



# AGENDA REPORT

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

**FROM:** Erin Roseman  
Director of Finance

**SUBJECT:** Delinquent Real Property Transfer  
Taxes

**DATE:** November 7, 2022

City Administrator Approval

Date: Nov 18, 2022

## RECOMMENDATION

**Staff Recommends That The City Council Conduct a Public Hearing and Upon Conclusion Adopt:**

- 1) A Resolution Accepting And Confirming Reports Of The City Administrator On The Costs Incurred By The City Of Oakland For Delinquent Real Property Transfer Taxes And Authorizing The Recordation Of Liens With Administrative And Assessment Charges As Necessary Pursuant To Chapter 4.20 Of The Oakland Municipal Code, And Directing The Notice Of Lien And Assessment Charges Be Turned Over To The County Tax Collector For Collection;**

Or

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

## EXECUTIVE SUMMARY

Staff recommends adoption of one (1) the proposed resolutions which will authorize the placement of liens on real property for unpaid City of Oakland Real Property Transfer Taxes (RPTT) and authorize the subsequent assessment, pursuant to Chapter 4.20 of the Oakland Municipal Code (O.M.C.), should the fees and charges remain unpaid prior to the transfer/recording of said special assessment levies to the Alameda County Tax Collector and Auditor Controller for inclusion on the next property tax roll. All fees, charges and due dates are detailed on taxpayer notices and City Council Hearing notices. The proposed resolutions will confirm the placement of liens on eighteen properties, and authorize the subsequent assessment for all fees and charges for the period of April 2022 through September 2022, as shown in **Attachment A**.

City Council  
December 6, 2022

## **BACKGROUND / LEGISLATIVE HISTORY**

Pursuant to O.M.C. Chapter 4.20, all transfers of real property within Oakland city limits are subject to real property transfer tax. The tax is due upon sale or transfer of an interest of real property and is payable at the time of recordation with the Alameda County Recorder. Prior to January 2019, the tax rate was 1.50 percent of the total value of the consideration transferred, with some exceptions as provided in the O.M.C. Effective January 2019, the tax rate is tiered based on the amount of transfer, with some exceptions as provided in the O.M.C. See **Table 1** below for current rates:

**Table 1: Current Tax Rates**

<b>Amount of Transfer</b>	<b>Tax</b>
\$300,000.00 or Less	1.00%
More than \$300,000.00 up to \$2,000,000.00	1.50%
More than \$2,000,000.00 up to \$5,000,000.00	1.75%
More than \$5,000,000.00	2.50%

The seller and buyer are jointly and severally liable for payment of the tax as stated in Chapter 4.20 of the O.M.C.

## **ANALYSIS AND POLICY ALTERNATIVES**

The recommended action is to place a lien on the property that would ensure the collection of delinquent taxes. A lien effectively makes the property as a collateral for the taxes owed. The collection of taxes is necessary to pay the usual and current expenses of conducting the affairs and priorities of the City, as set by the City Council.

Administrative hearings for delinquent real property transfer taxes were held on June 6, 2022, July 11, 2022, September 12, 2022, October 3, 2022 and November 7, 2022 to hear protests and resolve inconsistencies or inequities raised by property owners regarding the non-payment of real property transfer taxes.

Following the administrative hearings, the Finance Director filed with the City Administrator a written notice of those property owners against whom the City will file liens for unpaid taxes, penalties, interest, and other charges. Property owners subject to the recordation of a lien for delinquent RPTT were sent a City Council Lien Notice on November 8, 2022. The proposed resolution confirms the City Administrator's report and authorizes the placement of liens on eighteen properties and authorizing the subsequent assessment for all fees and charges. After a public hearing by the City Council and upon approval of the proposed resolution authorizing the placement of the liens the delinquent charges and assessments that remain unpaid shall constitute a special assessment against said property and shall be collected at the time established by the County Assessor for inclusion in the next property tax assessment.

Adoption of one of the proposed resolutions advances the citywide priority of a responsive, trustworthy government. The collection of taxes is necessary to raise revenue which, in turn, supports the City's financial ability to carry out its affairs and priorities.

### **FISCAL IMPACT**

A list of delinquent real property transfer taxes and administrative fees for the accounts not resolved at the administrative hearings is shown in **Attachment A**. Failure to place these liens will result in the loss of at least \$ 219,098.20 in General Purpose Fund revenues and \$ 2,700.00 in administrative fees, for a total of \$ 221,798.20 over the period of April 2022 through September 2022, subject to ongoing Finance Department-Revenue Management Bureau actions.

### **PUBLIC OUTREACH / INTEREST**

Property owners were notified of the administrative hearings held on June 6, 2022, July 11, 2022, September 12, 2022, October 3, 2022 and November 7, 2022 and afforded an opportunity to protest the delinquent RPTT or to resolve any inconsistencies or inequities regarding the non-payment of RPTT. The initial letter to the homeowner also provided a 60-day window to make a payment as well as the City's procedure to lien the property if the account is unpaid after 60 days. Property owners subject to the recordation of a lien for delinquent RPTT were sent a City Council Lien Notice on November 8, 2022, 4 weeks prior to the public hearing, to allow additional time to resolve the account with staff prior to the hearing.

The public hearing is considered the time at which the City Council formally opens the public hearing and ends when the City Council formally closes the public hearing. At the public hearing the Council will hear the City Administrator's reports on delinquent RPTT and proposed recordation of liens, along with any objections or protests which may be raised by any of the property owners liable to be assessed for costs incurred for delinquent RPTT, and any other interested persons, such as those that have a right in or claim against the subject property.

### **COORDINATION**

In coordination with the Office of the City Attorney and the Finance Department Budget Bureau, the agenda report, resolutions, and supporting documents have been reviewed and/or approved for form, legality, and fiscal implications.

**SUSTAINABLE OPPORTUNITIES**

**Economic:** Revenues fund essential City services, derived from revenues linked to property sales in Oakland.

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

**Race & Equity:** The ordinance might have some Race & Equity opportunities because all transfers of real property within Oakland city limits are subject to the real property transfer tax regardless of the property's location, property's value, owners' race or ethnicity. Furthermore, in 2018, City council approved a measure to change the property transfer tax from a flat rate to a graduated rate in order to allow a lower rate for low to moderate income home buyers. The tax rate is tiered with four different rates, based on the amount of transfer. See **Table 1** below for current rates:

**Table 1:** Current Tax Rates

<b>Amount of Transfer</b>	<b>Tax</b>
\$300,000.00 or Less	1.00%
More than \$300,000.00 up to \$2,000,000.00	1.50%
More than \$2,000,000.00 up to \$5,000,000.00	1.75%
More than \$5,000,000.00	2.50%

Staff needs additional historical data of at least five years to make an informed recommendation of the opportunities.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Conduct a Public Hearing and Upon Conclusion Adopt:

- 1) A Resolution Accepting And Confirming Reports Of The City Administrator On The Costs Incurred By The City Of Oakland For Delinquent Real Property Transfer Taxes And Authorizing The Recordation Of Liens With Administrative And Assessment Charges As Necessary Pursuant To Chapter 4.20 Of The Oakland Municipal Code, And Directing The Notice Of Lien And Assessment Charges Be Turned Over To The County Tax Collector For Collection;

Or

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For questions regarding this report, please contact Rogers Agaba, Assistant Revenue & Tax Administrator, at (510) 238-7009.

Respectfully submitted,



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ERIN ROSEMAN  
Director of Finance  
Finance Department

Reviewed by:  
Rogers Agaba, Assistant Revenue & Tax  
Administrator

Prepared by:  
Carmen Q. Mac, Revenue Operations  
Supervisor

Attachments (2):

*Attachment A: R.P.T.T City Council Hearing Listing*  
*Attachment B: Sample Notices Provided*



## SAMPLE LETTER

CITY OF OAKLAND



150 FRANK H. OGAWA PLAZA, SUITE 5342 • OAKLAND, CALIFORNIA 94612

Finance & Management Agency  
Revenue Division(510) 238-7024  
TDD (510) 238-3254

April 7, 2022

Grantee:

Account:  
Document No.:  
Date Recorded:  
Parcel No.  
Address:**RE: Real Property Transfer Tax- Notice of Determination**

A review of public records suggests that tax is due on the above transfer.

Pursuant to Oakland Municipal Code, Chapter 4, Article 20, all transfers of real property within the city limits of Oakland are subject to the real property transfer tax. The tax is due upon transfer of an interest of real property and is payable at the time of recordation with the Alameda County Recorder. The tax rate is 1.50 percent of the total value of consideration transferred, with some exceptions provided by statute. The grantor and grantee are jointly and severally liable for payment of tax.

The tax imposed under this chapter is due and payable at the time the deed instrument or writing affecting a transfer subject to the tax is delivered, and is delinquent if unpaid at the time of recordation thereof. (OMC 4.20.070). Delinquent payments are subject to applicable penalties and interest.

According to the records of the Alameda County Recorder, the details above is as follows:

<b>Value of Consideration</b>	\$	[REDACTED]
<b>Tax</b>		[REDACTED]
<b>Less Amount Paid at Recordation</b>		-
<b>Net Amount of Tax Due</b>		[REDACTED]
<b>Penalty (25%)</b>		[REDACTED]
<b>Interest (1% per month)</b>		[REDACTED]
<b>Subtotal</b>	\$	[REDACTED]
<b>Payments</b>		[REDACTED]
<b>Total Amount Due *</b>	\$	[REDACTED]

Please remit your payment via check made payable to "City of Oakland", along with a copy of this letter by **April 30, 2022**. A self-addressed envelope has been enclosed for your convenience. Additional charges will accrue and appropriate action will be taken to place a lien on the property if this account remains unpaid or unresolved within sixty (60) days of the date of this notice. If the recorded lien is not paid before August 10, 2022, the amount of the lien will be added to your property tax bill. For more information, please refer to the page titled "Real Property Transfer Tax – Additional Information".

If you wish to schedule an administrative hearing on **Monday, June 6, 2022**, please complete the enclosed form, "Notice of Administrative Hearing on Petition for Redetermination", and return or email to this office within sixty (60) days of the date of this notification. If you do not want an administrative hearing, please disregard the enclosed hearing notice. For more information, please refer to the page titled "Real Property Transfer Tax Information"

CITY OF OAKLAND



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Finance & Management Agency  
Revenue Division

(510) 238-7024  
TDD (510) 238-3254

If you would like to schedule an appointment or have any questions, please e-mail me at [eparodi@oaklandca.gov](mailto:eparodi@oaklandca.gov) or call (510) 238-7024.

Sincerely,

*Evelyn Parodi*

Evelyn Parodi  
Tax Auditor II



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Finance & Management Agency  
Revenue Division

(510) 238-7024  
TDD (510) 238-3254

## Notice of Administrative Hearing on Petition for Redetermination Real Property Transfer Tax

Date and time of hearing: **Monday, June 6, 2022,** Time: **TBD (9:00AM - 3:00PM)**

Format of hearing: Telephonic Hearing

A call-in phone number and conference ID along with detailed hearing instructions will be provided, via email, up to 2 days prior to your scheduled hearing. Telephonic hearings **WILL BE RECORDED.**

Please remember, you must specify the matter(s) you are appealing, the specific reason(s) upon which your appeal is based and provide documentation to support your claim(s).

----- Detach here and return -----

Date of hearing: 06/06/2022 via Telephonic Hearing

If you wish to pursue a petition for redetermination, please confirm your attendance by completing and returning the portion of this statement below:

Name: \_\_\_\_\_ Account No.: \_\_\_\_\_

Address: \_\_\_\_\_ Phone No.: \_\_\_\_\_

\_\_\_\_\_ Email: \_\_\_\_\_

Please provide an explanation and cite the specific exemption(s) (OMC 4.20.050) regarding your appeal:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

For further assistance and information, please visit the City’s website at [www.oaklandnet.com](http://www.oaklandnet.com) and select “Municipal Code” (Title 4 Revenue and Finance, Chapter 4.20 Real Property Transfer Tax).



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94612

Finance & Management Agency  
Revenue Division

(510) 238-7024  
TDD (510) 238-3254

## Real Property Transfer Tax Information Sheet

**Petition for Redetermination:** If you disagree with the applicability and/or amount of tax liability, you must forward a written petition for redetermination within sixty (60) days of the date of this notification. If a petition for redetermination is not filed in writing with the Director of Finance, Attn.: RPTT, 150 Frank H. Ogawa Plaza, Suite 5342, Oakland, California 94612, within the sixty (60) day period, the determination becomes final at the expiration of the period. (OMC 4.20.130). Your correspondence must specify the matter(s) you are appealing, the specific ground(s) upon which your appeal is based, and evidence to support your claim(s).

**IMPORTANT:** If a petition for redetermination is filed within the sixty (60) day period, the Director's designee will hold a hearing to hear your objections. Please refer to the enclosed notice titled "**Notice of Administrative Hearing on Petition for Redetermination**" for details regarding the hearing. If you would like to arrange to have your matter heard prior to the date scheduled, please contact the undersigned.

**Penalty:** Delinquent payments are subject to penalties, and a delinquency penalty of ten (10) percent of the amount of the tax due shall accrue. In the event a portion of the tax is unpaid prior to becoming delinquent, the penalty shall only accrue as to the portion remaining unpaid. A second penalty of fifteen (15) percent shall accrue if the tax remains unpaid on the ninetieth day from the date payment was delinquent. (OMC 4.20.070).

**Interest on tax and penalty:** Interest shall accrue at the rate of one percent a month or fraction thereof, on the amount of tax, inclusive of penalties, from the date the tax becomes delinquent to the date of payment. (OMC 4.20.070).

\* **Payment Due:** Payment is now due and the total amount due includes penalty and interest computed to the date of this notice. Interest will continue to accrue at the rate of one percent per month or fraction thereof until the date of payment. To confirm the correct amount to be paid, please contact the undersigned for the payoff amount. Upon confirmation, please select a payment option below. For your convenience, a self-addressed envelope is enclosed. Failure to pay or resolve this matter within sixty (60) days of the date of this notice will result as an assessment against the property. A lien will be placed on the property for the amount due and will be recorded by the Alameda County Recorder. If the recorded lien is not paid before August 10<sup>th</sup> of the current tax year, the amount of the lien will be added to your property tax bill.

# SAMPLE LETTER

CITY OF OAKLAND



150 FRANK H. OGAWA PLAZA, SUITE 5342 • OAKLAND, CALIFORNIA 94612

Finance & Management Agency  
Revenue Division

(510) 238-7024  
TDD (510) 238-3254

November 8, 2022



Account:  
Document No.:  
Date Recorded:  
Parcel No.  
Address:  
Notice Date:  
Administrative hearing Date:



April 7, 2022  
June 6, 2022

## NOTICE OF CITY COUNCIL HEARING

Value of Consideration	\$	[REDACTED]
Tax		[REDACTED]
Less Amount Paid at Recordation		-
Net Amount of Tax Due		[REDACTED]
Penalty (25%)		[REDACTED]
Interest (1% per month)		[REDACTED]
Subtotal	\$	[REDACTED]
Admin Fee		[REDACTED]
<b>Total Amount Due *</b>	<b>\$</b>	<b>[REDACTED]</b>

A notice was mailed to you regarding the Real Estate Transfer Tax due on the transfer referenced above. We also notified you of your right to appear at an Administrative Hearing on June 6, 2022. Since the tax has not been paid, **the City Council will conduct a public hearing via video teleconference (use link below) on December 6, 2022 at 1:30PM**, to review, reject or confirm the recommendation of the City Manager. Upon approval of the recommendation, an administrative fee of \$150.00 will be added to the charges shown above. The total amount will become a lien against the property and will be recorded with the Alameda County Recorder. If the recorded lien is not paid by August 10, 2023, the amount of the lien will be added to your upcoming property tax bill.

Please use the following link to check the time and gain access to the video teleconference:  
<https://oakland.legistar.com/calendar.aspx>

To request this notice in Spanish, Chinese, Vietnamese, or another language, please call (510) 238-7024 or email [eparodi@oaklandca.gov](mailto:eparodi@oaklandca.gov).

Para solicitar este aviso en español, chino, vietnamita u otro idioma, llame al (510) 238-7024 o [eparodi@oaklandca.gov](mailto:eparodi@oaklandca.gov) por correo electrónico.

欲索取此文件的西班牙文, 中文, 越南文或其它翻譯本, 請電(510) 238-7024, 或電 [eparodi@oaklandca.gov](mailto:eparodi@oaklandca.gov).

Để yêu cầu thông báo này bằng tiếng Tây Ban Nha, tiếng Trung Quốc, tiếng Việt hoặc ngôn ngữ khác, vui lòng gọi (510) 238-7024 hoặc email [eparodi@oaklandca.gov](mailto:eparodi@oaklandca.gov).

If you have any questions, please call the City of Oakland, Audit Section at (510) 238-7024.