



CITY OF OAKLAND

FILED
OFFICE OF THE CITY CLERK
OAKLAND

18 AUG -8 AM 10:46

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Adam Benson
Budget Administrator/
Acting Director of Finance

SUBJECT: Fiscal Year 2018-2019 Tax Levy for
Voter Approved Indebtedness

DATE: July 30, 2018

City Administrator Approval

Date:

8/7/18

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 2018-2019 For Voter-Approved Indebtedness.

EXECUTIVE SUMMARY

Adoption of this resolution will permit the City of Oakland (the "City") to collect the Fiscal Year ("FY") 2018-2019 revenues for the payment of debt service on the City's voter approved outstanding general obligation bonds and Police and Fire Retirement System 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 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 2018-2019'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 2018-2019 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%)

Item: _____

Mayor's Summer Recess Agenda
August 21, 2018

property tax rate is assessed by Alameda County and apportioned to cities and special districts in accordance with State law.

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 FY2018-2019 voter-approved indebtedness, the rates in **Table 1** are required to satisfy the debt service obligations of the indicated general obligation bond series.

Table 1: Property Tax Rates

Bond Issue	Property Tax Rates
\$83,775,000 General Obligation Refunding Bonds, Series 2012	0.0099%
\$128,895,000 General Obligation Refunding Bonds, Series 2015A	0.0215%
\$26,500,000 General Obligation Bonds, Series 2017C (Measure DD)	0.0017%
\$62,735,000 General Obligation Bonds, Series 2017A-1 (Measure KK)	0.0031%
\$55,120,000 General Obligation Bonds, Series 2017A-2 (Measure KK)	0.0045%

For the City's Police and Fire Retirement System pension liability, the property tax levy rate to fund the City's FY 2018-2019 voter-approved continuing obligations to fund the City's indebtedness to the Police and Fire Retirement System 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 2018-2019 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 bonds and Police and Fire Retirement System obligations.

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 Treasury Bureau in coordination with the Finance Department, Office of the City Attorney, and Budget Bureau.

SUSTAINABLE OPPORTUNITIES

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

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

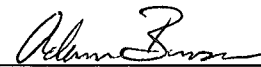
Social Equity: There are no social equity opportunities associated with this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council adopt a resolution fixing the rate of property tax and levying a tax on real and personal property in the City of Oakland for Fiscal Year 2018-2019 for voter-approved indebtedness.

For questions regarding this report, please contact Adam Benson, Budget Administrator/Acting Director of Finance, at (510) 238- 2026.

Respectfully submitted,



Adam Benson
Budget Administrator/
Acting Director of Finance, Finance Department

Reviewed by:
David Jones, Treasury Administrator

Prepared by:
Jackie Lee, Financial Analyst
Treasury Bureau

Attachments (1): General Obligation Bonds Levy Calculations for Fiscal Year 2018-2019

ATTACHMENT A

City of Oakland
General Obligation Bonds

Levy Calculations for Fiscal Year 2018-2019

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	6330	6331	
Cash available for debt service as of	6/30/2018						
Cash held by Treasury		2,244,685	3,960,410	754,331	1,404,537	1,683,594	10,047,558
Cash held by Trustee		649	1,109	237	9,277	787	12,059
Total cash as of	6/30/2018	2,245,334	3,961,518	754,569	1,413,814	1,684,381	10,059,617
Debt service payments through	12/31/2019						
DS payments for	FY 2018-19	6,664,225	14,775,425	1,446,231	2,239,056	4,129,705	29,254,643
DS payment for	7/15/2019	1,604,863	2,379,213	473,216	1,119,528	723,553	6,300,371
DS payment for	12/31/2019	-	-	-	-	-	-
Bank and Bond expenses for	FY 2018-19	6,500	11,000	7,500	7,500	7,500	40,000
Total debt service through	12/31/2019	8,275,588	17,165,638	1,926,947	3,366,084	4,860,758	35,595,014
Total DS Shortfall		6,030,254	13,204,119	1,172,378	1,952,270	3,176,376	25,535,397
Add: Reserve of DS at	6.00%	399,854	886,526	86,774	134,343	247,782	1,755,279
Add: Projected delinquencies, unsecured roll at	5.80%	20,289	46,278	7,751	8,435	24,393	107,145
Less: Unitary Tax collected as of	FY 2017-18	691,960	1,578,291	264,344	287,669	831,907	3,654,170
Balance to be levied on tax roll		5,758,436	12,558,632	1,002,559	1,807,380	2,616,644	23,743,651
Assessed Valuation ⁽¹⁾		58,299,266,280	58,299,266,280	58,299,266,280	58,299,266,280	58,299,266,280	58,299,266,280
Secured tax rate ⁽²⁾		0.0099%	0.0215%	0.0017%	0.0031%	0.0045%	0.0407%
Prior year's secured tax rate		0.0089%	0.0203%	0.0034%	0.0037%	0.0107%	0.0470%
Variance		0.0010%	0.0012%	-0.0017%	-0.0006%	-0.0062%	-0.0063%

Note: Totals may not add up due to rounding.

⁽¹⁾ AV is net of 1.05% in secured roll delinquencies

⁽²⁾ Expected Unitary Tax Revenue for FY 2018-19 not factored into the secured tax rate given the uncertainty of the value of receipt; it will be taken into account for FY 2019-20 tax roll once the monies from County are received.

Delinquency Calculation

Unsecured roll (Net AV plus Homeowner's Exemptions)	3,930,485,533	3,930,485,533	3,930,485,533	3,930,485,533	3,930,485,533	3,930,485,533
Prior year's tax rate	0.0089%	0.0203%	0.0034%	0.0037%	0.0107%	0.0470%
	349,813	797,889	133,637	145,428	420,562	1,847,328
Prior year's delinquency rate, unsecured roll	5.80%	5.80%	5.80%	5.80%	5.80%	5.80%
Projected delinquencies, unsecured roll	20,289	46,278	7,751	8,435	24,393	107,145

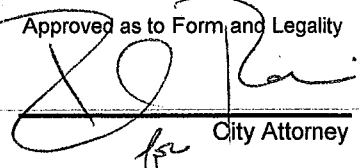
Projected Unitary Tax Calculation

Unitary Tax for	FY 2017-18	691,960	1,578,291	264,344	287,669	831,907	3,654,170
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FILED
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OAKLAND

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OAKLAND CITY COUNCIL

Approved as to Form and Legality

for City Attorney

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 2018-2019 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 2018-2019 tax revenues for the payment of voter approved debt service on outstanding general obligation bonds and obligations of the City to the Police and Fire Retirement System; now, therefore be it

RESOLVED, that a tax of 0.1575% is hereby fixed and levied for Fiscal Year 2018-2019 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 to fund payment of ongoing obligations and indebtedness of the City 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 0.0099% is hereby fixed and levied for Fiscal Year 2018-2019 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 0.0215% is hereby fixed and levied for Fiscal Year 2018-2019 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 0.0017% is hereby fixed and levied for Fiscal Year 2018-2019 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 0.0031% is hereby fixed and levied for Fiscal Year 2018-2019 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 0.0045% is hereby fixed and levied for Fiscal Year 2018-2019 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 0.0099% for Series 2012, 0.0215% for Series 2015A, 0.0017% for Series 2017C, 0.0031% for Series 2017A-1, and 0.0045% 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