



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2017 AUG -3 AM 9:49

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Director of Finance

SUBJECT: Fiscal Year 2017-2018 Tax Levy for
Voter Approved Indebtedness

DATE: July 31, 2017

City Administrator Approval

Date:

8/3/17

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Fixing The Rate Of Property Tax And Levying A Tax On Real And Personal Property In The City Of Oakland For Fiscal Year 2017-2018 For Voter-Approved Indebtedness.

EXECUTIVE SUMMARY

Adoption of this resolution will permit the City of Oakland (the "City") to collect the Fiscal Year ("FY") 2017-2018 revenues for the payment of debt service on the City's outstanding voter approved general obligation and pension obligation bonds. 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 31st for inclusion on that year's property tax bill. If the estimated general obligation bond rates need to be adjusted to reflect the actual figures for the assessed valuation, the City Administrator or her 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 FY 2017-2018's assessed valuation figures and meet the County's deadline for submitting these rates for inclusion on the year's property tax bill.

BACKGROUND / LEGISLATIVE HISTORY

The City must annually set property tax levy rates, based on the assessed valuation subject to taxation, and must inform the County of Alameda of these rates by August 31st for inclusion on that year's property tax bill.

The proposed resolution has been prepared pursuant to California Government Code and Article VIII, Section 802, of the Oakland City Charter, setting the FY 2017-2018 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.

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ANALYSIS AND POLICY ALTERNATIVES

For the City's outstanding general obligation 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 FY2017-2018 voter-approved indebtedness, the following rates are required to satisfy the debt service obligations of the indicated general obligation bond series.

Bond Issue	Property Tax Rates
\$83,775,000 General Obligation Refunding Bonds, Series 2012	0.0089%
\$128,895,000 General Obligation Refunding Bonds, Series 2015A	0.0203%
\$26,500,000 General Obligation Bonds, Series 2017C (Measure DD)	0.0034%
\$62,735,000 General Obligation Bonds, Series 2017A-1 (Measure KK)	0.0037%
\$55,120,000 General Obligation Bonds, Series 2017A-2 (Measure KK)	0.0107%

For the City's Police and Fire Retirement System pension liability, the property tax levy rate required to satisfy the City's FY 2017-2018 voter-approved indebtedness for the pension obligation bonds is 0.1575%.

In the event of any changes to the County's assessed valuation data, the proposed resolution allows the City Administrator or her 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.

This resolution is submitted during Summer Recess in order to calculate the property tax levy rates using the year's assessed valuation figures (released late July to early August) and meet the County's deadline for submitting these rates for inclusion on the year's property tax bill (August 31st).

FISCAL IMPACT

Adoption of this resolution will allow the City to levy and collect the FY 2017-2018 property tax revenues which are included in the FY 2017–2019 Adopted Policy Budget for the payment of debt service on the City's outstanding general obligation and pension obligation bonds.

PUBLIC OUTREACH / INTEREST

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

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COORDINATION

This report was prepared by the Treasury Bureau in coordination with the Finance Department, Office of the City Attorney, and Budget Office.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no environmental opportunities associated with this report.

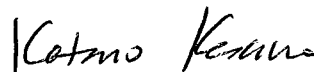
Social Equity: There are no social equity opportunities associated with this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council adopt a staff recommends that the City Council adopt a resolution fixing the rate of property tax and levying a tax on real and personal property in the City of Oakland for Fiscal Year 2017-2018 for voter-approved indebtedness.

For questions regarding this report, please contact Katano Kasaine, Director of Finance, at (510) 238-2989.

Respectfully submitted,



Katano Kasaine
Director of Finance, Finance Department

Reviewed by:
David Jones, Interim Treasury Manager

Prepared by:
Jackie Lee, Financial Analyst
Treasury Bureau

Attachments (1): General Obligation Bonds Levy Calculations for Fiscal Year 2017-2018

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ATTACHMENT A

City of Oakland
General Obligation Bonds

Levy Calculations for Fiscal Year 2017-2018

Bond Description		Series 2012 (Refunding)	Series 2015A (Refunding)	Series 2017C (Measure DD)	Series 2017A-1 (Measure KK)	Series 2017A-2 (Measure KK)	GOB TOTAL
Fund Number		6312	6064	6322			
Cash available for debt service as of	6/30/2017						
Cash held by Treasury		2,807,749	5,042,745	-	-	-	7,850,494
Cash held by Trustee		-	-	150,148	-	-	150,148
Total cash as of	6/30/2017	2,807,749	5,042,745	150,148	-	-	8,000,642
Debt service payments through	12/31/2018						
DS payments for	FY 2017-18	6,655,475	14,758,925	1,446,901	839,646	4,793,889	28,494,837
DS payment for	7/15/2018	1,687,113	2,617,713	478,116	1,119,528	749,853	6,652,321
DS payment for	12/31/2018	-	-	-	-	-	-
Bank and Bond expenses for	FY 2017-18	10,000	7,500	5,500	5,500	5,500	34,000
Total debt service through	12/31/2018	8,352,588	17,384,138	1,930,517	1,964,674	5,549,242	35,181,158
Total DS Shortfall		5,544,839	12,341,392	1,780,369	1,964,674	5,549,242	27,180,516
Add: Reserve of DS at	6.00%	399,329	885,536	86,814	50,379	287,633	1,709,690
Add: Projected delinquencies, unsecured roll at	4.54%	21,567	42,705	-	-	-	64,272
Less: Unitary Tax collected as of	FY 2016-17	1,131,067	2,239,407.04	-	-	-	3,370,474
Balance to be levied on tax roll		4,834,668	11,030,226	1,867,183	2,015,053	5,836,875	25,584,005
Assessed Valuation ⁽¹⁾		54,404,350,817	54,404,350,817	54,404,350,817	54,404,350,817	54,404,350,817	54,404,350,817
Secured tax rate ⁽²⁾		0.0089%	0.0203%	0.0034%	0.0037%	0.0107%	0.0470%
Prior year's secured tax rate		0.0129%	0.0256%	0.0000%	0.0000%	0.0000%	0.0129%
Variance		-0.0041%	-0.0053%	0.0034%	0.0037%	0.0107%	0.0341%

Note: Totals may not add up due to rounding.

⁽¹⁾ AV is net of 1.21% in secured roll delinquencies⁽²⁾ Expected Unitary Tax Revenue for FY 2017-18 not factored into the secured tax rate given the uncertainty of the value of receipt; it will be taken into account for FY 2018-19 tax roll once the monies from County are received.**Delinquency Calculation**

Unsecured roll (Net AV plus Homeowner's Exemptions)	3,671,801,032	3,671,801,032	3,671,801,032	3,671,801,032	3,671,801,032	3,671,801,032
Prior year's tax rate	0.0129%	0.0256%	0.0000%	0.0000%	0.0000%	0.0386%
	475,049	940,642	-	-	-	1,415,691
Prior year's delinquency rate, unsecured roll	4.54%	4.54%	4.54%	4.54%	4.54%	4.54%
Projected delinquencies, unsecured roll	21,567	42,705	-	-	-	64,272

Projected Unitary Tax Calculation

Unitary Tax for	FY 2016-17	1,131,067	2,239,407	-	-	-	3,370,474
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2017 AUG -3 AM 9:45 RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

**RESOLUTION FIXING THE RATE OF PROPERTY TAX AND
LEVYING A TAX ON REAL AND PERSONAL PROPERTY IN THE
CITY OF OAKLAND FOR FISCAL YEAR 2017-2018 FOR VOTER-
APPROVED INDEBTEDNESS**

WHEREAS, the City of Oakland must annually set property tax levy rates, based on the assessed valuation subject to taxation, and must inform the County of Alameda of these rates by August 31st for inclusion on that year's property tax bill; and

WHEREAS, passage of this resolution will permit the City of Oakland to collect the Fiscal Year 2017-2018 revenues for the payment of debt service for the outstanding voter approved general obligation and pension obligation bonds; now, therefore be it

RESOLVED, that a tax of 0.1575% is hereby fixed and levied for Fiscal Year 2017-2018 on taxable property, real and personal, within the corporate limits of the City of Oakland, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for payments to the Police and Fire Retirement System as approved by the voters of the City of Oakland; and be it

FURTHER RESOLVED, that an estimated tax of 0.0089% is hereby fixed and levied for Fiscal Year 2017-2018 on taxable property, real and personal, within the corporate limits of the City of Oakland, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Refunding Bonds, Series 2012, as approved by the voters of the City of Oakland; and be it

FURTHER RESOLVED, that an estimated tax of 0.0203% is hereby fixed and levied for Fiscal Year 2017-2018 on taxable property, real and personal, within the corporate limits of the City of Oakland, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Refunding Bonds, Series 2015A, as approved by the voters of the City of Oakland; and be it

FURTHER RESOLVED, that an estimated tax of 0.0034% is hereby fixed and levied for Fiscal Year 2017-2018 on taxable property, real and personal, within the corporate limits of the City of Oakland, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2017C (Measure DD), as approved by the voters of the City of Oakland; and be it

FURTHER RESOLVED, that an estimated tax of 0.0037% is hereby fixed and levied for Fiscal Year 2017-2018 on taxable property, real and personal, within the corporate limits of the City of Oakland, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2017A-1 (Measure KK), as approved by the voters of the City of Oakland; and be it

FURTHER RESOLVED, that an estimated tax of 0.0107% is hereby fixed and levied for Fiscal Year 2017-2018 on taxable property, real and personal, within the corporate limits of the City of Oakland, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2017A-2 (Measure KK), as approved by the voters of the City of Oakland; and be it

FURTHER RESOLVED, that if the estimated General Obligation Bond rates of 0.0089% for Series 2012, 0.0203% for Series 2015A, 0.0034% for Series 2017C, 0.0037% for Series 2017A-1, and 0.0107% for Series 2017A-2 need to be adjusted to reflect the actual figures for the assessed valuations, the City Administrator or her designee is hereby authorized to make the necessary adjustments; and be it

FURTHER RESOLVED, that this Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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