



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Erin Roseman  
Director of Finance

**SUBJECT:** Fiscal Year 2022-23 Tax Levy For  
Voter Approved Indebtedness

**DATE:** July 28, 2022

City Administrator Approval

Date: Aug 11, 2022

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution Fixing The Rate Of Property Tax And Levying The Tax On Real And Personal Property In The City Of Oakland For Fiscal Year 2022-23 For Voter-Approved Indebtedness.**

## **EXECUTIVE SUMMARY**

Adoption of the proposed resolution will permit the City of Oakland (the "City") to collect the Fiscal Year 2022-23 ("FY22-23") property tax revenues for the payment of the City's voter approved outstanding general obligation ("GO") bonds debt service and Police and Fire Retirement System ("PFRS") obligations. The City must annually set property tax levy rates, based on the assessed valuation subject to taxation, and must inform the County of Alameda (the "County") of these rates by August 31<sup>st</sup> for inclusion on the stated year's property tax bill. If the estimated GO bond rates need to be adjusted to reflect the actual figures for the assessed valuation, the City Administrator or his designee will be authorized to make the necessary adjustments.

This resolution is submitted during the Summer Recess in order to calculate the property tax levy rates using FY22-23's assessed valuation figures, which become available in early August, and meet the County's August 31<sup>st</sup> deadline for submitting these rates for inclusion on this year's property tax bill.

## **BACKGROUND / LEGISLATIVE HISTORY**

The proposed resolution has been prepared pursuant to California Government Code and Article VIII, Section 802, of the Oakland City Charter, setting the FY22-23 property tax rate for voter-approved indebtedness. Article XIII A of the California Constitution (Proposition 13) precludes the adoption of a City-wide property tax rate. A County-wide one percent (1%) property tax rate is assessed by Alameda County and apportioned to cities and special districts in accordance with State law.

Mayor/Council Summer Recess  
August 23, 2022

## **ANALYSIS AND POLICY ALTERNATIVES**

The Citywide priority advanced by this recommended policy action meets the goal of a responsive, trustworthy government.

For the City's outstanding GO bonds, the required property tax levy rates are calculated annually based on the year's debt service obligations and assessed valuation figures. For the City's FY2022-23 voter-approved indebtedness, the rates in **Table 1** are estimated to satisfy the debt service obligations of the indicated GO bond series.

**Table 1: Property Tax Rates**

<b>Bond Issue</b>		<b>Property Tax Rates</b>
\$128,895,000	General Obligation Refunding Bonds, Series 2015A	0.0125%
\$26,500,000	General Obligation Bonds, Series 2017C (Measure DD)	0.0013%
\$62,735,000	General Obligation Bonds, Series 2017A-1 (Measure KK)	0.0021%
\$55,120,000	General Obligation Bonds, Series 2017A-2 (Measure KK)	0.0038%
\$140,010,000	General Obligation Bonds, Series 2020B-1 (Measure KK)	0.0038%
\$44,880,000	General Obligation Bonds, Series 2020B-2 (Measure KK)	0.0032%
\$64,260,000	General Obligation Refunding Bonds, Series 2020	0.0055%
\$198,645,000	General Obligation Bonds, Series 2022C-1 (Measure KK)	0.0138%
\$13,670,000	General Obligation Bonds, Series 2022C-2 (Measure KK)	.1

<sup>1</sup> Series 2022C-2 FY22-23 debt service paid using net bond premium generated at issuance.

For FY2022-23, the property tax levy rate required to fund the City's continuing obligations and indebtedness to PFRS is 0.1575%.

In the event of any changes to the County's assessed valuation data, the proposed resolution allows the City Administrator or his designee to approve any necessary adjustments in the property tax levy rates for the indicated general obligation bonds prior to the County's preparation of the tax bills. The City Council will be notified of any significant changes to the rates estimated in this report.

## **FISCAL IMPACT**

Adoption of this resolution will allow the City to levy and collect the FY22-23 property tax revenues of approximately \$ 36.4 million, which are included in the FY 2021-2023 Adopted Policy Budget, for the payment of debt service on the City's outstanding general obligation bonds and \$124.1 million for the payment of Police and Fire Retirement System obligations. The property tax rate calculations can be found in **Attachment A**.

## **PUBLIC OUTREACH / INTEREST**

This item did not require additional public outreach other than the required posting on the City's website.

## **COORDINATION**

This report was prepared by the Finance Department and the legislation has been reviewed by the City Attorney's Office.

## **SUSTAINABLE OPPORTUNITIES**

***Economic:*** Essential City services that serve the public greatly rely upon revenues generated from the voter-approved special tax measures.

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

***Race & Equity:*** The funding provided from the tax levies can be used to support Oakland's equity goals and objectives, including programs and services to Oakland's vulnerable population and communities of color. Some voter approved measures provide a mechanism for the exemptions from parcel tax to qualifying low-income households, senior household, affordable housing projects and certain religious organizations and schools.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution Fixing The Rate Of Property Tax And Levying The Tax On Real And Personal Property In The City Of Oakland For Fiscal Year 2022-23 For Voter-Approved Indebtedness.

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

Respectfully submitted,



---

Erin Roseman  
Director of Finance

Reviewed by:  
David Jones, Treasury Administrator

Prepared by:  
Jackie Lee, Principal Financial Analyst

**Attachment A:** General Obligation Bonds Levy Calculations for Fiscal Year 2022-23

## ATTACHMENT A

City of Oakland  
General Obligation Bonds

## Levy Calculations for Fiscal Year 2022-23

Bond Description		Series 2015A (Refunding) 6064	Series 2017C (Measure DD) 6322	Series 2017A-1 (Measure KK) 6330	Series 2017A-2 (Measure KK) 6331	Series 2020B-1 (Measure KK) 6332	Series 2020B-2 (Measure KK) 6333	Series 2020 (Refunding) 6334	Series 2022C-1 (Measure KK) 6335	Series 2022C-2 (Measure KK) 6336	GOB TOTAL
<b>Fund Number</b>		<b>6064</b>	<b>6322</b>	<b>6330</b>	<b>6331</b>	<b>6332</b>	<b>6333</b>	<b>6334</b>	<b>6335</b>	<b>6336</b>	
<b>Cash available for debt service as of</b>	<b>6/30/2022</b>										
Cash held by Treasury		4,380,163	765,293	1,555,431	1,479,179	2,578,915	1,907,587	1,646,177	-	-	14,312,746
Cash held by Trustee		8	3	3	4	21	16	11	2,487,757	13,907,326	16,395,150
<b>Total cash as of</b>	<b>6/30/2022</b>	<b>4,380,171</b>	<b>765,296</b>	<b>1,555,434</b>	<b>1,479,183</b>	<b>2,578,937</b>	<b>1,907,603</b>	<b>1,646,189</b>	<b>2,487,757</b>	<b>13,907,326</b>	<b>30,707,896</b>
<b>Debt service payments through</b>	<b>12/31/2023</b>										
DS payments for	FY 2022-23	13,701,675	1,447,431	2,239,056	4,133,730	3,932,700	4,954,175	5,798,497	6,030,443	13,907,326	56,145,033
DS payment for	7/15/2023	1,385,588	419,216	1,119,528	591,390	1,966,350	260,759	492,514	6,968,950	-	13,204,293
DS payment for	12/31/2023	-	-	-	-	-	-	-	-	-	-
Bank and Bond expenses for	FY 2022-23	8,000	7,500	11,000	7,500	7,500	7,500	7,000	7,500	-	63,500
<b>Total debt service through</b>	<b>12/31/2023</b>	<b>15,095,263</b>	<b>1,874,147</b>	<b>3,369,584</b>	<b>4,732,620</b>	<b>5,906,550</b>	<b>5,222,433</b>	<b>6,298,011</b>	<b>13,006,893</b>	<b>13,907,326</b>	<b>69,412,827</b>
<b>Total DS Shortfall</b>		<b>10,715,092</b>	<b>1,108,851</b>	<b>1,814,150</b>	<b>3,253,437</b>	<b>3,327,613</b>	<b>3,314,830</b>	<b>4,651,822</b>	<b>10,519,136</b>	<b>-</b>	<b>38,704,931</b>
Add: Reserve of DS at	6.00%	822,101	86,846	134,343	248,024	235,962	297,250	347,910	361,827	-	2,534,262
Add: Projected delinquencies, unsecured roll at	4.73%	30,522	3,300	4,949	9,280	10,105	19,798	11,961	-	-	89,915
Less: Unitary Tax collected as of	FY 2021-22	(1,686,185)	(182,290)	(273,435)	(512,691)	(558,264)	(1,093,741)	(660,802)	-	-	(4,967,408)
<b>Balance to be levied on tax roll</b>		<b>9,881,529</b>	<b>1,016,706</b>	<b>1,680,008</b>	<b>2,998,050</b>	<b>3,015,417</b>	<b>2,538,137</b>	<b>4,350,891</b>	<b>10,880,963</b>	<b>-</b>	<b>36,361,701</b>
<b>Assessed Valuation <sup>(1)</sup></b>		<b>78,944,183,010</b>	<b>78,944,183,010</b>	<b>78,944,183,010</b>	<b>78,944,183,010</b>	<b>78,944,183,010</b>	<b>78,944,183,010</b>	<b>78,944,183,010</b>	<b>78,944,183,010</b>	<b>78,944,183,010</b>	<b>78,944,183,010</b>
<b>Secured tax rate <sup>(2)</sup></b>		<b>0.0125%</b>	<b>0.0013%</b>	<b>0.0021%</b>	<b>0.0038%</b>	<b>0.0038%</b>	<b>0.0032%</b>	<b>0.0055%</b>	<b>0.0138%</b>	<b>0.0000%</b>	<b>0.0461%</b>
Prior year's secured tax rate		0.0148%	0.0016%	0.0024%	0.0045%	0.0049%	0.0096%	0.0058%	0.0000%	0.0000%	0.0436%
Variance		-0.0023%	-0.0003%	-0.0003%	-0.0007%	-0.0011%	-0.0064%	-0.0003%	0.0138%	0.0000%	0.0025%

Note: Totals may not add up due to rounding.

<sup>(1)</sup> AV is net of 1.56% in secured roll delinquencies.<sup>(2)</sup> Expected Unitary Tax Revenue for FY 2022-23 not factored into the secured tax rate given the uncertainty of the value of receipt; it will be taken into account for FY 2023-24 tax roll once the monies from the County are received.

<b>Delinquency Calculation</b>											
Unsecured roll (Net AV plus Homeowner's Exemptions)		4,360,003,533	4,360,003,533	4,360,003,533	4,360,003,533	4,360,003,533	4,360,003,533	4,360,003,533	4,360,003,533	4,360,003,533	4,360,003,533
Prior year's tax rate		0.0148%	0.0016%	0.0024%	0.0045%	0.0049%	0.0096%	0.0058%	0.0000%	0.0000%	0.0436%
		645,281	69,760	104,640	196,200	213,640	418,560	252,880	-	-	1,900,962
Prior year's delinquency rate, unsecured roll		4.73%	4.73%	4.73%	4.73%	4.73%	4.73%	4.73%	4.73%	4.73%	4.73%
<b>Projected delinquencies, unsecured roll</b>		<b>30,522</b>	<b>3,300</b>	<b>4,949</b>	<b>9,280</b>	<b>10,105</b>	<b>19,798</b>	<b>11,961</b>	<b>-</b>	<b>-</b>	<b>89,915</b>
<b>Projected Unitary Tax Calculation</b>											
Unitary Tax for	FY 2021-22	1,686,185	182,290	273,435	512,691	558,264	1,093,741	660,802	-	-	4,967,408