



# AGENDA REPORT


**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Erin Roseman  
Director of Finance

**SUBJECT:** Reimbursement Resolution, Oakland  
GO Bonds (Measures DD, KK, U)

**DATE:** June 12, 2023

City Administrator Approval

  
Jestin Johnson (Jun 29, 2023 21:19 PDT)

Date: Jun 29, 2023

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt a Resolution Authorizing Intention to Reimburse Certain Expenditures from Proceeds of Tax-Exempt Obligations for Project Costs in Connection with Oakland Trust for Clean Water and Safe Parks (Measure DD), Affordable Housing and Infrastructure (Measure KK) and 2022 Affordable Housing and Infrastructure Bond (Measure U)**

## **EXECUTIVE SUMMARY**

The resolution is a requirement of the Internal Revenue Service to utilize tax-exempt bond proceeds for such reimbursement purposes. The adoption of the proposed resolution provides the City with the flexibility to initiate projects - subject to duly authorized budget appropriations - prior to the issuance of general obligation bonds.

## **BACKGROUND / LEGISLATIVE HISTORY**

On November 5, 2002, City of Oakland (the "City") an ordinance authorizing the issuance of general obligation bonds in an amount not to exceed \$198.25 million to fund various City parks, clean water protection and youth recreation projects ("Measure DD") was approved by more than two-thirds of the qualified voters of the City at the statewide general election

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 8, 2022, an ordinance authorizing the issuance of Affordable Housing and Infrastructure Bonds in an amount not to exceed \$850 million to fund affordable housing and housing preservation projects, transportation projects, and various city infrastructure ("Measure U") was approved by more than two-thirds of the qualified voters of the City at the statewide general election.

The City desires to fund expenditures for projects in accordance with Measure DD, Measure KK, and Measure U. The City intends to issue general obligation bonds in one or more series and issues to finance the projects. Prior to the issuance of general obligation bonds, the City desires to incur expenditures. The City has determined that the advance payment of project expenditures are only for a temporary period and it is necessary to reimburse the City for the expenditures from general obligation bond proceeds. The expected maximum amount of expenditures to be reimbursed is \$165 million.

### **ANALYSIS AND POLICY ALTERNATIVES**

The resolution will authorize the City to reimburse project costs incurred prior to the issuance of general obligation bonds with proceeds from the general obligation bonds. The action is necessary to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of City expenditures.

### **FISCAL IMPACT**

The resolution provides the City with the flexibility to reimburse project costs incurred prior to the issuance of general obligation bonds with proceeds of the general obligation bonds.

### **PUBLIC OUTREACH / INTEREST**

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

### **COORDINATION**

This report was prepared by the Finance Department in coordination with the Office of the City Attorney.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** The economic opportunity associated with this resolution is providing greater flexibility to allow the City to fund projects in advance of the sale of bonds.

***Environmental:*** There are no environmental opportunities associated with this resolution.

***Race & Equity:*** There are no race and equity opportunities associated with this resolution.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt a Resolution Authorizing Intention to Reimburse Certain Expenditures from Proceeds of Tax-Exempt Obligations for Project Costs in Connection with Oakland Trust for Clean Water and Safe Parks (Measure DD), Affordable Housing and Infrastructure (Measure KK) and 2022 Affordable Housing and Infrastructure Bond (Measure U).

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

Respectfully submitted,



[Erin Roseman \(Jun 29, 2023 15:26 PDT\)](#)

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ERIN ROSEMAN  
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