

CITY OF OAKLAND

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2019 AUG -8 AM 12:30

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Katano Kasaine  
Director of Finance

**SUBJECT:** Fiscal Year 2019-20 Tax Levy for  
Voter Approved Indebtedness

**DATE:** July 29, 2019

City Administrator Approval

Date:

8/8/19

## 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 2019-20 For Voter-Approved Indebtedness.**

## EXECUTIVE SUMMARY

Adoption of this resolution will permit the City of Oakland (the "City") to collect the Fiscal Year 2019-20 ("FY19-20") property tax revenues for the payment of the City's voter approved outstanding general obligation bonds debt service 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 31<sup>st</sup> for inclusion on the stated 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 FY19-20's assessed valuation figures and meet the County's deadline for submitting these rates for inclusion on this year's property tax bill.

## BACKGROUND / LEGISLATIVE HISTORY

The proposed resolution has been prepared pursuant to California Government Code and Article VIII, Section 802, of the Oakland City Charter, setting the FY19-20 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.

Item: \_\_\_\_\_

Mayor's Summer Recess Agenda  
August 20, 2019

**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 FY19-20 voter-approved indebtedness, the rates in **Table 1** are estimated to satisfy the debt service obligations of the indicated general obligation bond series.

**Table 1: Property Tax Rates**

<b>Bond Issue</b>	<b>Property Tax Rates</b>
\$83,775,000 General Obligation Refunding Bonds, Series 2012	0.0089%
\$128,895,000 General Obligation Refunding Bonds, Series 2015A	0.0199%
\$26,500,000 General Obligation Bonds, Series 2017C (Measure DD)	0.0021%
\$62,735,000 General Obligation Bonds, Series 2017A-1 (Measure KK)	0.0031%
\$55,120,000 General Obligation Bonds, Series 2017A-2 (Measure KK)	0.0060%

For the City's Police and Fire Retirement System pension liability, the property tax levy rate to fund the City's FY19-20 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.

**FISCAL IMPACT**

Adoption of this resolution will allow the City to levy and collect the FY19-20 property tax revenues which are included in the Fiscal Years 2019–21 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.

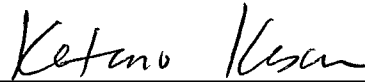
**Social Equity:** There are no social equity opportunities associated with this report.

**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 2019-20 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, Treasury Administrator

Prepared by:  
Jackie Lee, Financial Analyst  
Treasury Bureau

Attachments (1): General Obligation Bonds Levy Calculations for Fiscal Year 2019-20

ATTACHMENT A

City of Oakland  
General Obligation Bonds

Levy Calculations for Fiscal Year 2019-20

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	
<b>Cash available for debt service as of</b>	<b>6/30/2019</b>						
Cash held by Treasury		2,286,030	3,784,354	566,538	1,328,718	982,562	8,948,202
Cash held by Trustee		315	622	59	152	211	1,360
<b>Total cash as of</b>	<b>6/30/2019</b>	<b>2,286,345</b>	<b>3,784,976</b>	<b>566,597</b>	<b>1,328,870</b>	<b>982,773</b>	<b>8,949,561</b>
<b>Debt service payments through</b>	<b>12/31/2020</b>						
DS payments for	FY 2019-20	6,654,725	14,803,425	1,446,431	2,239,056	4,132,105	29,275,743
DS payment for	7/15/2020	1,518,738	2,128,088	460,716	1,119,528	696,703	5,923,771
DS payment for	12/31/2020	-	-	-	-	-	-
Bank and Bond expenses for	FY 2019-20	6,500	7,500	5,500	5,500	5,500	30,500
<b>Total debt service through</b>	<b>12/31/2020</b>	<b>8,179,963</b>	<b>16,939,013</b>	<b>1,912,647</b>	<b>3,364,084</b>	<b>4,834,308</b>	<b>35,230,014</b>
<b>Total DS Shortfall</b>		<b>5,893,617</b>	<b>13,154,037</b>	<b>1,346,050</b>	<b>2,035,214</b>	<b>3,851,535</b>	<b>26,280,452</b>
Add: Reserve of DS at	6.00%	399,284	888,206	86,786	134,343	247,926	1,756,545
Add: Projected delinquencies, unsecured roll at	5.86%	23,556	51,374	4,101	7,393	10,704	97,128
Less: Unitary Tax collected as of	FY 2018-19	706,561	1,534,452	121,329	221,247	321,164	2,904,753
<b>Balance to be levied on tax roll</b>		<b>5,609,895</b>	<b>12,559,164</b>	<b>1,315,608</b>	<b>1,955,705</b>	<b>3,789,001</b>	<b>25,229,372</b>
<b>Assessed Valuation <sup>(1)</sup></b>		<b>63,003,325,304</b>	<b>63,003,325,304</b>	<b>63,003,325,304</b>	<b>63,003,325,304</b>	<b>63,003,325,304</b>	<b>63,003,325,304</b>
<b>Secured tax rate <sup>(2)</sup></b>		<b>0.0089%</b>	<b>0.0199%</b>	<b>0.0021%</b>	<b>0.0031%</b>	<b>0.0060%</b>	<b>0.0400%</b>
Prior year's secured tax rate		0.0099%	0.0215%	0.0017%	0.0031%	0.0045%	0.0407%
Variance		-0.0010%	-0.0016%	0.0004%	0.0000%	0.0015%	-0.0007%

Note: Totals may not add up due to rounding.

<sup>(1)</sup> AV is net of 0.86% in secured roll delinquencies

<sup>(2)</sup> Expected Unitary Tax Revenue for FY 2019-20 not factored into the secured tax rate given the uncertainty of the value of receipt; it will be taken into account for FY 2020-21 tax roll once the monies from County are received.

<b>Delinquency Calculation</b>							
Unsecured roll (Net AV plus Homeowner's Exemptions)		4,069,712,925	4,069,712,925	4,069,712,925	4,069,712,925	4,069,712,925	4,069,712,925
Prior year's tax rate		0.0099%	0.0215%	0.0017%	0.0031%	0.0045%	0.0407%
Prior year's delinquency rate, unsecured roll		401,981	876,684	69,986	126,168	182,661	1,657,480
<b>Projected delinquencies, unsecured roll</b>		<b>23,556</b>	<b>51,374</b>	<b>4,101</b>	<b>7,393</b>	<b>10,704</b>	<b>97,128</b>

<b>Projected Unitary Tax Calculation</b>							
Unitary Tax for	FY 2018-19	706,561	1,534,452	121,329	221,247	321,164	2,904,753

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

# OAKLAND CITY COUNCIL

  
Ravi S. Patel City Attorney

**RESOLUTION No. \_\_\_\_\_ C.M.S.**  
2019 AUG -8 AM 12:30  
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 2019-20 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 2019-20 tax revenues for the payment of ongoing obligations and indebtedness of the City to the Police and Fire Retirement System and debt service on outstanding City general obligation bonds, as approved by the voters of the City of Oakland; now, therefore be it

**RESOLVED**, that a tax of 0.1575% is hereby fixed and levied for Fiscal Year 2019-20 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 0.0089% is hereby fixed and levied for Fiscal Year 2019-20 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 0.0199% is hereby fixed and levied for Fiscal Year 2019-20 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 0.0021% is hereby fixed and levied for Fiscal Year 2019-20 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 2019-20 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 0.0060% is hereby fixed and levied for Fiscal Year 2019-20 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, 0.0199% for Series 2015A, 0.0021% for Series 2017C, 0.0031% for Series 2017A-1, and 0.0060% 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 - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California