



CITY OF OAKLAND

AGENDA REPORT

TO: Elizabeth Lake
Acting City Administrator

FROM: Bradley Johnson
Director of Finance

SUBJECT: Reimbursement Resolution, General
Obligation Bonds

DATE: June 30, 2026

City Administrator Approval


Betsy Lake (Jul 1, 2026 18:15:01 PDT)

Date: Jul 1, 2026

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Declaring The City Council's Official Intent To Reimburse Certain Expenditures From Proceeds Of Obligations For Project Costs In Connection With Oakland Trust for Clean Water and Safe Parks (Measure DD), Affordable Housing and Infrastructure (Measure KK), and 2022 Affordable Housing and Infrastructure Bond (Measure U)

EXECUTIVE SUMMARY

Pursuant to Internal Revenue Service (IRS) regulations, project expenditures incurred prior to the issuance of bonds can be reimbursed with bond proceeds. This proposed resolution is a requirement of the IRS to utilize tax-exempt bond proceeds for such reimbursement purposes. The adoption of the proposed resolution provides the City with the flexibility to initiate projects prior to the issuance of general obligation bonds. In turn, this allows for projects to be efficiently completed and bond proceeds efficiently spent.

BACKGROUND / LEGISLATIVE HISTORY

On November 5, 2002, more than two-thirds of qualified voters approved a ballot measure ("Measure DD") authorizing the issuance of general obligation bonds in an amount not to exceed \$198.25 million to fund various City parks, clean water protection, and youth recreation projects. Since then, the City has issued \$162.495 million of Measure DD bonds and \$35.755 million of voter authorization remains.

On November 8, 2016, more than two-thirds of qualified voters approved a ballot measure ("Measure KK") authorizing the issuance of Infrastructure and Housing Bonds in an amount not to exceed \$600 million to improve public safety and invest in neighborhoods by funding affordable housing and various improvements to public facilities, streets and sidewalks. Since then, the City has issued \$567.535 million of Measure KK general obligation bonds and \$32.465 million of voter authorization remains.

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On November 8, 2022, more than two-thirds of qualified voters approved a ballot measure (“Measure U”) authorizing the issuance of Affordable Housing and Infrastructure Bonds in an amount not to exceed \$850 million to fund affordable housing and housing preservation projects, transportation projects, and various city infrastructure projects. Since then, the City has issued \$386.2 million of Measure U general obligation bonds and \$463.8 million of voter authorization remains.

ANALYSIS AND POLICY ALTERNATIVES

The City desires to fund expenditures for projects in accordance with Measure DD, Measure KK, and Measure U. The City intends to issue additional general obligation bonds in one or more series under Measure DD, Measure KK, and/or Measure U in the first quarter of 2027, funding projects in accordance with the ballot measures. Prior to the issuance of general obligation bonds, the City desires to incur expenditures. The City has determined that the advance payment of project expenditures is only for a temporary period and it is necessary to reimburse the City for the expenditures from future general obligation bond proceeds.

In order for the City to reimburse project costs incurred from bond proceeds, the proposed resolution needs to be adopted no later than 60 days after the date on which the City will expend the money for such costs. The action is necessary to comply with Treasury Regulation Section 1.150-2 and any other regulations of the IRS relating to the qualification for reimbursement of City expenditures.

Also, this will provide the City with the flexibility to initiate projects prior to the issuance of general obligation bonds. In turn, this allows for projects to be efficiently completed and bond proceeds to be spent timely.

RELATED PLANNING EFFORTS

This agenda item will advance the [Department of Housing and Community Development's \(Oakland HCD\) plan](#) to administer \$350 million in affordable housing dollars under the ballot measure. It also supports the efficient implementation of the [Capital Improvement Program \(CIP\)](#), making critical capital investments throughout the City such as funding improvements and rehabilitation of streets, sidewalks and related infrastructure, and renovation of City facilities including libraries, public safety, recreation and other buildings.

FISCAL IMPACT

The proposed resolution will provide the City with the flexibility to reimburse project costs incurred prior to the issuance of general obligation bonds with proceeds of the general obligation bonds.

PUBLIC OUTREACH / INTEREST

No outreach was deemed necessary for the proposed policy action beyond the standard City Council agenda noticing procedures.

COORDINATION

This report was prepared by the Finance Department in coordination with the Office of the City Attorney.

RACE AND EQUITY


The projects reimbursed with bond proceeds will provide funding to affordable housing developers to acquire and make improvements to real property, such as acquisition, improvement, rehabilitation, preservation, and construction. The projects will be reviewed and evaluated to determine how they meet the needs of Oakland's most underserved communities in accordance with the bond requirements. In addition, transportation and public works projects that address safety and public health in priority communities are prioritized for funding. Equity is represented by both a standalone prioritization factor and as a sub-factor identifying within other criteria, including "Health and Safety", "Existing Conditions", "Environment", and "Improvement".

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Declaring The City Council's Official Intent To Reimburse Certain Expenditures From Proceeds Of Obligations For Project Costs In Connection With Oakland Trust for Clean Water and Safe Parks (Measure DD), Affordable Housing and Infrastructure (Measure KK), and 2022 Affordable Housing and Infrastructure Bond (Measure U)

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

Respectfully submitted,


[Bradley Johnson \(Jul 1, 2026 15:29:26 PDT\)](#)

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