.50 percent of the total value of the consideration transferred, with some exceptions as provided in the OMC. The seller and buyer are jointly and severally liable for payment of the tax as stated in Chapter 4.20 of the O.M.C.

ANALYSIS AND POLICY ALTERNATIVES

Property owners subject to the recordation of a lien for delinquent RPTT were sent a City Council Lien notice on March 11, 2019.

Administrative hearings for delinquent real property transfer taxes were held on November 5, 2018, December 3, 2018, and January 7, 2019 to hear protests and resolve inconsistencies or inequities raised by property owners regarding the non-payment of real property transfer taxes. A resolution has been prepared confirming the placement of liens on 24 properties and authorizing the subsequent assessment for all fees and charges.

Following the administrative hearings, the Finance Director filed with the City Administrator a written notice of those property owners of whom the City will file liens for unpaid taxes, penalties, interest, and other charges. If these amounts remain unpaid or unresolved after a public hearing by the City Council, the City Council shall authorize by resolution the recordation of liens on the subject properties for costs incurred for delinquent real property transfer taxes, and additional administrative charges and assessments. The delinquent charges and assessments shall constitute a special assessment against said property, and shall be collected at the time established by the County Assessor for inclusion in the next property tax assessment.

FISCAL IMPACT

A list of delinquent real property transfer taxes and administrative fees for the accounts not resolved at the administrative hearings is shown in **Attachment A**. Failure to place these liens will result in the loss of \$279,209.92 in General Purpose Fund revenues and \$3,000.00 in administrative fees, for a total of \$282,209.92 over the period of August 2018 through November 2018.

PUBLIC OUTREACH / INTEREST

Property owners were notified and administrative hearings for delinquent RPTT were held on November 5, 2018, December 3, 2018, and January 7, 2019 to hear protests and resolve any inconsistencies or inequities raised by property owners regarding the non-payment of RPTT. Property owners subject to the recordation of a lien for delinquent RPTT were sent a Council Lien notice on March 11, 2019.

COORDINATION

In coordination with the Budget Bureau, the agenda report, resolutions, and supporting items attached to this report have been reviewed and/or approved for fiscal implications.

SUSTAINABLE OPPORTUNITIES

Economic: Collections of delinquent real property transfer taxes have major economic implications for the City's sustainability. The revenue source is relied upon to fund essential City services.

Environmental: There are no environmental opportunities resulting from the recordation of liens.

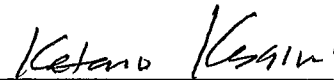
Social Equity: Collections of delinquent real property transfer taxes have significant social equity implications for the City's sustainability. The revenue source is relied upon to fund essential City services to all citizens and taxpayers.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that the City Council Conduct a Public Hearing and upon Conclusion Adopt a Resolution Accepting and Confirming Reports of the City Administrator on the Costs Incurred by the City of Oakland for Delinquent Real Property Transfer Taxes and Authorizing the Recordation of Liens with Administrative and Assessment Charges as Necessary Pursuant to Chapter 4.20 of the Oakland Municipal Code, and Directing the Notice of Lien and Assessment Charges be Turned Over to the County Tax Collector for Collection (**Option 1**).

For questions regarding this report, please contact MARGARET O'BRIEN, REVENUE & TAX ADMINISTRATOR at (510) 238-7480.

Respectfully submitted,



KATANO KASAINÉ
Director of Finance

Reviewed by:
Margaret O'Brien, Revenue & Tax Administrator
Revenue Management Bureau

Prepared by:
Carmen Q. Mac, Tax Auditor III
Revenue Management Bureau

*Attachment (A):
A: R.P.T.T City Council Hearing Listing*

CITY OF OAKLAND								
R.P.T.T. CITY COUNCIL HEARING LISTING FOR 4/2/2019								
Ref	DEBTOR NAME	PROPERTY ADDRESS	PARCEL #	Recording #	Invoice	AMOUNT	Admn. Fee	Total
1	Rosa Elida Cruz	10820 Edes Ave	045-5263-026-00	2017137410	RPTT083118-03	\$ 2,128.16	\$ 125.00	\$ 2,253.16
2	Kevin Roberts and Mauricio Midence	1119 E 24th St	022-0320-019-00	2017120984	RPTT083118-04	\$ 16,143.75	\$ 125.00	\$ 16,268.75
3	WO Adeline LP	1130 Adeline St	004-0033-058-00	2017139550	RPTT083118-10	\$ 17,988.75	\$ 125.00	\$ 18,113.75
4	William T Booker & Risha Riley Booker	201 Sequoyah View Drive	048-6501-023-00	2017124119	RPTT083118-14	\$ 18,065.67	\$ 125.00	\$ 18,190.67
5	Kalisha Webster	11048 Novelda Dr	045-5375-027-00	2017144953	RPTT092618-02	\$ 1,094.00	\$ 125.00	\$ 1,219.00
6	Deon Abruzzo	454 34th St	009-0735-013-00	2017166549	RPTT092618-03	\$ 8,950.16	\$ 125.00	\$ 9,075.16
7	Josef Helwani	1717 Wellington St	024-0539-080-00	2017156535	RPTT092618-07	\$ 14,496.88	\$ 125.00	\$ 14,621.88
8	Long Kim Luc	6225 Harmon Ave	038-3213-009-00	2017155586	RPTT092618-08	\$ 10,293.75	\$ 125.00	\$ 10,418.75
9	Henry J Chan	2518 Seminary Ave	038-3203-001-04	2017153549	RPTT092618-10	\$ 4,374.85	\$ 125.00	\$ 4,499.85
10	Yulu Huang	1720 26th Ave	025-0734-020-00	2017151893	RPTT092618-11	\$ 3,961.04	\$ 125.00	\$ 4,086.04
11	Arthur Young Enterprises, Inc.	2527 Best Ave	036-2472-006-00	2017164424	RPTT092618-15	\$ 20,015.63	\$ 125.00	\$ 20,140.63
12	AK Hiller LLC	640 Hiller Dr	048H-7586-014-03	2017161411	RPTT092618-16	\$ 11,895.00	\$ 125.00	\$ 12,020.00
13	Turtle Shell LLC	1122 E 17th Street	020-0215-013-00	2017157691	RPTT092618-18	\$ 18,839.85	\$ 125.00	\$ 18,964.85
14	Michele R. Hamilton	6272 Rocky Point Court	037A-3166-075-00	2017156375	RPTT092618-19	\$ 14,500.32	\$ 125.00	\$ 14,625.32
15	78th Street Properties	1507-1509 78th Ave	040-3355-033-00	2017151734	RPTT092618-23	\$ 9,950.63	\$ 125.00	\$ 10,075.63
16	M.O.P. Proprety Services, LLC	1701-1703 62nd Ave	038-3215-030-00	2017149129	RPTT092618-24	\$ 3,713.46	\$ 125.00	\$ 3,838.46
17	School of Urban Missions	685 Cary Avenue	045-5367-005-01	2017148829	RPTT092618-25	\$ 29,194.22	\$ 125.00	\$ 29,319.22
18	Ron C. Frydberg	1508 Magnolia St	005-0378-024-00	2017146428	RPTT092618-26	\$ 7,434.38	\$ 125.00	\$ 7,559.38
19	Wilson Si Chung and Nancy Chung	2930 23rd Ave	026-0792-003-00	20171745941	RPTT110718-02	\$ 1,654.36	\$ 125.00	\$ 1,779.36
20	Joseph Van Hoang	1817 Vicksburg Ave	035-2387-002-00	2017174048	RPTT110718-03	\$ 2,887.74	\$ 125.00	\$ 3,012.74
21	Jessie V. Chambers	9312 Oscar Ave	044-5016-007-06	2017172101	RPTT110718-05	\$ 1,313.36	\$ 125.00	\$ 1,438.36
22	Matthel Haion Ma	1007 E 24th St	022-0318-017-00	2017180111	RPTT110718-06	\$ 15,881.25	\$ 125.00	\$ 16,006.25
23	Alisa J. Owens	457 Capital St	023-0416-008-02	2017176077	RPTT110718-09	\$ 13,804.60	\$ 125.00	\$ 13,929.60
24	Mathew Robert Young and Hayley Lambert You	300 Indian Rd	051-4791-009-00	2017170213	RPTT110718-14	\$ 30,628.13	\$ 125.00	\$ 30,753.13
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39		**Interest calculated through April, 2019				\$ 279,210	\$ 3,000	\$ 282,210

FILED
OFFICE OF THE CITY CLERK
OAKLAND

Macanlan
City Attorney's Office

2019 MAR 21 PM 1:09
OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION ACCEPTING AND CONFIRMING REPORTS OF THE CITY ADMINISTRATOR ON THE COSTS INCURRED BY THE CITY OF OAKLAND FOR DELINQUENT REAL PROPERTY TRANSFER TAXES AND AUTHORIZING THE RECORDATION OF LIENS WITH ADMINISTRATIVE AND ASSESSMENT CHARGES AS NECESSARY PURSUANT TO CHAPTER 4.20 OF THE OAKLAND MUNICIPAL CODE, AND DIRECTING THE NOTICE OF LIEN AND ASSESSMENT CHARGES BE TURNED OVER TO THE COUNTY TAX COLLECTOR FOR COLLECTION

WHEREAS, pursuant to Chapter 4.20, of the Oakland Municipal Code, the City Administrator filed with the City Clerk the reports concerning the costs incurred for delinquent real property transfer taxes and recordation of liens with added administrative charges and assessment charges on hereinafter described real property; and

WHEREAS, the date of April 2, 2019 and the time 6:30 p.m., was fixed as the day and hour for the Council to hear and accept said reports, together with any objections or protests which may be raised by any of the property owners liable to be assessed for costs incurred for delinquent real property transfer taxes, and any other interested persons; and

WHEREAS, no protest were made at said hearing; now, therefore be it

RESOLVED: That the reports that the City Administrator filed with the City Clerk on April 2, 2019 concerning delinquent real property transfer taxes, and the recordation of liens with administrative charges for the real property described therein be and are hereby accepted and confirmed, and assessments are hereby authorized to be levied upon the hereinafter described properties in the amount set opposite each description for costs incurred for delinquent real property transfer taxes, added administrative charges and assessment charges; and be it

FURTHER RESOLVED: That attached hereto and incorporated herein is *Attachment A*, which includes a listing of all properties subject to the special assessment levy by the County Assessor; and be it

FURTHER RESOLVED: That if said assessment therein levied is not paid before the 10th day of August 2019, the City Administrator shall present an itemized report to the Auditor Controller of the County of Alameda, State of California, to be placed on the 2019-2020 County Tax Roll.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND
PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California