CITY OF OAKLAND

AGENDA REPORT

TO:	Edward D. Reiskin City Administrator	**FROM:**	Erin Roseman Director of Finance
SUBJECT:	Oakland GO Bonds, Series 2022C Sale and Projects	**DATE:**	January 18, 2022

City Administrator Approval | Date: Jan 20, 2022

RECOMMENDATION

Staff Recommends That The City Council Adopt:

1. **A Resolution Identifying Projects Authorized For Funding With Proceeds Of City Of Oakland General Obligation Bonds, Series 2022C Issued Pursuant To The 2016 Infrastructure Bond (Measure KK), And Allocating Bond Proceeds For The Identified Projects; and**

2. **A Resolution Approving The Issuance And Sale Of One Or More Series Of City Of Oakland General Obligation Bonds (Measure KK) In An Aggregate Principal Amount Not To Exceed $220,000,000; 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 Official Notice Of Sale; 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.**

EXECUTIVE SUMMARY

Adoption of the proposed resolutions will approve the issuance and sale of the City of Oakland General Obligation Bonds (Measure KK), Series 2022C (the “Bonds”) (the “Bond Resolution”) to finance Streets and Roads Projects and Public Facilities Projects (the “Projects”) (the “Project Resolution”).

The Bonds may be issued in one or more series, which may be taxable or tax-exempt, in an aggregate principal amount not to exceed $220,000,000[1]. The Bonds will have a final maturity date no later than 31 years after issuance and bear interest at an interest rate not to exceed a true interest cost (“TIC”) of 5%. The Bonds are expected to be sold by competitive bid in accordance with the Official Notice of Sale (the “NOS”) and awarded to an underwriter(s) based on the lowest TIC. Final terms of the Bonds are specified in the Fiscal Agent Agreement. An Official Statement in preliminary and final form (the “OS”) will be prepared and distributed as required for the sale. The City will agree to provide ongoing disclosure per the Continuing

[1] Par amount issued will depend on bond structure and market conditions at the time of sale.

Disclosure Certificate (the "CDC"). Debt service on the Bonds is payable from ad valorem taxes levied annually upon all taxable property in the City. The estimated property tax rate levy required to pay the Bonds' estimated annual debt service of approximately $11 million is 0.0154% or $15.40 per $100,000 of assessed valuation.

Proceeds of the sale of the Bonds shall finance the Projects in an estimated amount of $212.315 million per the Fiscal Year ("FY") 2021-2023 Adopted Policy Budget (the "Budget"). The Projects are included in the FY 2021-2023 Adopted Capital Improvement Program (the "CIP") and detailed in Exhibits A, B and C of the Project Resolution. The Projects to be funded have been identified, evaluated and meet the eligibility requirements of Measure KK and the CIP Prioritization Process.

BACKGROUND / LEGISLATIVE HISTORY

The Bonds

On November 8, 2016, an ordinance authorizing the issuance of Infrastructure and Housing Bonds in an amount not to exceed $600 million to improve public safety and invest in neighborhoods by funding affordable housing and various improvements to public facilities, streets and sidewalks ("Measure KK") was approved by more than two-thirds of the qualified voters of the City at the statewide general election.

On November 29, 2016, the Affordable Housing and Infrastructure Bond Law (the "Bond Act") was added to the Oakland Municipal Code as Chapter 4.54 to accommodate the issuance of these Bonds.

On December 21, 2021, the City Council adopted Ordinance No. 13670 C.M.S. providing for the borrowing of funds and the issuance and sale of general obligation bonds in an amount not to exceed $220,000,000 and approving certain related matters.

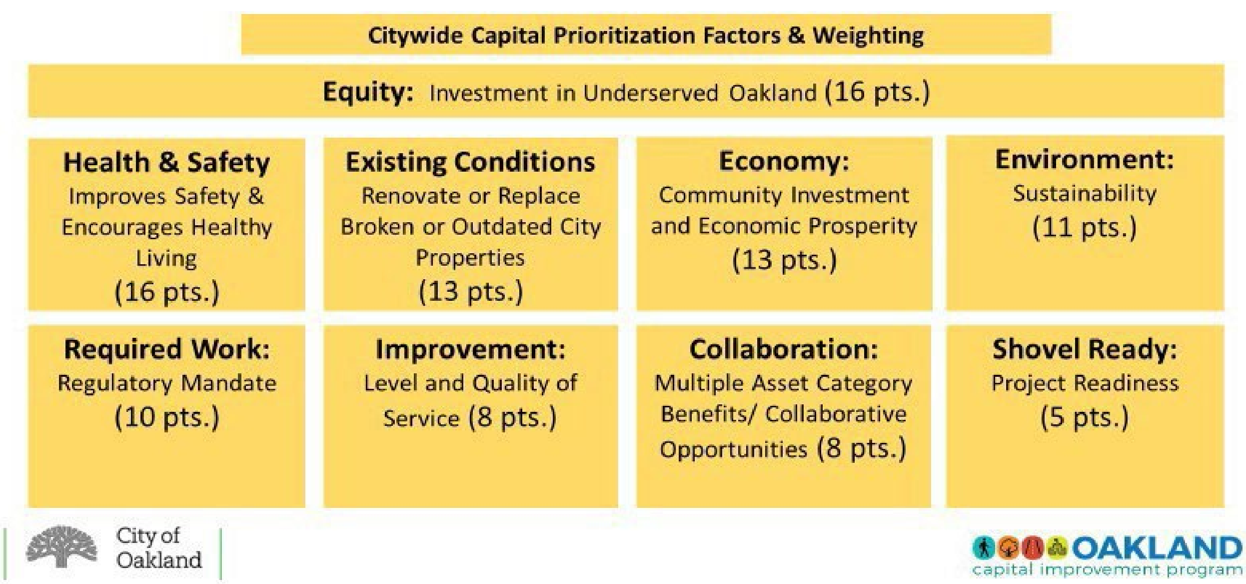
The Bonds will be the third tranche of general obligation bonds issued per Measure KK and the Bond Act. After issuance of the Bonds, remaining authorization under Measure KK is estimated to be $82,745,000. Timing and amounts of future issuance of authorized bonds will be determined by project funding requirements. A summary of General Obligation Bond (Measure KK) issuance is included as Table 1.

Table 1: Summary of General Obligation Bond (Measure KK)
Issuance and Proposed Issuance As of 1/14/2022

Authorizing Resolutions	Issuance Date	Bond Series	Par Amount	Purpose
86773, 86774, 86814, 86815, 86816, 86817	8/30/2017	2017A-1 (Tax-Exempt)	$62,735,000	Streets & Facilities
86773, 86774, 86814, 86815, 86816, 86817	8/30/2017	2017A-2 (Taxable)	$55,120,000	Housing
87980, 87981, 87989	2/27/2020	2020B-1 (Tax-Exempt)	$140,010,000	Streets & Facilities
87980, 87981, 87989	2/27/2020	2020 B-2 (Taxable)	$44,880,000	Housing
		Total:	$302,745,000	
13670, Project Reso., Bond Reso.	Feb. 2022	Proposed 2022C (Tax-Exempt/Taxable)	$220,000,000	Streets & Facilities
	Est. 2024	Est. Remaining Authorization after 2022C	$82,745,000	Streets & Facilities

The Projects

On October 16, 2018, the City Council adopted Resolution No. 87376 C.M.S. approving an updated CIP Prioritization Process used to develop the FY 2019-21 CIP budget. The updated prioritization process incorporates community and City values and offers additional social factors such as equity, economic opportunity and public health. The updated process aligns the CIP investments with City values and priorities emphasizing equitable and transparent decisions. The graphic below illustrates the new CIP Prioritization Process, and the new scoring factors with their respective weights.



Oakland Public Works and the Department of Transportation received more than 500 project submissions. The City scored projects based on the adopted prioritization factors.

This CIP Prioritization Process incorporated Measure KK's requirement that, prior to funding, the City consider how select projects address the following questions:

1) How the projects address social and geographic equity, provide greater benefit to underserved populations and in geographic area of greatest need;
2) How the projects address improvements to the City's existing core capital assets;
3) How the projects maintain or decrease the City's existing operations and maintenance costs; and
4) How the projects address improvements to energy consumption, resiliency and mobility.

On June 24, 2021, City Council adopted City's biennial budget for the FY 2021-23 under Resolution No. 88717 C.M.S., including approval of the CIP Budget. This approval identified those projects to be funded with Measure KK bond funds. The final list of Measure KK funded capital improvement projects are listed in Exhibits A, B and C of the Project Resolution.

ANALYSIS AND POLICY ALTERNATIVES

Adoption of the proposed resolutions will approve the issuance and sale of the Bonds to finance the Projects to advance the Citywide priority of providing vibrant, sustainable infrastructure.

The Bonds:

The Bond Resolution will approve the issuance and sale of the Bonds which represent the third tranche of general obligation bonds issued per Measure KK and the Bond Act. The Bonds will be issued in an aggregate principal amount not to exceed $220,000,000[2] consisting of one or more series, which may be taxable or tax-exempt. The Bonds will have a final maturity date no later than 31 years after issuance and bear interest at an interest rate not to exceed a TIC of 5%. Principal and interest due on the Bonds (i.e. debt service) is payable from ad valorem taxes levied annually upon all taxable property in the City. A combination of tax-exempt and taxable Bonds is expected to be issued producing net level debt service and a stable tax levy. Table 2 below and Exhibit A of the Bond Resolution describe the estimated finance charges for the Bonds per Section 5852.1 of the Government Code. Interest rates will depend on market conditions at the time of sale.

Table 2: Estimated Finance Charges of the Bonds as of 1/14/2022

Bond Finance Charge Statistics	Series 2022C
True interest cost of the bonds	2.99%
Finance charge of the bonds	$1,305,425
Bond proceeds received by the City	$212,315,000
Total payment amount	$350,273,238

The City, with the assistance of its bond counsel, disclosure counsel, municipal advisor and financing team, will prepare the Fiscal Agent Agreement, NOS, OS (in preliminary and final form) and CDC for the Bonds. The Fiscal Agent Agreement creates the legal structure for the security of the Bonds and provides terms of the Bonds, including payment dates, maturities,

[2] Par amount issued will depend on bond structure and market conditions at the time of sale.

redemption provisions, etc. The NOS specifies the parameters of the bid and contains representations and warranties of the City to the underwriter(s). The Bonds are expected to be sold by competitive bid to an underwriter(s) in accordance with the NOS and awarded based on the lowest TIC. The Bond Resolution also provides authority to sell the bonds to an underwriter by negotiated sale if market conditions are not conducive to a competitive sale. The preliminary and final OS are initial disclosure documents published for the benefit of potential investors. The preliminary and final OS include descriptions of the Bonds' terms, security and risk factors; the City's financial and operating information; and other background information. The CDC identifies the City's disclosure obligations for the life of the Bonds. The CDC contains requirements for material event notices and annual financial information. The OS and CDC are prepared in accordance with rules of the Securities and Exchange Commission (the "SEC"). Forms of the Fiscal Agent Agreement, NOS, OS and CDC, are attached to the Staff Report.

Orrick, Herrington & Sutcliffe LLP will serve as bond counsel. Curls Bartling P.C. will serve as disclosure counsel. KNN Public Finance, LLC will serve as municipal advisor. U.S. Bank National Association will serve as fiscal agent.

A proposed financing schedule is included in the following Table 3.

Table 3: Proposed Financing Schedule

Date	Activity
11/16/2021	1st reading of ordinance
12/21/2021	2nd reading of ordinance
2/1/2022	Adopt resolution to approve projects Adopt resolution to approve sale and financing documents
Week of 2/21/2022	Pricing of the Bonds
Week of 3/7/2022	Closing of the Bonds

The Projects

Proceeds of the sale of the Bonds shall finance the Projects in an estimated amount of $212.315 million per the Budget. The Projects are included in the CIP and detailed in Exhibits A, B and C of the Project Resolution. The Projects have been identified, evaluated and meet the eligibility requirements of Measure KK and the CIP Prioritization Process.

The approved FY 2021-23 Capital Improvement Program includes a lengthy "Unfunded Projects List" of projects and programs that are not funded by the third tranche of the Bonds. Exhibit C of the Project Resolution is a list of approximately 50 projects and programs with the highest CIP scores from the unfunded list. If any projects or programs set forth in Exhibit A or Exhibit B of the Project Resolution are unable to proceed or if surplus funds remain after any projects or programs set forth in Exhibit A or Exhibit B of the Project Resolution are completed, it is recommended that the City Administrator be authorized to allocate funding to projects or programs contained in Exhibit C of the Project Resolution. Projects or programs selected to receive unspent or surplus Bond funds shall comply with the requirements of Section 2(C) of Measure KK and any other applicable law in order to be eligible for funding from the issuance of Measure KK Oakland General Obligation Bonds, Series 2022C.

FISCAL IMPACT

The Bonds are payable from ad valorem taxes levied upon all taxable property in the City. The City Council is authorized and obligated to levy and collect ad valorem taxes in an amount sufficient to pay the principal and interest due on the Bonds (i.e. debt service). For the City's outstanding general obligation bonds, the required property tax levy rates are calculated annually based on the year's debt service requirements and assessed valuation figures. Based on FY 2020-21 assessed valuation and market conditions as of December 10, 2021, the estimated property tax rate levy required to pay the Bonds' estimated annual debt service of approximately $11 million is 0.0154% or $15.40 per $100,000 of assessed valuation. The Bonds' debt service expenses and corresponding property tax revenues will be included in the City's budgets beginning in FY 2022-23 and annually until the Bonds are paid in full.

Fees related to the issuance of the Bonds will be paid from bond proceeds and contingent upon closing of the transaction. Such fees, consisting of underwriter's discount and costs of issuance including fees for bond counsel, disclosure counsel, municipal advisor and rating agencies, are estimated to be $1,305,425.

Proceeds of the sale of the Bonds shall finance the Projects in an estimated amount of $212.315 million per the Budget.

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, Oakland Public Works and Department of Transportation in coordination with the Office of the City Attorney and Budget Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: The capital improvement projects implemented under Measure KK, as well as any construction related activities in the affordable housing programs and projects, will be required to comply with all Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) and local hire programs with verification by the Social Equity Division of the Department of Contracting and Purchasing. The Projects will improve roadways, sidewalks, parks, public buildings and other facilities to the economic benefit of the City.

Environmental: This item will provide funding to acquire and make improvements to real property such as improvement and rehabilitation of streets, sidewalks and related infrastructure and renovation and rehabilitation of City facilities including libraries, public safety, recreation and other buildings. Projects will be required to comply with programs adopted by the City to advance environmental stewardship such as Leadership in Energy & Environmental Design (LEED) or Alameda County's Green Point Rating system.

***Race & Equity**:* The Projects financed by this bond sale were evaluated through the CIP Prioritization Process adopted by City Council in 2018 that incorporates community and City values and offers additional social factors such as equity, economic opportunity and public health. This process aligns CIP investments with City values and priorities emphasizing equitable and transparent decision making.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A:

1. Resolution Identifying Projects Authorized For Funding With Proceeds Of City Of Oakland General Obligation Bonds, Series 2022C Issued Pursuant To The 2016 Infrastructure Bond (Measure KK), And Allocating Bond Proceeds For The Identified Projects; and

2. Approving The Issuance And Sale Of One Or More Series Of City Of Oakland General Obligation Bonds (Measure KK) In An Aggregate Principal Amount Not To Exceed $220,000,000; 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 Official Notice Of Sale; 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.

For questions regarding this report, please contact Erin Roseman, Director of Finance, at (510) 238-2026.

Respectfully submitted,

Erin Roseman
Director, Finance Department

Reviewed by:
Harold Duffey, Director, Oakland Public Works
Ryan Russo, Director, Dept of Transportation

Prepared by:
Jacqueline Lee, Principal Financial Analyst
Treasury Bureau

Attachments: (3)

A. Notice of Sale ("NOS")
B. Official Statement ("OS") in Preliminary form and including the Continuing Disclosure Certificate ("CDC") as Appendix D
C. Fiscal Agent Agreement

ATTACHMENT A

OFFICIAL NOTICE OF SALE

CITY OF OAKLAND
GENERAL OBLIGATION BONDS

CONSISTING OF

$[C-1 PAR]*
GENERAL OBLIGATION BONDS
(MEASURE KK) SERIES 2022C-1 (TAX-EXEMPT)

AND

[$[C-2 PAR]*
GENERAL OBLIGATION BONDS
(MEASURE KK) SERIES 2022C-2 (TAXABLE)]

NOTICE IS HEREBY GIVEN that electronically submitted bids via i-Deal LLC's Parity System ("Parity") will be received by the City of Oakland (the "City") for the purchase of all but not less than all of $[C-1 PAR]* aggregate principal amount of the City of Oakland General Obligation Bonds (Measure KK) Series 2022C-1 (Tax-Exempt) (the "Series 2022C-1 Bonds") and $[C-2 PAR]* aggregate principal amount of (Measure KK) Series 2022C-2 (Taxable) (the "Series 2022C-2 Bonds" and, collectively with the Series 2022C-1 Bonds, the "Bonds"). The Series 2022C-1 Bonds are referred to as the "Tax-Exempt Bonds" and the Series 2022C-2 Bonds are referred to collectively as the "Taxable Bonds".

ISSUE: The Bonds are described in the Preliminary Official Statement for the Bonds dated February_, 2022.

TIME: Bids for the Bonds:

8:00* a.m., Pacific Time,
on_________, February__, 2022*

The date and time of the Bond sale and the terms thereof may be changed at the sole discretion of the City by providing notice thereof through Parity, Bloomberg Professional Service, known as "Bloomberg Terminal" and/or Thomson Reuters "Thomson Municipal News" (collectively, the "News Service") as soon as practicable prior to the then-scheduled sale date and times of the Bonds and, in any case, prior to 1:00 p.m. Pacific Daylight Time one day prior to the then-scheduled sale date. If no legal bid or bids are received for the Bonds on said date (or such later date as is established as provided herein) at the times specified, bids will be received for the Bonds on such other date and at such other time as shall be designated through the News Service as soon as practicable. As an accommodation to bidders, telephone or email notice of the postponement of the sale date or dates or of a change in the principal payment schedule will be given to any bidder requesting such notice from the Municipal Advisor (defined herein), at the address and attention

* Preliminary, subject to change.

given below. Failure of any bidder to receive such supplementary notice shall not affect the legality of the sale.

The City further reserves the right to amend this Official Notice of Sale (the "Official Notice of Sale") and the terms of sale in any respect, upon notice thereof given through the News Service not later than the times bids are then scheduled to be received.

Subject to the provisions of this Official Notice of Sale, the Bonds will be awarded to the bidder with the lowest combined true interest cost ("TIC") for the Tax-Exempt Bonds and the Taxable Bonds. See "TERMS OF SALE" herein.

Any questions on the bidding procedures and sale terms set forth in this Official Notice of Sale, or any modification or amendment thereof, or any postponement or cancellation of the sale of the Bonds should be directed to KNN Public Finance (the "Municipal Advisor"), 2054 University Avenue, Suite 300, Berkeley, CA 94704, Attention: _______ (telephone: _______; facsimile:___________; email: ________).

TERMS OF THE BONDS

Important Note: **This notice will be submitted to i-Deal LLC for posting at i-Deal's website and in the Parity bid delivery system. In the event i-Deal's summary of the terms of sale of the Bonds disagrees with this Official Notice of Sale in any particulars, the terms of this Official Notice of Sale shall control (unless notice of an amendment hereto is given as described above).**

The City will accept bids in electronic form exclusively through Parity. Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with Parity, and that Parity is not acting as an agent of the City. Instructions and forms for submitting electronic bids must be obtained from Parity. Bidders may contact Parity directly at (212) 849-5021 or at the Parity website: https://www.newissuehome.i-deal.com.

PRINCIPAL PAYMENTS AND MATURITIES: The Series 2022C-1 Bonds will be issued in the aggregate principal amount of $[C-1 PAR] and the Series 2022C-2 Bonds will be issued in the aggregate principal amount of $[C-2 PAR][*]. The Bonds will be dated as of the date of issuance. The Bonds shall bear interest from their dated date at the rate or rates to be fixed upon the sale thereof. Interest on the Bonds is payable on each January 15 and July 15, commencing July 15, 2022 (each, an "Interest Payment Date"). The Bonds will mature on July 15 of each year through_[†] in the following amounts:

Principal Payment Date July 15	Series 2022C-1 Bonds (Tax-Exempt) Principal Amount[*]	Series 2022C-2 Bonds (Taxable) Principal Amount[*]	Total Principal Amount[*]

[*] Preliminary, subject to change.

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The Bonds will be fully registered bonds in the denominations of $5,000 each or any integral multiple thereof. Interest will be computed on the basis of a 360-day year composed of twelve 30-day calendar months at the rate per annum specified in the accepted bid.

ADJUSTMENT OF PRINCIPAL AMOUNTS: The City reserves the right, following the receipt of bids and determination of the winning bid and at its sole discretion, to increase or decrease the total principal amount of each series of the Bonds and the principal amount of each maturity of a series of Bonds in $5,000 increments of principal amounts, or to eliminate maturities in their entirety. The aggregate principal amount of the Tax-Exempt Bonds to be issued will not exceed $________, and the aggregate principal amount of the Taxable Bonds to be issued will not exceed $_________. Notice of such adjustments shall be given by the City to each successful bidder as soon as practicable following the notification of award. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR ANY INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE STATED PRINCIPAL AMOUNTS. **The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount, if any, but will not change the per Bond underwriter's discount as provided in the bid**.

SERIAL BONDS AND/OR TERM BONDS: The Bonds shall be issued as serial maturities as shown in the table above, unless the bidder requests the creation of one or more term Bonds by combining any two (2) or more consecutive serial maturities. Bidders may designate the principal amounts of the Bonds set forth in the maturity schedule under "Principal Payments and Maturities" for any two (2) or more consecutive years as a single term maturity which will mature in the latest of the years designated, and will have a stated maturity amount equal to the sum of the annual principal amounts designated as a part of such term maturity. Amounts included in a single term bond must bear the same rate of interest. Only one term maturity within a series may be subject to mandatory sinking fund redemption in any year. Upon such designation, the Bonds of such term maturity shall be subject to mandatory sinking fund redemption in part by lot on July 15, in the principal amounts which would otherwise have matured in such designated years, at the price of par plus accrued interest to the redemption date, without premium. In the event term Bonds are designated, all term Bond maturities and corresponding mandatory sinking fund redemptions shall be subject to the same optional redemption provisions. See " – REDEMPTION" herein.

REDEMPTION*: The Taxable Bonds are not subject to optional redemption. The Tax-Exempt Bonds maturing on or before July 15, are not subject to optional redemption prior to their respective stated maturities. The Tax-Exempt Bonds maturing on or after July 15,__ are subject to optional redemption prior to their respective stated maturities at the option of the City on or after July 15,__, from any source of available funds, as a whole or in part on any date, at redemption prices equal to 100% of the principal amount thereof to be redeemed, without premium, together with accrued interest to the date fixed for redemption.

TAX MATTERS: Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the City, will render to the City its legal opinion with respect to tax-exemption of the interest paid on the Tax-Exempt Bonds. *See* the discussion of Tax Matters in the Preliminary Official Statement hereinafter referred to. In the event that prior to the delivery of the Tax-Exempt Bonds (a) the income received by private holders from obligations of the same type and character shall be declared to be includable in gross income (either at the time of such declaration or at any future date) for purposes of federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse tax effect on holders of the Tax-Exempt Bonds as such, the successful bidder may, at its option, prior to the tender of the Tax-Exempt Bonds by the City, be relieved of its obligation to purchase the Tax-Exempt Bonds, and in such case the deposit accompanying its bid will be returned. For purposes of the preceding sentence, interest will be treated as excludable from gross income for federal income tax purposes whether or not it is includable as an item of tax preference for calculating alternative minimum taxes or otherwise includable for purposes of calculating certain other tax liabilities.

BOOK-ENTRY ONLY: The Bonds will be issued in book-entry only form by appointing The Depository Trust Company ("DTC") to act as securities depository for the Bonds.

LEGAL OPINION: The legal opinion of Bond Counsel referred to in the Preliminary Official Statement under "LEGAL MATTERS," the proposed form of which is included in Appendix F – "PROPOSED FORM OF OPINION OF BOND COUNSEL" to the Preliminary Official Statement, will be furnished to the City and a reliance letter thereto will be furnished to the successful bidders without charge.

CERTIFICATE: The City will provide to each successful bidder of the Bonds a certificate, signed by an authorized representative of the City, confirming to the successful bidders that, at the time of acceptance of its proposal for the Bonds and at the time of delivery thereof, to the best of the knowledge of said authorized representative, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

* Preliminary; subject to change.

TERMS OF SALE

SUBMISSION OF BIDS: Each bid for the Bonds must be for not less than all of the Bonds hereby offered for sale. No bid will be accepted which contemplates the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price. Each bid must be in accordance with, and shall be deemed to incorporate, all of the terms and conditions set forth in this Official Notice of Sale. Each bid must state the aggregate purchase price of the Bonds and the interest rate applicable to each maturity thereof. Bids may only be delivered by electronic transmission via i-Deal/Parity, as follows:

Electronic Transmission: The City will accept bids in electronic form exclusively through i-Deal LLC's Parity System ("Parity"). Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with Parity, and that Parity is not acting as an agent of the City. Instructions and forms for submitting electronic bids must be obtained from Parity. Bidders may contact Parity directly at (212) 849-5021 or at the Parity website: *https://www.newissuehome.i-deal.com*. No other provider of internet bidding services and no other means of delivery (i.e. telephone, telefax, or physical delivery) will be accepted.

THE DIRECTOR OF FINANCE RETAINS ABSOLUTE DISCRETION TO DETERMINE WHETHER ANY BID IS TIMELY AND COMPLETE.

Multiple Bids: In the event multiple bids are received from a single bidder by any means or combination thereof, the Director of Finance shall accept the bid representing the lowest TIC to the City, and each bidder agrees by submitting any bid to be bound by such best bid.

WARNINGS REGARDING ELECTRONIC BIDS. THE CITY ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH PARITY'S PROCEDURES. THE DIRECTOR OF FINANCE SHALL BE ENTITLED TO ASSUME THAT ANY BID RECEIVED VIA PARITY HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER. NONE OF THE CITY, THE MUNICIPAL ADVISOR OR BOND COUNSEL ASSUMES ANY RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY OR FOR FAILURE OF ANY BID TO BE TRANSMITTED, RECEIVED OR OPENED BY THE TIME FOR RECEIVING BIDS, AND EACH BIDDER EXPRESSLY ASSUMES THE RISK OF, ANY INCOMPLETE, ILLEGIBLE, UNTIMELY OR NONCONFORMING BID SUBMITTED BY ELECTRONIC TRANSMISSION BY SUCH BIDDER. THE TIME FOR RECEIVING BIDS WILL BE DETERMINED BY THE CITY AT THE PLACE OF BID OPENING, AND THE CITY WILL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY PARITY.

INTEREST RATE AND BID CONSTRAINTS: The interest rate on the Bonds shall not exceed ___% per annum. Bidders must specify the rate or rates of interest that the Bonds offered for sale shall bear and an aggregate purchase price. The purchase price bid (calculated as principal plus premium, if any, minus the bidder's compensation) for the Bonds shall not be less than__%, nor greater than__%, of the par amount of the Bonds. Bids that do not conform to the terms of this section may be rejected. Bidders will be permitted to bid different rates of interest for each bond maturity, according to the following:

(i) Each interest rate specified for the Tax-Exempt Bonds bid must be in a multiple of one-eighth (1/8th) or one-twentieth (1/20th) of one percent per annum and a zero rate of interest cannot be specified;

(ii) Each interest rate specified for the Taxable Bonds bid must be in a multiple of one-thousandth (1/1000th) of one percent per annum and a zero rate of interest cannot be specified;

(iii) No maturity with a series shall represent more than one rate of interest; and

(iv) Each Bond shall bear interest from its dated date to its maturity date at the interest rate specified in the bid; premium bids must be paid as part of the purchase price, and no bid will be accepted which contemplates the waiver of any interest or other concession by the bidder as substitute for payment in full of the purchase price.

The City reserves the absolute right, in its sole discretion, to modify or amend the terms of the sale prior to the time bids are received and to reject any and all bids and to waive any irregularity or informality in any bid.

TRUE INTEREST COST CALCULATION: The TIC to the City of any bid shall be calculated on the basis of the present value of the principal and interest to be paid on the Bonds based on the bid price, i.e., principal of the Bonds, plus premium, if any, compounded semi-annually. In the event that two or more bidders offer bids for the Bonds at the same lowest TIC, the first one submitted, as determined by reference to the time displayed on Parity's website, shall be the leading bid.

The Director of Finance of the City will award the Tax-Exempt Bonds to the bidder offering the lowest TIC to the City for the Tax-Exempt Bonds and the City will award the Taxable Bonds to the bidder offering the lowest TIC to the City for the Taxable Bonds, provided, however that the Director of Finance of the City reserves the right to reject any and all bids and to waive any informality or irregularity in any and all bids. The Director of Finance of the City reserves the further right, in her discretion, to adjourn the sale, in which event a notice will be given via Parity.

BEST BID: The Bonds will be awarded to the responsible bidder submitting the best responsive bid, considering the interest rate or rates specified and the premium offered, if any. The best bid will be the bid which represents the lowest combined TIC to the City. The TIC is the discount rate which, when used to discount all debt service payments on the Bonds back to the date of such Bonds, results in an amount equal to the price bid for the Bonds. For the purpose of calculating the TIC, the mandatory sinking fund payments, if any (*see* "TERMS OF THE BONDS—Serial Bonds and/or Term Bonds" herein), shall be treated as serial maturities in such years. The determination of the bid representing the lowest TIC will be made without regard to any adjustments made or contemplated to be made after the award by the Director of Finance, as described herein under "TERMS OF THE BONDS—Adjustment of Principal Amounts," even if such adjustments have the effect of raising the TIC of the successful bid to a level higher than the bid containing the next lowest TIC prior to adjustment.

PROMPT AWARD: The Director of Finance of the City will take action awarding the Bonds or rejecting all bids for the Bonds not later than twenty-four (24) hours after the expiration of the time herein prescribed for the sale of the Bonds, unless such time of award is waived by the successful bidder. Notice of award will be given promptly to the successful bidder.

REOFFERING PRICE SERIES 2022C-1 BONDS: The successful bidder shall assist the City in establishing the issue price of the Tax-Exempt Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Tax-Exempt Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the City and Bond Counsel.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Tax-Exempt Bonds) will apply to the initial sale of the Tax-Exempt Bonds (the "competitive sale requirements") because:

(1) the City shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the City anticipates awarding the sale of the Tax-Exempt Bonds to the bidder who submits a firm offer to purchase the Tax-Exempt Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale for the Tax-Exempt Bonds shall be considered a firm offer for the purchase of the Tax-Exempt Bonds, on the terms set forth in the bid form and this Notice of Sale, and is not subject to any conditions, except as permitted by this Notice of Sale. By submitting a bid, each bidder confirms that it has an established industry reputation for underwriting new issuances of municipal bonds.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the successful bidder. The City shall treat the first price at which 10% of each maturity (the "10% test") is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The successful bidder shall advise the City if any maturity satisfies the 10% test as of the date and time of the award of the Tax-Exempt Bonds. **The City will not require bidders to comply with the "hold-the-offering-price rule" and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied**. Bidders should prepare their bids on the assumption that all of the maturities will be subject to the 10% test in order to establish the issue price of the Tax-Exempt Bonds.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity, the successful bidder agrees to promptly report to the City the prices at which the unsold Tax-Exempt Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing has occurred, until the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or until all Tax-Exempt Bonds of that maturity have been sold.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Tax-Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Tax-Exempt Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or all Tax-Exempt Bonds of that maturity have been sold to the public, if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Tax-Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Tax-Exempt Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Tax-Exempt Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or all Tax-Exempt Bonds of that maturity have been sold to the public, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Tax-Exempt Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party;

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Tax-Exempt Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Tax-Exempt Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Tax-Exempt Bonds to the public);

(iii) a purchaser of any of the Tax-Exempt Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Tax-Exempt Bonds are awarded by the City to the successful bidder.

Series 2022C-2 Bonds. The successful bidder shall, within one (1) hour after being notified of the award of the Taxable Bonds, advise the Municipal Advisor by electronic transmission or writing by facsimile transmission of the initial public offering price of the Bonds.

DEPOSIT: The successful bidder shall deliver a good faith deposit (the "Deposit") in the form of a federal funds wire transfer payable in immediately available funds in the amount of $______for the Bonds to secure the City from any loss resulting from the failure of the successful bidder to comply with the terms of its bid. Each bidder shall acknowledge as a condition precedent to the submission of its bid that the successful bidder is required to submit its Deposit to the City in the form of a federal funds wire transfer as instructed by the City not later than 12:00 p.m. (Pacific Time) on the business day following the City's acceptance of the bid of the successful bidder. Wiring instructions shall be provided to the successful bidder upon notification of the award.

In the event the successful bidder fails to honor its accepted bid, the Deposit will be retained by the City. If the successful bidder completes its purchase of the Bonds on the terms stated in its bid, its Deposit will be applied to the purchase of the Bonds on the date of delivery of the Bonds. No interest will be paid upon the Deposit made by any bidder.

In the event of the City's inability to deliver the Bonds at the closing, the City shall forthwith return the amount of the Deposit, without interest, to the successful bidder immediately and such return shall constitute a full release and discharge of all claims by the successful bidder against the City arising out of the transactions contemplated by this Official Notice of Sale.

CUSIP NUMBER/OTHER CHARGES: It is anticipated that a CUSIP number will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for said Bonds in accordance herewith. All charges of CDIAC, DTC or the CUSIP Service Bureau for the assignment of CUSIP numbers for the Bonds shall be paid by the successful bidder.

LITIGATION: Other than disclosed in the Preliminary Official Statement, no litigation is pending, or, to the knowledge of the City, threatened concerning the validity of the Bonds, and an opinion of the City Attorney to that effect will be furnished at the time of the original delivery of the Bonds. Other than disclosed in the Preliminary Official Statement, the City is not aware of any litigation pending or threatened questioning the political existence of the City or contesting the City's ability to levy and collect *ad valorem* taxes or contesting the City's ability to issue the Bonds.

OFFICIAL STATEMENT: The City has approved a Preliminary Official Statement dated February_, 2022 (the "Preliminary Official Statement"), which the City prepared with the assistance of Curls Bartling P.C., Disclosure Counsel to the City. The City has "deemed final" said Preliminary Official Statement for purposes of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission although it is subject to revision, amendment and completion in the form of a Final Official Statement in conformance with such Rule. Up to 25 copies of the Final Official Statement will be supplied to the successful bidder without charge.

An electronic copy of the Preliminary Official Statement will be made available to bidders.

EACH BIDDER IS DEEMED TO HAVE OBTAINED AND REVIEWED THE PRELIMINARY OFFICIAL STATEMENT PRIOR TO BIDDING FOR THE BONDS. THE DESCRIPTION OF THE BONDS CONTAINED IN THIS OFFICIAL NOTICE OF SALE IS QUALIFIED IN ALL RESPECTS BY THE DESCRIPTION CONTAINED IN THE PRELIMINARY OFFICIAL STATEMENT.

BLUE SKY: The City has not taken any action relating to the requirements of the securities or "blue sky" laws of any jurisdiction with respect to the offer and sale of the Bonds. Certain jurisdictions may have filing requirements which must be satisfied prior to any offer or sale of the Bonds.

TAX-EXEMPT STATUS: In the event that prior to the delivery of the Tax-Exempt Bonds (a) the income received by any private holder from bonds of the same type and character as the Tax-Exempt Bonds shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is enacted which will have a substantial adverse tax effect on holders of the Tax-Exempt Bonds as such, the successful bidder may, at its option, prior to the tender of the Tax-Exempt Bonds by the City, be relieved of its obligation to purchase the Tax-Exempt Bonds and in such case its Deposit will be returned.

DELIVERY AND PAYMENT: Delivery of the Bonds is expected to occur on February_, 2022. The Bonds will be delivered to DTC through the Fast Automated Securities Transfer service. The successful bidder shall pay for the Bonds on the date of delivery in Federal Reserve Bank funds or equivalent immediately available funds in Oakland, California. Payment on the delivery date shall be made in an amount equal to the price bid for the Bonds, less the amount of the Deposit.

ADDITIONAL INFORMATION: Copies of the Official Notice of Sale will be furnished to any potential bidder upon request made to the Municipal Advisor, KNN Public Finance, 2054 University Avenue, Suite 300, Berkeley, CA 94704, Attention: _____ (telephone: _____; facsimile:_______; email: _______).

Dated: February __, 2022

City of Oakland

APPENDIX A

ISSUE PRICE CERTIFICATE
(IF 3 BIDS FROM COMPETITIVE PROVIDERS ARE RECEIVED)

(TO BE DELIVERED BY THE PURCHASER AS DESCRIBED IN THE OFFICIAL NOTICE OF SALE)

This certificate is being delivered by______________________, the purchaser (the "Purchaser") in connection with the issuance of the City of Oakland General Obligation Bonds (Measure KK) Series 2022C-1 (Tax-Exempt) (the "Series 2022C-1 Bonds"). The Purchaser hereby certifies and represents that:

1. ***Reasonably Expected Initial Offering Price***.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2022C-1 Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed on the [inside] cover page of the Official Statement in respect of such Series 2022C-1 Bonds dated February_, 2022 (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Series 2022C-1 Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Series 2022C-1 Bonds. Attached as Schedule A is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2022C-1 Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series 2022C-1 Bonds on the terms set forth in the bid form and the Official Notice of Sale, and was not subject to any conditions, except as permitted by the Official Notice of Sale. We confirm that we have an established industry reputation for underwriting new issuances of municipal bonds.

2. ***Defined Terms***.

(a) *Issuer* means the City of Oakland.

(b) *Maturity* means principal payment dates with the same credit and payment terms. Series 2022C-1 Bonds with different maturities, or Series 2022C-1 Bonds with the same Maturity but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a maturity of the Series 2022C-1 Bonds. The Sale Date of the Series 2022C-1 Bonds is February_, 2022.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022C-1 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series

2022C-1 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2022C-1 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2022C-1 Bonds, and by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Series 2022C-1 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2022C-1 Bonds.

[UNDERWRITER]

By:__________________________________

Name:________________________________

Dated: [ISSUE DATE]

ISSUE PRICE CERTIFICATE
(IF LESS THAN 3 BIDS FROM COMPETITIVE PROVIDERS ARE RECEIVED)

(TO BE DELIVERED BY THE PURCHASER AS DESCRIBED IN THE OFFICIAL NOTICE OF SALE)

This certificate is being delivered by______________________, the purchaser (the "Purchaser") in connection with the execution and delivery of the City of Oakland General Obligation Bonds (Measure KK) Series 2022C-1 (Tax-Exempt) (the "Series 2022C-1 Bonds"). The Purchaser hereby certifies and represents that:

1. As of the date hereof, other than the Series 2022C-1 Bonds listed on Schedule 1 hereto as undersold maturities (the "Undersold Maturities"), the first price or yield at which at least 10% of each Maturity of the Series 2022C-1 Bonds was sold by the Purchaser to the Public was the price set forth on Schedule 1 hereto.

2. With respect to the Undersold Maturities, the Purchaser agrees to notify the Issuer in writing of the first price or yield at which at least 10% of each such Undersold Maturity is ultimately sold by the Purchaser to the Public as soon as practicable after such applicable sales have occurred. If all of an Undersold Maturity is sold to the Public but not more than 10% of the Undersold Maturity is sold by the Purchaser to the Public at any particular price or yield, the Purchaser agrees to notify the Issuer in writing of the amount of the Undersold Maturity sold by the Purchaser to the Public at each of the respective prices or yields at which the Undersold Maturity is sold to the Public.

3. ***Defined Terms***.

(a) *Issuer* means the City of Oakland.

(b) *Maturity* means principal payment dates with the same credit and payment terms. Series 2022C-1 Bonds with different maturities, or Series 2022C-1 Bonds with the same Maturity but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2022C-1 Bonds. The Sale Date of the Series 2022C-1 Bonds is February_, 2022.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022C-1 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2022C-1 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2022C-1 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2022C-1 Bonds, and by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Series 2022C-1 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2022C-1 Bonds.

[UNDERWRITER]

By:__________________________________

Name:________________________________

Dated: [ISSUE DATE]

Schedule A to Appendix A

Series 2022C-1 Bonds			
Maturity (July 15)	**Principal Amount**	**Interest Rate**	**Reoffering Price or Yield**
		%	%

* Principal components evidenced by the Series 2022C-1 Bonds were priced to call on July 15,_____at 100% of par.

PRELIMINARY OFFICIAL STATEMENT DATED____, 2022

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.

NEW ISSUE, BOOK-ENTRY ONLY

RATINGS: Moody's:
Standard & Poor's:
(See "RATINGS" herein.)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the City, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2022C-1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and interest on the Bonds is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2022C-1 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Series 2022C-2 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

$____________*	**$____________***
City of Oakland	**City of Oakland**
General Obligation Bonds	**General Obligation Bonds**
(Measure KK, Series 2022C-1)	**(Measure KK, Series 2022C-2)**
(Tax-Exempt)	**(Taxable)**

Dated: Date of Delivery **Due: July 15, as shown on the inside cover hereof**

The $_________* aggregate principal amount of City of Oakland General Obligation Bonds (Measure KK, Series 2022C-1) (Tax-Exempt) (the "**Series 2022C-1 Bonds**") and $ _______* aggregate principal amount of City of Oakland General Obligation Bonds (Measure KK, Series 2022C-2) (Taxable) (the "**Series 2022C-2 Bonds**" and, together with the Series 2022C-1 Bonds, the "**Bonds**"), are being issued under the Constitution of the State of California (the "**State**"), the Charter of the City, Measure KK (defined herein) and the City's Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54. The specific terms and conditions for issuance of the Bonds are contained in a resolution adopted by the City Council of the City on _________, 2022. See "THE BONDS – Authority for Issuances."

The proceeds of the Bonds will be used to finance the Series 2022C Projects (as defined herein), to fund a debt service fund and to pay for certain costs related to the issuance of the Bonds. See "THE BONDS – Purpose of the Bonds."

The Bonds will be issued only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC"**). Individual purchases of the Bonds will be made in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Payments of principal of and interest on the Bonds will be made to DTC by U.S. Bank National Association, as fiscal agent. DTC in turn is required to remit such principal and interest to the DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See APPENDIX D – "BOOK-ENTRY ONLY SYSTEM." The Bonds will be dated and bear interest from the date of original issuance. Interest on the Bonds will be payable semiannually on January 15 and July 15 of each year, commencing July 15, 2022. The Bonds will be subject to optional redemption prior to their respective stated maturities (as described herein). See "THE BONDS – Redemption."

The Bonds are payable from *ad valorem* taxes levied upon all taxable property in the City. The City Council of the City has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation by the City without limitation as to rate or amount (except certain property which is taxable at limited rates).

The Bonds will be sold by competitive sale on_______2022*. Bids for the purchase of the Series 2022C-2 Bonds will be received by the City at 8:00 a.m.* pacific time, and bids for the Series 2022C-1 Bonds will be received by the City at 8:30 a.m.* pacific time, all as provided in the Official Notice of Sale inviting bids dated______________, 2022, unless postponed as set forth in such Official Notice of Sale. See also "SALE OF BONDS" herein.

The Bonds will be offered when, as and if issued by the City and received by the initial purchaser(s), subject to the approval of validity by Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Certain legal matters will be passed upon for the City by Curls Bartling P.C., as Disclosure Counsel. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about February____, 2022.

This cover page contains certain information for general reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

Dated:____________, 2022

**Preliminary, subject to change.*

MATURITY SCHEDULES

$_____________*[*]
CITY OF OAKLAND
GENERAL OBLIGATION BONDS
(MEASURE KK, SERIES 2022C-1)
(TAX-EXEMPT)

$_____________Serial Bonds
CUSIP[*] Base: 672240

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP[†] Suffix
	$	%	%		

$ % Term Bonds due July 15, 20__, Yield %, Price , CUSIP[†] No. 672240_

$ % Term Bonds due July 15, 20__, Yield %, Price , CUSIP[†] No. 672240_

$_____________[*]
CITY OF OAKLAND
GENERAL OBLIGATION BONDS
(MEASURE KK, SERIES 2022C-2)
(TAXABLE)

$_____________Serial Bonds
CUSIP[*] Base: 672240

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP[†] Suffix
	$	%	%		

[*] *Preliminary, subject to change.*
[†]CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only and the City takes no responsibility for the accuracy thereof. The CUSIP numbers are subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding, in whole or in part of the Bonds.

CITY OF OAKLAND
County of Alameda, California

CITY COUNCIL

Rebecca Kaplan (At-Large)
Councilmember & Vice Mayor

Sheng Thao (District 4)
Councilmember and President Pro Tempore

Dan Kalb (District 1)
Councilmember

Noel Gallo (District 5)
Councilmember

Nikki Fortunato Bas (District 2)
City Council President and Councilmember

Loren Taylor (District 6)
Councilmember

Carroll Fife (District 3)
Councilmember

Treva Reid (District 7)
Councilmember

CITY OFFICIALS

Libby Schaaf, *Mayor*
Edward Reiskin, *City Administrator*
Courtney Ruby, *City Auditor*
Barbara Parker, *City Attorney*
Asha Reed, *City Clerk*
Erin Roseman, *Director of Finance*

SPECIAL SERVICES

Bond Counsel
Orrick, Herrington & Sutcliffe LLP
San Francisco, California

Disclosure Counsel
Curls Bartling P.C.
Oakland, California

Fiscal Agent
U.S. Bank National Association
San Francisco, California

Municipal Advisor
KNN Public Finance
Berkeley, California

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds by the City. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the City.

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. This Official Statement is not to be construed as a contract with the purchasers or owners of any of the Bonds.

The information set forth herein other than that furnished by the City, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. All summaries of the documents and laws herein are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

The initial purchaser(s) has(ve) reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the initial purchaser(s) does(do) not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur, or if actual results, performance or achievements are materially different from any results, performance or achievements described or implied by such forward-looking statements.

In connection with this offering, the initial purchaser(s) may overallot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The initial purchaser(s) may offer and sell the Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page hereof and said public offering prices may be changed from time to time by the initial purchaser(s).

The Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The Bonds have not been registered or qualified under the securities laws of any state. The Bonds have not been recommended by any Federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this Official Statement.

The City maintains a website and social media accounts. The information presented on such website and social media accounts is not incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. Various other websites referred to in this Official Statement also are not incorporated herein by such references.

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

Page

APPENDICES

OFFICIAL STATEMENT

INTRODUCTION

General

The purpose of this Official Statement (including the cover page and appendices attached hereto) is to provide certain information concerning the initial issuance, sale and delivery by the City of Oakland, California (the "**City**"), of its $_________* aggregate principal amount of City of Oakland General Obligation Bonds (Measure KK, Series 2022C-1) (Tax-Exempt) (the "**Series 2022C-1 Bonds**") and $___________* aggregate principal amount of City of Oakland General Obligation Bonds (Measure KK, Series 2022C-2) (Taxable) (the "**Series 2022C-2 Bonds**" and, together with the Series 2022C-1 Bonds, the "**Bonds**").

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meaning as in the Authorizing Resolution and Fiscal Agent Agreement (each defined below).

The Bonds will be payable from *ad valorem* taxes levied upon all taxable property in the City. The City Council of the City (the "**City Council**") has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation without limitation as to the rate or the amount (except with respect to certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS." For information on the City's tax base, tax collection system and property tax revenues, see also "GENERAL PURPOSE FUND REVENUES – Property Taxation" and "CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS" in APPENDIX A-2 – "CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS."

The City

The City is located in the County of Alameda (the "**County**") on the eastern shore of the San Francisco Bay (the "**Bay**"), approximately seven miles from downtown San Francisco via the San Francisco-Oakland Bay Bridge. Occupying approximately 53.8 square miles, the City is the largest and most established of the "East Bay" cities. Its geography ranges from industrialized areas in the west, which border the Bay, to suburban foothills in the east. Formerly the industrial heart of the San Francisco Bay Area, the City has developed into a diverse financial, commercial and governmental center. The City is the seat of government for the County and is the eighth most populous city in the State of California (the "**State**").

For additional information regarding the City's demographics, budget and operations, including its tax base, property tax revenues and collection, see generally APPENDIX A-1 – "CERTAIN INFORMATION CONCERNING THE ECONOMY OF THE CITY," APPENDIX A-2 – "CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS" and APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2021."

THE BONDS

Authority for Issuances

The Bonds will be issued under provisions of the Constitution of the State, the Charter of the City, Measure KK (defined below) and the City of Oakland Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54 (the "**Bond Act**") and pursuant to Ordinance No._______C.M.S. adopted by the City Council on______________, 20__ (the "**Ordinance**"). The specific terms and conditions for issuance of the Bonds are contained in Resolution No._________C.M.S adopted by the City Council on_______________, 2022 (the "**Authorizing Resolution**") and a Fiscal Agent Agreement, dated as of February 1, 2022 (the "**Fiscal Agent Agreement**"), between the City and U.S. Bank National Association, as fiscal agent (together with any successors, the "**Fiscal Agent**").

The Bonds constitute the fifth and sixth series of bonds to be issued from an aggregate authorized amount of $600,000,000 of general obligation bonds duly approved by at least two-thirds of the qualified voters voting at an election held in the City on November 8, 2016, an Ordinance Authorizing the Issuance of Infrastructure Bonds In An Amount Not To Exceed $600 Million to Improve Public Safety And Invest In the Neighborhoods ("**Measure KK**"). Measure KK provides funds "to improve public safety and invest in neighborhoods throughout Oakland by re-paving streets to remove potholes, rebuilding cracked and deteriorating sidewalks, funding bicycle and pedestrian safety improvements, funding affordable housing for Oaklanders, and providing funds for facility improvements, such as, neighborhood recreation centers, playgrounds and libraries." After the issuance of the Bonds, authorization for the issuance of $___________ million of general obligation bonds under Measure KK will remain.

Measure KK required the creation of a citizens' oversight committee (the "**Measure KK Oversight Committee**") to review financial and operational reports related to the expenditure of bond proceeds to confirm that such proceeds were used in a manner permitted under Measure KK and to evaluate the impacts and outcomes of the bond expenditures on Measure KK's stated goals, including social equity, anti-displacement and affordable housing. The Measure KK Oversight Committee reports to the City Council.

Purpose of the Bonds

The Bonds are being issued by the City to provide funds for certain street and road projects including street repaving, resurfacing and other improvements, curb ramps and sidewalk repair, and Safe Routes to Schools projects, and for the construction, improvement or rehabilitation of City facilities including fire, library, parks and recreation, head start and senior facilities, consistent with the City's Fiscal Year 2021-23 Capital Improvement Program (the "**2022C Projects**") all as set forth in Resolution No. ________ C.M.S., adopted by the City Council on_______, 2022 (the "**Projects Resolution**"), to fund a debt service fund and to pay costs associated with the issuance of the Bonds. See "SOURCES AND USES."

Description of the Bonds

The Bonds are being offered in denominations of $5,000 or integral multiples thereof, will be dated their date of issuance and delivery, and will mature on the dates and bear interest at the respective rates of interest per annum set forth on the inside cover page hereof. Interest on the Bonds will accrue from the date of initial issuance calculated on the basis of a 360-day year composed of twelve (12) 30-day months and will be payable on July 15, 2022, and on each January 15 and July 15 thereafter (each, an "**Interest Payment Date**").

Form and Registration

The Bonds will be issued in fully registered book-entry form only. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"), New York, New York. DTC will act as securities depository for the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the owners or registered owners will mean Cede & Co. and will not mean the ultimate purchasers of the Bonds. Principal of and redemption premium, if any, and interest on, the Bonds will be paid directly to DTC or Cede & Co. so long as DTC or Cede & Co. is the registered owner of the Bonds. Except in the event that use of this book-entry system is discontinued for the Bonds, beneficial owners will not receive physical certificates representing their ownership interests. See APPENDIX D – "BOOK-ENTRY ONLY SYSTEM."

Purchases of Bonds under the DTC system must be made by or through a DTC participant, and ownership interests in Bonds or any transfer thereof will be recorded as entries on the books of said participants. The City and the Fiscal Agent will have no responsibility or obligation with respect to: (i) the accuracy of the records of DTC, its nominee or any participant with respect to any beneficial ownership interest in the Bonds; (ii) the delivery to any participant, beneficial owner or other person, other than DTC, of any notice with respect to the Bonds; (iii) the payment to any participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal of, or premium, if any, or interest on, the Bonds; (iv) any consent given by DTC or its nominee as owner; or (v) if applicable, the selection by DTC or any participant of any beneficial owners to receive payment if the Bonds are redeemed in part. See APPENDIX D – "BOOK-ENTRY ONLY SYSTEM."

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Debt Service

The scheduled debt service for the Bonds (assuming no optional redemption prior to the stated maturity date) is as follows:

CITY OF OAKLAND
General Obligation Bonds
(Measure KK, Series 2022C)
Debt Service

Period Ending (July 15)	2022C-1 Principal	2022C-1 Interest	2022C-2 Principal	2022C-2 Interest	Total Debt Service
TOTAL					

Redemption

Optional Redemption of the Series 2022C-1 Bonds

The Series 2022C-1 Bonds maturing on or before July 15,_______, are not subject to optional redemption prior to their respective stated maturities. The Series 2022C-1 Bonds maturing on and after July 15,______are subject to optional redemption prior to their respective stated maturities, at the option of the City, from any source of available funds, as a whole or in part on any date (with the series of Bonds and maturities within such series of Bonds to be redeemed to be determined by the City and by lot within a maturity), on or after July 15,_______, at redemption prices equal to the principal amount thereof to be redeemed, without premium, together with accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption of the Series 2022C-1 Bonds

The Series 2022C-1 Term Bond maturing on July 15, (the "**2022C-1 20__ Term Bond**"), is subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date in the respective principal amounts set forth in the following schedule at a redemption price equal to 100% of the principal amount to be redeemed (without premium) together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount

* Maturity

The principal amount of any maturity to be redeemed in each year as shown above will be reduced proportionately by the amount of any Term Bonds of that maturity optionally redeemed prior to the Mandatory Sinking Fund Redemption Date unless otherwise directed by the City.

No Redemption of the Series 2022C-2 Bonds

The Series 2022C-2 Bonds are not subject to optional redemption prior to their respective stated maturities.

Selection of Bonds for Redemption

Whenever less than all of the Outstanding Bonds of a series are called for optional redemption, the City shall select the maturities to be redeemed. Whenever less than all the Outstanding Bonds maturing on any one date are called for redemption on any one date, the Fiscal Agent shall select the Bonds or portions thereof (in denominations of $5,000 or any integral multiple thereof) to be redeemed from the Outstanding Bonds maturing on such date not previously selected for redemption, by lot, in any manner which the Fiscal Agent deems fair.

Notice of Redemption

Notice of any redemption of Bonds shall be mailed, postage prepaid, to the respective registered owners thereof at the addresses appearing on the bond registration books not less than 30 and no more than 60 days prior to the redemption date. The notice of redemption shall: (a) state the redemption date; (b) state the redemption price; (c) state the dates of maturity of the Bonds and, if less than all of any such maturity is called for redemption, the distinctive numbers of the Bonds of such maturity to be redeemed, and in the case of Bonds redeemed in part only, the respective portions of the principal amount thereof, to be redeemed; (d) state the series and the CUSIP number, if any, of each Bond to be redeemed; (e) require that such Bonds be surrendered by the owners at the office of the Fiscal Agent; and (f) give notice that further interest on such Bonds will not accrue after the designated redemption date.

The actual receipt by the owner of any Bond to be redeemed of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice or any defect in such notice shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Conditional Notice; Right to Rescind Notice

The City shall have the right to provide a conditional notice of redemption and to rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if, for any reason, on the date fixed for redemption funds are not available in the respective Redemption Account in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Defeasance

The Bonds, or any portions thereof, may be defeased prior to maturity by irrevocably depositing with the Fiscal Agent or other fiduciary: (i) an amount of cash which together with amounts then on deposit in the appropriate Debt Service Account, is sufficient, without reinvestment, to pay and discharge all (or such portions) of the Bonds Outstanding (including all principal, interest, and premium, if any) at or before their stated maturity date; or (ii) United States Treasury Obligations not subject to call, together with cash, if required, in such amount as will, without reinvestment, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the appropriate Debt Service Account together with the interest to accrue thereon, be fully sufficient to pay and discharge all (or such portions) of the Bonds (including all principal, interest, and premium, if any) at or before their stated maturity date.

Notwithstanding that any of the Bonds will not have been surrendered for payment, all obligations of the City with respect to all said Outstanding Bonds to the owners thereof will cease and terminate, except only the obligation of the City: (a) to pay or cause to be paid from funds deposited pursuant to paragraphs (i) or (ii) of the paragraph above to the owners of said Bonds not so surrendered and paid all sums due with respect thereto; and (b) to indemnify the Fiscal Agent, if and as applicable, under the Fiscal Agent Agreement; provided, however, that the City and the Fiscal Agent will have received a verification report from an independent certified public accountant stating that the escrow is sufficient to satisfy the standards of the Fiscal Agent Agreement and an opinion of bond counsel of said Bonds that the Bonds have been defeased.

If the Bonds to be defeased pursuant to the Fiscal Agent Agreement are to be redeemed prior to the maturity thereof, notice of such redemption shall have been mailed pursuant to the Fiscal Agent Agreement, or an irrevocable direction to give such notice shall have been made by the City.

SOURCES AND USES OF FUNDS

The following are the estimated sources and uses of funds in connection with the Bonds:

	Series 2022C-1 Bonds	Series 2022C-2 Bonds	Total
Sources			
Principal Amount of Bonds			
Net Issue Premium			
Total Sources of Funds			
Uses			
2022C Proceeds Account			
2022C Debt Service Account			
2022C Costs of Issuance Account[1]			
Underwriter's Discount			
Total Uses of Funds			

[1] Includes fees and expenses of rating agencies, municipal advisor, bond counsel, disclosure counsel, and other costs.

SECURITY FOR THE BONDS

General

Pursuant to the Resolution, for the purpose of paying the principal of and interest on the Bonds, the City Council, at the time of making the general tax levy after incurring the bond indebtedness, will, in the manner provided for such general tax levy, levy and collect annually until the Bonds are paid, or until there is a sum set apart for that purpose in the Treasury of the City sufficient to meet all sums as they become due for payment of principal of and interest on the Bonds, a tax sufficient to pay the interest on the Bonds and such part of the principal as the same become due. Said tax will be in addition to all other taxes levied for City purposes and will be used only for the payment of the Bonds and the interest thereon.

The Bonds are payable from *ad valorem* taxes, and the City Council has the power and the City is obligated and has covenanted in the Fiscal Agent Agreement to levy *ad valorem* taxes upon all property within the City subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates), for the payment of the Bonds and the interest thereon. Provisions will be made for the levy and collection of such taxes in a manner provided by law. See APPENDIX A-2 – CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS – "CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS."

Said taxes as collected shall be forthwith paid into the fund for which the same were levied and collected, which fund is designated the "City of Oakland General Obligation Bonds (Measure KK) Debt

Service Fund" (the "**Debt Service Fund**"). Pursuant to the Fiscal Agent Agreement, the City will transfer to the Fiscal Agent all sums as they become due for the principal of and interest on the Bonds from such Debt Service Fund. The Fiscal Agent will deposit all such funds into the "City of Oakland General Obligation Bonds (Measure KK) Series 2022C Debt Service Account" (the "**Series 2022C Debt Service Account**") created by the Fiscal Agent, for the benefit of the City pursuant to the Fiscal Agent Agreement, which account the Fiscal Agent shall keep separate and apart from all other of the funds of the Fiscal Agent and other accounts created thereunder. All monies in the Series 2022C Debt Service Account shall be withdrawn by the Fiscal Agent solely for the purpose of paying principal and interest on the Bonds. Under the framework of the constitutional provisions and statutes applicable to California general obligation bonds, including the Bonds, taxes levied to pay debt service on the Bonds may not be used for any other purpose and are not available to support general City operations.

Under the Resolution, the City is <u>not</u> obligated to pay the debt service from any sources other than as described herein. This Official Statement, including Appendices A-1 and A-2 hereto, provide certain information regarding the City's overall finances with an emphasis on its General Purpose Fund and therefore includes information on revenues and other funds that are not pledged to the Bonds and that should not be considered available to pay debt service on the Bonds.

Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes levied for the Bonds. Section 53515 of the California Government Code provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board and will be valid and binding from the time such bonds are executed and delivered. Section 53515 of the California Government Code further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act. See also "CERTAIN RISK FACTORS – Possible Limitation on Remedies; Bankruptcy."

CERTAIN RISK FACTORS

Factors Affecting Property Tax Security for the Bonds

The annual property tax rate for payment of the Bonds will be based on the total assessed value of taxable property in the City and the scheduled debt service on the Bonds in each year. Fluctuations in the annual debt service on the Bonds and/or in the assessed value of taxable property in the City may cause the annual property tax rate applicable to the Bonds to fluctuate. In addition, issuance by the City of additional authorized bonds payable from *ad valorem* property taxes may cause the overall property tax rate to increase. Discussed below are certain factors that may affect the City's ability to levy and collect sufficient ad valorem taxes to pay scheduled debt service on the Bonds each year.

Total Assessed Value of Taxable Property in the City. The greater the assessed value of taxable property in the City, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the City's general obligation bonds. The total assessed valuation of taxable property in the City for Fiscal Year 2021-22, as indicated by the Alameda County Auditor-Controller, was approximately

$73.7 billion, compared to $69.8 billion in Fiscal Year 2020-21. Natural and economic forces can affect the assessed value of taxable property in the City. See also Tables 5, 6, and 7 in APPENDIX A-2 – "CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS – PROPERTY TAXATION" for a five-year history of assessed valuation in the City."

The City is located in a seismically active region, and damage from an earthquake in or near the City could cause moderate to extensive or total damage to taxable property. See "*Natural Hazards*" below, regarding seismic risk Other natural or man-made disasters, such as wildfires and sea level rise as well as acts of terrorism or public health emergencies, such as the COVID-19 pandemic, could also cause a reduction in the assessed value of taxable property within the City. See "-COVID-19 Pandemic."

Economic and market forces, such as a downturn in the Bay Area's economy generally, can also affect assessed values, particularly as these forces might trigger an increase in foreclosures or in delinquent tax payments or in the number of requests submitted to the assessment appeals board for a reduction in assessed value of taxable property in the City.

Additionally, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). For a discussion of the City's property and other taxes, see APPENDIX A-2 – "CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS - PROPERTY TAXATION" for discussion of assessed valuation, tax rates and delinquencies and assessment appeals and "- OTHER TAXES AND GENERAL FUND REVENUES".

Concentration of Taxable Property Ownership. The more property (by assessed value) owned by any single taxpayer, the more exposure of tax collections to weakness in that taxpayer's financial situation and ability or willingness to pay property taxes. For Fiscal Year 2021-22, no single taxpayer owned more than 0.60% of the total taxable property in the City. See Table 11 titled "City of Oakland, Largest FY 2021-22 Local Secured Taxpayers in APPENDIX A-2 – "CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS –PROPERTY TAXATION."

Property Tax Rates. Another factor impacting the ability of taxpayers to pay additional taxes for general obligation bonds is the cumulative rate of tax. The total tax rate per $100 of assessed value (including the basic countywide 1% rate required by statute) is shown for each of the last five years in the Table 10 titled "City of Oakland, Property Tax Rates" in APPENDIX A-2 – "CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS – PROPERTY TAXATION."

Debt Burden on Owners of Taxable Property in the City. Another measure of the debt burden on local taxpayers is total debt as a percentage of taxable property value. As of January 1, 2022, the City had outstanding approximately $450.1 million in aggregate principal amount of general obligation bonds, which equals approximately 0.61% of the total taxable assessed valuation of the City reported by Alameda County Auditor-Controller for Fiscal Year 2020-21, is shown in Table 23 titled "City of Oakland, General Obligation Bonds" in APPENDIX A-2 – "CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS – BONDS AND OTHER INDEBTEDNESS – General Obligation Debt."

Additional Debt; Authorized but Unissued Bonds. Issuances of additional authorized bonds can cause the overall property tax rate to increase. As of January 1, 2022, the City had voter approval for $333.1 million in aggregate principal amount of bonds payable from *ad valorem* property taxes which have not yet been issued, including the Bonds, as shown in Table 23 titled "City of Oakland, General Obligation Bond Remaining Authorization" in APPENDIX A-2 – "CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS – BONDS AND OTHER INDEBTEDNESS– General Obligation Debt." The City expects that, from time to time, it will propose further bond measures to the voters to help meet its capital needs.

Natural Hazards

Property values in the City could be reduced by natural disasters beyond the City's control.

Seismic Risks. The City is located in a seismically active region. Active earthquake faults underlie both the City and the surrounding Bay Area. Three major earthquake faults that comprise the San Andreas fault system extend through the Bay Area, including the San Andreas fault, the Hayward fault, and the Calaveras fault. Portions of the City have been identified as liquefaction and earthquake-induced landslide zones pursuant to Section 2696 of the Public Resources Code. The effects of strong ground shaking, liquefaction, landslides, or other ground failure account for approximately 95 percent of economic losses caused by an earthquake.

During the past 155 years, the Bay Area has experienced several major, and numerous minor, earthquakes. The largest was the 1906 San Francisco earthquake along the San Andreas fault, which passed thru the San Francisco Peninsula, west of Oakland, with an estimated magnitude of 8.3 on the Richter scale of earthquake intensity. More recently, on August 24, 2014, an earthquake occurred in Napa, California. The tremor's epicenter was located approximately 3.7 miles northwest of American Canyon near the West Napa Fault and registered 6.0 on the Richter scale of earthquake intensity. The Napa earthquake caused fires, damaged buildings and roads, and injured approximately 200 people. The City did not suffer any material damage as a result of this earthquake. The Napa earthquake was the largest earthquake in the Bay Area since the 1989 Loma Prieta earthquake on the San Andreas Fault, which registered 6.9 on the Richter scale. The Loma Prieta earthquake caused fires and collapses of, and structural damage to, buildings, highways and bridges in the Bay Area, including in the City.

In March 2015, the 2014 Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey ("**USGS**"), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more earthquakes of magnitude 6.7 (the magnitude of the 1994 Northridge earthquake) or larger will occur in the San Francisco Bay Area before the year 2043. In addition, the USGS released a report in April 2017 entitled "The HayWired Earthquake Scenario," which estimates that property damage and direct business disruption losses from a magnitude 7.0 earthquake on the Hayward Fault would be more than $82 billion (in 2016 dollars). Most of the losses are expected to be attributable to shaking damage, liquefaction, and landslides (in that order). Such earthquakes may be very destructive. Property within the City could sustain extensive damage in a major earthquake, and a major earthquake could adversely affect the area's economic activity.

Wildfire. In recent years, portions of California, including several areas in Northern California and counties adjacent to the City, have experienced multiple significant wildfires that have burned thousands of acres and destroyed thousands of homes and structures, such as the Camp Fire in Butte County in November 2018 which burned over 150,000 acres, destroyed over 18,000 structures, and caused approximately $16.5 billion in damage. Property damage due to a wildfire could result in a significant decrease in the assessed value of property in the City. In October 1991, a firestorm on the hillsides of northern Oakland and southeastern Berkeley burned 1,520 acres and destroyed over two thousand single-family homes and hundreds of apartment and condominium units. The economic loss from that fire was estimated at $1.5 billion.

In 2020 and 2021, parts of the City experienced several blackout days as a result of PG&E's wildfire prevention strategy. Additional shutoffs may occur in the future and it is uncertain what effects these future PG&E shutoffs could have on the local economy. In addition, the smoke from these wildfires impacts the quality of life in the Bay Area and the City, and, if the frequency of these wildfires, increases could impact the desirability of the City and the Bay Area as places to live, potentially impacting real estate market trends and values.

It is not possible for the City to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the City or the extent to which wildfires may impact the value of taxable property within the City.

The City's Vegetation Management Unit ("**VMU**") serves to inspect properties in the City's Oakland Hills, much of which is designated as a Very High Fire Hazard Severity Zone ("**VHFHSZ**"). The VMU works under the Oakland Fire Department's Fire Prevention Bureau and is responsible for the inspection of homes and vacant parcels in the VHFHSZ. The purpose of these inspections is to identify and mitigate hazards and reduce the amount of fuel (combustible, flammable vegetation) that could contribute to the spread, growth, and intensity of wildfire. Inspections are done annually, and property owners are required to actively maintain their parcels in a fire-safe condition year-round. The City's Fire Prevention Bureau launched an incentive-based pilot program in 2020 to incentivize property owners to comply with California Fire Code and Oakland Municipal Code requirements. In Fiscal Year 2020-21 28,093 total inspections (including re-inspections) were completed and 26,088 parcels (99%) are compliant to date.

Drought. In recent years California has experienced severe drought conditions. In January 2014, the Governor declared a state-wide Drought State of Emergency due to the State facing serious water shortfalls due to the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The California State Water Resources Control Board (the "**State Water Board**") subsequently issued a statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. It is not possible for the City to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the boundaries of the City or the extent to which the drought has had or may have in the future on the value of taxable property within the City.

Flooding. The City has approximately 560 properties where the purchase of flood insurance is required due to such properties being located within a flood-prone area as outlined in the National Flood Insurance Program ("**NFIP**") managed by FEMA. Full compliance and good standing under the NFIP are application prerequisites for most FEMA grant programs. The City is in compliance with all NFIP requirements and in good-standing. Flooding can take many forms—river floods, storm-related flash floods and coastal floods, for example—and can be caused by a variety of reasons, including heavy rains, melting snow, inadequate drainage systems, urbanization increases the risk of flooding by increasing stormwater runoff and, to a lesser extent, erosion.

Landslides. More than half of City's area, including most of its vacant land, consists of gently sloping or hilly land. Most sloping land has some landslide potential. The risks tend to be greatest where a number of contributing factors are present, including slopes over 15 percent, weak, unconsolidated or shallow soils, water saturation, a history of landslides, active earthquake faults, extensive grading and vegetation removal (from fires or development activity). The slide itself is usually triggered by an earthquake, heavy rain or misdirected runoff. Landslides are a relatively common hazard in the East Bay hills, especially during and soon after heavy rainstorms, when the ground is saturated. Mudslides—fast, shallow movements of water-saturated earth that flow as muddy slurries, typically following water courses—are the most common type of landslides in Oakland; they are also known as debris flows or soil slumps.

Approximately one-quarter of the City, including all of the Oakland Hills, contains slopes greater than 15 percent. Slopes of 15-30 percent are considered developable but are likely to require site modification or special grading or foundation design to reduce the potential for slope instability. Slopes of that degree are found in Oakland throughout the southern Oakland Hills, in the roughly triangular area formed by I-580 and State Highways 13 and 24, in the vicinity of Mills College and Eastmont, and on some of the hills around Lake Merritt. Development on slopes exceeding 30 percent is considered difficult and potentially hazardous. Such slopes are concentrated throughout the Oakland Hills (especially in the northern hills) and within two miles south of Highway 13. The landslide hazard in the Oakland Hills is exacerbated by the fact that the area is crossed by the Hayward fault. During a major earthquake on that fault, landslides, widespread failure of steep slopes and the collapse of natural stream banks are anticipated in the Oakland Hills in response to the strong ground movements anticipated with such a quake. Landslides could block roads, which would hamper evacuation, firefighting and relief operations within the area.

Nevertheless, landslides are not expected to produce a large-scale disaster; rather, they present a persistent risk of damage to buildings and infrastructure in areas of potentially unstable slopes and potential bodily injury or loss of life, from the collapse of structures and tumbling earth, rocks and debris. Although the landslide hazard cannot be completely eliminated, damage can be minimized by following proper development practices or by steering development away from areas of unstable slopes. While efforts have been taken by the City through the development process to minimize landslide potential, most hillside development predates the imposition of grading and related requirements. For this reason, older hillside homes and subdivisions are the most susceptible to damage from landslides.

Climate Change; Risk of Sea Level Rise. Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution.

In 2018, the State of California Ocean Protection Council published its State of California Sea-Level Rise Guidance (Update), which provides projections for increases in sea levels and associated risk factors. This report indicates that ocean levels along the California coast are likely to increase between 2.4 and 3.4 feet by 2100, with the potential for increases of 5.7 to 6.9 feet in Medium-High Risk Aversion scenarios and 10.2 feet in the Extreme Risk Aversion Scenario. The Bay Conservation and Development Commission has done additional analysis of the impacts of local tidal influences and storm surges under these sea level rise scenarios, and projects that storm surges and king tides can result in temporary flooding conditions equivalent to an additional 14 to 41 inches above the sea level rise projections. Projected possible impacts of climate change in the City include rising Bay and delta waters, increased vulnerability to flood events, decreased potable water supply due to saltwater intrusion into groundwater reservoirs and shrinking Sierra snowpack, increased fire danger, more extreme heat events and public health impacts, and added stress on infrastructure associated with sea level rise due to development on its coastline.

On December 4, 2012, the City Council adopted an Energy and Climate Action Plan (the "**2012 ECAP**") for the purpose of identifying and prioritizing actions that the City can take to reduce energy consumption and greenhouse gas emissions in the City through 2020, including a 36% reduction in Citywide greenhouse gas emissions from those recorded in 2005. On October 20, 2018, the City Council adopted a Climate Emergency and Just Transition Resolution endorsing the declaration of a climate emergency and requesting regional collaboration on an immediate just transition and emergency mobilization effort to restart a safe climate. In connection with that effort, the City began a robust process to expand the 2012 ECAP to meet or exceed greenhouse emission targets, with a new target of 56% reduction by the year 2030, in addition to continued implementation of other priority actions set forth in the plan. The resulting Oakland 2030 Equitable Climate Action Plan adopted by the City Council on July 28, 2020, (the "**2030 ECAP**") reflects the City's strategy for an equitable transition to a low-carbon economy. The goal of the 2030 ECAP is to identify an equitable path towards cost-effectively reducing the City's local climate emissions by a minimum of 56%, transitioning away from fossil fuel dependence, and ensuring that all of the City's communities are resilient to the foreseeable impacts of climate change (especially those communities hit hardest by social and economic injustices), by 2030.

The City is unable to predict whether sea level rise or any other impacts of climate change will occur, the extent to which they will occur, when they may occur, and, if any such events occur, whether they will have a material adverse effect on the financial condition of the City and the local economy.

COVID-19 Pandemic

On February 11, 2020 the World Health Organization ("**WHO**") announced the official name for the outbreak of COVID-19, an upper respiratory tract illness caused by infection by a transmissible, novel coronavirus. COVID-19 has since spread across the globe. The spread of COVID-19 is a significant development with materially adverse health and financial impacts throughout the world, including the City. The WHO declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the Governor of the State and the President of the United States. The City's City Administrator also declared a state of emergency, which was ratified by City Council. To mitigate the spread of the pandemic, several counties in the Bay Area, including the County, also imposed emergency orders requiring residents to shelter in place. To date, the City has experienced significant and material economic and tax revenue losses associated with the COVID-19 pandemic.

While the arrival of effective vaccines has offered encouragement, certain emergency orders have been modified or lifted, and the City and State have implemented various economic re-openings, the COVID-19 pandemic is ongoing. Given the emergence of the new virus variants, the uncertainty regarding their duration and severity, the total magnitude of the pandemic's impact on the City's economy and the City's finances and operations cannot be fully known. Uncertain too are the actions that may be taken by federal and State governmental authorities to contain or mitigate the effects of COVID-19.

Notwithstanding the foregoing, the City's assessed valuation and property-related revenues have continued to grow at a steady rate. See APPENDIX A-2 – "CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS - PROPERTY TAXATION." However, there can be no assurances that such growth will continue in the future. See APPENDIX A-2 – "CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS – BUDGET AND FINANCIAL OPERATIONS – City's General Financial Condition and Impact of COVID-19 Pandemic" and "OTHER TAXES AND GENERAL FUND REVENUES" for additional information on the impact of the COVID-19 pandemic on the City's financial condition and on its Fiscal Year 2020-21 tax and other general fund revenues.

Possible Limitation on Remedies; Bankruptcy

General. Enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the City, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Bankruptcy. Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the City were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the parties to the proceedings may be prohibited from taking any action to collect any amount from the City (including *ad valorem* tax revenues) or to enforce any obligation of the City, without the bankruptcy court's permission. In such a proceeding, as part of its plan of adjustment in bankruptcy, the City may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, in such a proceeding, as part of such a plan, the City may be able to eliminate the obligation of the City to raise taxes if necessary to pay the Bonds. There also may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any City bankruptcy proceeding, the fact of a City bankruptcy proceeding, could have an adverse effect on the liquidity and market price of the Bonds.

As stated above, if the City were to go into bankruptcy, the bankruptcy petition would be filed under Chapter 9 of the Bankruptcy Code. Chapter 9 provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. In addition, Chapter 9 provides that a bankruptcy court may not interfere with the political or governmental powers of the debtor, unless the debtor consents to that action or the plan so provides. State law provides that the *ad valorem* taxes levied to pay the principal and interest on the Bonds shall be used for the payment of principal and interest of the City's general obligation bonds and for no other purpose. If this restriction on the expenditure of such *ad valorem* taxes is respected in a bankruptcy case, then the *ad valorem* tax revenue could not be used by the City for any purpose other than to make payments on the Bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016, as part of Senate Bill 222), the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes levied for the Bonds. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are executed and delivered. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the City, the automatic stay provisions of the Bankruptcy Code would apply, preventing bondholders from enforcing their rights to payment from such taxes, so payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed (unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code).

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The City has specifically pledged the taxes for payment of the Bonds. Additionally, the *ad valorem* taxes levied for payment of the Bonds are permitted under the State Constitution only where the applicable bond proposition is approved by at least two-thirds of the votes cast. State law prohibits the use of the tax proceeds for any purpose other than payment of the bonds and the bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

In addition, even if the *ad valorem* tax revenues are determined to be "special revenues," the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the City is entitled to use the *ad valorem* tax revenues to pay necessary operating expenses of the City before the remaining revenues are paid to the owners of the Bonds.

Accordingly, bondholders may experience delays or reductions in payment on the Bonds, the Bonds may decline in value or Bondholders may experience other adverse effects should the City file for bankruptcy.

Possession of Revenues; Remedies. If the City goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the City does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

TAX MATTERS

Series 2022C-1 Bonds

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the City ("**Bond Counsel**"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2022C-1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "**Code**") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2022C-1 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX E hereto.

To the extent the issue price of any maturity of the Series 2022C-1 Bonds is less than the amount to be paid at maturity of such Series 2022C-1 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2022C-1 Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Series 2022C-1 Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2022C-1 Bonds is the first price at which a substantial amount of such maturity of the Series 2022C-1 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2022C-1 Bonds accrues daily over the term to maturity of such Series 2022C-1 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2022C-1 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2022C-1 Bonds. Beneficial owners of the Series 2022C-1 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2022C-1 Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Series 2022C-1 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2022C-1 Bonds is sold to the public.

Series 2022C-1 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("**Premium Bonds**") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2022C-1 Bonds. The City has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2022C-1 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2022C-1 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2022C-1 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2022C-1 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2022C-1 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2022C-1 Bonds is excluded from gross income for federal income tax purposes and that interest on the Series 2022C-1 Bonds is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2022C-1 Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2022C-1 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or may otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may affect the market price for, or marketability of, the Series 2022C-1 Bonds. Prospective purchasers of the Series 2022C-1 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2022C-1 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("**IRS**") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2022C-1 Bonds ends with the issuance of the Series 2022C-1 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the beneficial owners regarding the tax-exempt status of the Series 2022C-1 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the City and their appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2022C-1 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2022C-1 Bonds, and may cause the City or the beneficial owners to incur significant expense.

Series 2022C-2 Bonds

Bond Counsel observes that interest on the Series 2022C-2 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the opinion that interest on the Series 2022C-2 Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the amount, or the accrual or receipt of interest on the Series 2022C-2 Bonds.

If the City defeases any Series 2022C-2 Bond, such Series 2022C-2 Bond may be deemed to be retired and "reissued" for federal income tax purposes as a result of the defeasance. In that event, the beneficial owner of the Series 2022C-2 Bond will recognize taxable gain or loss equal to the difference between the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the beneficial owner's adjusted tax basis in the Series 2022C-2 Bond.

LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the City. Certain matters will be passed upon for the City by Curls Bartling P.C., as Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by the City Attorney. Bond Counsel, Disclosure Counsel and the City Attorney undertake no responsibility for the accuracy, completeness or fairness of this Official Statement. Payment of fees of Bond Counsel and Disclosure Counsel is contingent upon the issuance of the Bonds.

MUNICIPAL ADVISOR

KNN Public Finance is acting as a municipal advisor to the City ("**Municipal Advisor**") with respect to the Bonds. The Municipal Advisor has assisted the City in the review and preparation of this Official Statement and in other matters relating to the planning, structuring, execution and delivery of the Bonds. The Municipal Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the City to determine the accuracy or completeness of this Official Statement and assumes no responsibility for the accuracy or completeness of any of the information contained herein. The Municipal Advisor will receive compensation from the City contingent upon the sale and delivery of the Bonds.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending, or to the knowledge of the City, threatened, concerning the validity of the Bonds, or the City's ability to receive *ad valorem* taxes and to collect other revenues, or contesting the City's ability to issue the Bonds. The City is not aware of any litigation pending or threatened questioning the political existence of the City or contesting the title to their offices of City officials who will sign the Bonds and other certifications relating to the Bonds, or the powers of those offices. The City will furnish to the initial purchaser(s) of the Bonds a certificate of the City as to the foregoing as of the time of the original delivery of the Bonds.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate, the City will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the City by not later than nine months after the end of the City's Fiscal Year (currently June 30) (the "**Annual Report**"), commencing with the report for the Fiscal Year ending June 30, 2021, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the City (or its dissemination agent, if any) with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("**EMMA**") system. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events and the text of the Continuing Disclosure Certificate are set forth under the caption APPENDIX C – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." A default under the Continuing Disclosure Certificate will not be an event of default under the Fiscal Agent Agreement. The sole remedy under the Continuing Disclosure Certificate in the event of any failure of the City to comply will be an action to compel specific performance. These covenants will be made in order to assist the initial purchaser(s) in complying with Rule 15c2-12 of the Securities and Exchange Commission.

On limited occasions during the last five years, certain event notices of ratings changes were not made in a timely manner. The City has adopted additional practices to enhance timely filing and to review and monitor compliance with all of its continuing disclosure undertakings.

RATINGS

The Bonds have received the ratings of "___" by Moody's Investors Service, Inc. ("**Moody's**") and "_" by Standard & Poor's Rating Services, a Standard and Poor's Financial Services LLC business ("**S&P**"). Each rating agency generally bases its rating on its own investigations, studies and assumptions. All such ratings reflect only the views of the respective rating agencies, and any explanation of the significance of any rating may be obtained from the rating agency furnishing such rating. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency furnishing the rating, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. The City undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

SALE OF THE BONDS

The Bonds are scheduled to be sold by competitive bid on_______, 2022, as provided in the Official Notice of Sale, dated________, 2022 (the "**Official Notice of Sale**"). The Official Notice of Sale provides that all of each series of Bonds will be purchased if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Official Notice of Sale, the approval of certain legal matters by Bond Counsel and certain other conditions. The initial purchaser(s) will represent to the City that the Bonds have been reoffered to the public at the prices or yields to be stated on the inside cover page hereof, and the City will take no responsibility for the accuracy of those prices or yields. The initial purchaser(s) may offer and sell Bonds to certain dealers and others at yields that differ from those that will be stated on the inside cover. The offering prices or yields may be changed from time to time by the initial purchaser(s).

FINANCIAL STATEMENTS

The audited annual financial report of the City for its Fiscal Year ended June 30, 2021 is included in APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2021." Said annual financial report has been audited by Macias Gini & O'Connell LLP, independent accountants (the "**Auditor**"), as stated in the Auditor's report appearing in APPENDIX B. The City has not requested, nor has the Auditor given, the Auditor's consent to the inclusion in APPENDIX B of its report. The Auditor has not reviewed this Official Statement nor performed any procedures subsequent to rendering its opinion on such annual financial report.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to purchasers of the Bonds. Quotations from and summaries and explanations of the Resolutions, Ordinance, Bonds and the Fiscal Agent Agreement authorizing the Bonds and of statutes and other documents contained herein do not purport to be complete, and reference is hereby made to said Resolutions, Ordinance, Fiscal Agent Agreement, statutes and documents for full and complete statements of their provisions. Additional information can be obtained from the City's Director of Finance. Any statement in this Official Statement involving matters of opinion, whether or not expressly stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the initial purchaser(s) or owners or beneficial owners of any of the Bonds.

The preparation and distribution of this Official Statement have been duly authorized and approved by the City Council of the City of Oakland.

CITY OF OAKLAND, CALIFORNIA

By: ______________________________

City Administrator

APPENDIX A-1

CERTAIN INFORMATION CONCERNING THE ECONOMY OF THE CITY

APPENDIX A-1
CERTAIN INFORMATION RELATING TO THE ECONOMY OF THE CITY

The following demographic and economic data is presented for information purposes only. The Bonds are not a debt or obligation of the City of Oakland.

OVERVIEW

The City of Oakland (the "**City**" or "**Oakland**") is located in the County of Alameda (the "**County**") on the eastern shore of the San Francisco Bay (the "**Bay**"), approximately seven miles from downtown San Francisco via the San Francisco-Oakland Bay Bridge. Occupying approximately 53.8 square miles, the City is the most populous of the "East Bay" cities. The City is the seat of government for the County and is the eighth most populous city in the State of California (the "**State**"). Its geography ranges from industrialized areas in the west, which border the Bay, to suburban foothills in the east.

The City is the hub of an extensive transportation network, which includes several interstate freeways, the western terminus of major railroad and trucking operations, and one of the largest container-ship ports in the United States. The City is also served by an active international airport and the Bay Area Rapid Transit system ("**BART**"), which connects the City by commuter rail to most of the San Francisco Bay area (the "**Bay Area**").

Formerly the industrial heart of the Bay Area, the City has developed into a vibrant metropolitan center, home to a diverse mix of residential neighborhoods and financial, governmental and commercial activities. The City's mix of traditional and new economy companies are attracted to the City's quality of life, central Bay Area location close to where the workforce lives, comparatively low business costs, proximity to research institutions and vast intermodal transportation network. Leading industries include business services, health care services, transportation, food processing, light manufacturing, government, arts, culture, entertainment, and tech-startups.

Culturally, the City is home to a nationally-recognized symphony, many up-and-coming artistic and cultural institutions, an award-winning zoo, the Paramount Theatre and the Fox Theater, the recently remodeled Oakland Museum of California, and a burgeoning restaurant scene. Oakland's diverse population is reflected in a variety of attractions, including a Chinatown, the Latin-infused Fruitvale area and the African American Museum and Library downtown.

Oakland boasts a wide array of parks and open space. In addition to its waterfront, the City maintains 100 city parks, mini parks and open spaces, including Lake Merritt and Lakeside Park, home of the nation's oldest wildlife refuge and a children's theme park. The City counts lush green hills, redwood and other forests, creeks, an estuary and two lakes among its natural amenities. The extensive East Bay Regional Park District borders Oakland and is easily accessible from the City.

DEMOGRAPHICS

Population

The Demographic Research Unit of the California Department of Finance estimated the City's population as of January 1, 2021, at 435,514. This figure represents approximately 26.3% of the corresponding County figure and 1.1% of the corresponding State figure. The following Table 1 sets forth the estimated population of the City, the County, and the State for calendar years 2017 through 2021.

Table 1
City of Oakland, County of Alameda and State of California
Population

Calendar Year	City	County	State
2017	427,503	1,646,405	39,500,973
2018	431,373	1,656,884	39,740,508
2019	430,753	1,664,783	39,695,376
2020	432,327	1,663,114	39,648,938
2021	435,514	1,656,591	39,466,855

Note: Data reflect population estimates as of January 1 of each year.
Source: State of California Department of Finance, Demographic Research Unit, *Report E-1 Population Estimates for Cities, Counties, and the State, January 1, 2018, 2019, 2020 and 2021,* with the latest report released May 7, 2021.

Income

The following Table 2 summarizes personal income for the County (which is larger than, but encompasses, the City) for the calendar years 2016 through 2020. Personal income increased by 32.1% from 2016 to 2020, the most current year for which data is available. Per capita personal income in the area grew by 31.2% in that same time period.

Table 2
Personal Income and Per Capita Income
County of Alameda
2016 – 2020(1)

Year	Personal Income (in Thousands)	Annual Percent Change(2)	Per Capita Income	Annual Percent Change(2)
2016	$109,572,257	7.0%	$66,377	5.9%
2017	116,802,392	6.6	70,370	6.0
2018	125,583,845	7.5	75,354	7.1
2019	131,535,494	4.7	78,839	4.6
2020	144,751,041	10.0	87,078	10.5

(1) Most current data available as of the date of this Official Statement.
(2) Rounded numbers.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income by County, 2016-2020, updated November 16, 2021.

Industry and Employment

The following Table 3 sets forth estimates of the labor force, civilian employment, and unemployment for City residents, State residents and United States residents from calendar years 2017 through 2021. The California Employment Development Department has reported preliminary unemployment figures for November 2021 at 6.9% for the State, 4.3% for the County and 5.3% for the City (not seasonally adjusted).

Table 3
County of Alameda, State of California and United States
Civilian Labor Force, Employment and Unemployment
Annual Average for Years 2017 through 2021[(1)]

Year and Area	Labor Force	Civilian Employment	Unemployment	Unemployment Rate (%)
2017				
County of Alameda	838,700	807,700	31,000	3.7
California	19,224,100	18,302,800	921,300	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
2018				
County of Alameda	841,500	815,700	25,800	3.1
California	19,398,200	18,582,800	815,400	4.2
United States	162,075,000	155,761,000	6,314,000	3.9
2019				
County of Alameda	841,100	815,900	25,200	3.0
California	19,453,600	18,589,100	864,500	4.4
United States	163,539,000	157,538,000	6,001,000	3.7
2020				
County of Alameda	806,800	746,400	60,400	7.5
California	26,188,173	23,768,876	2,419,297	10.2
United States	160,742,000	147,795,000	12,947,000	8.1
2021[(2)]				
County of Alameda	813,300	778,800	34,600	4.3
California	19,040,697	16,835,100	1,321,263	6.9
United States	162,099,000	155,797,000	6,302,000	3.9

(1) All data presented as annual averages, except 2021.
(2) County, State and U.S. data as of November 2021 and reflect preliminary numbers.

Source: For City and State information, State of California Employment Development Department, Labor Market Information Division, *Unemployment Rates and Labor Force,* Labor Force Data Search Tool, Time Period January-December, Data Not Seasonally Adjusted, last updated September 23, 2021. For U.S. information, U.S. Department of Labor, Bureau of Labor Statistics. *Employment status of the civilian population by sex and age, dated December 17, 2021.*

The following Table 4 sets forth the largest industries in the County in terms of employment in each respective industry, as estimated by the State of California Employment Development Department, for calendar years 2016 through 2020.

Table 4
County of Alameda
Employment by Industry Group
Annual Averages
2016 – 2020[(1)]

Industry	2016	2017	2018	2019	2020
Farm	475	608	617	667	742
Mining, Natural Resources & Construction[(2)]	43,042	45,925	49,042	49,592	46,583
Manufacturing	75,008	79,942	84,717	85,033	83,008
Trade, Transportation & Utilities	137,900	138,292	139,733	138,817	128,933
Information	18,233	18,792	19,967	20,533	19,900
Financial Activities	30,333	28,733	28,008	28,350	27,333
Professional & Business Services	128,733	130,383	134,025	136,625	128,808
Educational & Health Services	117,558	122,500	123,592	125,958	120,892
Leisure & Hospitality	70,917	74,117	76,425	78,000	52,858
Other Services	26,225	27,192	27,458	27,492	22,400
Government	123,483	124,167	123,867	124,083	118,425
TOTAL:	771,907	790,651	807,451	815,150	749,882

[(1)] Employment is reported by place of work; it does not include persons involved in labor-management disputes. Figures are rounded to the nearest hundred. Columns may not add to totals due to rounding.
[(2)] Includes logging.
Source: California Employment Development Department, as of November 2021.

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"Prominent" employers or businesses headquartered in the City include Kaiser Permanente, Clorox Company, Twitter, Blue Shield of California, and Square. The following Table 5 sets forth the top ten major employers in the City as of June 30, 2021.

Table 5
City of Oakland
Major Employers
as of June 30, 2021

Rank	Employer	Number of Employees	Percent of Total Employment[1]
1	County of Alameda	8,000+	4.2%
2	Kaiser Permanente Medical Group and Kaiser Foundation Hospitals[2]	7,000+	3.7
3	San Francisco Bay Area Rapid Transit District	4,000+	2.1
4	State of California	3,500+	1.8
5	City of Oakland	3,500+	1.8
6	United Parcel Service	2,500+	1.3
7	Southwest Airlines Co	2,500+	1.3
8	Children's Hospital & Research Center/UCSF Benioff Children's Hospital	2,000+	1.0
9	Highland Hospital	2,000+	1.0
10	Federal Express Corporation	1,500+	0.8
	TOTAL	38,000+	19.0%

(1) Percent of total employment is based on June 2021 employment of 191,400. Percentages and totals for 2021 data are based on the upper end of indicated ranges.
(2) Employment data for affiliated entities of Kaiser Permanente are combined.
Source: City of Oakland Economic & Workforce Development Department - Annual Comprehensive Financial Report for the Year Ended June 30, 2021.

Commercial Activity

The following Table 6 sets forth a history of taxable sales for the City for Fiscal Years 2015-16 through 2019-20.

Table 6
City of Oakland
Taxable Sales by Category
for Fiscal Years 2015-16 through 2019-20
($ In Thousands)

Taxable Outlets	2015-16	2016-17	2017-18	2018-19	2019-20
Apparel Stores	$ 70,869	$ 75,115	$ 92,283	$ 95,595	$ 63,589
Food Stores	214,256	218,906	216,230	216,567	211,633
Eating and Drinking Places	792,646	837,989	884,637	929,320	600,110
Building Materials	397,607	422,787	455,018	430,616	413,054
Auto Dealers and Supplies	799,469	783,808	764,228	759,819	624,070
Service Stations	411,219	482,261	623,958	528,231	313,893
Other Retail Stores	856,790	885,954	890,684	947,211	897,917
All Other Outlets	1,693,282	1,927,968	2,026,827	2,152,240	1,987,791
TOTAL (1)	$5,236,138	$5,634,787	$5,953,866	$6,059,600	$5,112,057

(1) Numbers may not add due to rounding.

Source: The HDL Companies with data from the State Board of Equalization, California Department of Tax and Fee Administration and State Controller's Office.

Economic Development and Construction Activity

The following Table 7 sets forth a summary of residential and commercial building permit valuations in the City for Fiscal Years 2016-17 through 2020-21.

Table 7
City of Oakland
Building Permit Valuation
2016-2017 through 2020-2021

	2016-17	2017-18	2018-19	2019-20	2020-21
Building Permits Issued	17,259	14,331	13,013	11,812	12,784
Authorized New Dwelling Units	3,101	4,272	2,512	1,656	1,159
Commercial Value (in thousands)	$211,874	$359,016	$260,822	$301,304	$322,408
Residential Value (in thousands)	$638,944	$1,180,188	$827,832	$853,155	$380,814(1)

(1) Decreased values for residential permits in fiscal year 2020-21 reflect delays in permit issuance for multi-unit dwellings, which were offset by growth in permits issued for lower-value residential projects, such as remodels and accessory dwelling units.
Source: City of Oakland comprehensive Annual Financial Reports for Fiscal Years Ended June 30, 2017 through June 30, 2021.

Oakland continues to experience significant new commercial real estate investment and development activity in its downtown, as well as other areas of the City. Several large mixed-use projects are underway, including: the Brooklyn Basin, a $1.5 billion project creating a new mixed-use waterfront neighborhood with approximately 3,100 housing units, associated retail and more than 30 acres of publicly accessible parks; the construction of a mixed-use residential community at the site of the former Oak Knoll Naval Medical Center; new transit-oriented developments adjacent to Oakland's BART stations including the MacArthur, Fruitvale, Lake Merritt and West Oakland stations and the development of a new campus for Samuel Merritt University in downtown Oakland. Other major developments in progress or recently completed include several high-rise towers and other large in-fill residential developments, new hotels, new Class "A" office towers in the downtown Oakland area, port-side development at the former Oakland Army Base and the $50 million rehabilitation and adaptive reuse of the Henry J. Kaiser Convention Center into a new arts center at the south end of Lake Merritt.

In addition, the Oakland Athletics baseball team has proposed a new baseball stadium as well as mixed-use residential and retail development at Howard Terminal adjacent to Jack London Square, for which the City is considering providing assistance through the creation of an Enhanced Infrastructure Financing District that would dedicate a portion of the incremental property taxes to finance related infrastructure improvements.

APPENDIX A-2

CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS

APPENDIX A-2

CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS

The information in this appendix concerning the City of Oakland's finances and operations is provided as supplementary information only, and it should <u>not</u> be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the General Fund or any other funds of the City. The Bonds are payable from the proceeds of an unlimited ad valorem tax approved by the voters of the City pursuant to all applicable laws and State Constitutional requirements and required to be levied by the City Council on property within the City in an amount sufficient for the timely payment of principal of and interest on each series of the Bonds. See "SECURITY FOR THE BONDS" in the front portion of this Official Statement.

Certain statements included or incorporated by reference in this APPENDIX A-2 constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

CITY GOVERNMENT

The City was incorporated as a town in 1852 and as a city in 1854. In 1889, the City became a charter city. The Charter of the City (the "**Charter**") provides for: the election, organization, powers and duties of the legislative branch, known as the City Council (the "**City Council**"); the powers and duties of the executive and administrative branches; fiscal and budgetary matters, personnel administration, franchises, licenses, permits, leases and sales; employee pension funds; and the creation and organization of the Port of Oakland. An eight-member City Council, seven of whom are elected by district and one of whom is elected on a citywide basis, governs the City. City Council members serve four-year terms, staggered at two-year intervals. The Mayor of the City (the "**Mayor**") is not a member of the City Council but is the City's chief executive officer. The current Mayor, Libby Schaaf, is serving her second term, which expires on January 31, 2023. The City Attorney is elected to a four-year term, two years following the election of the Mayor. The current City Attorney, Barbara Parker, is serving her second term, which will expire on January 31, 2025. The City Auditor is elected to a four-year term at the same election as the Mayor. The current City Auditor's term will expire on January 31, 2023. No person can be elected Mayor for more than two consecutive terms. There are no limits on the terms of other elected officials.

The Mayor appoints a City Administrator who is subject to confirmation by the City Council. The City Administrator is responsible for daily administration of City affairs and preparation of the biennial budget for the Mayor to submit to the City Council. Subject to civil service regulations, the City Administrator appoints all City employees who are not elected officers of the City. The City Administrator is appointed for an indefinite term and serves at the pleasure of the Mayor. The current City Administrator, Edward Reiskin, was confirmed on April 21, 2020.

The City provides a full range of services required by State law and the Charter, including those functions delegated to cities under State law. These services include public safety (police and fire), sanitation, recreational and cultural activities, human services, economic development, public improvements, planning, zoning and general administrative services.

The Port of Oakland (the "**Port**"), designated by City Charter as an independent department of the City, operates the airport, maritime operations, and certain land along the waterfront. The Port is governed by a separate board of directors appointed by the City's Mayor and ratified by the City Council.

BUDGET AND FINANCIAL OPERATIONS

Overview

The City's finances are organized into several fund groups. The General Fund Group includes a number of funds intended for general use or citywide functions, the largest of which is the General Purpose Fund ("**GPF**"). The GPF accounts for revenues from most of the City's taxes, fees and service charges and is unrestricted in its use. In the Fiscal Year 2021-22 Budget, the GPF included $784.4 million of appropriations and estimated revenues and represented approximately 70% of the General Fund Group. The second largest component of the General Fund Group is the Pension Tax Override Fund representing $118.1 million (10.7% of the Fiscal Year 2021-22 General Fund). See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*" regarding the Pension Tax Override (defined herein). Other funds reported as part of the General Fund Group include the City's Self-Insurance Liability Fund; the Kids First Fund (which receives 3% of General Purpose Revenues); Comprehensive Clean-Up Fund, the Affordable Housing Trust Fund a special surcharge on refuse collection bills to cover costs associated with illegal dumping enforcement, street sweeping, and other clean-up activities; and funds to account for the proceeds of several voter-approved general taxes relating to Sugar Sweetened Beverages, Violence Prevention and Public Safety. Various reserves are also accounted for separately in the General Fund. See "- Financial Policies – *Consolidated Fiscal Policy* - Reserves."

The City also maintains nearly 80 special revenue funds, enterprise funds for sewer and golf operations, and various capital, debt service, internal service and fiduciary funds.

Financial Reporting and Fiscal Year 2020-21 Results

The City prepares its financial statements in accordance with Generally Accepted Accounting Principles ("**GAAP**") and specific guidance from the Government Accounting Standards Board ("**GASB**"). Since 1999, GASB has required that basic financial statements include government-wide financial statements, which are designed to provide readers with a broad overview of the City's finances. These statements are prepared using accounting methods similar to those used by private-sector businesses, including the full accrual basis of accounting. The government-wide statement of net position presents information on all the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating. Various GASB rules have required the inclusion of both pension and retiree health liabilities in the government-wide financial statements. The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities).

The City's most recent audited financial statements are presented in the City's Annual Comprehensive Financial Report[1] for the Fiscal Year Ended June 30, 2021 reported a deficit balance for the governmental and business-type activities'' unrestricted net position of $2.01 billion, which was mainly due to underfunding of the pension and other postemployment benefits (the "**OPEB**") liabilities, and other unfunded long-term liabilities. The net pension and OPEB liability deficits were the biggest contributing factors at $1.80 billion and $0.84 billion, respectively.

[1] For earlier years the City's audited financial statements were presented in its "Comprehensive Annual Financial Report." The change in nomenclature to "Annual Comprehensive Financial Report" was made pursuant to GASB Statement No. 98.

The government-wide statements focus on the measurement of economic resources and account for long-term liabilities. The fund financial statements in the City's audited comprehensive annual financial report utilize an alternate measurement focus that considers current financial resources and excludes most long-term liabilities. Information presented in the tables below relating to the General Fund relies on the fund financial statements as reported in the City's audited annual comprehensive financial reports ("**Annual Financial Reports**") for Fiscal Years 2016-17 through 2020-21.

Table 1
City of Oakland
Revenues and Expenditures
General Fund
2016-17 through 2020-21
($ in thousands)

Revenues	2016-17	2017-18	2018-19	2019-20	2020-21
Taxes					
Property[1]	$271,985	$295,216	$312,255	$342,052	$377,175
State-collected[2]	53,891	57,689	62,260	55,860	58,143
Local[3]	259,810	280,939	319,708	296,996	314,100
Licenses and Permits	1,802	2,384	1,783	1,606	1,243
Fines and Penalties	21,738	18,267	21,081	18,702	17,591
Interest Income (loss) [4]	-	(3,069)	7,263	6,865	(7,860)
Charges for Services	85,886	97,371	102,826	97,848	83,173
Grant Revenue	2,751	3,813	3,568	3,568	4,983
Other Revenue, Including Transfers	2,487	6,320	3,399	3,057	33,553
Annuity Income	4,376	6,952	6,291	6,107	5,120
TOTAL REVENUES	$704,726	$765,882	$840,434	$832,679	$887,221
Expenditures[5]					
General Government[6]	$87,745	$143,136	$156,754	$163,102	$184,053
Public Safety[7]	389,977	398,105	438,500	488,474	446,722
Public Works and Transportation	31,804	34,107	42,662	42,600	36,172
Community and Human Services[8]	42,422	47,448	44,656	54,344	46,613
Community and Economic Development[9]	13,923	7,607	10,966	10,040	15,678
Other [10]	19,402	7,679	4,598	4,995	4,752
TOTAL EXPENDITURES	$585,273	$638,082	$698,136	$763,555	$733,990
Other Financing Sources and Uses[11]	$(83,863)	$(88,359)	$(100,370)	$(91,951)	$(93,533)
Net Change in Fund Balance	$35,590	$39,441	$41,928	$(22,827)	$59,698
Fund Balance (deficit) – Ending	$345,726	$385,167	$427,095	$404,268	$463,966

(1) Includes General Purpose Fund property tax revenue, as well as property tax override collections for obligations relating to PFRS.
(2) Primarily Sales and Use Tax, as well as Motor Vehicle in-lieu.
(3) Includes Business License, Utility Consumption, Real Estate Transfer, Transient Occupancy, Parking, Voter Approved Special Tax, Sugar Sweetened Beverage Tax and Franchise Tax.
(4) Losses reflect marked-to-market valuation of investments and an annuity.
(5) Changes in expenditures over time for these program areas may reflect departmental re-organizations and reclassifications of expenses, as well as changes in underlying expenditures.
(6) Includes elected and appointed officials, general governmental agencies, and administrative services.
(7) Includes police and fire services and the police commission.
(8) Includes Parks and Recreation, Library, Human Services, and Department of Violence Prevention. Formerly, Planning, Building and Neighborhood Preservation, Aging & Health and Human Services, Cultural and Community Services and Cultural Arts and Museums.

(9) Includes Planning and Building, Economic and Workforce Development and Housing & Community Development.
(10) Includes capital outlays and certain debt service charges not paid from a general obligation bond tax levy.
(11) Includes operating transfers between the General Fund and other major funds, primarily to account for debt service payments made from revenues collected in the General Fund .
Source: City of Oakland, Annual Financial Reports for Fiscal Years Ended June 30, 2017 through June 30, 2021.

Table 2
City of Oakland
Balance Sheet
General Fund
as of June 30
($ in thousands)

ASSETS	2017	2018	2019	2020	2021
Cash and investments	$342,911	$400,305	$459,435	$509,238	$598,755
Receivables[1]					
Accrued interest	642	1,553	2,231	1,494	313
Property taxes	9,054	7,487	7,873	10,153	6,293
Accounts receivable	38,720	47,145	47,326	36,762	58,931
Grants Receivable	305	305	-	-	-
Due from component unit[2]	9,595	8,675	9,487	10,571	11,974
Due from other funds[3]	36,597	22,592	27,697	8,234	8,104
Due from other governments	10,766	10,891	10,790	11,472	12,475
Notes and loans receivable [4]	4,095	6,855	7,006	7,186	11,415
Restricted cash and investments	65,363	57,390	57,437	58,164	50,164
Property held for resale	-	-	-	-	17,964
Other/Prepaid items	35	50	50	311	723
TOTAL ASSETS	$518,083	$563,248	$629,332	$653,585	$777,111
LIABILITIES					
Accounts payable and other accrued liabilities	$140,084	$140,892	$167,176	$212,504	$275,559
Due to other funds[3]	2,312	2,312	-	-	-
Due to other governments	1,127	1,356	1,494	1,446	1,354
Unearned revenue	4,859	5,546	5,541	5,084	4,388
Other	2,693	3,796	3,116	7,347	2,777
TOTAL LIABILITIES	$151,075	$153,902	$177,327	$226,381	$284,078
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property tax	$ 4,817	$ 3,520	$3,896	$1,750	$6,612
Unavailable revenue – notes and loans	4,095	6,855	7,006	7,186	11,415
Unavailable revenue – mandated claims (State)	10,308	10,891	-[5]	-	-
Unavailable revenue – grants and others	4,067	2,913	14,008	14,000	11,040
TOTAL DEFERRED INFLOWS	$23,287	$24,179	$24,910	$22,936	$29,067
FUND BALANCES					
Nonspendable[6]	$ -	$ -	$ -	$ -	$ 18,687
Restricted[7]	241,404	235,084	240,247	254,309	267,811
Committed[8]	8,805	14,323	14,648	47,441	38,739
Assigned[9]	30,802	41,959	53,958	40,145	41,786
Unassigned[10]	64,715	93,801	118,242	62,373	96,943
TOTAL FUND BALANCES	$345,726	$385,167	$427,095	$404,268	$463,966
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$520,088	$563,248	$629,332	$653,585	$777,111

(1) Net of allowance for uncollectibles of $8,166 as of June 30, 2021.
(2) Includes payments due from Port.
(3) "Due to" and "due from" balances have primarily been recorded when funds overdraw their share of pooled cash and interfund loans. These include amounts due from the Oakland Redevelopment Successor Agency ("**ORSA**") related to advances and

interfund loans made by the City for projects, loans, and services. Receivable amounts for ORSA relate to project advances made by ORSA for the City

(4) Net of allowance for uncollectibles of $653 as of June 30, 2021.

(5) The mandated claims are included in the "grants and others" line item for FY2018-19, FY 2019-20 and FY 2020-21.

(6) Includes prepaid items and property held for resale with no restrictions on the use of proceeds.

(7) Restricted for pension obligations annuity and PFRS pension liabilities.

(8) Reserved for Vital Services and, in FY2019-20 and FY 2020-21, Affordable Housing.

(9) Includes capital reserves and various operating department designations.

(10) Includes General Purpose Fund Emergency Reserve.

Source: City of Oakland, Annual Financial Reports for Fiscal Years Ended June 30, 2017 through June 30, 2021.

City Budget Process

The City's budget cycle is a two-year process that is intended to promote long-term decision making, increase funding stability and allow for greater performance evaluation. The City's budget is adopted for a two-year period, with appropriations divided into two one-year spending plans, referred to as the "policy budget." During the second year of the two-year cycle, a review is conducted to amend the budget and address variances in estimated revenues and revised mandates due to Federal, State, and/or court actions, and the City adopts a "midcycle budget." The City is currently operating under the Fiscal Year 2021-23 Policy Budget.

Under the City Charter, the City Administrator prepares budget recommendations that the Mayor presents to the City Council in accordance with the following procedure. First, the City Administrator and Department Directors conduct internal budget hearings to develop budget recommendations. The proposed budget is based on the Mayor's budget priorities and includes estimates of receipts from the City's various revenue sources. The Mayor then submits the proposed two-year budget to the City Council and formal public budget hearings are held. The City Council may make adjustments and/or revisions to the proposed budget. Following public budget hearings, the City Council adopts by resolution the City's budget. In practice, the City Council adopts the City's budget on or before June 30 and has never failed to achieve this deadline.

The final adopted policy throughout its two fiscal years, and midcycle budgets, are subject to review and revision to reflect any changes in revenue and expenditure projections. Among those updates are quarterly reports to the City Council prepared by the City Administrator. Included in these quarterly reports are summary-level overviews of the City's finances, a review of revenues by major category, information on variances in departmental budgetary performance and projected changes in fund balance.

In support of the biennial budget process, the City prepares a Five-Year Financial Forecast ("**Forecast**") to help the City make better informed financial and operational decisions by projecting future revenues, expenditures, and financial risks. The Forecast often projects a gap between estimated expenditures and revenues, as is the case in every year of the Forecast for Fiscal Year 2021-22 to Fiscal Year 2025-26. Although General Purpose Fund shortfalls are expected to decrease during the forecast period, the cumulative gap over this period, assuming no corrective actions, is forecast to exceed $325 million. The City's Charter and Consolidated Fiscal Policy requires adoption of a balanced budget each fiscal year, and the City will therefore need to develop strategies to address the shortfalls projected in the Forecast.

The City also prepares a five-year Capital Improvement Program ("**CIP**") to guide decisions regarding the construction, repair and replacement of the City's assets including libraries, public safety facilities, sewers, recreation centers and parks, and transportation and street improvements. Funding sources for the CIP include the proceeds of general obligation bonds and a number of special fund revenues. The City develops a new CIP Budget every two years for inclusion in the overall City budget.

City's General Financial Condition and Impact of the COVID-19 Pandemic

The COVID-19 pandemic is a significant development materially adversely affecting the City's finances and outlook.

Prior to the pandemic, the City was experiencing growth in its General Fund tax revenues, including revenues from its Property Tax, Real Estate Transfer Tax, Sales Tax, Business License Tax, Transient Occupancy Tax, and voter-approved special taxes. In particular, the City's property-related revenues were growing at a healthy rate with a strong real estate market and noticeable increases in assessed valuations. The City had also taken steps to strengthen its financial position and address its long-term unfunded liabilities, including adopting, in Fiscal Year 2018-19, an OPEB Funding Policy, establishing the Vital Services Stabilization Reserve and fully funding its General Purpose Fund Reserve. See "-Financial Policies."

In addition, in Fiscal Year 2018-19, as part of labor negotiations with its public safety unions, the City took steps to better manage the growth of long-term liabilities for retiree health benefits by capping its contributions for active employees and current retirees effective January 1, 2020 and implementing new, lower costs tiers for employees hired after January 1, 2019. See also "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *California Public Employees Retirement System*." While these reforms are anticipated to provide significant long-term relief to the City's retiree medical program, even with these measures, rising costs for employees and retirees continue to pressure the City's finances and will require careful management in future years.

The COVID-19 pandemic resulted in significant increases in unemployment and reductions in economic activity, both in the City and in communities across the world. Many businesses were temporarily closed and consumers stayed home. The economic slowdown created by COVID-19 impacted not only the City's General Purpose Fund but also a number of special funds whose revenues depended on sales and other economic activities.

Revenues from sales, hotel, and parking taxes have been especially hard hit, as consumers stayed home, travelers stayed away, and commuters and shoppers reduced the number of trips requiring parking. Business license taxes also were impacted by the pandemic, as residential and commercial rental vacancies and rent declines resulted in lower gross receipts. Business license tax categories related to retail sales (including automobiles) and recreation and entertainment were also negatively impacted by the pandemic. Property tax and real estate transfer tax revenues, however, continued to increase, driven mostly by mortgage rates being at historic lows and many area residents seeking larger spaces from which to work from home. See also "PROPERTY TAXATION" and "OTHER TAXES AND GENERAL FUND REVENUES." Near-term revenue shortfalls and expenditure challenges pose risks to the City's structural balance.

To address the consequences of the COVID-19 pandemic, and despite budget reductions and appropriation of the full $14.9 million balance in its Vital Services Stabilization Reserve executed in the Fiscal Year 2020-21 Adopted Budget, the City announced in December 2020 $29 million in immediate expenditure reductions to address a projected $62 million deficit for that Fiscal Year, by instituting a Citywide hiring freeze, terminating temporary employees and reducing some public safety services.

Federal funding significantly softened the blow to revenues caused by the pandemic. The December 2020 reductions were revisited following the passage of the American Rescue Plan Act ("**ARPA**") which will provide the City roughly $188 million in subsidies. Through this aid, the City was able to bridge its Fiscal Year 2020-21 operating deficit and maintain most of its services intact while also preserving its 7.5% General Purpose Fund Emergency Reserve. Specifically, these federal subsidies enabled the City to reduce expenditures recorded in the General Fund, which in combination with revenue gains strengthened General Fund balance and the City's overall fiscal outlook relative to expectations at the beginning of Fiscal Year

2020-21. ARPA funding was also allocated to balance the Fiscal Year 2021-23 Biennial Policy Budget. While the federal funding was critical to the City's management of the pandemic, it represented one-time funding and did little to address any long-term structural imbalance. The City also received approximately \$37 million in funding from the previous Federal Aid package, The Coronavirus Aid, Relief, and Economic Security ("**CARES**") Act, as a subrecipient of the State of California for Fiscal Year 2020-21. In addition to this pass-through allocation, direct CARES allocations to the City provided funding for housing support, rental assistance, and other community services.

The City's economy has seen some recovery from the worst of the economic declines as residents and businesses have learned to cope with the COVID-19 pandemic and the related restrictions. The arrival of effective vaccines offers encouragement for a potential end to the COVID-19 pandemic; to the extent vaccine hesitancy or the prevalence of more serious virus variants cause the pandemic to linger, a return to pre-pandemic levels of economic activity will be delayed and the economic and accompanying fiscal effects of the pandemic will continue.

Equally uncertain is whether the lingering effects of the COVID-19 pandemic will lead to long-term or even permanent shifts in behavior. To the extent business travelers choose video conferences over in-person meetings, consumers continue to prefer online shopping to in person shopping, and employees relocate or telecommute rather than return to in-person work, the City's economy will suffer, and with it the City's revenue receipts. While current indications suggest that all of these effects will persist, at least to some extent, the City nonetheless remains well-positioned to take advantage of ongoing regional economic growth. The City remains a desirable location to live and work, and commercial and residential construction have continued throughout the pandemic, as the City draws new residents and businesses. Population growth also appears likely to continue as the substantial uptick in residential construction which began in prior years makes more housing available in a region with continued strong housing demand and a longstanding shortfall of supply.

Notwithstanding any such growth in the regional or local economy, the City's expenditures continue to grow, driven primarily by personnel costs as described above, as well as ongoing pressures to provide affordable housing, address homelessness and balance the desire for public safety and violence with concerns regarding social equity.

Financial Policies

The City has adopted a number of policies to guide its financial management, as described below.

Consolidated Fiscal Policy. The City has consolidated many of its fiscal policies by ordinance into the City's Consolidated Fiscal Policy. The Consolidated Fiscal Policy includes policies on budgeting practices, reserve funds, use of one-time revenues, the budget process, fiscal planning and public participation. The following highlights some key components of that policy.

<u>Reserves</u>. The Consolidated Fiscal Policy establishes a number of reserves to address unanticipated adverse financial conditions, including a General Purpose Fund Emergency Reserve equal to 7.5% of the General Purpose Fund appropriations as adopted in the biennial or midcycle budget. If in any fiscal year the General Purpose Fund Reserve Policy is not met, the City Administrator shall present to the City Council a strategy to meet the General Purpose Fund Emergency Reserve. This Emergency Reserve may be appropriated by Council only to fund unusual, unanticipated and seemingly insurmountable events of hardship of the City, and only upon declaration of fiscal emergency.

The City has also established a Vital Services Stabilization Fund with a target funding level of 15% of General Purpose Fund Revenues. The Vital Services Stabilization Fund is funded by transfers from the

Real Estate Transfer Tax (RETT) when revenues exceed 15% of General Purpose tax revenues. Such additional revenue is deemed to be one-time and is applied as follows: one-half of excess RETT may be spent on one-time expenditures, 25% is to be allocated to the Vital Services Stabilization Fund and 25% is allocated to repayment of long-term obligations such as unfunded retirement obligations. See also "OTHER TAXES AND GENERAL FUND REVENUES – Real Estate Transfer Tax." In those years when the City forecasts that total General Purpose Fund revenues will be less than the current year's revenues, or anytime significant service reductions, such as layoffs or furloughs, are contemplated due to adverse financial conditions, use of the Vital Services Stabilization Fund may be considered to maintain existing services. Because of the revenue shortfalls resulting from COVID-19, the City appropriated the entire balance in this reserve ($14.9 million) as part of the Fiscal Year 2020-21 Midcycle Budget. The Fiscal Year 2021-22 Budget restored $2.6 million of this reserve from the General Fund Balance.

The following is a summary of the City's key General Fund reserves available for City general purposes over the past five years:

Certain General Fund Reserves

Reserve Fund	2018	2019	2020	2021	2022 (Budgeted)
General Purpose Fund Emergency Reserve	$45,200,000	$48,800,000	$40,100,000	$52,700,000	$54,613,179
Vital Services Stabilization Fund	14,323,000	14,648,000	14,923,000	251,000	2,832,090
TOTAL	$59,432,000	$63,448,000	$55,023,000	$52,951,000	$57,445,269

OPEB Funding Policy. In Fiscal Year 2018-19, the City adopted an OPEB Funding Policy providing for ongoing prefunding contributions of 2.5% of payroll, equal to approximately $10 million per year, in addition to the City's pay-as-you-go requirements. These additional contributions are intended to support the sustainability of the City's retiree medical program. Due to the impact of the COVID-19 pandemic on City revenues, this funding policy was suspended for Fiscal Years 19-20 and 2020-21. As provided for in the Annual Budget for FY 2021-23, the City will resume contributions, appropriating $15 million for this purpose in both Fiscal Year 2021-22 and Fiscal Year 2022-23. See also "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Other Post-Employment Benefits."

Debt Policy. The City has adopted and amended a debt management policy, which sets forth the City's goals and objectives, its approach to debt management and standards for use of debt financing (including financing criteria such as structure and terms), refinancing goals and methods of issuance; as well as the City's policy of charging an administrative fee equal to its costs.

Investment Policy. The City invests funds of the City in accordance with the City's Investment Policy adopted by the City Council. See "INVESTMENT OF CITY FUNDS."

Fiscal Years 2021-23 Adopted Biennial Policy Budget

The Fiscal Year 2021-23 Adopted Biennial Policy Budget was approved by the City Council on June 24, 2021 for the period of July 1, 2021 through June 30, 2023 (the "**21-23 Budget**"). This balanced proposal was based on the Fiscal Year 2020-21 Midcycle Budget and was largely balanced using one-time resources from the ARPA to backfill revenues lost due to the ongoing pandemic. The 21-23 Budget began with a substantial funding gap in the General Purpose Fund, as well as projected shortfalls in several special revenue funds. This 21-23 Budget is balanced without any dramatic fiscally driven service impacts or changes, although substantial changes were made for policy reasons to the City's strategy and means for delivery of public safety services.

The City's most recent Policy Budgets are summarized below:

Category	FY 2019-20	FY 2020-21	Midcycle FY 2020-21	FY 2021-22	FY 2022-23
General Purpose Fund (unrestricted)	$ 655,127,232	$ 684,546,119	$ 644,092,166	$ 784,393,266	$ 760,238,332
Special Funds (restricted)	1,001,095,419	967,505,981	1,069,051,241	1,249,069,773	1,160,032,786
TOTAL - All Funds	**$1,656,222,651**	**$1,652,052,100**	**$1,713,143,407**	**$2,033,463,039**	**$1,920,271,118**

GENERAL PURPOSE FUND REVENUES

The City's General Fund receives revenues from a variety of sources, including local taxes, taxes imposed by the State, intergovernmental transfers and fees and charges for services. The General Fund includes the General Purpose Fund, into which general unrestricted revenues that can be used for any governmental purpose are deposited. See "BUDGET AND FINANCIAL OPERATIONS – Overview."

The following Table 3 presents information regarding the City's 21-23 Budget for the General Purpose Fund and Fiscal Year 2021-22 projected year-end General Purpose Fund revenues and expenditures.

Table 3
City of Oakland
General Purpose Fund Revenues and Expenditures
(in Millions)

	FY 2021-22 Adopted Budget[1]	FY 2021-22 Projected Year End Q1 R&E	FY 2022-23 Adopted Budget[1]
REVENUES			
Property Tax[2]	$247.15	$249.84	$262.69
Sales Tax[3]	58.97	58.97	66.19
Business License Tax	97.75	99.85	100.10
Utility Consumption Tax	49.14	50.80	48.80
Real Estate Transfer Tax	96.43	96.43	101.22
Transient Occupancy Tax	16.73	16.73	20.49
Parking Tax	7.84	8.90	9.91
Licenses & Permits	4.05	4.05	4.11
Fines & Penalties	15.74	15.74	19.64
Interest Income	0.48	0.48	0.48
Service Charges	50.27	50.27	54.90
Grants & Subsidies	0.00	0.00	0.00
Miscellaneous	1.60	1.60	0.80
Interfund Transfers	89.93	89.93	70.91
Subtotal Revenues	736.08	743.59	760.24
Transfers from Fund Balance[4]	48.31	48.31	0.00
Total Revenues	**$784.39**	**$791.90**	**$760.24**
EXPENDITURES			
Mayor	4.26	4.26	4.39
City Council	6.28	6.28	6.50
City Administrator	8.01	8.01	8.34
City Attorney	15.00	15.00	14.88
City Auditor	2.41	2.41	2.49
City Clerk	3.56	3.56	3.65
Finance Department	21.57	21.57	22.75
Human Resource Management	6.48	6.48	6.81
Information Technology	13.31	13.31	16.15
Police Department	313.92	313.92	319.06
Police Commission	4.49	4.49	5.82
Fire Department	171.96	171.96	182.21
Human Services	15.26	15.26	15.58
Oakland Animal Services	5.41	5.41	5.67
Oakland Public Library	14.11	14.11	13.55
Oakland Parks, Recreation & Youth Development	16.68	16.68	16.31
Oakland Public Works	1.86	1.86	2.15
Department of Transportation	15.95	15.95	18.50
Economic & Workforce Development	10.96	10.96	10.57
Housing & Community Development	0.10	0.10	0.03
Planning & Building	0.00	0.00	0.00
Department of Violence Prevention	11.36	11.36	12.81
Race & Equity	0.92	0.92	0.98
Public Ethics Commission	1.49	1.49	1.70
Workplace and Employment Standards	4.36	4.36	4.91
Non-Departmental & CIP	114.69	114.69	64.42
Total Expenditures	**$784.39**	**$784.39**	**$760.24**

(1) Budget as adopted by the City Council on June 24, 2021.
(2) Excludes the tax override (defined herein) collected for obligations relating to PFRS (defined herein) and revenues collected to fund general obligation bond debt service. See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*," herein.
(3) Refers to Sales & Use Tax.
(4) Transfers from Fund Balance and any unspent carryforward funds.

Source: City of Oakland.

The following Table 4 summarizes the major General Purpose Fund revenues as of June 30 for Fiscal Years ended June 30, 2018 through June 30, 2021 and sets forth the major General Purpose Fund revenues budgeted for Fiscal Year 2021-22 as a percentage of total General Purpose Fund revenues for Fiscal Year Fiscal Year 2021-22.

Table 42001
City of Oakland
General Purpose Fund Revenues (1)
as of June 30

Revenue Types	2018	2019	2020	2021	2022 (Budgeted)	% of 2022 Total General Purpose Revenues
Property Tax	$187,172,191	$199,963,825	$218,658,259	$238,928,903	$247,151,668	31.5%
Sales Tax	57,465,177	62,053,906	55,516,844	57,824,365	58,970,992	7.5
Vehicle License Fee	224,279	205,840	342,618	318,089	-	-
Business License Tax	86,107,189	99,733,123	98,039,982	104,232,387	97,751,670	12.5
Utility Consumption Tax	52,047,385	49,598,702	49,830,535	51,801,434	49,137,923	6.3
Real Estate Transfer Tax	77,663,378	104,904,997	91,533,921	113,359,327	96,426,320	12.3
Transient Occupancy Tax	23,583,086	25,922,695	19,578,414	10,609,759	16,733,334	2.1
Parking Tax	10,803,104	11,053,353	9,067,238	6,264,372	7,841,157	1.0
Licenses & Permits	2,383,571	1,782,532	1,606,012	1,243,171	4,050,104	0.5
Fines & Penalties	18,473,844	21,197,853	19,038,476	17,792,898	15,735,857	2.0
Interest Income	974,292	1,102,021	902,700	1,268,914	484,097	0.1
Service Charges	60,567,414	64,568,856	58,172,750	52,717,457	50,273,399	6.4
Grants & Subsidies	2,488,836	1,983,302	2,217,850	3,508,677	-	-
Miscellaneous	6,763,547	2,307,657	3,243,629	11,688,805	1,600,000	0.2
Interfund Transfers	3,964,207	3,578,734	4,006,233	17,552,618	89,926,745	11.5
Transfers from Fund Balance	-	-	-	-	48,310,000	6.2
TOTAL:	$590,681,500	$649,957,394	$631,755,460	$689,111,176	$784,393,266	

(1) Totals may not be precise due to rounding.
Source: City of Oakland

PROPERTY TAXATION

Ad Valorem Property Taxes

Property taxes are assessed and collected by the County. Taxes arising from the general 1% levy are apportioned among local taxing agencies on the basis of a formula established by State law, which reflects the average tax rate levied by the taxing agency for the three years before Proposition 13 was adopted. The City receives about 27% of these collections for its General Purpose Fund. Taxes relating to voter-approved indebtedness are allocated to the relevant taxing agency. The City levies taxes for two forms of voter-approved indebtedness – pension obligations, collected as Pension Tax Override and reported in the General Fund *(see* "EMPLOYMENT COSTS: POST-EMPLOYMENT OBLIGATIONS – Retirement Program – *Police and Fire Retirement System*"), and general obligation bonds, reported in various debt service funds (see also "BONDS AND OTHER INDEBTEDNESS – General Obligation Debt").

The County is permitted under State law to pass on costs for certain services provided to local government agencies, including the collection of property taxes. The County imposes a fee on the City of approximately 1.00% of the taxes collected for tax collection services it provides.

In prior years, the State budget has resulted in various reallocations affecting property tax revenues, including the "triple flip" involving property tax and sales tax, the replacement of Vehicle License Fee revenues, and the temporary Education Revenue Augmentation Fund ("**ERAF**") transfers. See "– OTHER TAXES AND GENERAL FUND REVENUES" below. However, Proposition 1A, ratified by voters in 2004, protects City revenues from future shifts to the State and passage of Proposition 22 in 2010 further strengthened these protections by eliminating the provision which allowed the State to borrow a limited amount of property tax revenue under certain conditions.

Assessed Valuations

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, nonprofit hospitals, and charitable institutions. State law also allows exemptions from *ad valorem* property taxation at $7,000 of full value of owner-occupied dwellings and 100% of business inventories. Revenue losses to the City from the homeowner's exemption are replaced by the State.

Property taxes associated with future assessed valuation growth allowed under Article XIIIA for new construction, certain changes of ownership, and annual increases in value, if any, subject to a maximum of 2% each year will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The availability to such entities of revenue from growth in the tax base were affected by the establishment of redevelopment project areas, which under certain circumstances, were entitled to revenues resulting from the increase in certain property values, as provided in Article XVI of the State Constitution. Beginning with Fiscal Year 2012-13, following the dissolution of redevelopment agencies, tax revenues resulting from the increase in such property values were deposited by the County Auditor-Controller into the City's Redevelopment Property Tax Trust Fund ("**RPTTF**"). See "BONDS AND OTHER INDEBTEDNESS – Redevelopment Agency of the City of Oakland" herein.

The following Table 5 sets forth a five-year history of assessed valuations in the City for Fiscal Years 2012-13 through 2021-22:

Table 5
City of Oakland
Assessed Valuations
2012-13 through 2021-22
($ In Thousands)

FY End	Taxable Assessed Value[(1)]	Redevelopment Incremental Value[(2)]	Total	% Change[(3)]
2013	$30,019,351	$9,496,227	$39,515,578	1.7%
2014	31,171,373	9,625,116	40,796,489	3.2
2015	33,034,267	10,353,808	43,388,075	6.4
2016	35,491,114	11,932,782	47,423,896	9.3
2017	37,809,161	13,171,622	50,980,783	7.5
2018	54,647,390	-	54,647,390	7.2
2019	58,498,581	-	58,498,581	7.0
2020	63,137,107	-	63,137,107	7.9
2021	69,579,790	-	69,579,790	10.2
2022	73,726,093	-	73,726,093	6.0

(1) Total assessed value (including secured, unsecured and utility) less tax-exempt property and homeowner and other exemptions. Taxes relating to the homeowners exception (estimated to be $373.6 million in FY 2021-22) are replaced by the State.
(2) Beginning Fiscal Year 2017-18, the County no longer provides the assessed valuation subject to RPTTF payments.
(3) Compared to prior fiscal year.
Source: Alameda County Auditor-Controller's annual certificates of fiscal year assessed value.

The following Table 6 indicates various land uses within the City based on assessed valuation and number of parcels for Fiscal Year 2021-22:

Table 6
City of Oakland
Assessed Valuation and Parcels by Land Use

Non-Residential:	2021-22 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Commercial/Office	$13,469,060,024	19.33%	6,003	5.29%
Vacant Commercial	519,299,523	0.75	434	0.38
Industrial	5,055,393,175	7.25	2,229	1.97
Vacant Industrial	176,435,201	0.25	455	0.40
Recreational	95,669,338	0.14	263	0.23
Government/Social/Institutional	298,730,992	0.43	3,553	3.13
Subtotal Non-Residential	$19,614,588,253	28.14%	12,937	11.41%
Residential:				
Single Family Residence	$33,712,762,963	48.37%	67,984	59.94%
Condominium/Townhouse	5,608,743,193	8.05	11,693	10.31
Mobile Home	31,093,979	0.04	173	0.15
2-4 Residential Units	3,157,155,311	4.53	13,806	12.17
5+ Residential Units/Apartments	7,162,476,982	10.28	3,023	2.67
Residential-Miscellaneous Uses	79,200,687	0.11	84	0.07
Vacant Residential	327,122,369	0.47	3,714	3.27
Subtotal Residential	$50,078,555,484	71.86%	100,477	88.59%
Total	$69,693,143,737	100.00%	113,414	100.00%

(1) local secured assessed valuation, excluding tax-exempt property.
Source: California Municipal Statistics Inc.

The following Table 7 indicates the array of assessed valuation for single family homes in the City for Fiscal Year 2021-22:

Table 7
City of Oakland
Per Parcel Assessed Valuation of Single-Family Homes

	No. of Parcels	2021-22 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	67,984	$33,712,762,963	$495,893	$371,833

2021-22 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	3,083	4.535%	4.535%	$ 119,245,994	0.354%	0.354%
$50,000 - $99,999	6,240	9.179	13.714	465,366,677	1.380	1.734
$100,000 - $149,999	6,089	8.957	22.670	763,063,000	2.263	3.998
$150,000 - $199,999	5,320	7.825	30.495	926,972,184	2.750	6.747
$200,000 - $249,999	4,477	6.585	37.081	1,006,187,493	2.985	9.732
$250,000 - $299,999	3,758	5.528	42.609	1,030,620,481	3.057	12.789
$300,000 - $349,999	3,549	5.220	47.829	1,153,215,894	3.421	16.210
$350,000 - $399,999	3,368	4.954	52.783	1,262,893,387	3.746	19.956
$400,000 - $449,999	3,206	4.716	57.499	1,362,170,451	4.041	23.996
$450,000 - $499,999	3,101	4.561	62.060	1,471,495,881	4.365	28.361
$500,000 - $549,999	2,685	3.949	66.010	1,408,730,761	4.179	32.539
$550,000 - $599,999	2,236	3.289	69.299	1,283,752,161	3.808	36.347
$600,000 - $649,999	2,074	3.051	72.349	1,294,907,327	3.841	40.188
$650,000 - $699,999	1,864	2.742	75.091	1,257,953,068	3.731	43.920
$700,000 - $749,999	1,795	2.640	77.732	1,300,763,040	3.858	47.778
$750,000 - $799,999	1,664	2.448	80.179	1,288,281,948	3.821	51.600
$800,000 - $849,999	1,600	2.353	82.533	1,318,329,207	3.910	55.510
$850,000 - $899,999	1,507	2.217	84.749	1,318,502,523	3.911	59.421
$900,000 - $949,999	1,283	1.887	86.637	1,185,336,636	3.516	62.937
$950,000 - $999,999	1,069	1.572	88.209	1,041,936,764	3.091	66.028
$1,000,000-and greater	8,016	11.791	100.000	11,453,038,086	33.972	100.000
	67,984	100.000%		$33,712,762,963	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics Inc.

Tax Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property situated in the City as of the preceding January 1. A supplemental roll is developed when property is transferred or sold or new construction is completed that produces additional revenue.

Secured property taxes are due on November 1 and March 1 and become delinquent if not paid by December 10 and April 10, respectively. A 10% penalty attaches to any delinquent payment for secured roll taxes. In addition, property on the secured roll with respect to which taxes are delinquent becomes tax-defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus interest at 1.5% per month from the July 1 first following the default. If taxes remain unpaid for a period of five years or more, the property is subject to auction sale by the County Tax Collector.

In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year; a lien is also recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) pursuing a civil action against the taxpayer; (2) filing a certificate in the office of the clerk of the court specifying certain facts in order to obtain a judgment lien on specific property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's Office in order to obtain a lien on specified property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Certain counties within the State, including the County, have adopted an "Alternative Method of Distribution of Tax Levies and Collections and Tax Sale Proceeds" authorized under the State Revenue and Taxation Code (the "**Teeter Plan**"). Under the Teeter Plan, local taxing agencies receive 100% of the tax levy for each fiscal year rather than on the basis of actual collections. The City does not participate in the Teeter Plan and thus absorbs current delinquencies and receives the payment of past delinquencies, penalties and interest.

The following Table 8 represents the City's secured tax levy and uncollected amounts for Fiscal Years 2016-17 through 2020-21. Included in these collections are the City's share of the 1% tax rate and levies for voter-approved indebtedness.

Table 8
City of Oakland
Secured Property Tax Levies and Collections
2016-17 through 2020-21
($ In Thousands)

Fiscal Year	City's Share of 1%	Levy Voter-Approved Debt	Total	Total Collected[1]	Percent Collected
2016-17	$ 108,686	$ 116,107	$ 224,793	$ 219,473	97.63%
2017-18	116,778	127,411	244,189	240,596	98.53
2018-19	122,790	129,504	252,294	248,664	98.56
2019-20	130,998	140,258	271,256	266,497	98.25
2020-21	139,467	157,364	296,831	291,954	98.35

(1) As of June 30 of the related Fiscal Year.
Source: County of Alameda, as shown in the City's Annual Comprehensive Financial Report for Year Ended June 30, 2021.

Assessment Appeals. The following Table 9 sets forth resolved and unresolved pending assessment appeals in the City as of October 4, 2021.

Table 9
City of Oakland
Pending Appeals of Assessed Valuations
as of October 4, 2021

Pending Appeals (2017-18 through 2020-21)	
Number of Pending Appeals	625
Total Assessed Value Under Appeal	$ 7,922,833,895
Owner's Opinion of Value	$ 3,931,229,086
Maximum Potential Loss[1]	$ 3,991,604,809
Maximum Potential Loss as Percent of Value under Appeal	50.38%
Resolved Appeals (Fiscal Year 2020-21)	
Number of Resolved Appeals	31
Total Appealed Value of Resolved Appeals	$ 221,559,523
Appeals Denied	26
Assessed Value of Denied Appeals	$ 216,043,269
Appeals Allowed with Change of Value	5
Original Assessed Value of Allowed Appeals	$ 5,516,254
Value Determined by Appeals Board	$ 4,723,580
Board Approved Reduction in Value	$ 792,674
Percent of Original Assessed Value of Allowed Appeals Reduced	14.37%
City of Oakland 2020-21 Taxable Value[2]	$74,104,851,665
Maximum Appeals Loss[1]	$ 3,991,604,809
Percent of Taxable Value	5.39%

[1] Assumes all pending assessment appeals are resolved fully in favor of property owner.
[2] This amount represents the full taxable value for the City including secured, unsecured and utility, as reported in the Alameda County Auditor-Controller Report of FY 2018-19 Assessed Values. It does not include homeowners' exemption or State Board of Equalization non-unitary values.
Source: Alameda County Assessment Appeals Board.

Tax Rates

The City consists of 47 tax rate areas. The following Table 10 sets forth a five-year history of the property tax rates levied by the City and other local government agencies on properties in the City for Fiscal Years 2017-18 through 2021-22.

Table 10
City of Oakland
Property Tax Rates[1]
Fiscal Years 2017-18 through 2021-22

Fiscal Year	Countywide Tax[2]	City of Oakland[3]	Others[4]	Total
2017-18	1.0000%	0.2045%	0.1967%	1.4012%
2018-19	1.0112	0.1982	0.1896	1.3999
2019-20	1.0108	0.1975	0.2252	1.4335
2020-21	1.0036	0.212	0.2137	1.4185
2021-22	1.0041	0.211	0.2270	1.4322

(1) The Tax Rates shown are the highest tax rates among the City's tax rate areas. The City's other tax rate areas have lower tax rates, the lowest total tax rate in Fiscal Year 2021-2022 being 1.3427%, resulting from different school districts and community college districts.
(2) Includes County-wide general 1% tax levy and County general obligation bonds tax rates.
(3) Tax rates for tax override collected for obligations relating to PFRS and revenues collected to fund debt service on general obligation bonds.
(4) "Others" will include bonded indebtedness for local school and community college districts and special districts such as the Bay Area Rapid Transit District, East Bay Regional Park District and East Bay Municipal Utility District Special District No. 1.

Source: County of Alameda, Office of the Auditor-Controller.

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Principal Secured Property Taxpayers

The following Table 11 sets forth the 20 largest secured taxpayers in terms of secured property in the City in Fiscal Year 2021-22.

Table 11
City of Oakland
Largest 2021-22 Local Secured Taxpayers

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% of Total [1]
1.	BA2 300 Lakeside LLC	Office Building	$ 421,219,988	0.60%
2.	SOFXI WFO Center 21 Owner LLC	Office Building	360,505,389	0.52
3.	CP VI Franklin LLC	Apartments	346,135,464	0.50
4.	KRE 1221 Broadway Owner LLC	Office Building	259,254,166	0.37
5.	Uptown Broadway LLC	Office Building	257,978,600	0.37
6.	601 City Center LLC	Office Building	244,305,703	0.35
7.	CSHV 1999 Harrison LLC	Office Building	241,098,702	0.35
8.	3093 Broadway Holdings LLC	Apartments	236,658,330	0.34
9.	Broadway Franklin LLC	Office Building	235,746,749	0.34
10.	Kaiser Foundation Health Plan Inc.	Office Building	235,686,895	0.34
11.	USPA City Center LLC	Office Building	227,475,040	0.33
12.	LMV 1640 Broadway Holdings LP	Apartments	198,587,330	0.28
13.	MPI Macarthur Tower LLC	Apartments	195,568,270	0.28
14.	CP V JLS LLC	Apartments	193,998,029	0.28
15.	KRE 1330 Broadway Owner LLC	Office Building	181,378,558	0.26
16.	BIT Macarthur Commons Investors LLC	Apartments	176,901,800	0.25
17.	Oakland Grand Owner LLC	Office Building	176,813,000	0.25
18.	Pacific Oak SOR II Oakland City Center	Office Building	162,931,244	0.23
19.	CRP THC Oakland Broadway Uptown Venture	Apartments	160,667,477	0.23
20.	Jack London Square Development Oakland	Apartments	157,577,963	0.23
			$4,670,488,697	6.70%

[1] 2021-22 Local Secured Assessed Valuation: $69,693,143,737
Source: California Municipal Statistics, Inc.

OTHER TAXES AND REVENUES

In addition to property taxes, the City's General Fund receives revenues from other sources, including the City's sales and use tax, utility consumption tax, business license tax, real estate transfer tax, transient occupancy tax, and parking tax. See Tables 1 and 2, above, for historic General Fund revenues and Table 3 for projected General Purpose Fund revenues.

Sales & Use Tax. Sales and Use Tax ("***Sales Tax***") applies to the retail sale or use of "tangible personal property." The total sales tax percentage in the City of Oakland is 10.25%, meaning that a $1 taxable purchase results in sales tax of 10.25 cents. The City receives 1% of the total sale as a distribution to its General Fund, meaning the City receives 1 cent on a $1 purchase. Oakland's diverse Sales Tax base consists of six major business groups: auto and transportation, fuel and service stations, business and industry, general consumer goods, building and construction, and food and drugs.

Sales Tax revenue generally coincides with overall strength of the local, regional, and national economies. Due to the COVID-19 pandemic, however, many types of businesses have been closed, resulting in significant declines in Sales Tax revenues. Taxable sales fell dramatically during the onset of the pandemic and local Sales Taxes are not projected to return to pre-pandemic levels until Fiscal Year 2022-23, despite the economic growth predicted to begin in Fiscal Year 2021-22. Two pandemic-related trends are expected to impede the growth of the sales tax base. First, because Sales Taxes are allocated to jurisdictions based on the point of sale, e-commerce sales typically generate revenues in jurisdictions that are home to e-commerce warehouses. As a result, a pandemic-driven increase in the shift to e-commerce (and away from brick-and-mortar retailers located within the City) will erode Oakland's sales tax base. Second, to the extent the pandemic permanently alters employment-related travel and commute patterns, fewer shoppers will visit downtown retail establishments and restaurants.

As for Fiscal Year 2020-21, Sales Tax revenues were approximately $57.8 million. The 2021-23 Budget projects Sales Tax revenue to increase to approximately $58.97 million in Fiscal Year 2021-22 and $66.19 million in Fiscal Year 2022-23.

Utility Consumption Tax. The City's utility consumption tax ("***UCT***") is a surcharge to all users of a given utility (i.e., on the use of electricity, gas, telephone, water and cable television. The current tax rate is 7.5%. Low-income ratepayers have been exempted from certain rate increases on gas and electric bills and pay 5.5%.

In Fiscal Year 2020-21, UCT revenues increased slightly relative to the Fiscal Year 2019-20 levels due to the increasing use of heat and electricity in homes and apartments as many workers are now staying home on weekdays even as office buildings' utilities consumption continues. Going forward, increases in energy usage are expected to be offset by energy efficiency gains; thus, beginning in Fiscal Year 2021-22 and continuing throughout the forecast period, UCT is projected to continue its gradual decline from its pre-pandemic level.

Business License Tax. The City's business license tax ("***BLT***") is charged annually to businesses based in the City based either on gross receipts (which accounts for approximately 60% of BLT revenue) or rental income (which accounts for 40% of BLT revenue). The rate on gross receipts varies by type of business, ranging currently from a low of $0.60 per $1,000 of receipts for grocers (0.06%) up to (2.40%) for firearm dealers when applied to gross receipts, and is 0.12% when applied to gross payroll. The rate on rental income is $13.95 per $1,000.

In December 2019, the Oakland City Council adopted Ordinance No. 13573 C.M.S. amending Oakland Municipal Code Title 5, Chapter 5.04, Sections 5.04.480 and 5.04.481 to create a tiered and category- based tax structure for cannabis businesses beginning in 2020 and changing each year for the 2021 and 2022 calendar years. Thereafter, the tax rate structure is scheduled to remain the same at the 2022 tax structure unless the City Council makes further changes as authorized in 2018 Measure V. Tax rates range from 0.12% to 5%.

As a result of the COVID-19 pandemic, BLT revenue from several classes of businesses was affected, including retail and wholesale sales, personal services, recreation/entertainment, and residential and commercial rentals. The most significant ongoing effects of the pandemic are likely to be in the commercial and residential rental sectors, as both sectors have experienced increased vacancies and declines in rental rates.

Real Estate Transfer Tax. Real Estate Transfer Tax ("***RETT***") revenues are generated by the transfer of ownership of existing properties. The tax is applied to the sale price of the property, and the cost is typically split between the buyer and seller. The tax rate is composed of a City portion and a County portion: 0.11% is allocated to the County and the remaining tax is allocated to the City.

On November 6, 2018, Oakland voters approved Measure X, establishing a progressive real estate transfer tax rate for the City (previously, the City tax rate was 1.50%). The new rates became effective on January 1, 2019, and are as follows:

Amount of Transfer	Tax Rate
Up to $300,000	1.00%
$300,001 to $2,000,000	1.50%
$2,000,001 to $5,000,000	1.75%
$5,000,001 and above	2.50%

Historically, this revenue has been the City's most volatile as it is directly dependent on the number and value of real estate sales, often impacted by a handful of high value transfers in a given year. Due to this revenue source's volatility, the City enacted Ordinance No. 13487 C.M.S. creating policies for the use of excess RETT. The Ordinance defines "excess" RETT as any amounts of RETT revenues whose value exceeds 15% of the corresponding General Purpose Fund tax revenues (inclusive of RETT). The excess RETT is to be used in the following manner:

• At least 25% shall be allocated to the Vital Services Stabilization Fund until the value in such fund is projected to equal to 15% of General Purpose Fund revenues over the coming fiscal year.

• At least 25% shall be used to fund accelerated debt retirement and unfunded long-term obligations, including negative fund balances, the PFRS liability, other unfunded retirement and pension liabilities, unfunded paid leave liabilities, and OPEB liabilities.

• The remainder shall be used to fund one-time expenses, to augment the General Purpose Fund Emergency Reserve, and to augment the Capital Improvements Reserve Fund.

See also "BUDGET AND FINANCIAL OPERATIONS—Financial Policies." Despite the economic impacts of COVID-19, real estate transfer activity has performed well throughout the pandemic.

Transient Occupancy Tax. The transient occupancy tax ("***TOT***") represents a surcharge on room rates imposed by hotels and motels operating within the City. The tax is levied on persons staying 30 days or less in a hotel, motel, inn or other lodging facility and is collected by the lodging facility operator, who then remits the collected tax to the City. In July 2009, the voters approved Measure C, which increased the transient occupancy tax rate from 11% to 14%. Measure C allocates 3% of total TOT revenue to support various community-based institutions, which amount is reported as a special fund revenue and not as part of the General Purpose Fund. The outbreak of COVID-19 in March 2020 significantly reduced TOT revenues, which fell from a high of $25.9 million in Fiscal Year 2018-19 to $10.6 million in Fiscal Year 2020-21.

Parking Tax. The City's parking tax ("***PT***") is imposed on the occupant of an off-street parking space for the privilege of renting the space within the City. The tax is collected by private parking facility operators who then remit the collected tax to the City. The current PT rate, which is applied to the gross receipts of parking facility operators, is 18.5%, with 8.5% restricted to funding the Violence Prevention and Public Safety Act of 2014 ("***Measure Z***"). Approximately half of PT revenue is generated from parking at the Oakland International Airport. PT revenue declined sharply following the onset of the COVID-19 pandemic, which left downtown offices empty and triggered large reductions in commuting and both business and personal travel.

Fines and Penalties. Fines and penalties consist primarily of parking enforcement fines (about 90% of the total) and penalties and interest for late tax payments. These revenues have also declined as a result of reduced driving and the suspension of street sweeping, parking meter, and residential parking permit enforcement during the pandemic.

Licenses and Permits. These revenues primarily include special police and fire permits, traffic, bingo permits, residential parking permits, and animal licenses.

Service Charges. These revenues include franchise fees imposed on utilities for use of City rights of way, City-operated parking meter and other parking revenues, reimbursements for services provided to the Port of Oakland, and various other fees and charges. These parking revenues were significantly reduced due to the pandemic.

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VOTER-APPROVED SPECIAL TAX REVENUES

The City has sought voter approval for a number of special taxes and assessments to supplement its revenues in order to provide the level of services expected by residences of the City. The following table summarizes some of these revenues which provide funds for services that otherwise might be funded by the General Purpose Fund. Several of these taxes have maintenance-of-service requirements for their collection.

Tax	Basis	FY 2021-22 Revenues (Budgeted)[1]	Expiration
Public Safety and Services Violence Prevention (Measure Z)	Parcel tax and 8.5% parking tax	$26.4	2024
Transient Occupancy Tax for Tourism and Cultural Facilities (Measure C)	3% special transient occupancy tax	$4.6	None
Library Services Retention and Enhancement (Measure Q)	Parcel Tax	$18.0	2024
Library Services (Measure D)	Parcel Tax	$13.4	2038
Parks & Recreation Preservation, Litter Reduction, and Homelessness Support (Measure Q)	Parcel Tax	$27.5	2040
Paramedic Services on Fire Trucks (Measure N)	Parcel Tax	$1.9	None
Vacant Property, Housing and Illegal Dumping (Measure W)	Parcel tax	$7.0	2040
Emergency Medical Services (Measure M)	Parcel Tax	$2.4	None
Landscaping & Lighting Assessment District	Parcel Tax	$19.2	None

(1) In millions.
Source: City of Oakland.

INVESTMENT OF CITY FUNDS

The City Treasurer invests City funds within the guidelines of State law (specifically Section 53600 *et seq*. of the Government Code). The City Council adopts an investment policy, copies of which can be found on its website. https://www.oaklandca.gov/documents/investment-policies. The current investment policy (Investment Policy for Fiscal Year 2020-21) was adopted by the City Council on June 16, 2020 and is in effect until such time as it its subsequently revised and such revisions is adopted by the City Council.

The objectives of the Investment Policy are to preserve capital, liquidity, diversity, and yield. The Investment Policy addresses the soundness of financial institutions in which the City may deposit funds, types of investment instruments permitted by the City and the Government Code, investment duration, and the amounts that may be invested in certain instruments. The Investment Policy also reflects certain ordinances and resolutions of the City further restricting investments, including the Nuclear Free Zone

Ordinance, the Tobacco Divestiture Resolution, Linked Banking Ordinance, the Fossil Fuel Divestiture Resolution, and the Firearm or Gun Manufacturer Divestiture Resolution.

The Pooled Operating Portfolio is composed of different types of investment securities and is invested in accordance with the Investment Policy. The following Table 12 summarizes the composition of the Pooled Operating Portfolio as of November 30, 2021.

Table 12
City of Oakland
Pooled Operating Portfolio
as of November 30, 2021

Investments	Market Value	Book Value	Percent of Portfolio	Days to Maturity	360 Day Equivalent	365 Day Equivalent
Federal Agency Issues–Coupon	$336,164,877.34	$338,960,545.98	23.00%	1,180	0.684	0.694
Federal Agency Issues–Discount	646,824,643.69	646,765,436.36	43.89	102	0.055	0.056
Money Market	165,000,000.00	165,000,000.00	11.20	1	0.026	0.026
Local Agency Investment Funds	74,990,524.58	75,000,000.00	5.09	1	0.200	0.203
Corporate Bonds	3,948,141.08	3,995,960.95	0.27	930	0.533	0.540
Negotiable CDs	35,001,095.00	35,000,000.00	2.37	38	0.080	0.081
Federal Agency Issues-Coupon/Bullet	208,678,619.68	209,006,863.97	14.18	372	0.176	0.179
TOTAL/AVERAGE	$1,470,607,901.37	$1,473,728,807.26	100.00%	373	0.223	0.226

Source: City of Oakland.

EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS

Labor Relations

As of January 1, 2022, the City employees are represented by seven labor unions and associations (identified in the following Table 13). The largest employee organization is the Service Employees International Union, Local 1021, which represents approximately 46% of City employees. Approximately 96% of City employees are covered by negotiated agreements, as detailed below.

Table 13
City of Oakland
Labor Relations
as of January 1, 2022

Employee Organization / Representation Unit	Number of Represented Employees	Contract Expiration
Confidential Management Employees' Association, Unit U31	32	June 30, 2022
International Association of Fire Fighters Local 55, Unit FQ1	417	December 31, 2023
International Brotherhood of Electrical Workers Local 1245, Units IE1, TV1	16	June 30, 2022
International Federation of Professional and Technical Engineers (IFPTE)		
IFPTE Local 21, Units TA1, TF1, TL1, TM2, TW1	535	June 30, 2022
IFPTE Local 21, Units UH1 (Supervisors), UM1 and UM2 (Managers)	395	June 30, 2022
IFPTE Local 21, Unit TM1 (Deputy City Attorney I-IV)	34	June 30, 2022
IFPTE Local 21, Unit U41 (Deputy Attorney V & Special Counsel)	8	June 30, 2022
Service Employees International Union (SEIU) Local 1021		
SEIU Local 1021, Units SB1, SC1, SD1	1,196	June 30, 2022
SEIU Local 1021, Unit SI1 (Part Time)	767	June 30, 2022
Oakland Police Officers' Association, Unit PP1, PT1	721	June 30, 2024
Oakland Police Management Association, Unit UN2	11	June 30, 2024
TOTAL	**4,132**	

Source: City of Oakland, Department of Human Resources Management, Employee Relations Unit.

As part of labor negotiations with its public safety unions in Fiscal Year 2018-19, the City reduced the growth of long-term liabilities for retiree health benefits by capping its contributions for active employees and current retirees effective January 1, 2020 and implementing new, lower costs tiers for employees hired after January 1, 2019, aligning benefits for new public safety employees with that of the City's civilian employees. While these reforms are anticipated to provide significant long-term relief to the City's retiree medical costs, even with these measures, rising costs for employees and retirees continue to pressure the City's finances and will require careful management in future years.

Retirement Programs

The City currently maintains one closed pension system, the Police and Fire Retirement System ("***PFRS***"). In addition, the City is a member of the California Public Employees' Retirement System ("***CalPERS***"), a multiple-employer pension system that provides a contributory defined-benefit pension for most current employees. Additional information concerning the City's retirement program can be found in "APPENDIX B –ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR YEAR ENDED JUNE 30, 2021 – Notes to the Basic Financial Statements" and - "Required Supplementary Information (unaudited)."

Police and Fire Retirement System.

PFRS is a defined benefit plan administered by a seven-member Board of Trustees (the "***Retirement Board***"). PFRS is a closed plan and covers uniformed employees hired prior to July 1, 1976. On December 12, 2000, the voters of the City amended the City Charter to give active members of PFRS the option to terminate their membership and transfer to CalPERS upon certain conditions. As a result, 126 former members transferred to CalPERS. See "-*California Public Employees' Retirement System*" below. As of July 1, 2021, PFRS covered no active employees and 723 retired employees and beneficiaries.

In accordance with voter-approved measures adopting the City Charter provisions that govern PFRS, the City annually levies an *ad valorem* tax (the "***Pension Tax Override***") on all property within the City subject to taxation by the City to help fund its pension obligations to PFRS. State law limits the City's tax rate for this purpose at the rate of 0.1575%, the level at which the City has levied the tax since 1983. The City is allowed to levy the Pension Tax Override through 2026. The City is required to fund all liabilities for future benefits for all PFRS members by June 30, 2026, at which time the UAL is expected to be fully amortized. In order to do so, the City makes contributions at rates established by consulting actuaries based upon plan valuations. The contribution for Fiscal Year 2020-21 was $43.6 million, all of which was funded out of Pension Tax Override proceeds. Any unfunded liabilities that may remain after the expiration of the Pension Tax Override, as well as administrative expenses, would be an obligation of the City's General Fund.

As of June 30, 2021, the PFRS total pension liability of $578.6 million less the fiduciary net position of $458.5 million results in a net pension liability of approximately $120.0. million. The fiduciary net position as a percentage of the total pension liability is 79.3%.

As a result of the 2012 Pension Obligation Bonds, which funds were used to refund a $210,000,000 debenture, the City was not required to make any periodic contributions to PFRS through June 30, 2017, pursuant to the Funding Agreement dated July 1, 2012 (the "***2012 Funding Agreement***"), between the City and PFRS. The City resumed contributions to PFRS fiscal year 2017-18, in accordance with the 2012 Funding Agreement.

A Schedule of Funding Progress for the PFRS is set forth below in Table 14. The status of the funding status reflects a number of assumptions (such as future interest earnings, inflation, and the demographics of beneficiaries) and certain facts (including changes to labor agreements, to which benefits are tied, and actual mortality and earnings on assets).

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Certain current assumptions and estimated contributions as of July 1, 2021, are set forth in Table 15 below.

Table 14
City of Oakland
Police and Fire Retirement System
Schedule of Funding Progress(1)
as of July 1, 2021
($ In Millions)

Valuation Date (July 1)	Actuarial Liability	Actuarial Value of Assets	Market Value of Assets	Unfunded Actuarial Liability	Funded Ratio Based on Actuarial Value	Funded Ratio Based on Market Value	Number of Active Employees(2)
2016	672.9	363.6	361.6	309.4	54.0	53.7	0
2017	673.4	333.4	353.2	340.1	49.5	52.4	0
2018	647.3	347.5	376.0	299.8	53.7	58.1	0
2019	622.8	361.0	384.7	261.8	58.0	61.8	0
2020	597.0	371.5	379.0	225.5	62.2	63.5	0
2021	571.9	412.7	458.5	159.3	72.2	80.2	0

(1) Does not include outstanding pension obligation bond principal and accreted interest; see "BONDS AND OTHER INDEBTEDNESS—Pension Obligation Bonds".

(2) Because this is a closed system with no active employee during the periods shown, UAAL as a percentage of payroll is not presented.

Source: Oakland Police and Fire Retirement System, Actuarial Valuation Report as of July 1, 2021. Most current information available.

Table 15
City of Oakland
Police and Fire Retirement System
Projection of Future Contributions(1)
as of July 1, 2021

	Valuation Assumptions
Investment Return	6.0%
City Contribution for FY 2021-22	$43.8 Million
City Contribution for FY 2022-23	$32.7 million

(1) If actual investment returns or wage growth varies from the assumptions, then the contribution rate will vary.
Source: Oakland Police and Fire Retirement System, Actuarial Report as of July 1, 2021.

The City's contribution is expected to decrease by about $2 million per year for the next two years and by $5 million in the fourth year as the current unfunded liability is fully amortized and recent asset gains are recognized. This assumes that the annual payments by the City will equal the administrative expenses, plus an amount needed to amortize the remaining unfunded liability as a level percentage of overall Safety payroll by July 1, 2026, as is required under the City's charter.

California Public Employees' Retirement System.

CalPERS is a defined-benefit plan administered by the State and covers all uniformed employees hired after June 30, 1976 and all non-uniformed employees hired after September 1, 1970 as well as certain former members of PFRS and the Oakland Municipal Employees Retirement System ("**OMERS**"), which was terminated effective March 31, 2015. CalPERS acts as a common investment and administrative agent for public entities participating with the State. CalPERS is a contributory plan deriving funds from employee contributions as well as employer contributions and earnings from investments. A menu of benefit provisions is established by State statutes within the Public Employees' Retirement Law. The City selects its optional benefit provisions from the benefit menu by contract with CalPERS. The information contained in this paragraph has been obtained from CalPERS. Additional information regarding CalPERS may be obtained from its website at www.calpers.ca.gov. However, the contents of such website are not incorporated herein by such reference.

For accounting purposes, employees covered under CalPERS are classified as either miscellaneous employees or safety employees (police and fire).

In July 2011, the City approved a CalPERS second tier (two-tiered pension plans) for all labor unions to reduce the City's CalPERS retirement cost over time. The two-tiered pension plans were subsequently approved through collective bargaining agreements between the City and labor organizations representing miscellaneous and safety employees. The City implemented the two-tiered pension plan for safety employees effective February 8, 2012 and for miscellaneous employees effective June 8, 2012.

In September 2012, Assembly Bill 340 (known as "**PEPRA**") was enacted into law. PEPRA reforms all state and local public retirement systems and their participating employers with the exception of charter cities and counties that operate an independent retirement system. PEPRA limits the pension benefits offered to new employees and increases flexibility for employee and employer cost sharing for current employees. A third tier was implemented as a result of PEPRA for miscellaneous and safety employees hired on or after January 1, 2013 ("**Tier 3**").

At June 30, 2020, CalPERS provisions and benefits and the active number of members in each tier are as follows:

	Employee Organization	
Tier Pension Plans	**Safety**	**Miscellaneous**
Tier One (Classic Member)	Receive 3% at age 50. Pension benefits are based on the one year of highest salary. Active members: 601	Receive 2.7% at age 55. Final compensation is based on the 12 highest paid consecutive months. Active members: 1,397
Tier Two (New Hires as of June 9, 2012)	Receive 3% at age 55. Pension benefits are based on the final average salary of three years under the Government Code 20037. Active members: 36	Receive 2.5% at age 55. Final compensation is based on the highest average annual compensation of the three consecutive years. Active members: 162
Tier Three: AB 340 (January 1, 2013)	Receive 2% at age 57. Option 1: 2.5% at age 57. Option 2: 2.7% at age 57. Pension benefits are based on the final average salary of three years subject to established cap. Active members: 530	Receive 2% at 62. Pension benefits are based on the final average salary of the three years subject to established cap. Active members: 1,238

Source: City of Oakland

The contribution requirements of the plan participants and the City are established by and may be amended by CalPERS. Beginning Fiscal Year 2017-18, CalPERS collects minimum required employer contributions equal to the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability Contribution Amount (billed monthly in dollars). In prior fiscal years, the Employer Unfunded Accrued Liability Contribution Amount was a contribution rate. As percentages of projected annual covered payroll, the total required employer contribution rates for Fiscal Year 2022-23 are estimated to be 46.67% for miscellaneous employees and 56.61% for safety employees (police and fire employees).

In addition, under current bargaining agreements, all City participants, other than Tier 3 (described herein) employees, are required to contribute 8% for miscellaneous employees, 12% for police employees, and 13% for fire employees of their annual covered salary to CalPERS. Tier 3 employees are required to contribute 50% of normal cost (currently, 6.75% for miscellaneous employees, 11.5% for police employees, and 12.5% for fire employees of their annual covered salary) to CalPERS. The contribution requirements of the plan members are established by State statute and the employer contributions are established, and may be amended, by CalPERS.

The following Table 16 sets forth the City's employer contribution rates and amounts as determined by CalPERS for Fiscal Years 2018-19 through 2022-23, and CalPERS's projections for Fiscal Years 2023-24 and 2024-25. The Total Required Employer Contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability Contribution Amount.

Table 16
City of Oakland
California Public Employees' Retirement System
Contribution Rates and Amounts
Fiscal Years 2018-19 through 2022-23
and Projected Fiscal Years 2023-24 and 2024-25

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 (Projected)[1]	2024-25 (Projected)[1]
Safety Plan							
Total Required Employer Contribution (as percentage of payroll)	42.66%	46.97%	51.04%[3]	54.02%	56.61%	57.8%	58.8%
Employer Normal Cost Rate (as percentage of payroll)	18.15%	18.58%	19.51%	18.94%	18.53%	18.1%	17.8%
Employer Unfunded Accrued Liability Contribution Amount	$38,748,282	$46,171,999	$52,041,128	$61,868,629	$68,414,725	$73,136,000	$77,854,000
Miscellaneous Plan							
Total Required Employer Contribution (as percentage of payroll)	38.81%	42.22%	44.60%	45.83%	46.67%	47.4%	41.6%
Employer Normal Cost Rate (as percentage of payroll)	11.30%	11.60%	12.34%	11.85%	11.54%	11.2%	10.9%
Employer Unfunded Accrued Liability Contribution Amount	$64,318,649	$73,490,639	$80,187,025	$88,323,290	$96,340,598	$102,018,000	$89,080,000

[1] Based on various assumptions, including 7.00% actuarial rate for Fiscal Year 2020-21 and each year thereafter.
Source: CalPERS Annual Valuation Reports as of June 30, 2015, through June 30, 2020. Most current information available.

CalPERS uses an actuarial method that takes into account those benefits that are expected to be earned in the future as well as those already accrued. CalPERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities.

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the Fiscal Year 2015-16 rates, CalPERS no longer uses an actuarial value of assets and instead employs an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a five-year period.

On December 21, 2016, the CalPERS Board of Administration voted to further lower CalPERS's discount (i.e. assumed investment return) from 7.50% to 7.00% using a three-year phase-in, beginning with the June 30, 2016 actuarial valuations. Notwithstanding the CalPERS Board of Administration's decision to phase into a 7.00% discount rate, in July 2021, CalPERS announced that their investment returns for Fiscal Year 2020-21 was 21.3%, which triggered an automatic reduction in the discount rate, from 7% to 6.8%, under their funding risk mitigation policy. Subsequent analysis of the expected investment return of CalPERS assets or changes to the investment allocation could result in a change to this discount rate schedule. There can be no assurance that CalPERS will not again lower its investment assumptions thus increasing the City's contribution obligations.

On November 25, 2021, CalPERS adopted its most recent asset liability management study incorporating actuarial assumptions and strategic asset allocation, making relatively modest changes to the asset allocation and demographic assumptions. The 6.8% discount rate was retained.

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The following Tables 17 and 18 set forth the schedules of funding progress as of June 30 for 2016 through 2020 for public safety employees and for miscellaneous employees.

Table 17
City of Oakland
California Public Employees' Retirement System Schedule of Funding Progress
Public Safety Employees
($ In Millions)

Valuation Date (June 30)	Actuarial Accrued Liability	Market Value of Assets[1]	Unfunded Actuarial Accrued Liability	Funded Status (MVA Basis)	Annual Covered Payroll	UAAL as % of Payroll
2016	$1,872.5	$1,166.4	$706.1	62.3%	$144.7	488.0%
2017	1,997.7	1,283.4	714.3	64.2	149.4	478.1
2018	2,176.7	1,370.9	805.8	63.0	152.2	529.5
2019	2,302.7	1,442.9	859.8	62.7	162.6	528.8
2020	2,401.8	1,494.0	907.9	62.2	165.6	548.2

Source: CalPERS Actuarial Valuation Report as of June 30, 2020. Most current information available.

Table 18
City of Oakland
California Public Employees' Retirement System Schedule of Funding Progress
Miscellaneous Employees
($ In Millions)

Valuation Date (June 30)	Actuarial Accrued Liability	Market Value of Assets	Unfunded Actuarial Accrued Liability	Funded Status (MVA Basis)	Annual Covered Payroll	UAAL as % of Payroll
2016(	$2,519.7	$1,647.5	$872.1	65.4%	$214.0	407.5%
2017	2,616.0	1,783.4	832.6	68.2	220.1	378.3
2018	2,824.7	1,885.2	939.5	66.7	229.4	409.6
2019	2,913.0	1,961.1	951.9	67.3	239.6	397.3
2020	2,999.7	2,010.4	989.3	67.0	252.8	391.3

Source: CalPERS Actuarial Valuation Report as of June 30, 2020. Most current information available.

For Fiscal Year 2021-22, the City's CalPERS pension contributions are $61,868,629 for the Safety plan and $88,323,290 for the Miscellaneous plan. The following Table 19 represents the City's annual contribution to CalPERS for Fiscal Years 2016-17 through 2020-21.

Table 19
City of Oakland
California Public Employees' Retirement System
Annual Pension Contributions
Fiscal Years 2016-17 through 2020-21
($ In Millions)

Fiscal Year Ended June 30	Annual Contributions
2017	$116.4
2018	115.4
2019	139.4
2020	160.3
2021	178.5

Effective July 1, 2011, all City employees pay the employee contributions.
(1) Amount includes both Safety and Miscellaneous plans.
Source: City of Oakland, Annual Financial Reports for Fiscal Years Ended June 30, 2017 through June 30, 2021.

Other Post-Employment Benefits

The City pays the partial costs of health insurance premiums for certain classes of retirees from City employment. Retirees meeting certain requirements relating to age and years of service are eligible for health benefits. The health benefits are extended to retirees pursuant to labor agreements between the City and certain of its employee labor unions and in resolutions adopted by the City. Traditionally, the City has financed these obligations on a pay-as-you go basis.

In 2014, the City began to partially pre-fund the annual required contribution ("**ARC**") to the California Employer's Retiree Benefit Trust ("**CERBT**"), an agent multiple-employer defined benefit post-employment healthcare plan administered by CalPERS. The CERBT is an Internal Revenue Code ("**IRC**") Section 115 Trust and an investment vehicle that can be used by all California public employers to prefund future retiree health and OPEB costs. Since that time, the City has made contributions to the CERBT, including $10 million in both Fiscal Years 2017-18 and 2018-19. The balance of the CERBT as of January 1, 2022 was $51.4 million.

On February 26, 2019, the City Council adopted an OPEB Funding Policy intended to formalize its prepayment practice, providing for ongoing contributions of 2.5% of payroll in addition to the City's pay-as-you-go requirements. See also "BUDGET AND FINANCIAL OPERATIONS – Financial Policies - *OPEB Funding Policy*." These contributions were postponed for Fiscal Year 2019-20 and Fiscal Year 2020-21 in response to the financial crisis accompanying the COVID-19 pandemic. The adopted budget for Fiscal Years 2021-23, provides for the resumption of these contributions, with a contribution of roughly $15.0 million anticipated in both Fiscal Year 2021-22 and Fiscal Year 2022-23.

Additionally, in Fiscal Year 2018-19 the City reached agreement with its sworn public safety unions to cap retiree medical benefits for existing employees and retirees effective January 1, 2020, and to implement new, lower-cost tiers for employees hired after January 1, 2019 aligning benefits for new public safety employees with that of the City's civilian employees.

The following Table 20 sets forth certain information with respect to the City's OPEB obligations for the Fiscal Years ended June 30, 2017 through June 30, 2021.

Table 20
City of Oakland
Post-Employment Benefits Other than Pensions
Fiscal Years 2016-2017 through 2020-2021
($ In Millions)

Fiscal Year Ended June 30[1]	Accrued Liability/ Total OPEB Liability[2]	Unfunded Liability/ Net OPEB Liability[2]	Annual Contribution[1]	Benefit payments	Employer Contribution
2016	$862.9	$860.0	$68.6	$20.4	$20.4
2017	853.8	849.5	72.5	20.4	20.4
2018	856.6	840.6	75.1	27.5	38.1
2019	625.9[3]	598.6	50.7	29.1	39.1
2020	871.1[4]	842.8	52.8	28.9	28.9

(1) Reflects measurement period.
(2) Titles reflects changes in terminology and definitions pursuant to the implementation of GASB 75 in FY 2017-18.
(3) Includes reduction in estimated liabilities of $147.6 million from reduction to benefits for public safety employees hired on or after January 1, 2019 and changes in assumptions, which reduced estimated liabilities by $139.1 million.
(4) Increase to liability includes $222.3 million increase due to changes in assumptions, including a decrease in the discount rate applied from 4.5% to 2.2%.
Sources: City of Oakland for 2016 information. Annual Financial Report for Fiscal Year Ended June 30, 2021 for the subsequent years.

The size of the City's medical, pension and OPEB liabilities are based on a number of assumptions that are subject to change, including, but not limited to, estimates regarding personnel costs, assumed investment returns and actuarial assumptions. It is possible that actual results of these initiatives will differ materially from current assumptions and such changes in personnel costs, investment returns or other actuarial assumptions could increase budgetary pressures on the City.

BONDS AND OTHER INDEBTEDNESS

The City has issued or caused the issuance of a variety of bonded and other debt obligations as provided for under the State Constitution, judicial interpretation of the State Constitution, State statutes, and its own Charter powers. The following summarizes existing indebtedness.

General Obligation Debt

The City may issue general obligation bonds for the acquisition and improvement of real property, subject to two-thirds voter authorization of the bond proposition. An *ad valorem* tax on all taxable property within the City is levied by the City and collected by the County to pay principal and interest on general obligation bonds on the secured and unsecured property tax bills within the City.

Table 21 below summarizes the City's outstanding General Obligation Bonds as of January 1, 2022.

Table 21
City of Oakland
General Obligation Bonds
as of January 1, 2022
($ In Thousands)

Issue Name	Purpose	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
General Obligation Refunding Bonds, Series 2015A	Refunded Series 2005, Series 2006 (Measure G) and Series 2009B (Measure DD)	6/2/2015	1/15/2039	$128,895	$80,275
General Obligation Bonds, Series 2017C (Measure DD)	Acquire and improve water quality-related infrastructure and facilities and properties for open space purposes, design and construction of parks, bridges and trails	1/26/2017	1/15/2047	26,500	24,475
General Obligation Bonds, Measure KK, Series 2017A-1 (Tax Exempt)	For street paving and construction; bicycle, pedestrian and traffic calming improvements; construction, purchase, improvement or rehabilitation of City facilities including fire, police, library, parks & recreation, and senior facilities; and water, energy and seismic improvements.	8/30/2017	1/15/2047	62,735	62,735
General Obligation Bonds, Measure KK, Series 2017A-2 (Taxable)	Provide for anti-displacement and affordable housing preservation projects, including acquisition.	8/30/2017	1/15/2035	55,120	42,865
General Obligation Bonds, Measure KK, Series 2020A-1 (Tax Exempt)	For street paving and construction; bicycle, pedestrian and traffic calming improvements; construction, purchase, improvement or rehabilitation of City facilities including fire, police, library, parks & recreation, and senior facilities; and water, energy and seismic improvements.	2/27/2020	1/15/2050	140,010	140,010
General Obligation Bonds, Measure KK, Series 2020A-2 (Taxable)	Provide for anti-displacement and affordable housing preservation projects, including acquisition.	2/27/2020	1/15/2030	44,880	40,080
General Obligation Refunding Bonds, Series 2020	Refunded General Obligation Refunding Bonds, Series 2012	2/27/2020	1/15/2033	64,260	59,635
TOTAL					$450,075

Source: City of Oakland.

The following Table 22 summarizes the voter-approved measures for which debt obligations have not yet been issued as of January 1, 2022. The City may seek additional voter authorization in the future.

Table 22
City of Oakland
General Obligation Bond Remaining Authorization
as of January 1, 2022
($ In Thousands)

Authorization	Date Passed	Use	Bond Total	Authorization Remaining
Measure DD	11/5/2002	Water quality-related infrastructure and facilities, open spaces, parks, bridges and trails, recreational and aquatic facilities.	$198,250	$35,755
Measure KK	11/8/2016	Infrastructure, affordable housing, and facility improvements.	600,000	297,255(1)

(1)Amount shown does not reflect issuance of the 2022 Measure KK Bonds, after which $84.94* million is expected to remain authorized but unissued.
*Preliminary, subject to change.
Source: City of Oakland.

Short-Term Obligations

For most of the last 17 fiscal years, the City has issued tax and revenue anticipation notes ("**TRANs**") to finance general fund temporary cash flow deficits and/or to finance prepayments of the City's CalPERS Employer Unfunded Accrued Liability Contribution ("**UAL**"), all of which TRANs have been paid when due. The following Table 23 sets forth the principal amount of TRANs issued in Fiscal Years 2017-18 through 2021-22, all of which were issued with taxable interest solely for the purpose of prepayment of the City's CalPERS UAL contributions and were privately placed with a bank.

Table 23
City of Oakland
Tax and Revenue Anticipation Notes
($ In Thousands)

Fiscal Year Ended June 30	Principal Amount
2017-18	$70,605
2018-19	83,430
2019-20	97,255
2020-21	109,220
2021-22	124,085

Source: City of Oakland.

Lease Obligations

The City has entered into various long-term lease arrangements that secure lease revenue bonds or certificates of participation, under which the City must make annual payments, payable by the City from its

General Fund, for the use of public buildings or equipment. The following Table 24 summarizes the City's outstanding long-term lease obligations and the principal amounts outstanding as of January 1, 2022.

Table 24
City of Oakland
Lease Obligations
as of January 1, 2022
($ in Thousands)

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding	Leased Asset
Oakland – Alameda County Coliseum Authority Lease Revenue Bonds, (Arena Project) 2015 Refunding Series A[(1)]	4/29/2015	2/1/2026	$39,868	$20,568	Coliseum Arena
Oakland Joint Powers Financing Authority Lease Revenue Refunding Bonds, (Oakland Administration Building), Series 2018	5/23/2018	11/1/2026	60,025	36,835	Oakland Administration Buildings
Oakland-Alameda County Coliseum Authority Lease Revenue Notes (Oakland Coliseum Project), 2021 Refunding Series A (Taxable)[(1)]	12/14/2021	2/01/2025	23,901	23,901	Coliseum Stadium
TOTAL				$81,304	

[(1)] The lease payments securing these bonds are joint and several obligations of both the City and the County. Each entity has covenanted to budget and appropriate one-half of the annual lease payments and to take supplemental budget action if required to cure any deficiency. Principal amounts shown represent half of total original and outstanding principal amount, representing the amount that is directly attributable to the City.
Source: City of Oakland.

Master Lease Obligations

The City has entered into various long-term, master lease-purchase agreements to finance the acquisition of essential-use assets. As of January 1, 2022, the City's master lease-purchase agreements, which generally are backed by the City's General Fund, were outstanding in the principal amount of $23,277,357.92. These financings are fixed rate with interest rates ranging from 1.48% - 3.23% and maturities between 2022 and 2030. As of January 1, 2022, the aggregate maximum annual debt service payment is $12,208,184.14 in Fiscal Year 2021-22.

Prior Swap Agreements

The City entered into a forward starting interest rate swap agreement in connection with the issuance of the $187.5 million Oakland Joint Powers Financing Authority Lease Revenue Bonds, 1998 Series A1/A2 (the "**Series 1998 Bonds**"). The objective of the swap at the time it was entered into was to achieve a reasonable and dependable synthetic fixed rate with respect to the Series 1998 Bonds and avoid variable interest rate turbulence. While those bonds were subsequently refunded, the swap associated with the Series 1998 Bonds remained in effect until the stated termination date on July 31, 2021. The City currently has no swap obligations.

Pension Obligation Bonds

The City has previously issued three series of pension obligation bonds (in 1997, 2001 and 2012) to fund a portion of the City's unfunded actuarial accrued liability ("**UAAL**") for retirement benefits to members of the PFRS, a closed plan covering uniformed employees hired prior to July 1, 1976. The City annually levies an *ad valorem* tax at a rate of 0.1575% on all property within the City subject to taxation to fund PFRS pension obligations. For more information, see "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs –*Police and Fire Retirement System*" herein.

The pension obligation bonds are obligations of the general fund and are secured by a senior pledge of Pension Tax Override proceeds. The second series of pension obligation bonds, which was a series of capital appreciation bonds issued in 2001 (the "**2001 Pension Obligation Bonds**"), was part of a plan of finance undertaken by the City to restructure a portion of the City's 1997 pension obligation bonds (the "**1997 Pension Obligation Bonds**"), to reduce the annual net debt service on such bonds and to minimize the need for the City to use General Fund revenues other than Pension Tax Override funds to pay debt service on the 1997 Pension Obligation Bonds and the 2001 Pension Obligation Bonds. The 1997 Pension Obligation Bonds matured in December 2010. The third series of pension obligation bonds were issued on July 12, 2012 (the "**2012 Pension Obligation Bonds**") to prepay a portion of the City's UAAL for retirement benefits to members of PFRS.

The following Table 25 summarizes the 2001 Pension Obligation Bonds and 2012 Pension Obligation Bonds as of January 1, 2022.

Table 25
City of Oakland
Pension Obligation Bonds
as of January 1, 2022

Issue Name	Dated Date	Final Maturity	Original Principal Amount (in Thousands)	Principal Amount Outstanding
City of Oakland Taxable Pension Obligation Bonds, Series 2001	10/17/2001	12/15/2022	$195,636	$12,671[(1)]
City of Oakland Taxable Pension Obligation Bonds, Series 2012	7/30/2012	12/15/2025	212,540	162,135
TOTAL				$174,806

[(1)] (1) Excludes outstanding compounded interest of $40,459,557.60 due December 15, 2022..
Source: City of Oakland.

The 2001 Pension Obligation Bonds and 2012 Pension Obligation Bonds are secured by a senior pledge of Pension Tax Override revenues. See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – Police and Fire Retirement System."

For additional information on the City's pension systems, see "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs."

Limited Obligations

Redevelopment Agency of the City of Oakland

The City's Redevelopment Agency, prior to its dissolution in 2012, issued several series of tax allocation bonds to provide funding for blight alleviation and economic development in parts of the City or for the construction of low-income housing, which are payable from tax increment revenues received from the specific redevelopment project areas which they support. In addition, the Oakland Redevelopment Successor Agency ("**ORSA**") has issued bonds that are secured by the Redevelopment Property Tax Trust Fund and dedicated housing set-aside revenues from all the City's redevelopment project areas.

The following Table 26 sets forth outstanding tax allocation bonds issued by Redevelopment Agency or ORSA, including the final maturity date, original principal amounts and principal amounts outstanding. All information below is presented, and sets forth the principal amount of debt outstanding, as of January 1, 2022.

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Table 26
Tax Allocation Bonds
as of January 1, 2022
($ In Thousands)

Central District Redevelopment Project Area

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Central District Redevelopment Project Subordinated Tax Allocation Refunding Bonds, Series 2013	10/3/2013	9/1/2022	$ 102,960	$4,130

Broadway/MacArthur/San Pablo Redevelopment Project Area

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds Series 2006C-T	10/12/2006	9/1/2032	$ 12,325	$6,915
Broadway/MacArthur/San Pablo Redevelopment Project Tax Second Lien Allocation Bonds Series 2010-T (RZEDB)	11/12/2010	9/1/2040	7,390	6,830
TOTAL BROADWAY/MACARTHUR/SAN PABLO DISTRICT			$ 19,715	$13,745

Central City East Redevelopment Project Area

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-T	10/12/2006	9/1/2034	$ 62,520	$38,545

Coliseum Area Redevelopment Project Area

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-T	10/12/2006	9/1/2035	$ 73,820	$49,935

Multiple Project Areas and Housing

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Subordinated Tax Allocation Refunding Bonds, Series 2015-TE	9/2/2015	9/1/2036	$ 22,510	$ 22,510
Subordinated Tax Allocation Refunding Bonds, Series 2015-T	9/2/2015	9/1/2035	66,675	43,515
Subordinated Tax Allocation Refunding Bonds, Series 2018-TE	6/6/2018	9/1/2031	15,190	15,190
Subordinated Tax Allocation Refunding Bonds, Series 2018-T	6/6/2018	9/1/2035	41,765	37,440
TOTAL MULTIPLE PROJECT AREAS AND HOUSING			$146,140	$118,655

Source: City of Oakland

Special Assessments

The City has debt outstanding for two bond issues supported by assessment districts. Debt service on each of these assessment and reassessment bond issues is paid solely from assessments levied on real property within the respective districts. The following Table 27 sets forth the City's outstanding special assessment bonds as of January 1, 2022.

Table 27
City of Oakland
Special Assessment Bonds
as of January 1, 2022
($ In Thousands)

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
City of Oakland 2012 Limited Obligation Refunding Improvement Bonds, Reassessment District No. 99-1	8/30/2012	9/2/2024	$3,545	$1,000
Oakland Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1, Limited Obligation Refunding Bonds (Reassessment and Refunding of 2018)	6/6/2018	9/2/2039	1,380	1,225
TOTAL				$2,225

Source: City of Oakland.

Enterprise Revenue Bonds

The City also has issued bonds secured solely by revenues of its sewer system. On March 20, 2014, the City issued Sewer Revenue Refunding Bonds, 2014 Series A, in the principal amount of $40,590,000 (the "**2014 Sewer Bonds**"). The proceeds of the 2014 Sewer Bonds were used to refund the City's then outstanding Sewer Revenue Bonds, Series 2004A. The 2014 Sewer Bonds have an outstanding principal amount of $ 23,615,000, as of January 1, 2022, and mature on June 15, 2029.

Estimated Direct and Overlapping Debt

Located within the City are numerous overlapping local agencies providing public services. These local agencies have outstanding bonds issued in the form of general obligation, lease revenue, certificates of participation, and special assessment bonds. The direct and overlapping debt of the City as of January 1, 2022, according to California Municipal Statistics, Inc., is shown in the following Table 28. The City makes no representations as to the accuracy of the following table. Inquiries concerning the scope and methodology of procedures carried out to complete the information presented should be directed to California Municipal Statistics, Inc. According to California Municipal Statistics, Inc., tax and revenue anticipation notes and enterprise revenue, mortgage revenue and non-bonded capital lease obligations are excluded from this debt statement.

Table 28
City of Oakland
Statement of Direct and Overlapping Debt
as of December 1, 2021

2021-22 Assessed Valuation[1]: $74,099,351,478

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 12/1/21
Alameda County	21.378%	$ 39,281,006
Bay Area Rapid Transit District	8.328	152,805,475
East Bay Regional Park District	13.298	16,732,209
Chabot-Las Positas Community College District	0.745	6,001,683
Peralta Community College District	57.218	228,425,700
Berkeley and Castro Valley Unified School Districts	0.003 & 0.108	165,615
Oakland Unified School District	99.999	1,136,873,631
San Leandro Unified School District	7.425	22,384,634
City of Oakland	**100**	**450,075,000**
City of Oakland 1915 Act Bonds	100	2,225,000
City of Piedmont 1915 Act Bonds	4.792%	144,331
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,055,114,284
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Alameda County and Coliseum Authority General Fund Obligations	21.378%	$163,313,490
Alameda-Contra Costa Transit District Certificates of Participation	25.311	2,949,997
Peralta Community College District Pension Obligation Bonds	57.218	73,241,691
Oakland Unified School District Certificates of Participation	99.999	10,219,898
Castro Valley Unified School District Certificates of Participation	0.108	4,801
City of Oakland and Coliseum Authority General Fund Obligations[2]	**100.**	**80,107,500**
City of Oakland Pension Obligation Bonds	**100.**	**198,563,350**
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$528,400,727
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	100. %	$225,010,000
COMBINED TOTAL DEBT[3]		$2,808,525,011

(1) Includes $373.6 million in value subject to the homeowner's exemption
(2) Excludes issue to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:
Direct Debt ($450,075,000)..0.61%
Total Direct and Overlapping Tax and Assessment Debt 2.77%
Total Direct Debt ($728,745,850)..............................0.98%
Combined Total Debt..3.79%

Ratio to Redevelopment Successor Agency Incremental Valuation ($24,774,914,432):
Total Overlapping Tax Increment Debt........................0.91%

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS

Article XIII A of the California Constitution

Section 1(a) of Article XIII A of the State Constitution limits the maximum *ad valorem* tax on real property to 1% of full cash value (as defined in Section 2 of Article XIII A), to be collected by counties and apportioned according to law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to *ad valorem* taxes to pay interest or redemption charges on: (1) indebtedness approved by the voters prior to July 1, 1978; (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; or (3) any bonded indebtedness incurred by a school district, community college district or county office of education for the construction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities approved after November 8, 2000 by 55% of the voters of the district or county, as appropriate, voting on the proposition. Section 2 of Article XIII A defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment" ("**Full Cash Value**"). The Full Cash Value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. Taxpayers in the City may appeal the determination of the County Assessor of the Full Cash Value of their property. At any given point in time, hundreds of appeals are pending in the City. If the assessed value of a property is reduced as a result of an assessment appeal, the reduction is borne by relevant taxing agencies, including the City.

Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIII A has been amended a number of times. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first $1,000,000 of the Full Cash Value of other real property between parents and children, do not constitute a "purchase" or "change of ownership" triggering reappraisal under Article XIII A. Other amendments permitted the State Legislature to allow persons over the age of 55 who meet certain criteria or "severely disabled homeowners" who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence.

In the November 1990 election, the voters approved an amendment of Article XIII A to permit the State Legislature to exclude from the definition of "new construction" certain additions and improvements.

Article XIII A has also been amended to provide that there would be no increase in the Full Cash Value base in the event of reconstruction of property damaged or destroyed in a disaster or construction or reconstruction of seismic retrofitting components.

Section 4 of Article XIII A provides that cities, counties and special districts cannot, without a two-thirds vote of the qualified electors, impose special taxes, which have been interpreted to include special fees in excess of the cost of providing the services or facility for which the fee is charged, or fees levied for general revenue purposes.

Article XIII B of the California Constitution

State and local government agencies in the State are each subject to annual "appropriations limits" imposed by Article XIII B of the State Constitution ("**Article XIII B**"). Article XIII B prohibits government agencies and the State from spending "appropriations subject to limitation" in excess of the appropriations limit imposed. "Appropriations subject to limitation" are generally authorizations to spend "proceeds of taxes," which include, but are not limited to, all tax revenues, and the proceeds from (i) regulatory licenses, user charges or other user fees to the extent that such proceeds exceed "the cost reasonably borne by that entity in providing the regulation, product, or service," (ii) the investment of tax revenues, and (iii) certain subventions received from the State. No limit is imposed on appropriations of funds which are not "proceeds of taxes," appropriated for debt service on indebtedness existing prior to the passage of Article XIII B or authorized by the voters or appropriations required to comply with certain mandates of courts or the federal government.

On November 19, 2019, the City Council approved, for submission to voters at the March 3, 2020 municipal election, a measure – now known as Measure S – to increase the City's appropriations limit for fiscal years 2020-21 through 2023-24 to ensure the City's ability to expend funds collected from eight (8) voter-approved general and special tax ballot measures relating to municipal services such as emergency dispatch services, paramedic services, libraries, violence prevention and services to the homeless without exceeding the City's appropriation limit. Passage of the measure required an affirmative vote of a majority of voters, and the Measure passed by the vote of 72.35% of the voters.

The appropriation for the City for Fiscal Year 2021-22 is $932.9 million, and the appropriations subject to the limit were $682.5 million, $250.4 million under the appropriations limit.

Articles XIII C and XIII D of the California Constitution

Articles XIII C and XIII D of the State Constitution were added pursuant to Proposition 218, which was approved by the voters of the State in November 1996, and amended pursuant to Proposition 26, which was approved by the voters of the State in November 2010. Articles XIII C and XIII D contain a number of provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City require a majority vote and taxes for specific purposes, even if deposited in the general fund, require a two-thirds vote. The voter approval requirements of Article XIII C reduce the City's flexibility to deal with fiscal problems by raising revenue through new, or extended or increased taxes and no assurance can be given that the City will be able to raise taxes in the future to meet increased expenditure requirements.

Article XIII D contains several provisions making it generally more difficult for cities to levy and maintain "assessments" for municipal services and programs. "Assessment" is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property.

Article XIII D also contains several provisions affecting a "fee" or "charge," defined for purposes of Article XIII D to mean "any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by a city upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) with respect to any parcel or person, exceed the proportional cost of the service attributable to the parcel, (iv) are for a service not actually used by, or immediately available to, the owner of the property in question, or (v) are used for general governmental services, including police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The city must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the city may not impose or increase the fee or charge. Moreover, except for fees or charges for sewer, water and refuse collection services (or fees for electrical and gas service, which are not treated as "property related" for purposes of Article XIII D), no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area. The City has two enterprise funds that are self-supporting from fees and charges, which could, depending upon judicial interpretation of Proposition 218, ultimately be determined to be property related for purposes of Article XIII D. If fees and charges cannot be appropriately increased, or are reduced pursuant to exercise of the initiative power (described in the following paragraph), the City may have to decide whether to support any deficiencies in these enterprise funds with moneys from the general fund or to curtail service, or both.

In addition to the provisions described above, Article XIII C also removes prohibitions and limitations on the initiative power in matters of any "local tax, assessment, fee or charge." Consequently, the voters of the City could, by future initiative, repeal, reduce or prohibit the future imposition or increase of any local tax, assessment, fee or charge. "Assessment," "fee" and "charge," are not defined in Article XIII C and it is not clear whether the definitions of these terms in Article XIII D (which are generally property-related as described above) would limit the scope of the initiative power set forth in Article XIII C. If the Article XIII D definitions are not held to limit the scope of Article XIII C initiative powers, then the Article XIII C initiative power could potentially apply to revenue sources that currently constitute a substantial portion of general fund revenues. No assurance can be given that the voters of the City will not, in the future, approve initiatives that repeal, reduce or prohibit the future imposition or increase of local taxes, assessments, fees or charges.

Future Initiatives

Article XIII A, Article XIII B and Propositions 218 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the City or local districts to increase revenues or to increase appropriations which may affect the City's revenues or its ability to expend its revenues.

LEGAL MATTERS AND RISK MANAGEMENT

Insurance and Risk Management

The City is self-insured for its general liability, malpractice liability, public official's errors and omissions, products and completed operations, employment practices liability and auto liability up to $5.0 million retention level and up to $750,000 for workers' compensation. For all major insurance programs, the City insures risk and has excess insurance through its partnership with Public Risk Innovation, Solutions, and Management ("**PRISM**"), a member directed risk sharing pool, previously known as the CSAC Excess Insurance Authority. The City is a member of the PRISM General Liability 2 ("**GL2**") Program, which provides coverage for claims from third parties alleging damages due to negligence arising out of bodily injury, personal injury, property damage, public official's errors and omissions, employment practices liability, and automobile liability. The GL2 Program has a $25,000,000 per occurrence limit, which is subject to a per occurrence self-insured retention of $5,000,000. See also "APPENDIX B –ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR YEAR ENDED JUNE 30, 2021 – Notes to the Basic Financial Statements."

The City is also a member of the PRISM Property Program. The Property Program provides protection from physical damage to property, it covers real and person property and boiler and machinery.

The Property Program covers most types of risk, but it does not automatically cover earthquake damage. The City does not insure for damage from earthquakes (see "SECURITY FOR THE BONDS – Natural Hazards -Seismic Hazards" in the forepart of the Official Statement). The Property Program is subject to a $10,000 deductible. The City is also a member of the PRISM Excess Workers' Compensation ("**EWC**") Program. The EWC Program provides workers' compensation coverage for employees injured on the job. Coverage includes reimbursement for payments above the City's SIR of $750,000. This includes compensation for temporary disability benefits at statutory rates, medical benefits, and some allocated expenses.

As of June 30, 2021, the City Liability Program had estimated outstanding losses of $105,067,530 calculated at the expected confidence level. As of June 30, 2021, the City's Self-Insured Workers' Compensation Program had estimated outstanding losses of $73,623,698 calculated at the expected confidence level. Workers' compensation claims are paid through annual appropriations, with approximately $20,555,000 expected to be paid out during the Fiscal Year 2021-22.

Cybersecurity

Cybersecurity is of the utmost importance to the successful ongoing operations of the City and as such, the City's Information Technology Department ("**ITD**") continually initiates projects aimed at strengthening the City's overall technology infrastructure and other projects aimed at automating processes, monitoring systems, and analyzing operational and security issues real-time. The City believes these measures will improve its ability to effectively respond to incidents once detected. In regard to specific security measures, the City has invested significant funds to establish a new Information Security Office **("ISO")** as part of ITD, reporting directly to the Chief Information Officer. The ISO is responsible for the active analysis, discussion and development of information security policy and strategic technology directions, including adopting appropriate security frameworks such as the National Institute of Standards and Technology Framework for Improving Critical Infrastructure Cybersecurity ("**NIST CSF**") and the CIS Critical Security Controls for Effective Cyber Defense ("**CIS Controls**").

In addition to frameworks and policies, the ISO also recognizes the need for dedicated security personnel. Frameworks and policies are only effective if they are enforced and tools are only effective if they remain current. Combating cybersecurity threats is an ongoing active endeavor, as the threats are continually changing. ITD's ISO strategy is to continually improve its operational and security infrastructure in an effort to combat the ongoing cyber threats from both inside and outside the organization.

While the City is routinely maintaining its technology systems and continuously implementing new information security controls, no assurances can be given that the City's security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the City's computer and technology could negatively impact the City's operations, and the costs related to such attacks could be substantial.

Litigation

The City is involved in certain litigation and disputes relating to its operations. The following matters in which the City is a party, if determined by the court against the City, could have significant impact on the financial condition and/or business operations of the City. Upon the basis of information presently available, the City Attorney believes that in these matters where the City is a defendant: (1) there are substantial defenses to such litigation; and (2) in any event, any ultimate liability in the aggregate in excess of applicable insurance coverage resulting therefrom will not materially affect the ability of the City to pay debt service on the Bonds (as defined in the forepart Official Statement).

Climate Change Litigation. In 2017, the City's Attorney's Office filed a lawsuit against the five largest investor-owned fossil fuel companies in Alameda County Superior Court, entitled *The People of the State of California, acting by and through the Oakland City Attorney, Barbara J. Parker, v. BP P.L.C, et al*. After it was filed in state court, the defendants removed the case to federal court, where it has remained and is denominated Case No. 3:17-cv-06011-WHA. In this lawsuit, the City Attorney, on behalf of the People, is seeking to have the defendant companies found liable for creating, participating in creating, and/or perpetuating a public nuisance and to be ordered to abate the nuisance, including via an equitable abatement fund to address, among other things, the hazards of sea level rise for City's property, infrastructure, and residents.

The District Court entered judgment in favor of the defendants on July 27, 2018. The City Attorney on behalf of the People filed a notice of appeal to the United States Court of Appeals for the Ninth Circuit. On May 26, 2020, the Ninth Circuit reversed and found in favor of the People and remanded the case to the District Court. Defendants sought certiorari to the United States Supreme Court, which the Court denied the petition on June 14, 2021. The City Attorney is now awaiting action by the District Court on a renewed motion to remand the case to state court.

While City believes that its claim is meritorious, there is no assurance available as to whether the case will be successful and obtain the requested relief from the courts or contributions to an abatement fund from the defendant fossil fuel companies.

Zolly, McFadden and Clayton Litigation. In the matter of *Robert Zolly, Ray McFadden and Stephen Clayton v. City of Oakland, et al.*, the Plaintiffs, owners of multi-family dwelling properties in the City filed suit in June, 2016, alleging that: (1) the refuse collection, disposal, and recycling rates charged by the City's two franchisees, Waste Management of Alameda County ("**WMAC**") and California Waste Solutions ("**CWS**"); (2) the franchise fees that the franchisees pay to the City under their respective franchise agreements; and (3) the California statutory recycling fee (AB 939); all violate California Constitution Article XIIID. That provision of the state Constitution imposes certain restrictions on charges and fees for property-related public services. The contracts at issue went into effect on July 1, 2015 and have a 10-year with the possibility of renewal (WMAC), and a 20-year (CWS) term.

The case has been extensively litigated on the law (i.e., the parties have not yet reached discovery), including through a successful demurrer at the Superior Court, three amended complaints by Plaintiffs that increasingly narrowed the scope of their claims, through a Court of Appeal decision against the City and in Plaintiffs' favor, and now to the California Supreme Court. The course of the case has been heavily impacted by that Court's 2017 decision in *Jacks, et al v. City of Santa Barbara*, which provided guidance on whether compensation for the use of government property (i.e., a fee, such as a franchise fee) was subject to voter approval under Proposition 218.

Plaintiffs prevailed at the Court of Appeal, successfully arguing for a sweeping rule that would invalidate many local government franchise fees as impermissible taxes. The City sought review by the California Supreme Court, and that petition was granted in August 2020. The case is now fully briefed on the merits before the Court, and amicus briefs for and against the City have been filed by a number of parties. Argument is not yet scheduled.

A full recovery for Plaintiffs would include an as-of-yet undetermined portion of the $28 million annual franchise fee and the $3 million AB 939 fee, as well as a likely award of attorneys' fees.

APPENDIX A-2

CERTAIN INFORMATION CONCERNING THE CITY'S BUDGET AND OPERATIONS

APPENDIX B

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2021

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$______________	**$______________**
City of Oakland	**City of Oakland**
General Obligation Bonds	**General Obligation Bonds**
(Measure KK, Series 2022C-1)	**(Measure KK, Series 2022C-2)**
(Tax-Exempt)	**(Taxable)**

This Continuing Disclosure Certificate (the "Disclosure Certificate") dated February_, 2022, is executed and delivered by the City of Oakland (the "City") in connection with the issuance of $______________ aggregate principal amount of the above-named bonds (the "Bonds"). The Bonds are issued under provisions of the Constitution of the State of California (the "State"), Article 1 of Chapter 4 of Division 4 of Title 4 (commencing with Section 43600) of the Government Code of the State, the Charter of the City, and other applicable laws of the State. The specific terms and conditions for issuance of the Bonds are contained in Resolution No.____________C.M.S. adopted by the City Council of the City on ______________, 2022 (the "Resolution"). Bonds are being issued by the City pursuant to a Fiscal Agent Agreement, dated as of February 1, 2022 (the "Fiscal Agent Agreement"), between the City and U.S. Bank National Association, as fiscal agent (together with any successors, the "Fiscal Agent"). The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter (as hereinafter defined) in complying with Securities and Exchange Commission ("S.E.C.") Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person, which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"Financial Obligation" shall have the meaning ascribed to it in the Rule, any other applicable federal securities laws and guidance provided by the SEC in its Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), any further amendments or written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the S.E.C., filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at *http://emma.msrb.org*.

"Official Statement" shall mean the official statement relating to the Bonds, dated______________, 2022.

"Participating Underwriter" shall mean the initial purchaser(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the City's fiscal year (currently ending June 30), commencing with the report for the 2021-22 Fiscal Year (which is due not later than March 31, 2023), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) Not later than 15 business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the City), file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the City for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the City's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the City, the Annual Report shall also include the following additional items for the prior fiscal year:

1. The assessed valuation of taxable property in the City;

2. Property taxes due, property taxes collected and property taxes delinquent;

3. Property tax levy rate per $1,000 (or other amount) of assessed valuation; and

4. Outstanding general obligation debt of the City.

(c) Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

6. Tender offers;

7. Defeasances;

8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, ***if material***, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. Modifications to rights of Bond holders;

3. Optional, unscheduled or contingent Bond calls;

4. Release, substitution, or sale of property securing repayment of the Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. Appointment of a successor or additional fiscal agent or the change of name of a fiscal agent; or

8. Incurrence of a Financial Obligation of the City, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affects Holders of the Bonds.

(c) The City shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a), as provided in Section 3(b).

(d) Whenever the City obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the City shall determine if such event would be material under applicable federal securities laws.

(e) If the City learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the City shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Fiscal Agent Agreement.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the City.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the

City to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of Alameda (the "County") or in U.S. Federal Court in or nearest to the County. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Certificate is not intended to create any monetary rights on behalf of any person based upon the Rule.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Continuing Disclosure Certificate on the date as first written above.

CITY OF OAKLAND, CALIFORNIA

By:_____________________________________

City Administrator

CONTINUING DISCLOSURE EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of City:	CITY OF OAKLAND
Name of Bond Issue:	CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE KK, SERIES 2022C-1) (TAX-EXEMPT)
	CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE KK, SERIES 2022C-2) (TAXABLE) CITY OF OAKLAND
Date of Issuance:	_______, 2022

NOTICE IS HEREBY GIVEN that the City of Oakland, California (the "City"), has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate of the City, dated the Date of Issuance. [The City anticipates that the Annual Report will be filed by______________.]
Dated: ___________________

CITY OF OAKLAND, CALIFORNIA

By__________[to be signed only if filed]_________

APPENDIX D

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in numbered paragraphs 1 -10 of this APPENDIX D concerning The Depository Trust Company ("DTC") and DTC's book-entry system, has been furnished by DTC for use in securities offering documents, and the City takes no responsibility for the accuracy or completeness thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of interest or principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement including this APPENDIX D. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this APPENDIX D, "Securities" means the Bonds, "Issuer" means the City, and "Agent" means the Fiscal Agent.

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. (The information set forth on such website is not incorporated into this Official Statement by this reference.)

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their

purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Securities documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, principal, and interest payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this APPENDIX D concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The foregoing description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest and other payments with respect to the Bonds to Direct Participants, Indirect Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Bonds and other related transactions by and between DTC, the Direct Participants, the Indirect Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants, the Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the Participants, as the case may be. The City will not have any responsibility or obligation to Direct Participants and Indirect Participants or the persons for whom they act as nominees with respect to the Bonds.

THE CITY, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES FOR OWNERS TO ONLY DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS" IN THE FOREPART OF THIS OFFICIAL STATEMENT) SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). If the City determines not to continue the DTC book-entry only system, or DTC discontinues providing its services with respect to the Bonds and the City does not select another qualified securities depository, the City will deliver physical Bond certificates to the Beneficial Owners. The Bonds may thereafter be transferred upon the books of the Fiscal Agent in accordance with the Fiscal Agent Agreement.

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon issuance and delivery of the Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the City, proposes to render its opinion with respect to the Bonds in substantially the following form:

OHS Draft
1/5/2022

FISCAL AGENT AGREEMENT

by and between

THE CITY OF OAKLAND

and

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

Dated as of February 1, 2022

$[C-1 PAR]
City of Oakland
General Obligation Bonds
(Measure KK) Series 2022 C-1 Bonds (Tax-Exempt)

and

$[C-2 PAR]
[City of Oakland
General Obligation Bonds
(Measure KK) Series 2022 C-2 Bonds (Taxable)]

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

Page

FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT, dated as of February 1, 2022 (the "Fiscal Agent Agreement"), by and between the CITY OF OAKLAND, a charter city duly organized and validly existing under its Charter and the Constitution and laws of the State of California (the "City") and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America, as fiscal agent (the "Fiscal Agent"):

WITNESSETH

WHEREAS, the City Council enacted Ordinance No. ___ C.M.S. on the date hereof authorizing the issuance and sale of the Bonds; and

WHEREAS, the City Council adopted Resolution No. _____ C.M.S. on January __, 2022 (the "Resolution") authorizing the issuance of the City's General Obligation Bonds (Measure KK) Series 2022C-1 (Tax-Exempt) (the "Series 2022C-1 Bonds") in an aggregate principal amount of $[C-1 PAR] and the City's General Obligation Bonds (Measure KK) Series 2022C-2 (Taxable) (the "Series 2022C-2 Bonds" and, collectively with the Series 2022C-1 Bonds, the "Series 2022C Bonds" or the "Bonds"), in an aggregate principal amount of $[C-2 PAR]; and

WHEREAS, the execution of this Fiscal Agent Agreement by the City and the Fiscal Agent is necessary and desirable to set forth certain provisions of the Bonds and to provide for the repayment thereof; and

WHEREAS, the City has found and determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Fiscal Agent Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Fiscal Agent Agreement;

NOW, THEREFORE, in order to secure the payment of the principal of, and premium, if any, and interest on all Bonds at any time issued and outstanding under this Fiscal Agent Agreement according to their tenor, and to secure the performance and observance of all the covenants, agreements and conditions herein set forth, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Fiscal Agent hereby agree, for the benefit of the respective holders from time to time of the Bonds, as follows:

ARTICLE I

AUTHORITY; DEFINITIONS

SECTION 1.01. <u>Definitions</u>. Unless the context otherwise requires, the terms defined in this Article shall, for all purposes hereof and of any certificate, opinion, request or other document herein mentioned, have the meanings herein specified.

"Article", "Section" and "subdivision" shall mean, respectively, the corresponding Article, Section or subdivision of this Fiscal Agent Agreement.

"Authorized Investments" shall mean any of the following, to the extent lawful:

i. any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies and federally sponsored entities set forth in clause (iii) below to the extent unconditionally guaranteed by the United States of America and including interest strips of any such obligations or of bonds issued by the Resolution Funding Corporation and held in book-entry form by the Federal Reserve Bank of New York ("United States Treasury Obligations");

ii. any certificates, receipts, securities or other obligations evidencing ownership of, or the right to receive, a specified portion of one or more interest payments or principal payments, or any combination thereof, to be made on any bond, note, or other obligation described above in clause (i);

iii. obligations of the Fannie Mae Corporation, the Government National Mortgage Association, Farm Credit System Financial Corporation, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, United States Import-Export Bank, United States Department of Housing and Urban Development, Farmers Home Administration, General Services Administration and United States Maritime Administration;

iv. housing authority bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

v. obligations of any state, territory or commonwealth of the United States of America or any political subdivision thereof or any agency or department of the foregoing; provided that such obligations are rated in the highest Rating Category by Moody's and S&P;

vi. any bonds or other obligations of any state of the United States of America or any political subdivision thereof (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the Fiscal Agent of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described above in clause (i) or (ii) which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the interest payment dates and the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described above in clause (i) or (ii) which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay the principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (vi) on the interest payment dates and the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (vi), as appropriate, and (d) which are rated in the highest long-term Rating Category by Moody's and S&P;

vii. demand or time deposits, interest bearing deposits, interest bearing money market accounts, overnight bank deposits, trust funds, trust accounts, banking deposit products or certificates of deposit (including those placed by a third party pursuant to a separate agreement between the City and the Fiscal Agent), whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Fiscal Agent or any of its affiliates) or by a state licensed branch of any foreign bank, provided that such certificates of deposit shall be purchased directly from such a bank, trust company, national banking association or branch and shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities and obligations as are described above in clauses (i) through (v), inclusive, which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Fiscal Agent or third-party agent, as custodian, by the bank, trust company, national banking association or branch issuing such certificates of deposit, and the bank, trust company, national banking association or branch issuing each such certificate of deposit required to be so secured shall furnish the Fiscal Agent with an undertaking satisfactory to the City that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Fiscal Agent shall be entitled to rely on each such undertaking;

viii. taxable commercial paper or tax-exempt commercial paper rated A1/P1 by Moody's and S&P which matures not more than 270 calendar days after the date of purchase;

ix. variable rate obligations required to be redeemed or purchased by the obligor or its agent or designee upon demand of the holder thereof secured as to such redemption or purchase requirement by a liquidity agreement with a corporation and as to the payment of interest and principal either upon maturity or redemption (other than upon demand by the holder thereof) thereof by an unconditional credit facility of a corporation, provided that the variable rate obligations themselves are rated in the highest short-term Rating Category, if any, and in the highest long-term Rating Category, if any, by Moody's and S&P, and that the corporations providing the liquidity agreement and credit facility have, at the date of acquisition of the variable rate obligations by the Fiscal Agent, an outstanding issue of unsecured, uninsured and unguaranteed debt obligations rated in the highest long-term Rating Category by Moody's and S&P;

x. any repurchase or reverse repurchase agreement approved by the City which does not cause the rating on the Bonds to be reduced or withdrawn, or entered into with a financial institution (which may be the Fiscal Agent or any of its affiliates) or insurance company which has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated (or the parent company of which is rated) in the highest long-term Rating Category by Moody's and S&P, which agreement is secured by any one or more of the securities and obligations described in clauses (i), (ii), (iii) or (iv) above, which shall have a market value (exclusive of accrued interest and valued at least weekly) at least equal to one hundred three percent (103%) of the principal amount of such investment and shall be lodged with the Fiscal Agent or other fiduciary, as custodian, by the provider executing such repurchase or reverse repurchase agreement, and the provider executing each such repurchase or reverse repurchase agreement required to be so secured shall furnish the Fiscal Agent with an undertaking satisfactory to the City that the aggregate market value of all such obligations securing each such repurchase agreement (as valued at least weekly) will be an amount equal to one hundred three percent (103%) of the principal amount of each such repurchase agreement and the Fiscal Agent shall be entitled to rely on each such undertaking;

xi. any cash sweep or similar account arrangement of or available to the Fiscal Agent, the investments of which are limited to investments described in clauses (i), (ii), (iii), (iv), (v) and (x) of this definition of Authorized Investments and any money market mutual fund including money market mutual funds from which the Fiscal Agent or its affiliates derive a fee for investment advisory, custodial, transfer agency or other management services to the fund, the entire investments of which are limited to investments described in clauses (i), (ii), (iii), (iv), (v) and (x) of this definition of Authorized Investments; provided that as used in this clause (xi) and clause (xii) investments will be deemed to satisfy the requirements of clause (x) if they meet the requirements set forth in clause (x) ending with the words "clauses (i), (ii), (iii) or (iv) above" and without regard to the remainder of such clause (x);

xii. any investment agreement with, or the obligations under which are guaranteed by, a financial institution or insurance company or domestic or foreign bank which has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated in the highest long-term Rating Category by Moody's and S&P, approved by the City Council and which does not cause the rating on the Bonds to be reduced or withdrawn;

xiii. the Local Agency Investment Fund or similar pooled fund operated by or on behalf of the State of California and which is authorized to accept investments of moneys held in any of the funds or accounts established pursuant to this Fiscal Agent Agreement; and

xiv. any other investment permitted under the City's then current Investment Policy.

"Bondholder" or "holder of Bonds" or "Bondowner" or "Owner" or "registered owner" shall mean the person or persons in whose name or names a Bond shall be registered on the books of the City kept for that purpose in accordance with the terms of this Fiscal Agent Agreement.

"Bond Counsel" shall mean Orrick, Herrington & Sutcliffe LLP; or any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Act" shall mean City of Oakland Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54 and other applicable laws of the State of California.

"Bond Law" shall mean, collectively, the Charter, Measure KK and the Bond Act

"Bonds" shall mean the $[C-1 PAR] City of Oakland General Obligation Bonds (Measure KK) Series 2022C-1 Bonds (Tax-Exempt) and $[C-2 PAR] City of Oakland General Obligation Bonds (Measure KK) Series 2022C-2 Bonds (Taxable).

"Book-Entry Bonds" shall mean the Bonds registered in the name of the nominee of DTC, or any successor securities depository for the Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.09 hereof.

"Business Day" shall mean any day other than a Saturday, Sunday, legal holiday or other day on which commercial banking institutions are authorized or required by law to be closed in the State or in the State of New York.

"Certificate of the City" shall mean an instrument in writing signed by a Representative of the City.

"Charter" shall mean the Charter of the City, as it may be amended.

"City" shall mean the City of Oakland, California, a municipal corporation and chartered city duly organized and existing under and by virtue of its Charter and the laws and the Constitution of the State.

"City Administrator" shall mean the City Administrator or any designee.

"Closing Date" shall mean February_, 2022, the date of delivery of the Bonds to the Original Purchasers.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate executed by the City and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" shall mean all of the costs and expenses of issuing the Bonds, including but not limited to, all printing and document preparation expenses in connection with this Fiscal Agent Agreement, the Bonds and the Official Statement pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith, rating agency fees, CUSIP service bureau charges, legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Fiscal Agent, municipal advisory fees, costs of obtaining credit ratings and insurance, if any, on the Bonds, fees for the execution, transportation and safekeeping of the Bonds and other fees and expenses incurred in connection with the issuance of the Bonds, including the administrative costs of the City.

"Costs of Issuance Account" shall mean the account by that name established under Section 4.05 hereof to pay Costs of Issuance.

"Debt Service" shall mean the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Debt Service Account" shall mean the account of that name established pursuant to Section 4.01 of this Fiscal Agent Agreement.

"Depository" shall mean initially DTC, or any other securities depository subsequently acting as Depository pursuant to Section 2.09(a) hereof.

"Director of Finance" shall mean the Director of Finance or other duly appointed officer of the City authorized by the City Council by resolution to perform the functions of the director of finance.

"DTC" shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

"Fiscal Agent" shall mean U.S. Bank National Association, its successors and assignees appointed by the City and acting as fiscal agent, registrar and authenticating agent for the Bonds.

"Fiscal Agent Agreement" shall mean this Fiscal Agent Agreement, dated as of February 1, 2022, by and between the City and the Fiscal Agent, as originally executed and as it may from time to time be amended or supplemented.

"Information Services" shall mean Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Interactive Data Corporation's "Bond Service," 22 Cortland Street, New York, New York 10007; Kenny Information Services' "Called Bond Service," 55 Broad Street, 28th Floor, New York, New York 10004; Moody's Investors Service's "Municipal and Government," 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; and Standard & Poor's Corporation's "Called Bond Record," 25 Broadway, 3rd Floor, New York, New York 10004; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called Bonds, or such services as the City may designate in a Certificate of the City delivered to the Fiscal Agent.

"Interest Payment Date" shall mean the date on which interest on the Bonds becomes due and payable, being January 15 and July 15 of each year, commencing July 15, 2022.

"Letter of Representations" shall mean the letter of the City delivered to and accepted by DTC on or prior to the issuance of the Bonds setting forth the basis on which DTC serves as securities depository for such Book Entry Bonds, as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute depository.

"Mandatory Sinking Account Payments" shall mean the amount of money required by or pursuant to this Fiscal Agent Agreement to be paid by the City on any Sinking Account

Payment Date toward the retirement of any particular Term Bonds on or prior to their respective stated maturities.

"Measure KK" shall mean the 2016 Infrastructure Bond Ordinance, approved by more than two-thirds of the qualified voters of the City at the November 8, 2016, Statewide General Election.

"Moody's" shall mean Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

"Net Proceeds" shall mean the face amount of the Bonds, plus accrued interest and premium, if any, less original issue discount, if any.

"Nominee" shall mean initially, CEDE & Co., as nominee of DTC or the nominee of any subsequent Depository, as determined from time to time pursuant to Section 2.09 hereof.

"Original Purchasers" shall mean the Tax-Exempt Bond Purchaser and the Taxable Bond Purchaser.

"Outstanding" shall mean all Bonds except

1. Bonds theretofore canceled by the City and the Fiscal Agent or surrendered to the Fiscal Agent for cancellation;

2. Bonds paid or deemed to have been paid within the meaning of Section 2.10; and

3. Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the City and the Fiscal Agent pursuant hereto.

"Person" shall mean an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust or any other legal entity, any unincorporated organization or a government or political subdivision thereof.

"Principal Corporate Trust Office" shall mean the office of the Fiscal Agent at which at any particular time corporate trust business shall be administered, or such other office as it shall designate, except that with respect to presentation of Bonds for payment, transfer or exchange, such term means the office or agency of the Fiscal Agent at which its corporate agency business shall then be conducted, initially in St. Paul, Minnesota.

"Principal Payment Date" shall mean any July 15 on which the principal of the Bonds is scheduled to be paid.

"Private Business Use" shall mean use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person excluding, however, use by a governmental unit and use as a member of the general public.

"Project Costs" shall mean: (a) all costs of payment of, or reimbursement for, acquisition, construction and improvement of a Project including, but not limited to, architect and engineering fees, contractor payments, costs of feasibility and other reports, inspection costs, performance bond premiums and permit fees, provided that any such costs are directly related to the acquisition or improvement of real property and (b) Costs of Issuance.

"Rating Agency" shall mean each of Moody's and S&P or any other nationally recognized bond rating agency or agencies then maintaining a rating on the Bonds, but, in each instance, only so long as Moody's, S&P, or any other nationally recognized rating agency then maintains a rating on the Bonds.

"Rating Category" shall mean (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

"Rebate Account" shall mean the account of that name established pursuant to Section 4.04 of this Fiscal Agent Agreement.

"Rebate Instructions" shall mean those calculations and directions required to be delivered to the Fiscal Agent by the City pursuant to the Tax Certificate and this Fiscal Agent Agreement.

"Rebate Requirement" shall mean the Rebate Requirement defined in the Tax Certificate.

"Record Date" shall mean the first day of the month in which an Interest Payment Date falls.

"Redemption Accounts" shall mean the accounts of that name established by Section 4.03 of this Fiscal Agent Agreement.

"Representative of the City" shall mean the City Administrator, the Director of Finance or his or her designee, or any other person authorized by resolution of the City Council to act on behalf of the City with respect to this Fiscal Agent Agreement and the Bonds.

"Resolution" shall mean Resolution No.______C.M.S., adopted by the City Council on January___, 2022, authorizing the issuance of the Bonds.

"Serial Bonds" shall mean Bonds for which no Mandatory Sinking Account Payments are provided.

"Series 2022C Proceeds Account" shall mean the account by that name established pursuant to Section 4.02 of this Fiscal Agent Agreement.

"Series 2022C Projects" shall mean the projects identified in Resolution No. _____ C.M.S. adopted on January __, 2022 as projects to be funded with the Bonds.

"Sinking Account Payment Date" shall mean any date on which Mandatory Sinking Account Payments on the Bonds are scheduled to be paid.

"S&P" shall mean S&P Global Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

"State" shall mean the State of California.

"Tax Certificate" shall mean the Tax Certificate dated the date of initial delivery of the Series 2022C-1 Bonds and executed and delivered by the City relating to the requirements of certain provisions of the Code, as such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

"Taxable Bond Purchaser" shall mean__________.

"Tax-Exempt Bond Purchaser" shall mean_.

"Term Bonds" shall mean Bonds which are payable on or before their specified maturity dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire the Bonds on or before their specified maturity dates.

"Written Request of the City" shall mean an instrument in writing signed by a Representative of the City, or by any other officer of the City duly authorized by the City and listed on a Written Request of the City for that purpose.

ARTICLE II

THE BONDS

SECTION 2.01. Terms of the Bonds. (a) The Bonds shall be dated the date of delivery thereof. Bonds shall be substantially in the form set forth as Exhibit A hereto. The Bonds shall be issued in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof.

(b) CUSIP Identification Numbers. The CUSIP identification numbers shall be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal by any purchaser of the Bonds to accept delivery of and pay for the Bonds. In addition, failure on the part of the City or the Fiscal Agent to use such CUSIP numbers in any notice to Owners of the

Bonds shall not constitute a default or any violation of the City's contract with such Owners and shall not impair the effectiveness of any such notice.

(c) Maturities; Interest. The Bonds shall mature on July 15 of each of the years, and in the amounts, and shall bear interest at the rates per annum (calculated on the basis of a 360 day year composed of twelve-thirty day months) each as follows:

SERIES 2022C-1 BONDS

Maturity Date (July 15)	Principal Amount	Interest Rate

SERIES 2022C-2 BONDS

Maturity Date (July 15)	Principal Amount	Interest Rate

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the Record Date next preceding any Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the date of delivery of the Bonds; provided, however, that if, at the time of authentication of any Bond, interest is in default on Outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds.

(d) Payment. The principal and redemption premiums, if any, of the Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the Principal Corporate Trust Office of the Fiscal Agent. So long as the Bonds are registered to Cede & Co., payment of principal and any premiums shall be made without presentment. The interest on the Bonds shall be payable in like lawful money to the person whose name appears on the bond registration books of the Fiscal Agent as the owner thereof as of the close of business on the Record Date, whether or not such day is a Business Day.

Payment of the interest on any Bond shall be paid by check or draft mailed to such Owner at such Owner's address as it appears on such registration books as of the Record Date; provided, however, if any Interest Payment Date occurs on a day that is not a Business Day then such payment shall be made on the next succeeding Business Day, and provided, further, that the registered Owner of Bonds in an aggregate principal amount of at least $1,000,000 may submit a written request to the Fiscal Agent on or before a Record Date preceding an Interest Payment Date for payment of interest by wire transfer.

SECTION 2.02. Redemption of Bonds.

(a) Optional Redemption. The Series 2022C-2 Bonds are not subject to optional redemption prior to their respective stated maturities. The Series 2022C-1 maturing on or before July 15, are not subject to optional redemption prior to their respective stated maturities. The Series 2022C-1 Bonds maturing on or after July 15, are subject to optional redemption prior to their respective stated maturities at the option of the City, from any source of available funds, as a whole or in part on any date (with the series of Bonds and maturities within such series of Bonds to be redeemed to be determined by the City and by lot within a maturity), on or after July 15, _____, at redemption prices equal to the principal amount thereof to be redeemed, without premium, together with accrued interest to the date fixed for redemption. The City shall give the Fiscal Agent a notice of its intention to optionally redeem Bonds at least 45 days prior to the redemption date or such lesser number of days acceptable in the sole determination of the Fiscal Agent, such notice for the convenience of the Fiscal Agent.

(b) Mandatory Sinking Fund Redemption. The $________Series 2022C-1 Term Bond maturing on July 15,____, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount

The $________Series 2022C-1 Term Bond maturing on July 15,_, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount

The $______Series 2022C-1 Term Bond maturing on July 15,____, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (July 15)	Principal Amount

The principal amount of any maturity to be redeemed in each year as shown above will be reduced proportionately by the amount of any Term Bonds of that maturity optionally redeemed prior to the Mandatory Sinking Fund Redemption Date unless otherwise directed by the City. The City shall provide a revised mandatory sinking fund redemption schedule to the Fiscal Agent reflecting such proportional reduction.

(c) Selection of Bonds for Redemption. Whenever less than all of the Outstanding Bonds are called for optional redemption, the City shall select the maturities to be redeemed. Whenever less than all the Outstanding Bonds maturing on any one date are called for redemption on any one date, the Fiscal Agent shall select the Bonds or portions thereof (in denominations of $5,000 or any integral multiple thereof) to be redeemed from the Outstanding Bonds maturing on such date not previously selected for redemption, by lot, in any manner which the Fiscal Agent deems fair.

(d) Notice of Redemption. Notice of any redemption of Bonds shall be mailed, postage prepaid, to the respective registered Owners thereof at the addresses appearing on the bond registration books neither less than 30 nor more than 60 days prior to the redemption date. The notice of redemption shall: (a) state the redemption date; (b) state the redemption price; (c) state the dates of maturity of the Bonds and, if less than all of any such maturity is called for redemption, the distinctive numbers of the Bonds of such maturity to be redeemed, and in the case of Bonds redeemed in part only, the respective portions of the principal amount thereof, to be redeemed; (d) state the series and the CUSIP number, if any, of each Bond to be redeemed; (e) require that such Bonds be surrendered by the Owners at the office of the Fiscal Agent; and (f) give notice that further interest on such Bonds will not accrue after the designated redemption date.

The actual receipt by the Owner of any Bond to be redeemed of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice or any defect in such notice shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption. Redemption notices may state that there is no representation made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds.

The notice or notices required for redemption shall be given by the Fiscal Agent. A certificate by the Fiscal Agent that notice of call and redemption has been given to Owners of Bonds as herein provided shall be conclusive as against all parties, and no Owner whose Bond is called for redemption may object thereto or object to the cessation of interest on the fixed redemption date by any claim or showing that said Owner failed to actually receive such notice of call and redemption. Any notice of redemption may be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation and annulment shall not be a default hereunder.

(e) Conditional Notice; Right to Rescind Notice. The City shall have the right to provide a conditional notice of redemption and to rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption funds are not available in the respective Redemption Account in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(f) Payment of Bonds called for Redemption. Prior to the time the City redeems any of the Series 2022C-1 Bonds, (i) the City shall establish an escrow fund with an escrow agent (which may be the Fiscal Agent) or (ii) the City shall direct the Fiscal Agent to establish and hold a Redemption Account to be described or known as the "City of Oakland General Obligation Bonds (Measure KK) Series 2022C-1 Redemption Account". Prior to or on the redemption date there shall be set aside in said escrow fund or Redemption Account moneys available for the purpose and sufficient to redeem, as in this Fiscal Agent Agreement provided, the Bonds designated in said notice of redemption. Said moneys must be set aside in said escrow fund or Redemption Account solely for that purpose and shall be applied on or after the redemption date to payment for the Bonds to be redeemed upon presentation and surrender of such Bonds, and shall be used only for that purpose. After all of the Bonds have been redeemed and cancelled or paid and cancelled, any moneys remaining in said escrow fund or Redemption Account shall be transferred to the General Fund of the City (the "General Fund"), provided, however, if the remaining moneys are part of the proceeds of refunding bonds, said moneys shall be transferred to the fund created for the payment of principal of and interest on such refunding bonds.

When notice of redemption has been given and when the amount necessary for the redemption of the Bonds called for redemption (principal, premium if any, and interest) is set aside for that purpose in said escrow fund or Redemption Account, as provided for herein, the Bonds designated for redemption shall become due and payable on the date fixed for redemption, such Bonds shall be redeemed and paid at said redemption price out of said escrow fund or Redemption Account, and no interest will accrue on such Bonds called for redemption after the date fixed for redemption in such notice, and the Owners of the Bonds so called for redemption after such redemption date shall look for the payment of such Bonds only to said escrow fund or Redemption Account. All Bonds redeemed shall be cancelled forthwith by the Fiscal Agent and shall not be reissued.

SECTION 2.03. Execution of Bonds. The Bonds shall be executed on behalf of the City by the manual or facsimile signature of the President of the City Council or City Administrator and attested by the City Clerk who are in office on the date of this Fiscal Agent Agreement or at any time thereafter, and the seal of the City shall be impressed, imprinted or reproduced by facsimile thereon. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Original Purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Original Purchaser. Any Bond may be signed and attested on behalf of the City by such persons who at the actual date of the execution of such Bond shall be the authorized officers of the City although at the nominal date of such Bond any such person shall not have been such officer of the City.

Only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form attached hereto as Exhibit A, executed by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Fiscal Agent Agreement, and such certificate of the Fiscal Agent shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Fiscal Agent Agreement.

The Original Purchasers of the Bonds shall assign each Bond authenticated and registered a distinctive letter, or number, or letter and number, and the Fiscal Agent shall maintain a record thereof which shall be available for inspection.

SECTION 2.04. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.06 hereof, by the person in whose name it is registered, in person or by the duly authorized attorney of such person, upon surrender of such Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Fiscal Agent.

Whenever any Bond or Bonds shall be surrendered for transfer, the designated City officers shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds of the same series and maturity, for a like aggregate principal amount. The Fiscal Agent shall require the payment by any Bondowner requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

The City and the Fiscal Agent may deem and treat the registered Owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes, whether such Bond shall be overdue or not, and neither the City nor the Fiscal Agent shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Bond shall be made only to such registered Owner which payments shall be valid and effectual to satisfy and discharge liability on such Bonds to the extent of the sum or sums so paid.

No transfer of any Bond shall be required to be made by the Fiscal Agent during the period from the Record Date next preceding each Interest Payment Date to such Interest Payment Date or after a notice of redemption shall have been mailed with respect to such Bond.

SECTION 2.05. Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Fiscal Agent for a like aggregate principal amount of other authorized denominations of the same maturity. The Fiscal Agent shall require the payment by the Bondowner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of Bonds shall be required to be made by the Fiscal Agent during the period from the Record Date next preceding each Interest Payment Date to such Interest Payment Date or after a notice of redemption shall have been mailed with respect to such Bond.

SECTION 2.06. Bond Registration Books. The Fiscal Agent will keep or cause to be kept, at the office of the Fiscal Agent sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the City upon reasonable notice, and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as hereinbefore provided.

SECTION 2.07. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, and may contain such reference to any of the provisions of this Fiscal Agent Agreement as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds and shall be entitled to the same benefits pursuant to this Fiscal Agent Agreement as definitive Bonds executed and delivered hereunder. If the City issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Fiscal Agent.

SECTION 2.08. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated the City, at the expense of the Owner of said Bond, shall execute, and the Fiscal Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence is satisfactory to the Fiscal Agent and indemnity satisfactory to the Fiscal Agent shall be given, the City, at the expense of the Owner, shall execute, and the Fiscal Agent shall thereupon authenticate, and deliver, a new Bond of like maturity and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The City may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the City and the Fiscal Agent related thereto. Any Bond issued under the provisions of this Section 2.08 in lieu of any bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City, whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Fiscal Agent Agreement with all other Bonds issued pursuant to this Fiscal Agent Agreement.

SECTION 2.09. Book Entry System.

(a) Appointment of Depository. DTC is hereby appointed as depository for the Bonds. The Bonds shall be delivered initially issued in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered in the bond register in the name of the Nominee.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, the City and the Fiscal Agent shall have no responsibility or obligation to any Depository Participant or to any person on behalf of which the Nominee holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the City and the Fiscal Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Depository Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository Participant or any other person, other than an Owner as shown in the bond register, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the City elects to redeem the Bonds in part, or (iv) the payment to any Participant or any other person, other than an Owner as shown in the bond register, of any amount with respect to principal, premium, if any, or interest represented by the Bonds or (v) any consent given or other action taken by the Depository as owner of the Bonds. The City and the Fiscal Agent may treat and consider the person in whose name each Bond is registered in the bond register as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest represented by such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Fiscal Agent shall pay all principal, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the bond register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal, premium, if any, and interest represented by the Bonds to the extent of the sum or sums so paid. No person other than an Owner as shown in the bond register, shall receive a Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Fiscal Agent Agreement. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the City shall promptly deliver a copy of the same to the Fiscal Agent.

Notwithstanding any other provision of this Fiscal Agent Agreement to the contrary, so long as any Book Entry Bond is registered in the name of the Nominee, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by the Depository.

(b) Letter of Representations. In order to qualify the Book Entry Bonds for the Depository's book entry system, the City and shall execute and deliver to such Depository a letter of representation representing such matters as shall be necessary to so qualify the Bonds. The Fiscal Agent shall agree to take all action reasonably necessary for all representations of the Fiscal Agent in such letter with respect to the Fiscal Agent to at all times be complied with. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the City or the Fiscal Agent any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. In addition to the execution and delivery of such letter, the City may take any such other actions, not inconsistent with this Fiscal Agent Agreement, as are reasonably necessary to qualify the Bonds for the Depository's book entry program.

(c) Transfers Outside Book Entry System. In the event that either (i) the Depository determines not to continue to act as securities depository for the Book Entry Bonds, or (ii) the Depository shall no longer so act and gives notice to the Fiscal Agent and the City of such determination, then the City will discontinue the book entry system with the Depository. If the City determines to replace the Depository with another qualified securities depository, the City shall prepare or direct the preparation of a new single, separate, fully registered Bond for each of the maturities of such Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the City fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such bond register in the name of the Nominee, but shall be registered in whatever name or names Owners transferring or exchanging such Bonds shall designate, in accordance with provisions of Sections 2.04 and 2.05 hereof.

SECTION 2.10. Defeasance. The Bonds, or portions thereof, may be defeased prior to maturity in the following ways:

(a) By irrevocably depositing with the Fiscal Agent or other fiduciary, an amount of cash which together with amounts then on deposit in the appropriate Debt Service Account, is sufficient, without reinvestment, to pay and discharge all (or such portions) of the Bonds Outstanding (including all principal, interest, and premium, if any) at or before their stated maturity date; or

(b) By irrevocably depositing with the Fiscal Agent or an escrow agent, in escrow, United States Treasury Obligations (as defined in Paragraph (i) of the definition of Authorized Investments) not subject to call, together with cash, if required, in such amount as will, without reinvestment, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the appropriate Debt Service Account together with the interest to accrue thereon, be fully sufficient to pay and discharge all (or such portions) of the Bonds (including all principal, interest, and premium, if any) at or before their stated maturity date.

Notwithstanding that any of the Bonds shall not have been surrendered for payment, all obligations of the City with respect to all said Outstanding Bonds shall cease and terminate, except only the obligation of the City under Section 6.02(n), and the obligation of the City to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of the Bonds not so surrendered and paid all sums due with respect thereto; provided, however, that the City and the Fiscal Agent shall have received a verification report from an independent certified public accountant stating that the escrow is sufficient to satisfy the standards of this Section 2.10 and an opinion of bond counsel of the Bonds that the Bonds have been defeased.

If the Bonds to be defeased pursuant to this Section are to be redeemed prior to the maturity thereof, notice of such redemption shall have been mailed pursuant to Section 2.02(e) hereof, or an irrevocable direction to give such notice shall have been made by the City.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF FUNDS; SECURITY FOR THE BONDS

SECTION 3.01. Issuance, Award and Delivery of Bonds. The City shall issue the Series 2022C-1 Bonds in the aggregate principal amount of________________Dollars ($[C-1 PAR]). The Fiscal Agent is hereby authorized to deliver the Series 2022C-1 Bonds to the Tax-Exempt Purchaser, upon receipt of a Written Request of the City.

The City shall issue the Series 2022C-2 Bonds in the aggregate principal amount of________________________Dollars ($[C-2 PAR]). The Fiscal Agent is hereby authorized to deliver the Series 2022C-2 Bonds to the Taxable Bond Purchaser, upon receipt of a Written Request of the City.

SECTION 3.02. Application of Funds. (i) Upon the delivery of the Series 2022C-1 Bonds to the Tax-Exempt Bond Purchaser thereof, the Tax-Exempt Bond Purchaser shall pay the purchase price of $____________(which includes the good faith deposit of $__________previously delivered to the Fiscal Agent) to the Fiscal Agent, consisting of $_______to be deposited in the Costs of Issuance Account for payment of the Costs of Issuance identified in a Written Request of the City delivered to the Fiscal Agent in the form of Exhibit C hereto, $_______________to be deposited in the Series 2022C Debt Service Account and $_______(inclusive of the good faith deposit in the amount of $___________ previously delivered to the Fiscal Agent from the Purchaser) to be deposited in the Series 2022C Proceeds Account.

(ii) Upon the delivery of the Series 2022C-2 Bonds to the Taxable Bond Purchaser thereof, the Taxable Bond Purchaser shall pay the purchase price of $___________ (which includes the good faith deposit of $_________previously delivered to the Fiscal Agent) to the Fiscal Agent, to be deposited in the Series 2022C Proceeds Account.

SECTION 3.03. Validity of Bonds. The recital contained in the Bonds that the same are regularly issued pursuant to the Bond Law shall be conclusive evidence of their validity and of compliance with the provisions of the Bond Law in their issuance.

SECTION 3.04. Security for the Bonds. The Bonds are payable from ad valorem taxes upon all property within the City subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). The City Council has the power, is obligated, and hereby covenants to levy ad valorem taxes upon all property within the City subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates), for the payment of the Bonds and the interest thereon. In addition to all other taxes, a continuing ad valorem tax shall be levied upon all property within the City subject to taxation by the City during the period the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds, when due. Provisions shall be made for the levy and collection of such taxes in a manner provided by law.

ARTICLE IV

FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS; SECURITY FOR THE BONDS

SECTION 4.01. Debt Service Account. (a) There is hereby created, as an account to be held by the Fiscal Agent on behalf of the City, the "City of Oakland General Obligation Bonds (Measure KK) Series 2022C Debt Service Account" (the "Series 2022C Debt Service Account"), which shall be held by the Fiscal Agent and which shall be kept separate and apart from all other funds of the Fiscal Agent or accounts established hereunder.

(b) Administration and Disbursements from Debt Service Account. Prior to the date on which the principal of and interest on the Series 2022C Bonds is due, the City shall transfer to the Fiscal Agent monies for payment of such principal and interest for deposit in the Series 2022C Debt Service Account.

All moneys in the Series 2022C Debt Service Account shall be used and withdrawn by the Fiscal Agent solely for the purpose of paying the principal of and interest on the Series 2022C Bonds as the same shall become due and payable. On each Interest Payment Date for the Series 2022C Bonds, the Fiscal Agent shall use moneys on deposit in the Series 2022C Debt Service Account for the payment of principal of and interest on the Series 2022C Bonds. Upon payment in full of the Series 2022C Bonds, any moneys held in the Series 2022C Debt Service Account shall be transferred to the City, to be used for any lawful purpose.

SECTION 4.02. Proceeds Account. (a)(i) There is hereby created, as an account held by the Fiscal Agent, the "City of Oakland General Obligation Bonds (Measure KK) Series 2022C Bond Proceeds Account" (the "Series 2022C Proceeds Account"), which shall be maintained by the Fiscal Agent as a separate account, distinct from all other funds of the Fiscal Agent or accounts established hereunder, into which shall be paid on receipt thereof, the portion of the Series 2022C-1 Bond proceeds designated in Section 3.02.

(ii) Amounts in the Series 2022C Proceeds Account shall be disbursed for Series 2022C Project Costs. Disbursements from the Series 2022C Proceeds Account shall be made by the Fiscal Agent upon execution of a requisition of disbursement by a Representative of the City substantially in the form of Exhibit B hereto which shall be filed with the Fiscal Agent. The Fiscal Agent shall not be responsible for the truth or accuracy of such requisition and may rely conclusively thereon and shall be under no duty to investigate or verify any statements made therein.

(iii) Amounts, if any, remaining in the Series 2022C Proceeds Account on the date of receipt of a Written Request of the City certifying that no further amounts are required to be disbursed for costs and expenses of the Series 2022C Projects, shall be transferred by the Fiscal Agent for deposit in the Series 2022C Debt Service Account, and the Series 2022C Proceeds Account shall be closed.

SECTION 4.03. Redemption Account. (a) There is hereby created an account of the City, the "City of Oakland General Obligation Bonds (Measure KK) Series 2022C Redemption Account" (the "Series 2022C Redemption Account") which shall be held by the Fiscal Agent and which shall be separate and apart from all other funds of the Fiscal Agent.

Any funds legally available may, at the option of the City, be paid to the Fiscal Agent for deposit in the Redemption Accounts and application to the redemption of Bonds pursuant to Section 2.02 hereof.

(b) Administration and Disbursement from Redemption Account. The Redemption Account shall be maintained by the Fiscal Agent to pay for the redemption of the Bonds pursuant to Section 2.02 hereof.

SECTION 4.04. Establishment and Application of Rebate Account. There is hereby established a special fund designated the "City of Oakland General Obligation Bonds (Measure KK) Series 2022C-1 Rebate Account" (the "Series 2022C-1 Rebate Account"), which account shall be held by the Fiscal Agent and which shall be kept separate and apart from all other funds of the Fiscal Agent or accounts established hereunder. The Fiscal Agent shall deposit moneys received from the City into the Series 2022C-1 Rebate Account in accordance with the written direction of the City. Amounts on deposit in the Series 2022C-1 Rebate Account shall be, in accordance with the written direction of the City, applied only to payments made to the United States or otherwise transferred to other accounts or funds established hereunder.

SECTION 4.05. Costs of Issuance Account. There is hereby created an account designated "City of Oakland General Obligation Bonds (Measure KK) Series 2022C Costs of Issuance Account" (the "Costs of Issuance Account"), which account shall be held by the Fiscal Agent and which shall be kept separate from any other funds of the Fiscal Agent or accounts established hereunder. All money in the Costs of Issuance Account shall be disbursed by the Fiscal Agent to pay the Costs of Issuance of the Series 2022C Bonds not exceeding the amounts set forth in Exhibit C.

SECTION 4.06. Investment of Moneys. All moneys, including any investment income thereon, held by the Fiscal Agent in any fund or account shall be invested solely in Authorized Investments. Any funds deposited or on deposit with the Fiscal Agent shall be invested or re-invested only at the written direction of a Representative of the City. Investment income on funds or accounts established hereunder shall be deposited in such fund or account. The Fiscal Agent may conclusively rely on any investment direction given by a Representative of the City in making any investment of moneys held by the Fiscal Agent in any fund or account under this Fiscal Agent Agreement, including as to the suitability and legality of the directed investment. If no direction is received from the City, the Fiscal Agent shall hold such funds uninvested. The City hereby irrevocably affirms that any such fund shall constitute an Authorized Investment.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the City specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the City periodic cash transaction statements which shall include detail for all investment transactions made by the City hereunder.

ARTICLE V

COVENANTS OF THE CITY

SECTION 5.01. Obligation to Levy Taxes for Payment of Bonds. The City agrees that it is obligated to levy *ad valorem* taxes for the payment of principal and interest on the Bonds 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 provision shall be made for the levy and collection of such taxes in the manner provided by law, and the City shall cause such money to be deposited in accordance with this Fiscal Agent Agreement.

SECTION 5.02. Tax Covenants. Notwithstanding any other provision of this Fiscal Agent Agreement, absent an opinion of Bond Counsel that the exclusion from gross income of interest on the Series 2022C-1 Bonds will not be adversely affected for federal income tax purposes, the City covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The City will not take or omit to take any action or make any use of the proceeds of the Series 2022C-1 Bonds or of any other moneys or property which would cause the Series 2022C-1 Bonds to be "private activity bonds" within the meaning of Section 141 of the Code.

(b) Arbitrage. The City will make no use of the proceeds of the Series 2022C-1 Bonds or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the Series 2022C-1 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(c) Federal Guarantee. The City will make no use of the proceeds of the Series 2022C-1 Bonds or take or omit to take any action that would cause the Series 2022C-1 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) Information Reporting. The City will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

(e) Miscellaneous. The City will take no action inconsistent with the Tax Certificate and will comply with the covenants and requirements stated therein and incorporated by reference herein.

This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the City from issuing, Bonds the interest on which has been determined by Bond Counsel to be subject to federal income taxation.

Notwithstanding any provision of this Section, if the City shall obtain and provide to the Fiscal Agent an opinion of nationally recognized bond counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2022C-1 Bonds, the Fiscal Agent and Director of Finance may conclusively rely on such opinion of bond counsel in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

SECTION 5.03. Protection of Security and Rights of Bondowners. The City will preserve and protect the security of the Bonds and the rights of the Bondowners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

SECTION 5.04. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the City and dated the date of issuance of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

ARTICLE VI

THE FISCAL AGENT

SECTION 6.01. Appointment of Fiscal Agent. In consideration of the recitals hereinabove set forth and for other valuable consideration, the City hereby appoints U.S. Bank National Association as the Fiscal Agent and as the City's agent to receive and distribute the net proceeds of the Bonds as directed herein and to hold, for the benefit of the City, the accounts established herein; and to perform certain other functions as specified herein; all as hereinafter provided and subject to the terms and conditions of this Fiscal Agent Agreement.

SECTION 6.02. Acceptance of Duties.

(a) The Fiscal Agent undertakes to perform such duties and only such duties as are specifically set forth in this Fiscal Agent Agreement and no implied duties or obligations shall be read into this Fiscal Agent Agreement against the Fiscal Agent.

(b) No provision in this Fiscal Agent Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Fiscal Agent shall be entitled to interest on any funds advanced by it hereunder at the maximum rate permitted by law.

(c) The Fiscal Agent shall not be responsible for any recital herein or in the Bonds, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds delivered hereunder or intended to be secured hereby.

(d) The Fiscal Agent shall not be accountable for the use of any Bonds delivered hereunder or the proceeds thereof. The Fiscal Agent, in its individual or any other capacity, may become the Owner or pledgee of Bonds secured hereby with the same rights which it would have if it were not the Fiscal Agent; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Fiscal Agent, and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority in principal amount of the Bonds then Outstanding.

(e) In the absence of negligence or willful misconduct on its part, the Fiscal Agent shall be protected in acting or refraining from acting upon any notice, request, consent, requisition, certificate, order, affidavit, facsimile, letter, telegram, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Fiscal Agent in good faith pursuant to this Fiscal Agent Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds authenticated and registered in exchange therefor or in place thereof. The Fiscal Agent shall not be bound to recognize any person as an Owner of any Bond or to take any action at his request unless such person is the registered owner as shown on the registration books.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Fiscal Agent shall be entitled to rely upon a certificate signed by a Representative of the City as sufficient evidence of the facts therein contained and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient. The Fiscal Agent may accept a certificate of a Representative of the City to the effect that an authorization in the form therein set forth has been adopted by the City, as conclusive evidence that such authorization has been duly adopted, and is in full force and effect. The Fiscal Agent may consult with counsel, which counsel shall be experienced in providing opinions to trustee banks in connection with municipal bond issues, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

(g) The permissive right of the Fiscal Agent to do things enumerated in this Fiscal Agent Agreement shall not be construed as a duty and the Fiscal Agent shall not be answerable for other than its negligence or willful misconduct on its part. The immunities and exceptions from liability of the Fiscal Agent shall extend to its officers, directors, employees and agents. Anything in this Fiscal Agent Agreement to the contrary notwithstanding, in no event shall the Fiscal Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Fiscal Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(h) Notwithstanding anything elsewhere in this Fiscal Agent Agreement with respect to the authentication and registration of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Fiscal Agent Agreement, the Fiscal Agent shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, deemed desirable by the Fiscal Agent for the purpose of establishing the right of the City to the withdrawal of any cash or the taking of any other action by the Fiscal Agent.

(i) All moneys received by the Fiscal Agent shall, until used or applied or invested as herein provided, be held for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Fiscal Agent shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with Article IV of this Fiscal Agent Agreement.

(j) The Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Outstanding Bonds.

(k) Under no circumstances shall the Fiscal Agent be liable in its individual capacity for the obligations evidenced by the Bonds.

(l) The Fiscal Agent makes no representations as to the validity or sufficiency of the Bonds and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent makes no representations and shall have no responsibility for any official statement or other offering material prepared or distributed with respect to the Bonds.

(m) In accepting the duties hereby created, the Fiscal Agent acts solely as fiscal agent for the Owners and not in its individual capacity, and all persons, including without limitation the Owners and the City, having any claim against the Fiscal Agent arising from this Fiscal Agent Agreement shall look only to the funds and accounts held by the Fiscal Agent hereunder for payment, except as otherwise provided herein for the Fiscal Agent's negligence or willful misconduct.

(n) The City, to the extent permitted by law, shall indemnify the Fiscal Agent and its officers, directors, agents and employees, and hold it and them harmless against any loss, claim, liability, expenses, suits, judgments, damages or advances including, but not limited to fees and expenses of counsel and other experts, incurred or made without negligence or willful misconduct on the part of the Fiscal Agent arising out of: (i) the Fiscal Agent's acceptance or administration of the duties of the Fiscal Agent under the Fiscal Agent Agreement, or the exercise or performance of any of its powers or duties hereunder, and (ii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of the Bonds. The Fiscal Agent's rights to payment of its fees and expenses and indemnification shall survive its resignation or removal and final payment or defeasance of the Bonds.

(o) The Fiscal Agent shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Fiscal Agent.

(p) The Fiscal Agent may execute any of the duties or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care.

(q) The Fiscal Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Fiscal Agent Agreement and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Fiscal Agent, or another method or system specified by the Fiscal Agent as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Fiscal Agent an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Fiscal Agent Instructions using Electronic Means and the Fiscal Agent in its discretion elects to act upon such Instructions, the Fiscal Agent's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Fiscal Agent cannot determine the identity of the actual sender of such Instructions and that the Fiscal Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Fiscal Agent have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Fiscal Agent and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Fiscal Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 6.03. Fees, Charges and Expenses of Fiscal Agent. The Fiscal Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances and expenditures, including but not limited to, advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys or other experts employed by the Fiscal Agent in connection with such services, in accordance with a separate written fee agreement with the City, and the Fiscal Agent shall, in the case of any default hereunder, have a first and prior lien on the funds held hereunder to secure the same. The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law.

SECTION 6.04. Removal of Fiscal Agent. Upon thirty (30) days' notice, the City or the Owners of at least a majority of the aggregate principal amount of Bonds then Outstanding may remove the Fiscal Agent initially appointed, and any successor thereto, by an instrument in writing delivered to the Fiscal Agent, and may appoint a successor or successors thereto.

SECTION 6.05. Resignation by Fiscal Agent. The Fiscal Agent and any successor Fiscal Agent may, at any time, resign by giving sixty (60) days' written notice by registered or certified mail to the City.

SECTION 6.06. Appointment of Successor Fiscal Agent. In the event of the removal or resignation of the Fiscal Agent pursuant to Sections 6.04 or 6.05 hereof, the City shall promptly appoint a successor Fiscal Agent. In the event the City shall, for any reason whatsoever, fail to appoint a successor Fiscal Agent within 30 days following the delivery to the Fiscal Agent of the instrument described in Section 6.04 hereof or within 60 days following the receipt of notice by the City pursuant to Section 6.05 hereof, the Fiscal Agent may apply to a court of competent jurisdiction at the expense of the City for the appointment of a successor Fiscal Agent. Any such successor Fiscal Agent appointed by such court shall become the successor Fiscal Agent hereunder notwithstanding any action by the City purporting to appoint a successor Fiscal Agent following the expiration of such 30 or 60 day period. Any resignation or removal of the Fiscal Agent and appointment of a successor Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

SECTION 6.07. Merger or Consolidation. Any company or association into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Fiscal Agent and vested with all of the powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

ARTICLE VII

AMENDMENT OF OR SUPPLEMENT TO THE FISCAL AGENT AGREEMENT

SECTION 7.01. Amendments Permitted. This Fiscal Agent Agreement and the rights and obligations of the Owners of the Bonds may be modified or amended at any time by a supplemental fiscal agent agreement which shall become effective when the written consents of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 7.03 hereof, shall have been filed with the Fiscal Agent. No such modification or amendment shall (i) extend or have the effect of extending the fixed maturity of any Bond or reducing the interest rate with respect thereto or extending the time of payment of interest or reducing the amount of principal thereof or reducing any premium payable upon the redemption thereof, without the express consent of the Owner of such Bond, or (ii) reduce or have the effect of reducing the percentage of Bonds required for the affirmative vote or written consent to a modification of or supplement to this Fiscal Agent Agreement, or (iii) modify any of the rights or obligations of the Fiscal Agent without its written assent thereto. Any such supplemental fiscal agent agreement shall become effective as provided in Section 7.02 hereof.

This Fiscal Agent Agreement and the rights and obligations of the Owners of the Bonds may be modified or amended at any time by a supplemental fiscal agent agreement, without the consent of any such Owners, but only (i) to add to the covenants and agreements of the City, (ii) to cure, correct or supplement any ambiguous or defective provision contained herein or therein and which shall not, in the opinion of nationally recognized bond counsel, materially adversely affect the interests of the Owners of the Bonds, (iii) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not materially adversely affect the interests of the Owners of the Bonds; (iv) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest with respect to the Bonds, (v) to add to the rights of the Fiscal Agent, or (vi) to maintain the rating or ratings assigned to the Bonds. Any such supplemental fiscal agent agreement shall become effective upon execution and delivery by the parties hereto or thereto, as the case may be.

The Fiscal Agent may obtain an opinion of independent counsel that any amendment entered into hereunder complies with the provisions of this Article VII and the Fiscal Agent may rely conclusively on such opinion.

SECTION 7.02. Procedure for Amendment with Written Consent of Bond Owners. This Fiscal Agent Agreement may be amended by a supplemental fiscal agent agreement as provided in this Section 7.02 in the event the consent of the Owners of the Bonds is required pursuant to Section 7.01 hereof. A copy of such supplemental fiscal agent agreement, together with a request to the Bond Owners for their consent thereto, shall be mailed by first class mail, postage prepaid, by the Fiscal Agent at the expense of the City, to each Owner of a Bond at his address as set forth on the bond registration books of the Fiscal Agent, but failure to mail copies of such supplemental fiscal agent agreement and request shall not affect the validity of the supplemental fiscal agent agreement when assented to as in this Section 7.02 provided.

Such supplemental fiscal agent agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 7.03 hereof) and a notice shall have been mailed as provided hereinafter in this Section 7.02. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given. Any such consent shall be binding upon the Owner of the Bond giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when such notice has been mailed.

After the Owners of the required percentage of Bonds have filed their consents to such supplemental fiscal agent agreement, the Fiscal Agent shall mail by first class mail, postage prepaid, a notice at the expense of the City to the Owners of the Bonds in the manner provided in this Section 7.02 for the mailing of such supplemental fiscal agent agreement, of adoption thereof, stating in substance that such supplemental fiscal agent agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section 7.02 (but failure to mail copies of said notice shall not affect the validity of such supplemental fiscal agent agreement or consents thereto). A record, consisting of the papers required by this Section 7.02 to be filed with the Fiscal Agent, shall be conclusive proof of the matters therein stated. Such supplemental fiscal agent agreement shall become effective upon the mailing of such last mentioned notice, and such supplemental fiscal agent agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60) day period.

SECTION 7.03. Disqualified Bonds. Bonds owned or held by or for the account of the City or by any person directly or indirectly controlled or controlled by, or under direct or indirect common control with the City (except any Bonds held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Bonds provided for in this Fiscal Agent Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Fiscal Agent Agreement; provided, however, that the Fiscal Agent shall not be liable for determining whether Bonds are owned or held by any such other person, or for determining whether Bonds are owned or held by the City unless such Bonds are registered in the name of the City on the bond registration books of the Fiscal Agent. If all Bonds are owned or held by or for the account of the City or by any person directly or indirectly controlled or controlled by, or under direct or indirect common control with the City, then all Bonds shall be deemed Outstanding for the purpose of any vote, consent, waiver, or other action or any calculation.

SECTION 7.04. Effect of Supplemental Fiscal Agent Agreement. From and after the time any supplemental fiscal agent agreement becomes effective pursuant to this Article VII, this Fiscal Agent Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Bonds Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental fiscal agent agreement shall be deemed to be part of the terms and conditions of this Fiscal Agent Agreement for any and all purposes.

SECTION 7.05. Endorsement or Replacement of Bonds Delivered After Amendments. The City may determine that Bonds delivered after the effective date of any action taken as provided in this Article VII shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for such purpose at the Fiscal Agent's Principal Corporate Trust Office, a suitable notation shall be made on such Bond. The City may determine that the delivery of substitute Bonds, so modified as in the opinion of the City is necessary to conform to such Bond Owners' action, is necessary and such substitute Bonds shall thereupon be prepared, authenticated and registered. In that case, upon demand of the Owner of any Bond then Outstanding, such substitute Bond shall be exchanged at the Fiscal Agent's Principal Corporate Trust Office, at the expense of the City for a Bond of the same character then Outstanding, upon surrender of such Outstanding Bond.

SECTION 7.06. Amendatory Endorsement of Bonds. The provisions of this Article VII shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by him, provided that proper notation thereof is made on such Bonds.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Notices. All written notices to be given under this Fiscal Agent Agreement shall be given by first class mail, postage prepaid, to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon actual receipt at the address set forth below:

If to the City:	City of Oakland 150 Frank H. Ogawa Plaza, Suite 5330 Oakland, California 94612 Attention: Treasury Administrator
With copy to:	City of Oakland City Hall, Office of the City Attorney 1 Frank H. Ogawa Plaza, 6th Floor Oakland, California 94612 Attention: City Attorney
If to the Fiscal Agent:	U.S. Bank National Association One California Street, 10^{th} Floor San Francisco, California 94111 Attn: Global Corporate Trust

SECTION 8.02. Governing Law. This Fiscal Agent Agreement shall be construed and governed in accordance with the laws of the State.

SECTION 8.03. Binding Effect: Successors. This Fiscal Agent Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever in this Fiscal Agent Agreement the City or the Fiscal Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Fiscal Agent Agreement contained by or on behalf of the City or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 8.04. Execution in Counterparts. This Fiscal Agent Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

SECTION 8.05. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Fiscal Agent Agreement. All references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Fiscal Agent Agreement; and the words "herein, "hereof," "hereunder" and other words of similar import refer to this Fiscal Agent Agreement as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 8.06. Payments Due on Other than Business Day. If the date for making any payment as provided in this Fiscal Agent Agreement is not a Business Day, such payment may be made on the next succeeding Business Day with the same force and effect as if done on the date provided therefor herein.

SECTION 8.07. Severability of Invalid Provisions. In case any one or more of the provisions contained in this Fiscal Agent Agreement or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Fiscal Agent Agreement, and this Fiscal Agent Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Fiscal Agent Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Fiscal Agent Agreement may be held illegal, invalid or unenforceable.

IN WITNESS WHEREOF, the parties hereto have executed this Fiscal Agent Agreement as of the date and year first above written.

CITY OF OAKLAND

By:____
City Administrator

U.S. BANK NATIONAL ASSOCIATION, as Fiscal Agent

By:____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2022C-1 BOND

Number: R-_ Amount $______________

CITY OF OAKLAND
GENERAL OBLIGATION BONDS (MEASURE KK)
SERIES 2022C-1 (TAX-EXEMPT)

Interest Rate	Maturity Date	Dated Date	CUSIP Number
___%	July 15, 20	February___, 2022	672240___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _________________ DOLLARS

THE CITY OF OAKLAND, California (herein called the "City") acknowledges itself indebted to and promises to pay to the Registered Owner hereof or registered assigns, on the Maturity Date set forth above the principal sum of______________dollars ($______________) in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (hereinafter defined) next preceding the date of authentication of this bond (unless this bond is authenticated as of the day during the period from the first day of the month in which an Interest Payment date falls (the "Record Date") to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before the first Record Date, in which event it shall bear interest from the date of delivery) until payment of such principal sum, at the interest rate per annum stated above calculated on the basis of a 360 day year composed of twelve 30 day months, payable on July 15, 2022, and thereafter on January 15 and July 15 in each year (each an "Interest Payment Date") provided, if any Interest Payment Date occurs on a Saturday, Sunday, legal holiday, or day that banks in California and New York are closed for business, then such payment shall be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or other day on which commercial banking institutions are authorized or required by law to be closed in the State of California (a "Business Day") and provided, further, that the Registered Owner of this Bond in an aggregate principal amount of at least $1,000,000 may submit a written request to U.S. Bank National Association, as fiscal agent (the "Fiscal Agent") on or before the Record Date preceding any Interest Payment Date for payment of interest hereon by wire transfer. The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the designated corporate trust office of the Fiscal Agent. The interest hereon is payable to the person whose name appears on the bond registration books of the Fiscal Agent as the Registered Owner hereof as of the close of business on the Record Date immediately preceding an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check or draft mailed to such Registered Owner at the Owner's address as it appears on such registration books except where payment is made by wire transfer as provided above.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying numbers, denominations, interest rates, maturities and redemption provisions), amounting in the aggregate to $[C-1 PAR], and is authorized, issued and sold by the City pursuant to and in strict conformity with the provisions of the Constitution and laws of said State, the Charter of the City and the fiscal agent agreement, dated as of February 1, 2022 (the "Fiscal Agent Agreement"), by and between the City and the Fiscal Agent.

The Bonds are issuable as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof, provided that no bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Fiscal Agent Agreement, bonds may be exchanged for a like aggregate principal amount of bonds of the same maturity of other authorized denominations.

This bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the Principal Corporate Trust Office of the Fiscal Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Fiscal Agent Agreement, and upon surrender and cancellation of this bond. Upon such transfer, a new bond or bonds of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Bonds are subject to redemption on the dates, at the prices, and upon such conditions as are set forth in the Fiscal Agent Agreement.

This bond shall not be entitled to any benefit under the Fiscal Agent Agreement or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Fiscal Agent.

IN WITNESS WHEREOF the City Council of the City of Oakland has caused this bond to be executed under the official seal of the City of Oakland or a facsimile thereof by the City Administrator and to be attested by the City Clerk, all as of the Dated Date set forth above.

City Administrator

Attest:

City Clerk

[FORM OF FISCAL AGENT'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within mentioned Fiscal Agent Agreement and authenticated and registered on February __, 2022.

U.S. BANK NATIONAL ASSOCIATION, as Fiscal Agent

By:____________________________________
Authorized Officer

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____________ the within mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)____________attorney, to transfer the same on the books of the Fiscal Agent with full power of substitution in the premises.

Dated:_________________

Signature Guaranteed

____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within registered Bond in every particular, without alteration or enlargement or any change whatsoever.

____

NOTE: Signature(s) must be guaranteed by an eligible guarantor institution pursuant to securities and Exchange Commission Rule 17A(d)(15)

Tax ID Number: ______________________

FORM OF SERIES 2022C-2 BOND

Number: R-_ Amount $_____________

CITY OF OAKLAND
GENERAL OBLIGATION BONDS (MEASURE KK)
SERIES 2022C-2 (TAXABLE)

Interest Rate	Maturity Date	Dated Date	CUSIP Number
___%	July 15, _	February___, 2022	672240___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: ________________ DOLLARS

THE CITY OF OAKLAND, California (herein called the "City") acknowledges itself indebted to and promises to pay to the Registered Owner hereof or registered assigns, on the Maturity Date set forth above the principal sum of______________dollars ($______________) in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (hereinafter defined) next preceding the date of authentication of this bond (unless this bond is authenticated as of the day during the period from the first day of the month in which an Interest Payment date falls (the "Record Date") to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before the first Record Date, in which event it shall bear interest from the date of delivery) until payment of such principal sum, at the interest rate per annum stated above calculated on the basis of a 360 day year composed of twelve 30 day months, payable on July 15, 2022, and thereafter on January 15 and July 15 in each year (each an "Interest Payment Date") provided, if any Interest Payment Date occurs on a Saturday, Sunday, legal holiday, or day that banks in California and New York are closed for business, then such payment shall be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or other day on which commercial banking institutions are authorized or required by law to be closed in the State of California (a "Business Day") and provided, further, that the Registered Owner of this Bond in an aggregate principal amount of at least $1,000,000 may submit a written request to U.S. Bank National Association, as fiscal agent (the "Fiscal Agent") on or before the Record Date preceding any Interest Payment Date for payment of interest hereon by wire transfer. The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the designated corporate trust office of the Fiscal Agent. The interest hereon is payable to the person whose name appears on the bond registration books of the Fiscal Agent as the Registered Owner hereof as of the close of business on the Record Date immediately preceding an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check or draft mailed to such Registered Owner at the Owner's address as it appears on such registration books except where payment is made by wire transfer as provided above.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying numbers, denominations, interest rates, maturities and redemption provisions), amounting in the aggregate to $[C-2 PAR], and is authorized, issued and sold by the City pursuant to and in strict conformity with the provisions of the Constitution and laws of said State, the Charter of the City and the fiscal agent agreement, dated as of February 1, 2022 (the "Fiscal Agent Agreement"), by and between the City and the Fiscal Agent.

The Bonds are issuable as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof, provided that no bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Fiscal Agent Agreement, bonds may be exchanged for a like aggregate principal amount of bonds of the same maturity of other authorized denominations.

This bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the Principal Corporate Trust Office of the Fiscal Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Fiscal Agent Agreement, and upon surrender and cancellation of this bond. Upon such transfer, a new bond or bonds of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange herefor.

This bond is not subject to optional redemption prior to its respective stated maturity.

This bond shall not be entitled to any benefit under the Fiscal Agent Agreement or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Fiscal Agent.

IN WITNESS WHEREOF the City Council of the City of Oakland has caused this bond to be executed under the official seal of the City of Oakland or a facsimile thereof by the City Administrator and to be attested by the City Clerk, all as of the Dated Date set forth above.

City Administrator

Attest:

City Clerk

[FORM OF FISCAL AGENT'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within mentioned Fiscal Agent Agreement and authenticated and registered on February __, 2022.

U.S. BANK NATIONAL ASSOCIATION, as Fiscal Agent

By:__________________________________
Authorized Officer

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____________ the within mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)____________attorney, to transfer the same on the books of the Fiscal Agent with full power of substitution in the premises.

Dated:_________________

Signature Guaranteed

____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within registered Bond in every particular, without alteration or enlargement or any change whatsoever.

____

NOTE: Signature(s) must be guaranteed by an eligible guarantor institution pursuant to securities and Exchange Commission Rule 17A(d)(15)

Tax ID Number: ______________________

EXHIBIT B

FORM OF REQUISITION

CITY OF OAKLAND
GENERAL OBLIGATION BONDS
(MEASURE KK) SERIES 2022C

REQUISITION # - TO PAY PROJECT COSTS

The undersigned______________, of the City of Oakland (the “City”) hereby authorizes and directs U.S. Bank National Association, as Fiscal Agent (the “Fiscal Agent”) under the Fiscal Agent Agreement, dated as of February 1, 2022 (the “Fiscal Agent Agreement”), by and between the City and the Fiscal Agent, to disburse and pay from the Series 2022C Proceeds Account established under the Fiscal Agent Agreement with respect to the above-referenced Bonds, the following sums for costs of the Series 2022C Projects (which are required to be disbursed pursuant to a contract entered into therefor by or on behalf of the City, or were necessarily and reasonably incurred, and which are not being paid in advance of the time fixed for payment) to the following parties (based upon invoice(s) attached hereto):

The City is in compliance with the provisions of Section 5.02 of the Fiscal Agent Agreement.

Dated:____________, ____

CITY OF OAKLAND

By: ____

EXHIBIT C

FORM OF REQUISITION

CITY OF OAKLAND
GENERAL OBLIGATION BONDS
SERIES 2022C

REQUISITION # - TO PAY COSTS OF ISSUANCE

The undersigned______________, of the City of Oakland (the "City") hereby authorizes and directs U.S. Bank National Association, as Fiscal Agent (the "Fiscal Agent") under the Fiscal Agent Agreement, dated as of February 1, 2022 (the "Fiscal Agent Agreement"), by and between the City and the Fiscal Agent, to disburse and pay from the Costs of Issuance Account established under the Fiscal Agent Agreement with respect to the above-referenced Bonds, the following sums for Costs of Issuance to the following parties (based upon invoice(s) attached hereto):

SCHEDULE OF COSTS OF ISSUANCE [to come]		

Each obligation mentioned above has been properly incurred and is a proper charge against the related Costs of Issuance Account. None of the items for which payment is requested has been previously paid from the related Costs of Issuance Account.

Dated:____________, 2022

CITY OF OAKLAND

By: ____