



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 SEP -6 PM 2:56

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Director of Finance

SUBJECT: Delinquent Real Property Transfer
Taxes

DATE: August 27, 2018

City Administrator Approval

Date:

9/6/18

RECOMMENDATION

Adopt 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 Confirming 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 (Option 1); or

Adopt a Resolution Continuing Hearing Of The Reports Of The City Administrator On Delinquent Real Property Transfer Taxes And The Recordation Of Liens With Administrative And Assessment Charges As Necessary Pursuant To Chapter 4.20 Of The Oakland Municipal Code (Option 2); or

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 (Option 3)

EXECUTIVE SUMMARY

Staff Recommends Option 1.

Adopt 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 Confirming 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.

Item: _____

City Council
September 17, 2018

Adoption of the recommended Resolution (**Option 1**) will authorize the placement of liens on real property for unpaid 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 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 resolution has been prepared confirming the placement of liens on eight properties and authorizing the subsequent assessment for all fees and charges for the period of March 2018 through June 2018, shown in **Attachment A**.

BACKGROUND / LEGISLATIVE HISTORY

Pursuant to O.M.C, 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 the consideration transferred, with some exceptions provided by statute. The seller and buyer are jointly and severally liable for payment of the tax as stated in Chapter 4.20 of the Oakland Municipal Code (O.M.C.).

ANALYSIS AND POLICY ALTERNATIVES

Property owners subject to the recordation of a lien for delinquent RPTT were sent a City Council Lien notice on August 24, 2018.

Administrative hearings for delinquent real property transfer taxes were held on August 13, 2018, to hear protests and resolve inconsistencies or inequities raised by property owners regarding the non-payment of real property transfer taxes. A resolution has been prepared confirming the placement of liens on eight properties and authorizing the subsequent assessment for all fees and charges.

Following the administrative hearings, the Finance Director filed with the City Administrator a written notice of those property owners on whom the City will file liens for unpaid taxes, penalties, interest, and other charges. If these amounts remain unpaid or unresolved after a public hearing by the City Council, the City Council shall authorize by resolution the recordation of liens on the subject properties for costs incurred for delinquent real property transfer taxes, and additional administrative charges and assessments. The delinquent charges and assessments 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.

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 \$90,997 in General Purpose Fund revenues and \$1,000 in administrative fees, for a total of \$91,997 over the period of March 2018 through June 2018.

PUBLIC OUTREACH / INTEREST

Property owners were notified and administrative hearings for delinquent RPTT were held on August 13, 2018, to hear protests and resolve any inconsistencies or inequities raised by property owners regarding the non-payment of RPTT. Property owners subject to the recordation of a lien for delinquent RPTT were sent a Council Lien notice on August 24, 2018.

COORDINATION

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

SUSTAINABLE OPPORTUNITIES

Economic: Collections of delinquent real property transfer taxes have major economic implications for the City's sustainability. The revenue source is relied upon to fund essential City services.

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

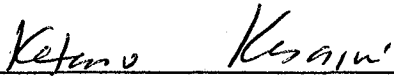
Social Equity: Collections of delinquent real property transfer taxes have significant social equity implications for the City's sustainability. The revenue source is relied upon to fund essential City services to all citizens and taxpayers.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that the City Council Conduct a Public Hearing and upon Conclusion Adopt 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 Confirming 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 (**Option 1**).

For questions regarding this report, please contact MARGARET O'BRIEN, REVENUE & TAX ADMINISTRATOR at (510) 238-7480.

Respectfully submitted,


KATANO KASAINÉ
Director of Finance

Reviewed by:
Margaret O'Brien, Revenue & Tax Administrator
Revenue Management Bureau

Prepared by:
Carmen Q. Mac, Acting Revenue Audit
Supervisor
Revenue Management Bureau

Attachment (A):
A: R.P.T.T City Council Hearing Listing

		CITY OF OAKLAND						
	R.P.T.T. CITY COUNCIL HEARING LISTING FOR 09/17/18							
Ref	DEBTOR NAME	PROPERTY ADDRESS	PARCEL #	Recording #	Invoice	AMOUNT	Admn. Fee	Total
1	Siri Anand jacobs and Karl F. Jacobs	3501, 3503, 3505 Lincoln	029A-1304-011-00	2017016237	RPTT030718-19	9,281.26	\$125	\$9,406
2	Elena Primavera	5416 Princeton Street	035-2392-014-00	2016239906	RPTT042718-01	7,672.50	\$125	\$7,798
3	BA1 2201 Valley LLC	2200 Telegraph Ave	008-0658-009-01	2017037389	RPTT042718-02	32,347.35	\$125	\$32,472
4	Corinna Nicole Press & Cedre Sarah Csillagi	1228 E 22nd St	022-0301-008-00	2017033538	RPTT042718-14	9,121.58	\$125	\$9,247
5	Denise R. Scott	7612 Surrey Lane	040A-3843-035-00	2017045279	RPTT042718-15	20,682.15	\$125	\$20,807
6	RPT Properties LP	6801 Saroni Drive	048E-7331-031-00	2017063761	RPTT061318-13	1,663.40	\$125	\$1,788
7	Yikaaio Gebreselassie	1504 Chestnut Street	005-0380-023-03	2017055659	RPTT061318-29	8,518.13	\$125	\$8,643
8	Deborah Avery	1721 103rd Avenue	047-5506-016-00	2017055398	RPTT061318-31	1,710.88	\$125	\$1,836
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39		**Interest calculated through June 2018				\$ 90,997	\$ 1,000	\$ 91,997

2018 SEP -6 PM 2: 57 RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

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 CONFIRMING 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

WHEREAS, pursuant to Chapter 4.20, of the Oakland Municipal Code, the City Administrator filed with the City Clerk the reports concerning the costs incurred for delinquent real property transfer taxes and recordation of liens with added administrative charges and assessment charges on hereinafter described real property; and

WHEREAS, the date of **September 17, 2018** and the time **6:30 p.m.**, was fixed as the day and hour for the Council to hear and accept said reports, together with any objections or protests which may be raised by any of the property owners liable to be assessed for costs incurred for delinquent real property transfer taxes, and any other interested persons; and

WHEREAS, no protest were made at said hearing; now, therefore be it

RESOLVED, that the reports that the City Administrator filed with the City Clerk on **September 17, 2018**, concerning delinquent real property transfer taxes, the recordation of liens with administrative charges for the real property described therein be and are hereby accepted and confirmed, and assessments are hereby authorized to be levied upon the hereinafter described properties in the amount set opposite each description for costs incurred for delinquent real property transfer taxes, added administrative charges and assessment charges; and be it

FURTHER RESOLVED, that attached hereto and incorporated herein is *Attachment A*, which includes a listing of all properties subject to the special assessment levy by the County Assessor; and be it

FURTHER RESOLVED, that if said assessment therein levied is not paid before the 10th day of August 2019, the City Administrator shall present an itemized report to the Auditor Controller of the County of Alameda, State of California, to be placed on the 2019-2020 County Tax Roll.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

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