


CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION APPROVING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE KK AND/OR MEASURE U) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$165,000,000; APPROVING THE TERMS OF SALE OF SAID BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FISCAL AGENT AGREEMENT, CONTINUING DISCLOSURE CERTIFICATE AND BOND PURCHASE AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; AND AUTHORIZING NECESSARY ACTIONS RELATED THERETO

WHEREAS, on November 8, 2016, the City of Oakland (the “City”) voters approved ballot Measure KK (“Measure KK”), authorizing \$600,000,000 in general obligation bonds to fund various City infrastructure and affordable housing projects; and

WHEREAS, the City previously issued the following general obligation bonds authorized under Measure KK: (i) General Obligation Bonds (Measure KK, Series 2017A-1) (Tax-Exempt), in the aggregate principal amount of \$62,735,000 and its General Obligation Bonds (Measure KK, Series 2017A-2 (Taxable), in the aggregate principal amount of \$55,120,000 on August 30, 2017, (ii) General Obligation Bonds (Measure KK, Series 2020B-1) (Tax-Exempt), in the aggregate principal amount of \$140,010,000 and its General Obligation Bonds (Measure KK, Series 2020B-2) (Taxable), in the aggregate principal amount of \$44,880,000 on February 27, 2020, and (iii) General Obligation Bonds (Measure KK, Series 2022C-1) (Tax Exempt), in the aggregate principal amount of \$198,645,000 and its General Obligation Bonds (Measure KK, Series 2022C-2) (Taxable), in the aggregate principal amount of \$13,670,000 on March 10, 2022; and

WHEREAS, on November 8, 2022, City voters approved ballot Measure U (“Measure U”), authorizing \$850,000,000 in general obligation bonds to fund various City infrastructure and affordable housing projects; and

WHEREAS, this City Council intends to issue City of Oakland General Obligation Bonds authorized by Measure KK (the “Measure KK Bonds”) and/or Measure U (the “Measure

U Bonds,” and together with the Measure KK Bonds, the “Bonds”), which may be tax-exempt or taxable and issued in one or more series or sub-series pursuant to Measure KK and/or Measure U, and the City of Oakland Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54 (the “Bond Act”); and

WHEREAS, this City Council adopted Ordinance No. _____ C.M.S. on _____, 2023 authorizing the issuance and sale of the Bonds; and

WHEREAS, pursuant to Section 2(C) of Measure KK, Measure 3(C) of Measure U, and the Bond Act, the City Council adopted (i) a separate resolution on the date hereof, (the “Project Resolution”), which identified specific projects to be financed by the Bonds authorized under Measure KK and Measure U, and (ii) Resolution No. 89645 on March 21, 2023 and Resolution No. 89646 on March 17, 2023, which identified specific projects to be financed by the Bonds authorized under Measure U that are intended to be included and updated in the Project Resolution (such projects in the above-mentioned resolutions collectively referred to herein as the “Projects”); and

WHEREAS, in compliance with Government Code Section 5852.1, the City Council has obtained from PFM Financial Advisors LLC, as municipal advisor (“Municipal Advisor”) to the City, the required good faith estimates with respect to the Bonds and such estimates are disclosed and set forth on Exhibit A attached hereto; and

WHEREAS, there have been submitted and are on file with the Clerk of this City Council (the “Clerk”) proposed forms of a Fiscal Agent Agreement, (the “Fiscal Agent Agreement”), by and between the City and U.S. Bank Trust Company, National Association; the Bond Purchase Agreement (the “Bond Purchase Agreement”), by and between the City and Citigroup Global Markets Inc., as representative for itself and Siebert Williams Shank & Co., LLC, as underwriters (the “Underwriters”); a Continuing Disclosure Certificate, dated the date of issuance and delivery of the Bonds (the “Continuing Disclosure Certificate”); and an Official Statement (the “Official Statement”), all with respect to the Bonds proposed to be issued and sold.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAKLAND AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Authorization of Bonds. This City Council hereby approves the issuance and sale of one or more series or sub-series of Bonds (which may be taxable or tax-exempt bonds) designated as the “City of Oakland General Obligation Bonds (Measure KK) Series 2023D (Tax-Exempt)” in an aggregate principal amount not to exceed \$56,365,000, and “City of Oakland General Obligation Bonds (Measure U) Series 2023A-1 (Tax-Exempt)” and “City of Oakland General Obligation Bonds (Measure U) Series 2023A-2 (Taxable) (Social Bonds)” in an aggregate principal amount not to exceed \$108,635,000, which bond names, series designations, par amounts and social bond designations shall be finally determined by the City Administrator or the Director of Finance or such other officer of the City designated by the City Administrator or the Director of Finance (each such officer being hereinafter referred to as an “Authorized Representative”).

The Bonds shall have a final maturity date no later than 31 years after issuance of the Bonds, and shall bear interest at an interest rate not to exceed a true interest cost of 6.50%.

Section 3. Terms of the Bonds. The aggregate principal amount of Bonds (including each series and/or sub-series thereof), the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, shall be as specified in the Fiscal Agent Agreement as executed by an Authorized Representative.

Section 4. Tax Levy; Pledge of Debt Service Accounts. For the purpose of paying principal of and interest on Bonds, the City Council shall, 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 in the treasury of the City set apart for that purpose sufficient to meet all payments of principal and interest on the Bonds as they become due, levy and have collected by the County of Alameda a tax sufficient to pay the interest on the Bonds and such part of the principal as will become due before the proceeds of a tax levied at the next general tax levy will be available; provided, however, that if it is expected that all or any part of the Bonds will be sold at such time that the principal of or interest on such Bonds will become due before the proceeds of a tax levied after such sale would be available to pay such principal or interest, the City Council, at the time of fixing the annual tax levy, may levy a tax in an amount clearly sufficient to pay that portion of the principal of and interest on the Bonds which it is expected will become due before the proceeds of the next succeeding tax levy will be available. Such taxes shall be levied without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) upon all taxable property in the City and collected as other City taxes and shall be in addition to all other taxes and shall be used only for payment of the principal of the Bonds and interest thereon. Said taxes as collected shall be forthwith paid into the related fund for which the same were levied and collected and which shall be designated the "City of Oakland General Obligation Bonds (Measure KK) Debt Service Account" or the "City of Oakland General Obligation Bonds (Measure U) Debt Service Account" or such other designations as shall be determined by an Authorized Representative (each, a "Debt Service Account" and together, the "Debt Service Accounts"), as appropriate. The City may create sub-accounts within each Debt Service Account, and all sums to become due for the principal of and interest on a series or sub-series of Bonds shall be paid from the related Debt Service Account. The Debt Service Accounts and amounts on deposit therein are hereby pledged for the payment of the principal of 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. In addition, as provided under California Government Code Section 53515, the Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. The lien shall automatically arise without the need for any action or authorization by the City or the City Council. The lien shall be valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the tax shall be immediately subject to the lien, and the lien shall immediately attach to the revenues and be effective, binding, and enforceable against the City, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act. Each and every series or sub-series of Bonds issued under this Resolution shall be equally and ratably secured by the pledge and lien of the taxes collected pursuant to this Section 4.

Section 5. Sale of Bonds. The Director of Finance is hereby authorized and directed to sell the Bonds on a negotiated sale basis to the Underwriters, who were selected through a competitive selection process by the Authorized Representatives with advice from the Municipal Advisor, the agreed-upon terms of such sale to be memorialized in the Bond Purchase Agreement; provided that the true interest cost of the Bonds shall not exceed 6.50% and the underwriters' discount shall not exceed 0.40% of the principal amount of the Bonds.

Section 6. Fiscal Agent Agreement. The form of the Fiscal Agent Agreement, by and between the City and U.S. Bank Trust Company, National Association, in substantially the form on file with the Clerk, is hereby approved. Any Authorized Representative is hereby authorized and directed to execute and deliver one or more agreements in substantially said form, completed with terms as shall be agreed to by the Authorized Representative in accordance with this Resolution, and with such other additions, changes or modifications therein as the Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Bond Purchase Agreement. The form of Bond Purchase Agreement, in substantially the form on file with the Clerk, is hereby approved. Any Authorized Representative is hereby authorized and directed to execute and deliver an agreement in substantially said form, completed with terms as shall be agreed to by the Authorized Representative in accordance with this Resolution, and with such other additions, changes or modifications therein as any Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. Official Statement. The form of Official Statement relating to the Bonds, in substantially the form on file with the Clerk, is hereby approved, with such changes, additions and modifications therein as any Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. Any Authorized Representative is hereby authorized to certify that the preliminary form of the Official Statement was deemed final as of its date within the meaning of Rule 15c2-12 (the "Rule") promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by the Rule). Any Authorized Representative is hereby authorized and directed to sign the Official Statement in its final form, including the final pricing information, and to furnish the Underwriters with copies thereof, and the Underwriters are hereby authorized and directed to deliver copies of such Official Statement in final form to subsequent purchasers of the Bonds.

Section 9. Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate, in substantially the form on file with the Clerk, is hereby approved. Any Authorized Representative is hereby authorized to execute a certificate in substantially said form, completed with terms as shall be agreed to by the Authorized Representative in accordance with this Resolution, and with such additions, changes or modifications therein as the Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate as finally executed and delivered.

Section 10. Appointment of Bond Counsel, Disclosure Counsel and Municipal Advisor. The City Council hereby acknowledges the appointments by the City Attorney of Hawkins Delafield & Wood LLP, as bond counsel (“Bond Counsel”), and Husch Blackwell LLP, as disclosure counsel (“Disclosure Counsel”). The selection by the Director of Finance of PFM Financial Advisors LLC, as municipal advisor with respect to the Bonds, is hereby affirmed.

Section 11. Authorization of Further Actions. (a) Bond Counsel, Disclosure Counsel, the Municipal Advisor and appropriate City officials are hereby authorized and directed to continue to prepare the necessary legal documents to accomplish said financing and the other transactions authorized herein, and to take any and all necessary actions in connection therewith.

(b) The officers and employees of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized, and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including but not limited to the publication of a notice of intention to sell the Bonds. Each Authorized Representative is hereby authorized and directed to execute and deliver any and all notices, certificates and representations, including signature certificates, no-litigation certificates, tax certificates, certificates relating to continuing disclosure obligations, notices to the California Debt and Investment Advisory Commission, and certificates concerning the Official Statement describing the Bonds, and to enter into such agreements or contracts, including as may be necessary to obtain bond insurance with respect to the Bonds, fiscal agent services, or other services with respect to the Bonds, as such officers deem necessary and desirable to accomplish the purposes of this Resolution.

Section 12. Ratification of Actions. All actions heretofore taken by the officers and agents of the City with respect to the sale, execution and delivery of the Bonds, and the other transactions authorized and contemplated herein, are hereby approved, confirmed and ratified.

Section 13. Effective Date. This Resolution shall take effect immediately upon passage.

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

CERTIFICATE OF THE CITY CLERK

I, Asha Reed, City Clerk and Clerk of the City Council of the City of Oakland (the “City”), hereby certify that the foregoing is a full, true and correct copy of Resolution No. _____ C.M.S., duly adopted at a meeting of the City Council of the City duly and regularly held on _____, 2023, of which meeting all of said City Council had due notice.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a true, complete and correct copy of the original resolution duly adopted at said meeting and entered in said minutes; and that said resolution has not been modified, amended, rescinded or revoked except as provided in such resolution in any manner since the date of their adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate this ____ day of _____, 2023.

ASHA REED
City Clerk and Clerk of the City Council
City of Oakland, California

EXHIBIT A

GOOD FAITH ESTIMATE

The following information was obtained from the Municipal Advisor with respect to the Bonds described in the Resolution, and is provided in compliance with Government Code Section 5852.1:

1. *True Interest Cost of the Bonds.* Assuming an aggregate principal amount of \$165,000,000 of the Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 5.03%.

2. *Finance Charge of the Bonds.* Assuming an aggregate principal amount of \$165,000,000 of the Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$1,210,000.

3. *Amount of Proceeds to be Received.* Assuming an aggregate principal amount of \$165,000,000 of the Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds less the finance charge of the Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$163,790,000.

4. *Total Payment Amount.* Assuming an aggregate principal amount of \$165,000,000 of the Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds plus the finance charge of the Bonds described in paragraph 2. above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$322,926,392.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of the sale of the Bonds, the amount of Bonds sold, the amortization of the Bonds sold and market interest rates at the time of the sale. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of the sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the City's control.