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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Adam Benson
Director of Finance

SUBJECT: Oakland GO Bonds, Series 2020B-1/2
(Measure KK) and Refunding Series
2020

DATE: November 25, 2019

City Administrator Approval

Date:

12/5/19

RECOMMENDATION

Staff Recommends That The City Council Adopt A:

- 1. Resolution Approving The Issuance Of City Of Oakland General Obligation Bonds (Measure KK) In An Aggregate Principal Amount Not To Exceed \$190,000,000 And City Of Oakland General Obligation Refunding Bonds In An Aggregate Principal Amount Not To Exceed \$69,000,000; Approving A Fiscal Agent Agreement And Escrow Agreement; And Authorizing Necessary Related Actions; And**
- 2. Resolution Identifying Projects Authorized For Funding With Proceeds Of City Of Oakland General Obligation Bonds (Measure KK), Series 2020B-1 And Series 2020B-2, And Allocating Bond Proceeds For The Identified Projects.**

EXECUTIVE SUMMARY

Staff recommends the adoption of two resolutions. The first resolution will authorize the City to issue Measure KK infrastructure and affordable housing bonds, and will authorize the City to issue "refunding" bonds to refinance debt issued in 2012. The second resolution, as required by Measure KK, identifies the projects and programs eligible for funding from the new Measure KK bonds, congruent with previously approved City Council resolutions including the Fiscal Year 2019 - 21 Adopted Policy Budget (the "Budget") and the Capital Improvement Program (the "CIP").

In particular, adoption of the resolutions will provide for the issuance of City of Oakland (the "City") General Obligation Bonds (Measure KK), Series 2020B-1 (Tax-Exempt) (the "2020B-1 Bonds"), General Obligation Bonds (Measure KK), Series 2020B-2 (Taxable) (the "2020B-2 Bonds" and collectively with the 2020B-1 Bonds, the "2020B-1/2 Bonds") per Measure KK (as defined below) and General Obligation Refunding Bonds, Series 2020 (Taxable) (the "Refunding Bonds", and collectively with the 2020B-1/2 Bonds, the "Bonds").

The 2020B-1/2 Bonds will be issued in an aggregate principal amount not to exceed \$190,000,000 to finance the Projects (as defined below). The Refunding Bonds will be issued in

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an aggregate principal amount not to exceed \$69,000,000 to refund the City's General Obligation Refunding Bonds, Series 2012 (the "Prior Bonds") for debt service savings.

The Bonds will have a final maturity date no later than 31 years after issuance, and will bear interest at a rate not to exceed a true interest cost ("TIC") of six percent (6%) per annum. Principal and interest due on the Bonds is payable from ad valorem taxes levied upon all taxable property in the City.

Adoption of the resolutions will also identify projects authorized for funding with proceeds of the 2020B-1 and 2020B-2 Bonds per Measure KK (the "Projects"). Proceeds from the 2020B-1/2 Bonds will be allocated to the Projects in accordance with the Budget and CIP.

BACKGROUND / LEGISLATIVE HISTORY

General Obligation Refunding Bonds, Series 2012 (Tax-Exempt)

On January 10, 2012, the City issued the Prior Bonds in a principal amount of \$83,775,000 to refund the City's General Obligation Bonds, Series 2002A (Measure G) and a portion of the City's General Obligation Bonds, Series 2003A (Measure DD). The Prior Bonds are currently outstanding in a principal amount of \$68,695,000.

General Obligation Bonds (Measure KK)

On November 8, 2016, an ordinance authorizing the issuance of Infrastructure Bonds in an amount not to exceed \$600 million to improve public safety and invest in neighborhoods ("Measure KK") was approved by more than two-thirds of the qualified voters of the City at the statewide general election. The proceeds of the bonds authorized by Measure KK have been and will be used to acquire and make improvements to real property, such as improvement and rehabilitation of streets, City-maintained sidewalks and related infrastructure, renovation and rehabilitation of City facilities including libraries, public safety, recreation and other buildings, and acquisition, improvement, rehabilitation, preservation, construction and repair of affordable housing.

Per Measure KK, the \$600 million in authorized bonds may be issued to fund projects as follows:

1. Streets and Roads Projects, in the amount of \$350 million, including projects consistent with:
 - a) Street paving and reconstruction;
 - b) Bicycle and pedestrian improvements; bikeways, sidewalks, paths, stairs, streetscape, curb ramps;
 - c) Traffic calming improvements; and
2. Facilities Projects in the amount of \$150 million, including projects consistent with:
 - a) Fire facilities (in the amount of \$40 million);
 - b) Police facilities (in the amount of \$40 million);

- c) Libraries (in the amount of \$15 million);
 - d) Parks, Recreation and Senior Facilities (in the amount of \$35 million); and
 - e) Water, energy and seismic improvements consistent with the City's Energy and Climate Action Plan (in the amount of \$20 million).
3. Anti-Displacement and Affordable Housing Preservation Projects in the amount of \$100 million:
- a) Funds may be spent on the acquisition, rehabilitation, or new construction of affordable housing as set forth in the Affordable Housing Bond Law Ordinance.

The City proposes to finance some or all of the projects described above with proceeds of the bonds issuance. Projects will be completed according to City Council established priorities, including those set forth within the CIP. Pursuant to Resolution No. 86335 C.M.S., Section 2(C) of Measure KK and Oakland Municipal Code ("OMC"), Chapter 4.54, the City Council will identify the Projects prior to each issuance. A summary of General Obligation Bond (Measure KK) issuance is included as **Table 1**.

Table 1: Summary of General Obligation Bond (Measure KK) Issuance as of 11/18/2019

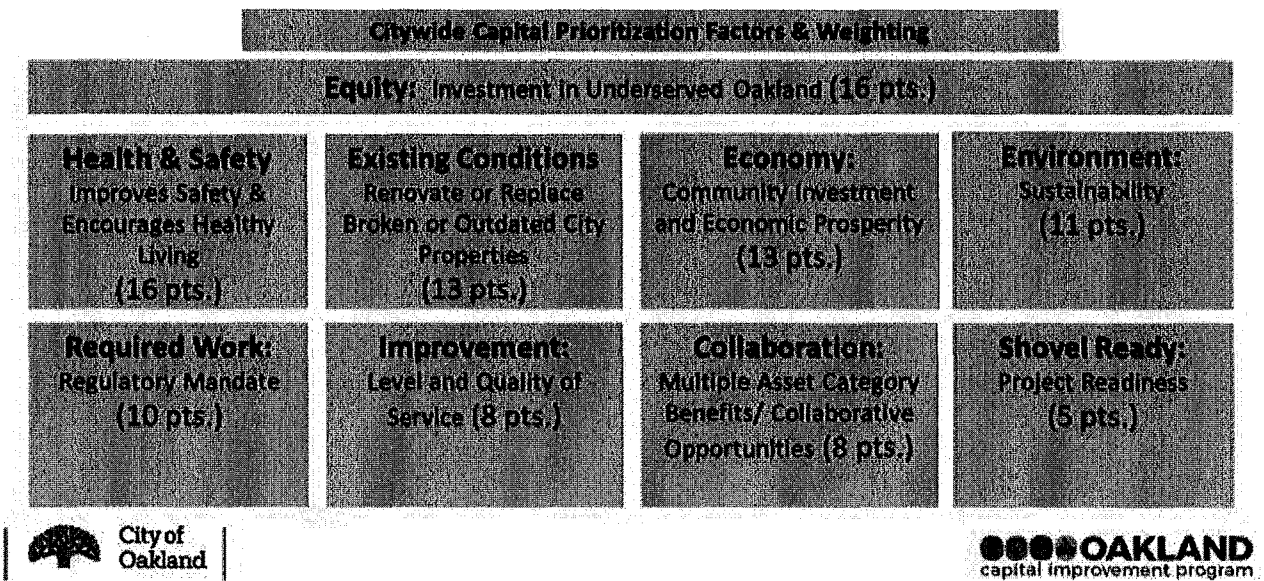
Bond Series	Par Amount	Purpose
2017A-1 (Tax-Exempt)	\$62,735,000	Streets & Facilities
2017A-2 (Taxable)	\$55,120,000	Housing
Estimated 2020B-1 (Tax-Exempt) ¹	\$145,120,000	Streets & Facilities
Estimated 2020 B-2 (Taxable) ¹	\$44,880,000	Housing
Total	\$307,855,000	
Remaining Authorization	\$292,145,000	

Timing and amounts of future issuance of authorized bonds will be determined by project funding requirements.

Capital Improvement Program Projects (Streets & Facilities Projects) (Tax-Exempt)

On October 16, 2018, the City Council adopted Resolution 87376 C.M.S. approving an updated CIP Prioritization Process used to develop the Fiscal Year 2019-21 CIP budget. The updated prioritization process incorporates community and City values and offers additional social factors such as equity, economic opportunity and public health. The updated process aligns the CIP investments with City values and priorities emphasizing equitable and transparent decisions. The graphic below illustrates the new CIP Prioritization Process, and the new scoring factors with their respective weights.

¹ Par amount will depend on costs of issuance, premium/discount bond structure and market conditions at the time of sale.



The Oakland Public Works Department and Department of Transportation received more than 500 project submissions. The City scored projects based on the adopted prioritization factors.

This CIP Prioritization Process incorporated Measure KK's requirement that, prior to funding, the City consider how select projects address the following questions:

- 1) How the projects address social and geographic equity, provide greater benefit to underserved populations and in geographic area of greatest need;
- 2) How the projects address improvements to the City's existing core capital assets;
- 3) How the projects maintain or decrease the City's existing operations and maintenance costs; and
- 4) How the projects address improvements to energy consumption, resiliency and mobility.

On June 24, 2019, City Council adopted City's biennial budget for the Fiscal Years 2019-21 under Resolution 87759 C.M.S., including approval of the CIP Budget. This approval identified those projects to be funded with Measure KK bond funds. The final list of Measure KK funded capital improvement projects are listed in **Attachment B**, Exhibit A for streets and roads projects and Exhibit B for facilities projects.

Affordable Housing Programs (Taxable)

On November 29, 2016, the City Council approved Ordinance No. 13403 C.M.S., which enacted the City of Oakland Affordable Housing and Infrastructure Bond Law. On June 19, 2017, the City Council approved Resolution No. 86774 C.M.S. identifying the affordable housing programs that are authorized for funding with proceeds from the first tranche of Measure KK bonds. The programs identified were:

- 1) Acquisition of Transitional Housing Facilities;
- 2) Site Acquisition Program;

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- 3) Housing Rehabilitation and Preservation;
- 4) New Construction; and
- 5) One-To-Four Housing Programs: Acquisition and Rehabilitation, Owner Occupied Rehabilitation, Rental Rehabilitation, Community Buying, and ADU Legalization Pilot Program.

Priorities for these programs include:

- Income targeting to extremely low income households and households with special needs or who are homeless;
- Locations in higher income neighborhoods (for rental housing) or homeownership development in census tracts with low homeownership rates; and
- Locations with revitalization potential, and locations near transit.

Affordable housing programs under the Measure KK Affordable Housing Bond Law prioritize strategies, programs and projects that increase the supply of affordable housing for those who are homeless and households most vulnerable to displacement, including extremely low income renters, and limited income seniors, veterans, and people with disabilities.

On October 1, 2019, the City Council passed Resolution No. 87876 C.M.S, which includes the establishment of the Acquisition and Conversion to Affordable Housing (ACAH) Program that replaces the Site Acquisition Program noted above. The ACAH Program is for site acquisitions and minor rehabilitation for all property sizes and includes a component for community land trusts and limited equity cooperatives.

Attachment B, (Exhibit C to the project identification resolution) is a list of the current programs to be funded with Measure KK bond funds.

ANALYSIS AND POLICY ALTERNATIVES

2020B-1/2 Bonds and Refunding Bonds

The 2020B-1/2 Bonds will be the second issuance of general obligation bonds authorized by Measure KK. The 2020B-1/2 Bonds will be issued in two series – one tax-exempt and one taxable – in an aggregate principal amount not to exceed \$190,000,000. Proceeds from issuance of the 2020B-1/2 Bonds will be used to finance the Projects in the estimated amounts listed in **Table 3**. Per Measure KK and OMC, Chapter 4.54, the City Council is expected to adopt a resolution specifying the Projects on December 10, 2019.

Table 3: Estimated Series 2020B-1/2 Projects

Category	Proposed Amount
Streets, Sidewalks and Related Infrastructure	\$97.73 million
City Facilities	\$41.44 million
Affordable Housing	\$44.61 million
Total Project Funds	\$183.78 million

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To provide the most cost-effective financing, the City monitors refunding opportunities on all of the City's outstanding debt. Due to favorable interest rates, the City Administrator recommends issuance of the Refunding Bonds in one taxable series in an aggregate principal amount not to exceed \$69,000,000 to refund the Prior Bonds for debt service savings.

The Refunding Bonds would reduce the required annual ad valorem tax levy paid by the City's property owners. The Refunding Bonds are expected to generate debt service savings for local property owners as described in **Table 4**.

Table 4: Refunding Bonds Debt Service Savings²

Refunding Bond Statistics	Estimate as of 11/18/2019
Average annual debt service savings	\$493,413
Total debt service savings through FY 2032-33	\$6,414,368
NPV savings ³	\$5,389,613
NPV savings as a percentage refunded principal	8.70%

The Bonds will have a final maturity date no later than 31 years after issuance of the Bonds, and will bear interest at an interest rate not to exceed a TIC of six percent (6%) per annum. Terms of the Bonds will be specified in the Fiscal Agent Agreement. Proceeds from the sale of the Series 2020B-1/2 Bonds will be held in trust 1) per the Fiscal Agent Agreement to finance the Projects and 2) to pay costs of issuance. Proceeds from the sale of the Refunding Bonds will be held in trust 1) per the Escrow Agreement to redeem the Prior Bonds and 2) per the Fiscal Agent Agreement to pay costs of issuance. Principal and interest due (i.e. debt service) on the Bonds is payable from ad valorem taxes levied upon all taxable property in the City. **Table 5** and **Attachment A** describe the finance charges for the Bonds per Section 5852.1 of the Government Code. Interest rates will depend on market conditions at the time of sale.

Table 5: Estimated Finance Charges of the Bonds as of 11/18/2019⁴

Bond Financing Charge Statistics	2020B-1/2 Bonds	Refunding Bonds
True interest cost of the bonds	2.91%	3.01%
Finance charge of the bonds	\$1,109,059	\$389,370
Bond proceeds received by the City	\$183,779,025	\$64,115,630
Total payment amount	\$278,665,447	\$77,948,182

The City, with the assistance of its bond counsel and financing team, will prepare a Fiscal Agent Agreement and an Escrow Agreement for the Bonds. Forms of the Fiscal Agent Agreement and Escrow Agreement are on file with the City Clerk. The City Administrator will return to the City Council at a later date for approval of other legal documents pertaining to the sale of the Bonds.

Orrick, Herrington & Sutcliffe LLP will serve as bond counsel. Curls Bartling P.C. will serve as disclosure counsel. Fieldman, Rolapp & Associates will serve as municipal advisor. U.S. Bank

² Interest rates for the Bonds will depend on market conditions at the time of sale of the Bonds

³ Net Present Value ("NPV")

⁴ Interest rates for the Bonds will depend on market conditions at the time of sale of the Bonds

National Association will serve as fiscal agent. Bank of New York Mellon Trust Company, N.A. will serve as escrow agent.

Capital Improvement Program Budget

Per the City's adopted Fiscal Year 2019-21 CIP Budget, projects are approved and allocated by fund types. The capital projects identified for funding under Measure KK General Obligation Bond are summarized in **Attachment B**.

FISCAL IMPACT

The Bonds are payable from ad valorem taxes levied upon all taxable property in the City. The City Council is authorized and obligated to levy and collect annually ad valorem taxes in an amount sufficient to pay the principal and interest due on the Bonds (i.e., debt service). Fees related to the issuance of the Bonds will be paid from bond proceeds and contingent upon closing of the transaction.

Proceeds of the 2020B-1/2 Bonds will fund the implementation of the Projects which are included in the Budget.

Debt service savings generated by the Refunding Bonds will be retained by the City's property taxpayers in the form of a reduction in future annual ad valorem tax levies. The Refunding Bonds are expected to generate average annual debt service savings of approximately \$493,413 per year, totaling \$6.4 million through FY 2032-33.

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 Finance Department, Housing and Community Development Department, Public Works Department and Department of Transportation in coordination with the Office of the City Attorney.

SUSTAINABLE OPPORTUNITIES

Economic: The Refunding Bonds will result in debt service savings by refinancing existing debt at lower interest rates for benefit of the City's property taxpayers. The capital improvement projects implemented under Measure KK, as well as any construction related activities in the affordable housing programs and projects, will be required to comply with all Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) and local hire programs with verification by the Social Equity Division of the Department of Contracting and Purchasing. The

Projects will improve roadways, sidewalks, parks, public buildings and other facilities to the economic benefit of the City. Affordable housing projects will generate construction, professional services, and ongoing property management jobs in Oakland. Affordable housing also helps to provide financial stability for low and very low-income households which frees household income to be spent on other goods and services in Oakland.

Environmental: This item will provide funding to acquire and make improvements to real property such as improvement and rehabilitation of streets, sidewalks and related infrastructure and renovation and rehabilitation of City facilities including libraries, public safety, recreation and other buildings. By developing in already built-up areas, infill affordable housing projects reduce the pressure to build on agricultural and other undeveloped land. Proposed projects are usually located near public transit which enables residents to reduce dependency on automobiles and further reduce any adverse environmental impacts of development. Projects receive priority for funding partially based on their ability to achieve high scores using Leadership in Energy & Environmental Design (LEED) or Alameda County's Green Point Rating system.

Race and Equity: This item will provide funding to acquire and make improvements to real property such as acquisition, improvement, rehabilitation, preservation, construction and repair of affordable housing. Projects are reviewed and evaluated to determine how they meet the needs of Oakland's most underserved communities in accordance with the bond requirements. Affordable housing is a means of achieving greater social equity. Providing funds for affordable housing results in more very low and low-income housing units in Oakland, where these are desperately needed, which is especially important for long-term Oakland residents. The program emphasis on conversion of market rate housing to restricted affordable housing creates opportunities to reduce displacement pressures on Oakland residents as rents soar throughout the City. Social services, are a component of many rental developments, and further build social equity through provision of services that enhance residents' lives.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A:

1. Resolution Approving The Issuance Of City Of Oakland General Obligation Bonds (Measure KK) In An Aggregate Principal Amount Not To Exceed \$190,000,000 And City Of Oakland General Obligation Refunding Bonds In An Aggregate Principal Amount Not To Exceed \$69,000,000; Approving A Fiscal Agent Agreement And Escrow Agreement; And Authorizing Necessary Related Actions; And
2. Resolution Identifying Projects Authorized For Funding With Proceeds Of City Of Oakland General Obligation Bonds (Measure KK), Series 2020B-1 And Series 2020B-2, And Allocating Bond Proceeds For The Identified Projects.

For questions regarding this report, please contact David Jones, Treasury Administrator, at (510) 238-6508.

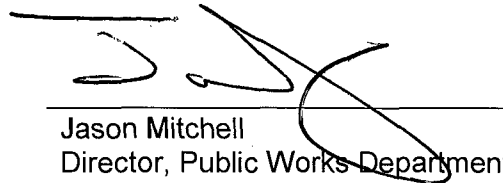
Respectfully submitted,



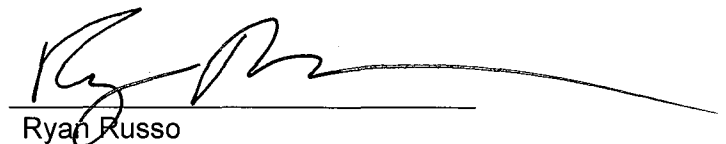
Adam Benson
Director of Finance, Finance Department



Maraskeshia Smith, Asst City Administrator
Housing & Community Development Dept



Jason Mitchell
Director, Public Works Department



Ryan Russo
Director, Department of Transportation

Sabrina B. Landreth, City Administrator

Subject: Oakland GO Bonds, Series 2020B-1/2 (Measure KK) and Refunding Series 2020

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Attachments (2):

Attachment A: Good Faith Financial Estimates Related to the Bonds

Attachment B: 2020B-1/2 Projects

Exhibit A: Streets and Roads Projects

Exhibit B: Facilities Projects

Exhibit C: Housing Programs

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Attachment A
GOOD FAITH FINANCIAL ESTIMATES RELATED TO THE
2020 MEASURE KK BONDS AND THE 2020 REFUNDING BONDS

The good faith financial estimates set forth herein are provided with respect to the Measure KK Bonds Series 2020B-1 (Tax Exempt) Series 2020B-2 (Taxable) collectively the ("2020 Measure KK Bonds") and the 2020 General Obligation Refunding Bonds (Taxable) ("2020 Refunding Bonds") in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by Fieldman, Rolapp & Associated the City's Municipal Advisor (the "Municipal Advisor").

Principal Amounts. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amounts of the 2020 Measure KK Bonds to be sold is \$184,125,000 and the 2020 Refunding Bonds to be sold is \$64,505,000 (the "Estimated Principal Amounts").

True Interest Cost of the 2020 Measure KK Bonds and the 2020 Refunding Bonds. The Municipal Advisor has informed the City that, assuming that the respective Estimated Principal Amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2020 Measure KK Bonds and the 2020 Refunding Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2020 Measure KK Bonds is 2.91% and for the 2020 Refunding Bonds, is 3.01%.

Finance Charge of the 2020 Measure KK Bonds and the 2020 Refunding Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2020 Measure KK Bonds is \$1,109,058.80 and for the 2020 Refunding Bonds is \$389,370.11 which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds).

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the 2020 Measure KK Bonds is \$183,779,025.40 and for the 2020 Refunding Bonds is \$64,115,629.89, less the finance charge of the 2020 Measure KK Bonds and the 2020 Refunding Bonds, as estimated above.

Total Payment Amounts. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amounts, which means the sum total of all payments the City will make to pay debt service on the 2020 Measure KK Bonds and the 2020 Refunding Bonds, plus the finance charge for the 2020 Measure KK Bonds and the 2020 Refunding Bonds, as described above, not paid with the proceeds of the 2020 Measure KK Bonds and the 2020 Refunding Bonds, calculated to the final maturity of the 2020 Measure KK Bonds is \$278,665,446.55 and for the 2020 Refunding Bonds, is \$77,948,181.78.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds issued and sold, the true

interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2020 Measure KK and the 2020 Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2020 Measure KK Bonds and the 2020 Refunding Bonds sold being different from the respective Estimated Principal Amounts, (c) the actual amortization of the 2020 Measure KK Bonds and the 2020 Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2020 Measure KK Bonds and the 2020 Refunding Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the 2020 Measure KK Bonds and the 2020 Refunding Bonds and the actual principal amounts of Measure KK and the 2020 Refunding Bonds sold will be determined by the City based on various factors. The actual interest rates borne by the 2020 Measure KK Bonds and the 2020 Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2020 Measure KK Bonds and the 2020 Refunding Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

Attachment B: 2020B-1/2 Projects

Exhibit A: Streets and Roads Projects

Exhibit B: Facilities Projects

Exhibit C: Housing Programs

Exhibit A - Streets and Roads Projects

Department/Project	Total Bond Allocations	Series B (F8.19-21 Social & Geographical Equity approved by Council, Reso. 87759)	Improvements to Assets: Improvement of assets will extend the useful life of facilities/assets and increase program usability	O & M reduction or neutral	Energy consumption, resiliency, and mobility
Citywide Street Resurfacing*	\$ 75,250,000	Paving projects are identified in Oakland's adopted 3-year paving plan, which was developed to devote 75% of the funding to local streets citywide that are in the worst condition while devoting the remaining 25% to keeping major arterial streets in their current good condition. Local streets were prioritized using a formula that considered street condition, population density (use) and equity factors (HH income and race). The resulting plan provides paving in all areas of the City, but concentrates activities in the districts with the worst streets and highest share of underserved populations. Curb Ramps and Sidewalk Repair programs are similarly prioritized and often are implemented alongside street repaving projects. Safe Routes to Schools Projects are distributed citywide and prioritized based on equity factors including school locations and percent of students receiving free/reduced lunches. The Complete Streets Capital program funds complete streets improvements throughout the City; it primarily provides local match for grant funded projects, most of which also have high scores in the CIP prioritization process which indicate a high equity need. Through the CIP prioritization process, the City also identified several new projects for complete streets capital funding; these projects are all located in high equity need neighborhoods.	The City's streets are a core capital asset that allows for the safe, efficient movement of people and goods throughout Oakland. All of the funds for transportation directly address preservation of, or an improvement to these core capital assets. The majority of bond proceeds proposed for transportation (75.25 million) will fund the 3 year Paving Plan. Funds will also repair the City's existing sidewalks and install ADA compliant curb ramps. Bond funds will also leverage grant funded projects that improve existing streets; these projects increase safety for bicyclists, pedestrians and drivers by installation of crossing signals, signage, bike lanes, pedestrian crossing improvements, etc. Finally this program will implement Safe Routes to Schools improvements near up to eleven elementary, middle and high schools in Oakland.	By addressing years of deferred maintenance, the proposed projects will decrease maintenance costs well into the future. In the case of pavement resurfacing, operations and maintenance (O&M) costs increase exponentially as pavement quality decreases; this program will upgrade pavement to a "new" condition in which it is easier and less expensive to maintain in a state of good repair. As the City's overall pavement condition improves, a greater percentage of O&M budgets can be devoted to system preservation enhancements (such as crack sealing and skim coating) rather than to short term solutions to catastrophic failures such as pothole patching. Similarly for sidewalks, curb ramps and streetscape assets, new and improved infrastructure should result in lower O&M needs in the short-medium term.	<u>Energy consumption:</u> Investment in the City's street infrastructure has a neutral to positive impact on overall energy consumption because it benefits not only autos, but also transit and bicycle transportation options. Most of the non-paving investments explicitly improve the safety and ease of the pedestrian, bicycle and transit environment, and aim to increase the mode share of transportation alternatives to the single vehicle. <u>Resiliency:</u> The maintenance and improvement of a multi-modal transportation network builds resiliency into the system by promoting transportation options. <u>Mobility:</u> All proposed projects increase mobility options for Oaklanders. Pavement resurfacing improvements planned for all neighborhoods enhance the mobility for all modes, not only autos, but also the bicyclists and transit vehicles that use these roads, and pedestrians who use the sidewalks and curb ramps that are also improved. Other transportation investments such as Complete Streets Capital and Safe Routes to Schools explicitly seek to increase the safety, utility and appeal of walking, biking and using transit as a valid alternative to driving.
Complete Streets Capital Program*	\$ 13,480,000				
Curb Ramps Program	\$ 4,000,000				
Neighborhood Traffic Safety/Safe Routes to Schools*	\$ 3,000,000				
Sidewalk Repair Program	\$ 2,000,000				

* further defined and described in the Adopted Capital Improvement Program FY 2019-2021

Exhibit B - Facilities Projects

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Measure KK Project Allocation Analysis

Department	Total Bond Allocations	Series B (Fv19-21 approved by Council, Reso. 87759)	Social & Geographical Equity	Improvements to Assets: Improvement of assets will extend the useful life of facilities/assets and increase program usability	O & M reduction or neutral	Energy consumption, resiliency, and mobility
Brookfield Br. Library Phase 2		\$ 750,000	The proposed library projects cover facilities located in isolated neighborhoods or in low-income, underserved communities. The Hoover, Elmhurst, and Brookfield branches are in East Oakland and serve a largely African American and growing Spanish speaking community that is low-income and primarily renters. The West Oakland Branch is in a transitioning, underserved area of Oakland that is racially and economically diverse, low-income, and geographically isolated by I-880, I-980, and I-580 freeways. The Main Library is over 65 years old and serves all of the City's residents at a systemwide level. The immediate neighborhood, close to Chinatown, is home to a mixed race/ethnic population and includes many residents with limited English fluency. Households in the immediate neighborhood of the Main Library range in economic status from lower-income renters to higher-income condominium	The library branches are core community and capital assets that range in age from 21-65 years or have been closed (for example, Hoover Branch). All of the facilities require a variety of renovations to address program use, safety, access, and infrastructure updates necessary to meet new technological needs and code requirements. The improvements will ensure that these libraries remain open, provide up-to-date library services, and increase accessibility and safety for residents and staff.	By addressing years of deferred maintenance, the proposed library renovations will decrease maintenance costs well into the future. The renovations include upgrades to lighting, safety, access, and to all electrical and data infrastructure to meet new technological needs and code requirements. The enhancements will decrease the City's operational and maintenance costs for breakage and replacement of panels and circuit breakers, painting of graffiti, and overall maintenance	The proposed library renovations will help bring the facilities in line with California's current Building Energy Efficiency Standards (California Code of Regulations, Title 24), and will include electrical and technological infrastructure upgrades and efficiencies, providing up-to-date library services while increasing accessibility and safety for residents and staff.
Elmhurst Br. Library Renov/Remodel	\$ 500,000					
Hoover Br. Library - Feasib Study	\$ 500,000					
Main Library - New facility feasibility study	\$ 700,000					
Main Library - Ph. 2 renovation	\$ 2,000,000					
Oakland Tool Lending Library	\$ 420,000					
West Oakland Br. Library Improvements (Ph 2)	\$ 1,525,000					
Allendale Rec. Ctr. Tot Lot	(Additional Funds)	\$ 262,500	The parks and recreation facilities are located either in areas with high ethnic diversity, many low income residents, or many residents with limited English fluency, or are facilities serving Citywide users. The recreation centers range in age from 45 to 60 years, and include antiquated building systems that are in need of upgrades. A few of the projects have already been identified for expansions or renovations and have gone through, or in the midst of, robust community engagement processes, such as Lincoln Square Recreation Center and Mosswood Community Center. Almost all of the projects are located in disadvantaged communities in deep East or West Oakland that face lack of open space and amenities, or in dense urban neighborhoods impacted by rising developments and displacement threats. Some of the projects will provide additional funds to complete or leverage an existing on-going project such as Holly Mini Park and Allendale Tot Lot. The Caldecott Trail project will replenish funds previously reallocated to the Rainbow Recreation Center project to ensure that the Rainbow project could be completed. Facilities such as the Dimond Park Tennis Courts and Joaquin Miller Park Cascade projects are Citywide facilities that are used to provide Citywide programs for Citywide users. The Head Start Program facilities and senior services facilities serve Oakland's most vulnerable populations of families with children and the elderly. The sites proposed for improvements are located in East and West Oakland neighborhoods that have some of the highest child poverty and crim rates rates in the City.	The proposed projects will provide renovations and improvements to core capital assets that provide a high volume of programming and events for underserved communities. The park facilities project will expand and develop plans to fully renovate facilities. The Head Start and Senior Center facilities will be updated to renovate aging facilities and create modernized spaces for young children and the elderly. The improvements will provide safe, useable facilities that will extend the useful life of each facility and, in some cases, provide capacity for additional programming.	After lack of maintenance resources, the renovations and improvements of these facilities will address many significant needs, prevent further damage to the facilities, and extend the useful life of the facilities for program and recreational use. The recreation center, senior centers, and Head Start facilities will be expanded and renovated, Mosswood Park will receive a new facility to replace a previous facility that burned down, and new restrooms will serve public use in park spaces. Additionally, the improvements will, in some cases, lower operations cost by removing hazards and liability risks	Modern infrastructure for recreation centers and parks will incorporate energy conservation, natural resource reduction, water efficiencies, and stormwater treatment. These infrastructure improvements will reduce resource consumption, reduce litter, and will be compliant with accessibility laws. Mosswood Community Center will meet Leadership in Energy and Environmental Design Silver standards, park projects will implement technology or be Bay Friendly Landscape certified, and existing facilities renovation will incorporate management practices in reduction of energy and natural resources consumption. All projects will meet ADA standards and make improvements to further enhance accessibility and promote equity in use and opportunities. Projects will incorporate enhancements to make facilities usable as part of City's Resilience Plan, such as for post disaster use or as cooling facilities to respond on climate impacts. Completed projects will promote healthy living and serve as resources for users. The proposed improvements will provide greater access to high-quality, safe, and nurturing learning and recreation environments, and will further investment in the City's core "human and social" assets – its diverse families and children.
Arroyo Viejo Rec. Ctr.	\$ 3,000,000					
Brookdale Rec. Ctr. Expansion	\$ 2,000,000					
Caldecott Trailhead Improvements	(Additional Funds) \$ 486,300					
Digital Arts & Culinary Academy Ph. 2 Renov	\$ 1,500,000					
Dimond Park - Tennis Courts	\$ 300,000					
Downtown Oakland Senior Center	\$ 1,175,000					
East Oakland Senior Ctr Renovation	\$ 2,000,000					
East Oakland Sport Center - Outdoor Pool	\$ 2,000,000					
Head Start Ctr. Renov. - Tassafaronga	\$ 150,000					
Holly Mini Park	(Additional Funds) \$ 400,000					
Joaquin Miller Park Cascade - Bottom two fountain repairs	\$ 170,000					
Lincoln Rec. Ctr. Expansion/Renov.	\$ 1,700,000					
Madison Park Irrigation Upgrade/Repair	\$ 100,000					
Mosswood Community Center	(Additional Funds) \$ 4,000,000					
Public Restrooms - Concordia & Madison	\$ 500,000					
San Antonio Rec. Ctr. & HS CIP	\$ 1,750,000					
West Oakland Senior Ctr. Renovation	\$ 1,000,000					

Attachment B

11/19/2019

Measure KK Project Allocation Analysis

Department	Total Bond Allocations	Series B (FY19-21 approved by Council, Reso. 87759)	Social & Geographical Equity	Improvements to Assets: Improvement of assets will extend the useful life of facilities/assets and increase program usability	O & M reduction or neutral	Energy consumption, resiliency, and mobility
FS #29 New Station & Training Complex	\$ 7,000,000		Fire Station 29 is located in East Oakland and serves several highly disadvantaged neighborhoods and communities that have been traditionally underserved as identified by the City Equity map.	The replacements, renovations, and improvements proposed for OFD are necessary to remedy facility issues that impact OFD's emergency response and provide firefighters with safe and sanitary facilities to live and train. The OFD station replacements, renovations and improvements will keep these core capital assets functional.	By addressing years of deferred maintenance for facilities that cannot be brought up to current emergency response standards per National Fire Protection Association (NFPA) and constructing new facilities, the proposed projects will incorporate latest standards and expand programs while decreasing maintenance costs into the future.	<p>The proposed project is an opportunity to improve OFDs aging building stock to not only improve firefighting and emergency response capabilities, but also to implement changes that would bring the buildings in line with current California's Building Energy Efficiency Standards (California Code of Regulations, Title 24), the 2016 Update to the Energy and Climate Action Plan, and would therefore have a potential to reduce energy consumption in OFD Fire Stations.</p> <p>Fire stations serve as the "base" for OFDs emergency response and ability to recover from a major disaster. The new facilities will reduce the risks to both OFD personnel and the residents of Oakland, as well as support the City's and the greater Oakland community's ability in respond to emergencies. The goal of the project is to improve the City's ability to respond to emergencies and work towards the improving the continuity of critical services. Moreover, the OFDs planning efforts for the OFD Training Center are in alignment with the resilience value of "fostering long-term and integrated planning."</p>
No new projects proposed.						

Attachment B

11/19/2019

Measure KK Project Allocation Analysis

<u>Department</u>	<u>Total Bond Allocations</u>	<u>Series B (Fy19-21 approved by Council, Reso. 87759)</u>	<u>Social & Geographical Equity</u>	<u>Improvements to Assets:</u> Improvement of assets will extend the useful life of facilities/assets and increase program usability	<u>O & M reduction or neutral</u>	<u>Energy consumption, resiliency, and mobility</u>
H Robinson Multi-Service Center - Air Conditioning Replacement (Additional Funds)	\$	200,000	The proposed projects are facilities that provide services and programs for Citywide users. The Henry Robinson Multi-Service Center provides programs to underserved clients, primarily African American men and persons requiring mental health support. The Animal Service center is the City's only service facility for animal owners who cannot afford private care services. The center also shelters homeless, injured, and mistreated animals. The Museum provides programs and services for the entire City, bringing programs to children from all over the City and providing programs for low-income families.	The proposed environmental projects for the HVAC and drainage system will improve water and air quality and will help prevent the spread of disease and health contaminants at the facilities. Structural improvements will reinforce buildings to maintain integrity and ensure and extend the lifetime of the building.	The existing systems are inadequate and deteriorating or at the end of their useful life. They require constant maintenance or significant upgrades. The proposed improvements will extend the useful life of the systems and improve the air, water, and structural quality of the facilities.	The proposed improvements will enhance water quality and promote water conservation, improve air quality through a planting and bio-filtration system, reduce energy consumption through the use of modernized HVAC equipment, and ensure structural integrity by improving the seismic stability of the buildings.
Museum Collection Center Seismic Improvements & Museum Water Quality Improvements	\$	4,000,000				
Oakland Animal Serv. Ctr. - Floor replacement/drainage improvement	\$	1,350,000				

Exhibit C

Anti-Displacement and Affordable Housing Preservation Programs

Program Name/ Eligible Activity Per Bond Law	Program Description	Project Attributes per Ordinance	Estimated Funding Allocation
<p>Acquisition of Transitional Housing Facility</p> <p>Protect Existing Homes (Rental)</p>	<p>Purchase and/or rehabilitation costs of transitional housing facilities. Staff will return to Council with recommended properties to purchase and/or rehabilitate.</p>	<p>Social and geographic equity: Creates affordable housing for individuals and households that are experiencing homelessness.</p> <p>Impacts on City's existing core capital assets: Does not directly improve core capital assets but may provide collateral improvements.</p> <p>Impacts on City's existing operations and maintenance costs: Properties will be operated and maintained by lessee.</p> <p>Improvements to energy consumption, resiliency and mobility: Rehabilitation will improve energy consumption based on current standards and possibly address other resiliency issues.</p>	<p>\$1,000,000</p>

Program Name/ Eligible Activity Per Bond Law	Program Description	Project Attributes per Ordinance	Estimated Funding Allocation ¹
<p>Acquisition and Conversion to Affordable Housing (ACAH) NOFA</p> <p>Protect Existing Homes (Rental), Protect Existing Homes (Ownership)</p>	<p>Loans for acquisition and minor rehabilitation costs. The program will be bifurcated into two subprograms: one for projects with 25 units or less with funds allocated towards community land trusts and limited equity cooperatives and organizations that partner with these entities and one for projects with one unit and greater. Projects are awarded on a competitive basis, but there will be priority points given to projects that prevent the displacement of existing tenants. Protects and preserves long-term affordable housing for both ownership and rental. City Administrator will approve loans without returning to City Council for approval to meet timing constraints of the market. Applies 55 year affordability restrictions.</p>	<p>Social and geographic equity: Creates affordable housing through long-term affordability restrictions. By targeting funds to projects that will prevent displacement and to organizations serving underserved communities, existing low-income Oakland residents will be afforded the opportunity to remain in their homes. Funds will also be used for projects that promote resident ownership.</p> <p>Impact on City's existing core capital assets: Does not directly improve core capital assets but may provide collateral improvements.</p> <p>Impact on City's existing operations and maintenance costs: Operations and maintenance cost will be covered by the property owner.</p> <p>Improvements to energy consumption, resiliency and mobility: Rehabilitation will improve energy consumption based on current standards and possibly address other resiliency issues.</p>	<p>\$28,000,000</p>

¹ Includes funding for administration.

Program Name/ Eligible Activity Per Bond Law	Program Description	Project Attributes per Ordinance	Estimated Funding Allocation ²
<p>Notice of Funding Availability (NOFA) for Housing Acquisition, Rehabilitation and Preservation</p> <p>Protect Existing Homes (Rental), Protect Existing Homes (Ownership)</p>	<p>Loans for acquisition and rehabilitation of both ownership and rental housing to secure and preserve affordability restrictions. Projects are awarded through a competitive process. Priority points given to projects that prevent displacement and to projects that address homelessness through permanent supportive housing and units restricted to people experiencing homelessness. Applies 55-year affordability restrictions. Staff will return to Council with recommended projects.</p>	<p>Social and geographic equity: Creates affordable housing through long-term affordability restrictions for low-income individuals and households as well as those experiencing homelessness.</p> <p>Impact on City's existing core capital assets: Does not directly improve core capital assets but may provide collateral improvements.</p> <p>Impact on City's existing operations and maintenance costs: Operations and maintenance cost will be covered by the property owner.</p> <p>Improvements to energy consumption, resiliency and mobility: Future rehabilitation will improve energy consumption based on current standards and possibly address other resiliency issues.</p>	<p>\$16,000,000</p>


² Includes funding for administration.

Program Name/ Eligible Activity Per Bond Law	Program Description	Project Attributes per Ordinance	Estimated Funding Allocation
<p>NOFA for New Construction of Affordable Rental and Ownership Housing/</p> <p>New Construction (Rental and/or Ownership)</p>	<p>Loans for new construction of affordable housing including rental, ownership and supportive housing. Projects are awarded through a competitive process. Priority points given to projects that address homelessness through permanent supportive housing and units restricted to people experiencing homelessness. Applies 55-year affordability restrictions. Staff will return to Council with recommended projects. These may or may not be matching funds to leverage Alameda County A1 Bond funds.</p>	<p>Social and geographic equity: Creates affordable housing through long-term affordability restrictions for low-income individuals and households as well as those experiencing homelessness.</p> <p>Impact on City's existing core capital assets: Does not directly improve core capital assets but may provide collateral improvements.</p> <p>Impact on City's existing operations and maintenance costs: Operations and maintenance cost will be covered by the property owner.</p> <p>Improvements to energy consumption, resiliency and mobility: Future development will improve energy consumption based on current standards and possibly address other resiliency issues.</p>	<p>To be determined based on availability of funds following awards made pursuant to the above two programs.</p>

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 DEC -5 PM 4: 39

Approved as to Form and Legality


City Attorney's Office
Ravi S. Patel

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION APPROVING THE ISSUANCE OF CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE KK) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$190,000,000 AND CITY OF OAKLAND GENERAL OBLIGATION REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$69,000,000; APPROVING A FISCAL AGENT AGREEMENT AND ESCROW AGREEMENT; AND AUTHORIZING NECESSARY RELATED ACTIONS

WHEREAS, the City Council of the City of Oakland (the "City") desires to authorize the issuance of its General Obligation Bonds (Measure KK), Series 2020B-1 (Tax-Exempt) (the "Series 2020B-1 Bonds"), General Obligation Bonds (Measure KK), Series 2020B-2 (Taxable) (the "Series 2020B-2 Bonds" and collectively with the Series 2020B-1 Bonds, the "Measure KK Bonds") and "General Obligation Refunding Bonds, Series 2020 (Taxable) (the "Refunding Bonds", and collectively with the Measure KK Bonds, the "Bonds"); and

WHEREAS, the Measure KK Bonds will be issued under an Ordinance Authorizing The Issuance of Infrastructure Bonds In An Amount Not To Exceed \$600 Million To Improve Public Safety And Invest In Neighborhoods ("Measure KK"), which was approved by more than two-thirds of the qualified voters of the City at the November 8, 2016, Statewide General Election; and

WHEREAS, the City previously authorized an initial issuance of Measure KK tax-exempt and taxable bonds in an aggregate principal amount not to exceed \$125,000,000 pursuant to Resolution No. 86817 C.M.S on June 29, 2017 and now desires to authorize the current further issuance;

WHEREAS, the proceeds of the indebtedness authorized by Measure KK will be used to acquire and make improvements to real property such as improvement and rehabilitation of streets, sidewalks and related infrastructure, renovation and rehabilitation of City facilities including libraries, public safety, recreation and other buildings, and acquisition, improvement, rehabilitation, preservation, construction and repair of affordable housing; and

WHEREAS, this City Council intends to issue the Measure KK Bonds for the purposes set forth above, pursuant to Measure KK and the City of Oakland Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54 (the "Bond Act"); and

WHEREAS, pursuant to Section 2(C) of Measure KK and the Bond Act, the City has approved projects eligible to be funded from Measure KK bond revenues pursuant to Resolution Nos. 86773 C.M.S., 86774 C.M.S., 86814 C.M.S., 86815 C.M.S., 86816 C.M.S. and a Resolution anticipated to be approved concurrently with this Resolution (the "Projects"); and

WHEREAS, the City issued its General Obligation Refunding Bonds, Series 2012 (the "Prior Bonds") on January 10, 2012; and

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Government Code"), the City is authorized to issue general obligation bonds to refund all or a portion of the Prior Bonds if the City Council determines that prudent management of the fiscal affairs of the City requires the issuance of such refunding bonds, and if the total net interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds does not exceed the total net interest cost to maturity of the Prior Bonds plus the principal amount of the Prior Bonds; and

WHEREAS, the City Council determines that prudent management of the fiscal affairs of the City requires the issuance of the Refunding Bonds for the purpose of refunding all or a portion of the Prior Bonds according to the terms and in the manner hereinafter set forth; and

WHEREAS, there have been submitted and are on file with the Clerk of this City Council (the "Clerk") proposed forms of a fiscal agent agreement, (the "Fiscal Agent Agreement"), by and between the City and U.S. Bank National Association as fiscal agent, and an escrow agreement (the "Escrow Agreement") by and between the City and The Bank of New York Mellon Trust Company, N.A., with respect to the Bonds; and

WHEREAS, pursuant to Section 5852.1 of the Government Code of the State of California, the City has received certain representations and good faith estimates from the Municipal Advisor and the City has disclosed such good faith estimates as set forth on Exhibit A attached hereto; now, therefore be it

RESOLVED: By the City Council of the City of Oakland as follows:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Authorization of Bonds. This City Council hereby authorizes and approves the issuance of: "City of Oakland General Obligation Bonds (Measure KK) Series 2020B-1 (Tax-Exempt)" (the "Series 2020B-1 Bonds") in an aggregate principal amount not to exceed \$145,120,000; "City of Oakland General Obligation Bonds (Measure KK) Series 2020B-2 (Taxable)" (the "Series 2020B-2 Bonds," and collectively with the Series 2020B-1 Bonds, the "Measure KK Bonds") in an aggregate principal amount not to exceed \$44,880,000; and "City of Oakland General Obligation Refunding Bonds, Series 2020 (Taxable)" (the "Refunding Bonds" and collectively with the Measure KK Bonds, the "Bonds") in an aggregate principal amount not exceed 69,000,000. The principal amounts shall be finally determined by the City Administrator, the Director of Finance or such other officer of the City designated by the City Administrator or the Director of Finance in writing (each being hereinafter referred to as an "Authorized Representative"). The Bonds shall have a final maturity date no later than 31 years after issuance of the Bonds; and shall bear interest at an interest rate not to exceed a true interest cost of 6.00%.

Section 3. Terms of the Bonds. The aggregate principal amount of Bonds, the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, shall be as specified in the Fiscal Agent Agreement as executed by an Authorized Representative.

Section 4. Tax Levy. For the purpose of paying principal of and interest on the Measure KK Bonds and Refunding Bonds, the City Council shall, at the time of making the general tax levy after incurring the bonded indebtedness, and annually thereafter until the Measure KK Bonds and Refunding Bonds are paid or until there is a sum in the treasury of the City set apart for that purpose sufficient to meet all payments of principal and interest on the Measure KK Bonds and Refunding Bonds as they become due, levy and collect a tax sufficient to pay the interest on the Measure KK Bonds and Refunding Bonds and such part of the principal and interest as will become due before the proceeds of a tax levied at the next general tax levy will be available; provided, however, that if it is expected that all or any part of the Measure KK Bonds or Refunding Bonds will be sold at such time that the principal of or interest on such Bonds will become due before the proceeds of a tax levied after such sale would be available to pay such principal or interest, the City Council, at the time of fixing the annual tax levy, may levy a tax in an amount clearly sufficient to pay that portion of the principal of and interest on such Bonds which it is expected will become due before the proceeds of the next succeeding tax levy will be available. Such taxes shall be levied and collected as other City taxes that are collected on the assessor's roll for the County of Alameda and shall be in addition to all other taxes and shall be used only for payment of the principal of the Measure KK Bonds and Refunding Bonds and interest thereon. Said taxes as collected shall be forthwith paid into the fund for which the same were levied and collected and which shall be designated the "City of Oakland General Obligation Bonds (Measure KK) Debt Service Fund" and "City of Oakland General Obligation Refunding Bonds Debt Service Fund" (collectively, the "Debt Service Funds"), and all sums to become due for the principal of and interest on the Measure KK Bonds or Refunding Bonds shall be paid from the related Debt Service Fund.

When all of the principal of and interest on the Measure KK Bonds or Refunding Bonds shall have been paid, any balance of money then remaining in the related Debt Service Fund shall be transferred to the general fund of the City.

Section 5. Fiscal Agent Agreement. The form of the Fiscal Agent Agreement, by and between the City and U.S. Bank National Association, in substantially the form on file with the Clerk, is hereby approved and authorized. Any Authorized Representative is hereby authorized and directed to execute and deliver an agreement in substantially said form, completed with terms as shall be agreed to by the Authorized Representative in accordance with this Resolution, and with such other additions, changes or modifications therein as the Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Escrow Agreement. The form of the Escrow Agreement, by and between the City and The Bank of New York Mellon Trust Company, N.A., in substantially the form on file with the Clerk, is hereby approved and authorized. Any Authorized Representative is hereby authorized and directed to execute and deliver an agreement in substantially said form, completed with terms as shall be agreed to by the Authorized Representative in accordance with this Resolution, and with such other additions, changes or modifications therein as the Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Appointment of Bond Counsel, Disclosure Counsel and Municipal Advisor. The City Council hereby acknowledges the appointments by the City Attorney of Orrick, Herrington & Sutcliffe LLP, as bond counsel ("Bond Counsel"), and Curis Bartling P.C., as disclosure counsel ("Disclosure Counsel"). The selection by the Director of Finance of Fieldman, Rolapp & Associates, as municipal advisor ("Municipal Advisor") with respect to the Bonds, is hereby affirmed.

Section 8. Authorization of Further Actions. The officers and employees of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized, and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. Each Authorized Representative is hereby authorized and directed to execute and deliver any and all notices, certificates and representations, including signature certificates, no-litigation certificates, tax certificates, notices to the California Debt and Investment Advisory Commission, and to enter into such agreements or contracts or other services with respect to the Bonds, as such officers deem necessary and desirable to accomplish the purposes of this Resolution.

Section 9. Reimbursement. The City Council for purposes of establishing compliance with Section 1.150-2 of the Treasury Regulations hereby declares the City's intent to reimburse the City with the proceeds of the Bonds for expenditures with respect to the Projects.

Section 10. Ratification of Actions. All actions heretofore taken by the officers and agents of the City with respect to the issuance of the Bonds, and the other transactions authorized and contemplated herein, are hereby approved, confirmed and ratified.

Section 11. Effective Date. This Resolution shall be effective immediately upon passage.

2872358v1

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

Exhibit A

GOOD FAITH FINANCIAL ESTIMATES RELATED TO THE 2020 MEASURE KK BONDS AND THE 2020 REFUNDING BONDS

The good faith financial estimates set forth herein are provided with respect to the Measure KK Bonds Series 2020B-1 (Tax Exempt) SeriesB-2 (Taxable) collectively the ("2020 Measure KK Bonds") and the 2020 General Obligation Refunding Bonds (Taxable) ("2020 Refunding Bonds") in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by Fieldman, Rolapp & Associated the City's Municipal Advisor (the "Municipal Advisor").

Principal Amounts. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amounts of the 2020 Measure KK Bonds to be sold is \$184,125,000 and the 2020 Refunding Bonds to be sold is \$64,505,000 (the "Estimated Principal Amounts").

True Interest Cost of the 2020 Measure KK Bonds and the 2020 Refunding Bonds. The Municipal Advisor has informed the City that, assuming that the respective Estimated Principal Amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2020 Measure KK Bonds and the 2020 Refunding Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2020 Measure KK Bonds is 2.91% and for the 2020 Refunding Bonds, is 3.01%.

Finance Charge of the 2020 Measure KK Bonds and the 2020 Refunding Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2020 Measure KK Bonds is \$1,109,058.80 and for the 2020 Refunding Bonds is \$389,370.11 which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds).

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the 2020 Measure KK Bonds is \$183,779,025.40 and for the 2020 Refunding Bonds is \$64,115,629.89, less the finance charge of the 2020 Measure KK Bonds and the 2020 Refunding Bonds, as estimated above.

Total Payment Amounts. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amounts, which means the sum total of all payments the City will make to pay debt service on the 2020 Measure KK Bonds and the 2020 Refunding Bonds, plus the finance charge for the 2020 Measure KK Bonds and the 2020 Refunding Bonds, as described above, not paid with the proceeds of the 2020 Measure KK Bonds and the 2020 Refunding Bonds, calculated to the final maturity of the 2020 Measure KK Bonds is \$278,665,446.55 and for the 2020 Refunding Bonds, is \$77,948,181.78.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2020 Measure KK and the 2020 Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2020 Measure KK Bonds and the 2020 Refunding Bonds sold being different from the respective Estimated Principal Amounts, (c) the actual amortization of the 2020 Measure KK Bonds and the 2020 Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2020 Measure KK Bonds and the 2020 Refunding Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the 2020 Measure KK Bonds and the 2020 Refunding Bonds and the actual principal amounts of Measure KK and the 2020 Refunding Bonds sold will be determined by the City based on various factors. The actual interest rates borne by the 2020 Measure KK Bonds and the 2020 Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2020 Measure KK Bonds and the 2020 Refunding Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

CERTIFICATE OF THE CITY CLERK

I, LaTonda Simmons, City Clerk and Clerk of the City Council of the City of Oakland (the "City"), hereby certify that the foregoing is a full, true and correct copy of Resolution No. ____, duly adopted at a meeting of the City Council of the City duly and regularly held on December 10, 2019, of which meeting all of said City Council had due notice.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a true, complete and correct copy of the original resolution duly adopted at said meeting and entered in said minutes; and that said resolution has not been modified, amended, rescinded or revoked except as provided in such resolution in any manner since the date of their adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate this ____ day of _____, 2020.

LATONDA SIMMONS
City Clerk and Clerk of the City Council
City of Oakland, California