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OFFICE OF THE CITY CLERK  
OAKLAND

2017 NOV 30 AM 12:22 PM  
**AGENDA REPORT**

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Katano Kasaine  
Director of Finance

**SUBJECT:** Delinquent Real Property Transfer  
Taxes

**DATE:** November 20, 2017

City Administrator Approval

Date:

11/30/17

### **RECOMMENDATION**

**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 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.**

### **EXECUTIVE SUMMARY**

Adoption of the proposed resolution will authorize the placement of liens on real property for unpaid real property transfer taxes 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 Council Hearing notices. The proposed resolution has been prepared confirming the placement of liens on 10 properties and authorizing the subsequent assessment for all fees and charges.

### **BACKGROUND / LEGISLATIVE HISTORY**

Pursuant to O.M.C, Chapter 4, Article 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 provided by statute. The grantor and grantee are jointly and severally liable for payment of the tax.

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### **ANALYSIS AND POLICY ALTERNATIVES**

Administrative hearings for delinquent real property transfer taxes were held on July 10, 2017; September 11, 2017; and November 6, 2017; 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 10 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 on 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**

Property owners owe the City delinquent real property transfer taxes and administrative fees for the accounts not resolved at the administrative hearings as shown in ***Attachment A***. Failure to place these liens will result in the loss of \$125,799 in General Purpose Fund revenues and \$1,250 in administrative fees, for a total of \$127,049 over this period.

### **PUBLIC OUTREACH / INTEREST**

Property owners were notified and administrative hearings for delinquent real property transfer taxes were held on July 10, 2017; September 11, 2017; and November 6, 2017; to hear protests and resolve any inconsistencies or inequities raised by property owners regarding the non-payment of real property transfer taxes.

### **COORDINATION**

In coordination with the Office of the City Attorney and the Budget Bureau, the agenda report, resolutions, and supporting items attached to this report have been reviewed and/or approved for form, legality and 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 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.

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

Respectfully submitted,

  
\_\_\_\_\_  
KATANO KASAIN  
Director of Finance

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

Prepared by:  
Carmen Q. Mac, Acting Revenue Audit  
Supervisor  
Revenue Management Bureau

Attachment (1):

A: R.P.T.T. City Council Hearing Listing

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## CITY OF OAKLAND

R.P.T.T. CITY COUNCIL HEARING LISTING FOR 12/12/2017

**\*\*Interest calculated through Dec 2017**

**\$ 125,799      \$1,250      \$127,049**

**ATTACHMENT A**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

## OAKLAND CITY COUNCIL



City Attorney

2017 NOV 30 PM12:22 RESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**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**

**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 the hereinafter described real property; and

**WHEREAS**, the date **December 12, 2017** and the time **6:30 p.m.**, was fixed as the day and hour for the Council to hear and pass upon 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 person; now therefore be it

**RESOLVED**, that the protests are hereby overruled; and be it

**FURTHER RESOLVED**, that the reports that the City Administrator filed with the City Clerk on **December 12, 2017** 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 the assessments are hereby authorized to be levied upon the properties described in said City Administrator report, in the amounts 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 if said assessment herein levied is not paid before the 10<sup>th</sup> day of August 2018, 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 2018-2019 County Tax Roll.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California