

ATTACHMENT D - PRELIMINARY OFFICIAL STATEMENT DATED JULY [8], 2026

NEW ISSUE – FULL BOOK-ENTRY ONLY

RATINGS:
Moody's: "[]"
S&P: "[]"
See "RATINGS" herein.

In the opinion of Jones Hall LLP, San Mateo, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Notes is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Notes may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

\$[]*
CITY OF OAKLAND
2026-27 TAX AND REVENUE ANTICIPATION NOTES
Interest Rate: _____%; Yield: _____%; Price: _____
CUSIP[†] Number _____

Dated: Date of Delivery

Due: June [], 2027

This cover contains information for general reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The City of Oakland 2026-27 Tax and Revenue Anticipation Notes (the "Notes") described herein will be issued in the aggregate principal amount of \$[]*. In accordance with the laws of the State of California (the "State"), the Resolution adopted by the City Council on [July 7], 2026 (the "Resolution"), and the Ordinance No. 26-0640 C.M.S. adopted by the City Council on June 2, 2026, the Notes are general obligations of the City of Oakland, California (the "City").

As security for the payment of the principal of and interest on the Notes, the City has pledged and granted a first lien on and a security interest in taxes, income, revenue, cash receipts and other moneys to be received for or accrued to the General Fund for Fiscal Year 2026-27 and which are lawfully available for the payment of current expenses and other obligations of the City (the "Unrestricted Moneys"), in each such following specified period (each, a "Set Aside Period"), in an amount equal to the amount specified therein (such amounts received by the City being the "Pledged Moneys"): (a) not later than January 29, 2027, an amount equal to 30 percent of the total principal amount of and interest on the Notes, (b) not later than February 26, 2027, an amount equal to 15 percent of the total principal amount of and interest on the Notes, (c) not later than March 31, 2027, an amount equal to 25 percent of the total principal amount of and interest on the Notes, and (d) not later than April 30, 2027, an amount equal to 30 percent of the total principal amount of and interest on the Notes. The City has covenanted to deposit, or cause to be deposited, the Pledged Moneys into a special fund (the "Special Account") held by U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent"), in trust for the registered owners of the Notes in each Set Aside Period. In the event there are insufficient Unrestricted Moneys received by the City to permit the deposit into the Special Account of the full amount required to be deposited in a Set Aside Period, the amount of the deficiency shall be satisfied and made up from the first Unrestricted Moneys of the City in the month next following said Set Aside Period. See "SECURITY FOR THE NOTES" herein.

The Notes are not subject to redemption prior to maturity.

The Notes will be delivered in fully registered form. Purchasers of the Notes will not receive physical certificates representing their interests in the Notes. The Notes will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Notes. Individual purchases of the Notes will be made in book-entry form only, in denominations of \$5,000 and integral multiples thereof. Principal of and interest on the Notes will be payable on the maturity date thereof by the Fiscal Agent, by wire transfer to DTC. DTC is expected to remit such principal and interest payment to its Direct Participants, which in turn will remit such principal and interest to the Indirect Participants or the Beneficial Owners of the Notes, as described herein. See "THE NOTES — Book-Entry Only System" herein.

The Notes are offered when, as and if issued, subject to the final legal opinions of Jones Hall LLP, San Mateo, California, Bond Counsel to the City, and certain other conditions. Certain legal matters will be passed upon for the City by Nixon Peabody LLP, San Francisco, California, Disclosure Counsel to the City, and by Ryan Richardson, City Attorney, and for the Underwriter by its counsel, Hawkins Delafield & Wood LLP, Los Angeles, California. It is anticipated that the Notes will be available for delivery through the book-entry facilities of DTC on or about July [], 2026.

BofA Securities

Dated: July [], 2026

*Preliminary, subject to change.

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CITY OF OAKLAND
County of Alameda, California

CITY COUNCIL

Kevin Jenkins (District 6)
City Council President and Councilmember

Carroll Fife (District 3)
Councilmember

Rowena Brown (At-Large)
Councilmember

Janani Ramachandran (District 4)
Councilmember

Zac Unger (District 1)
Councilmember

Noel Gallo (District 5)
Councilmember

Charlene Wang (District 2)
Councilmember

Ken Houston (District 7)
Councilmember

CITY OFFICIALS

Barbara Lee, *Mayor*
Jestin D. Johnson, *City Administrator*⁽¹⁾
Michael C. Houston, *City Auditor*
Ryan Richardson, *City Attorney*
Asha Reed, *City Clerk*
Bradley Johnson, *Director of Finance*

PROFESSIONAL SERVICES

Bond Counsel
Jones Hall LLP
San Mateo, California

Disclosure Counsel
Nixon Peabody LLP
San Francisco, California

Municipal Advisor
Urban Futures, Inc.
Walnut Creek, California

Fiscal Agent
U.S. Bank Trust Company, National Association
San Francisco, California

⁽¹⁾ See Appendix A hereto.

This Official Statement does not constitute an offering of any security other than the original offering of the Notes by the City. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the City.

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Notes in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. This Official Statement is not to be construed as a contract with the purchasers or owners of any of the Notes.

The information set forth herein has been obtained by the City from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness. The information in the section “THE NOTES — Book-Entry Only System” and in APPENDIX E — “DTC AND THE BOOK-ENTRY ONLY SYSTEM” herein has been furnished by The Depository Trust Company and no representation has been made by the City, the Underwriter or the Municipal Advisor as to the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date thereof. This Official Statement is submitted with respect to the sale of the Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in the Official Statement constitute “forward-looking statements.” Such forward-looking statements include, but are not limited to, statements contained in the table titled “CITY OF OAKLAND GENERAL FUND CASH FLOW FISCAL YEAR 2026-27 (Projections).” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City has no plans to issue any updates or revisions to any forward-looking statements in this Official Statement, including statements regarding the City’s budgets, if or when its expectations, or events, conditions or circumstances on which such statements are based occur or if actual results, performance or achievements are materially different from any results, performance or achievements described or implied by such forward-looking statements. . No assurance is given that actual results will meet City forecasts in any way, regardless of the level of optimism communicated in the information.

The Notes will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The Notes have not been registered or qualified under the securities laws of any state. The Notes have not been recommended by any Federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this Official Statement.

CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. CUSIP numbers have been assigned by an independent company not affiliated with the City or the Underwriter and are included solely for the convenience of the holders of the Notes. Neither the City nor the Underwriter is responsible for the selection or use of these CUSIP numbers and no representation is made as to their accuracy or correctness on the Notes or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Notes.

The City maintains a website and social media accounts. The information presented on such website and social media accounts is not incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Notes. Various other websites referred to in this Official Statement also are not incorporated herein by such references.

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§[_____]*

CITY OF OAKLAND

2026-27 TAX AND REVENUE ANTICIPATION NOTES

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents described herein. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California and any documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution (as hereinafter defined).

The City of Oakland (the “**City**”) is issuing §[_____]” aggregate principal amount of its 2026-27 Tax and Revenue Anticipation Notes (the “**Notes**”). The Notes are issued pursuant to the Charter of the City and the Constitution and laws of the State of California (the “**State**”), including Title 5, Division 2, Part I, Chapter 4, Article 7.6 (commencing with Section 53850) of the Government Code of the State (the “**Act**”), a resolution (the “**Resolution**”) adopted by the Council of the City (the “**City Council**”) on [July 7], 2026, and Ordinance No. 26-0640 C.M.S. adopted by the City Council on June 2, 2026 (the “**Ordinance**”).

Under the Act, the Notes are general obligations of the City, payable from taxes, income, revenue, cash receipts and other moneys to be received for or accrued to the City’s General Fund for the Fiscal Year 2026-27, and which are lawfully available for the payment of current expenses and other obligations of the City (the “**Unrestricted Moneys**”). As security for the payment of the principal of and interest on the Notes, the City has pledged and granted a first lien on and security interest in the Unrestricted Moneys in each Set Aside Period (as defined herein), in an amount equal to the amount specified therein (such amounts received by the City being the “**Pledged Moneys**”). In the event there are insufficient Unrestricted Moneys received by the City to permit the deposit into the Special Account of the full amount required to be deposited in a Set Aside Period, the amount of the deficiency shall be satisfied and made up from the first Unrestricted Moneys of the City in the month next following said Set Aside Period. See “**SECURITY FOR THE NOTES.**”

The City may, under the Act, issue the Notes only if the principal of and interest on the Notes will not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys of the City anticipated to be received for or accrued to the General Fund during Fiscal Year 2026-27 that will be available for the payment of the interest on and the principal of the Notes.

This Official Statement contains brief descriptions of, among other things, the Notes, the Resolution, the Ordinance and the City. References to the Notes are qualified in their entirety by references to the form of Note included in the Resolution. The City is currently facing significant budget deficits. Information regarding the City, including certain financial information, is set forth in APPENDIX A — “**CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND**” attached hereto. Investors are advised to carefully consider the information set forth in Appendix A hereto and elsewhere in this Official Statement to make an informed investment decision.

*Preliminary, subject to change.

THE NOTES

General

The City will issue the Notes in the principal amount at the interest rate shown on the cover page of this Official Statement. The Notes will be issued in registered form in denominations of \$5,000 and integral multiples thereof. Interest on the Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months and will be payable solely on the maturity date thereof. The Notes will mature on the date shown on the cover page of this Official Statement.

The Notes will be initially registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company (“DTC”), with the interest rate shown on the cover page of this Official Statement. The principal of and interest on the Notes will be payable on their maturity date by the Fiscal Agent to DTC. DTC in turn is expected to remit such principal and interest to its Direct Participants (as defined in Appendix E hereto), which in turn will remit such principal and interest to the Indirect Participants (as defined in Appendix E hereto) or to the Beneficial Owners (as defined below) of the Notes. See “— Book-Entry Only System” below and APPENDIX E — “DTC AND THE BOOK-ENTRY ONLY SYSTEM” herein.

Pursuant to the Fiscal Year 2026-27 Midcycle Budget adopted by the City on June 12, 2026 (the “**2026-27 Midcycle Budget**”), the City has appropriated from amounts in the General Fund of the City, attributable to Fiscal Year 2026-27, an amount sufficient to pay debt service on the Notes. See APPENDIX A — “CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND —BUDGET AND FINANCIAL OPERATIONS — Fiscal Years 2025-27 Adopted Biennial Policy Budget” and “BUDGET AND FINANCIAL OPERATIONS – City’s General Financial Condition – Fiscal Year 2026-27 Midcycle Budget” for more information on the 2026-27 Midcycle Budget.

Purpose of Issue

The proceeds of the Notes will be used to satisfy obligations payable from the City’s General Fund for Fiscal Year 2026-27, including the City’s Fiscal Year 2026-27 annual contribution payments to the California Public Employees’ Retirement System, and to pay the costs of issuance of the Notes, or otherwise as permitted by applicable law. See “SECURITY FOR THE NOTES” herein.

No Redemption

The Notes are not subject to call or redemption prior to their maturity date.

Book-Entry Only System

DTC will act as securities depository for the Notes. The Notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One or more fully registered certificates will be issued in the aggregate principal amount of the Notes and will be deposited with DTC. See APPENDIX E — “DTC AND THE BOOK-ENTRY ONLY SYSTEM” herein.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“**Beneficial Owner**”) is in turn to be recorded on the records of the Direct Participants and Indirect Participants. Beneficial Owners will not receive written confirmation from DTC of their purchase. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive physical certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued. To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC

are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. Making required payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Fiscal Agent; disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City or the Fiscal Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered. See APPENDIX E — "DTC AND THE BOOK-ENTRY ONLY SYSTEM" herein.

NEITHER THE CITY NOR THE FISCAL AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (ii) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST DUE ON THE NOTES; OR (iii) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DIRECT PARTICIPANTS, AS ASSIGNEES OF DTC AS OWNER OF THE NOTES. THE RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS ARE ON FILE WITH DTC.

SECURITY FOR THE NOTES

General

As provided in the Resolution, the City has pledged and granted a first lien on and a security interest in taxes, income, revenue, cash receipts and other moneys to be received for or accrued to the General Fund for Fiscal Year 2026-27 and which are lawfully available for the payment of current expenses and other obligations of the City (the "**Unrestricted Moneys**"), in each such following specified period (each, a "**Set Aside Period**"), in an amount equal to the amount specified therein (such amounts received by the City being the "**Pledged Moneys**"): (a) not later than January 29, 2027, an amount equal to 30 percent of the total principal amount of and interest on the Notes, (b) not later than February 26, 2027, an amount equal to 15 percent of the total principal amount of and interest on the Notes, (c) not later than March 31, 2027, an amount equal to 25 percent of the total principal amount of and interest on the Notes, and (d) not later than April 30, 2027, an amount equal to 30 percent of the total principal amount of and interest on the Notes. Each of the payments described in subsection (a) through (d) of the preceding sentence is referred to herein as a "**Set-Aside Payment**." The City has covenanted to deposit, or cause to be deposited, the Pledged Moneys (and any other moneys to be so deposited) into the Special Account (as defined herein) in trust for the registered owners of the Notes in each Set Aside Period. In the event there are insufficient Unrestricted Moneys received by the City to permit the deposit into the Special Account of the full amount required to be deposited in a Set Aside Period, the amount of the deficiency shall be satisfied and made up from the first Unrestricted Moneys of the City in the month next following said Set Aside Period.

The Act and the Resolution provide that the obligation to pay the principal of the Notes and the interest thereon shall constitute a first lien and charge against and will be payable from such Pledged Moneys, and to the

extent not so paid shall be paid from any other moneys of the City lawfully available therefor. Deposits into the Special Account may take into account as a credit any moneys on deposit in the Special Account.

The estimated amount needed to repay all of the Notes on their maturity date is \$[_____]*. The City's Fiscal Year 2026-27 General Fund cash flow projections are set forth below. See "GENERAL FUND CASH FLOWS" herein.

THE NOTES SHALL NOT IN ANY WAY BE CONSTRUED TO BE A DEBT OF THE CITY OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, IN CONTRAVENTION OF ANY APPLICABLE CONSTITUTIONAL OR STATUTORY LIMITATION OR REQUIREMENT CONCERNING THE CREATION OF INDEBTEDNESS BY THE CITY, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, NOR WILL ANYTHING CONTAINED IN THE RESOLUTION CONSTITUTE, EXCEPT AS EXPRESSLY SET FORTH THEREIN, A PLEDGE OF GENERAL REVENUES, FUNDS OR MONEYS OF THE CITY. THE OBLIGATION OF THE CITY TO PAY PRINCIPAL AND INTEREST WITH RESPECT TO THE NOTES IS NOT AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY TAX OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY TAX.

Proceeds Account

A portion of the proceeds of the Notes held in such special segregated subfund or account of the City's General Fund will be transferred to U.S. Bank Trust Company, National Association, as fiscal agent for the Notes (the "**Fiscal Agent**") pursuant to that certain fiscal agent agreement by and between the City and the Fiscal Agent, dated as of _____, 2026 (the "**Fiscal Agent Agreement**") for deposit in an account designated the "City of Oakland, California 2026-27 Tax and Revenue Anticipation Notes Proceeds Account" (the "**Proceeds Account**"), which the Fiscal Agent is authorized and directed to hold for and on behalf of the City.

Special Account

The City has directed the Fiscal Agent to establish an account designated the "City of Oakland, California 2026-27 Tax and Revenue Anticipation Notes Special Account" (the "**Special Account**"), into which a portion of the Pledged Moneys shall be deposited. All amounts in the Special Account shall be held in trust for the benefit of the holders of the Notes issued pursuant to and subject to the limitations set forth in the Resolution. Until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at maturity with interest to maturity, the moneys in the Special Account shall be applied only for the payment of the Notes and such other purposes authorized in the Resolution.

On the date of maturity of the Notes, the moneys in the Special Account shall be used and applied, to the extent necessary, to pay the principal of and interest on the Notes. Any moneys remaining in the Special Account after the Notes and the interest thereon have been fully paid, or provision for such payment has been made, shall be transferred to the City for deposit into its General Fund in accordance with a written direction of a Designated Officer.

Pursuant to the 2026-27 Midcycle Budget, the City has appropriated from amounts in the General Fund of the City, attributable to Fiscal Year 2026-27, an amount sufficient to pay debt service on the Notes. Appropriate officials of the City are required to do and perform each and every act that is necessary to collect and apply, and to provide for the collection and application of, a sum sufficient to pay the principal of and interest on the Notes on or before the maturity date thereof. See APPENDIX A — "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND — BUDGET AND FINANCIAL OPERATIONS — Fiscal Years 2025-27 Adopted Biennial Policy Budget" and "BUDGET AND FINANCIAL OPERATIONS – City's General

*Preliminary, subject to change.

Financial Condition – Fiscal Year 2026-27 Midcycle Budget” for more information on the 2026-27 Midcycle Budget.

Statutory Liens

The City has pledged, with a first statutory lien pursuant to Section 53856 of the California Government Code, the Pledged Moneys to secure the payment of the principal of the Notes and the interest thereon, including amounts set-aside in the Special Account and pledged to the Notes in accordance with the Resolution. In the event of a bankruptcy, the City may be able to use such Pledged Moneys for purposes other than making payments on the Notes. See “RISK FACTORS - Limitations on Remedies in the Event of Default” and “-Bankruptcy” herein.

Subordinate Notes

Pursuant to the Resolution, the City Council may, by adoption of an additional resolution during Fiscal Year 2026-27, issue subordinate notes of the City pursuant to the Act (“**Subordinate Notes**”). Such Subordinate Notes, if and when issued by the City, would be in addition to the \$[_____] of the Notes authorized under the Resolution. The Subordinate Notes, if and when issued, and the interest payable thereon would be payable from taxes, income, revenue, cash receipts and other moneys to be received for or accrued to the General Fund of the City for Fiscal Year 2026-27, provided that with respect to any such Subordinate Notes, the City may not, prior to the payment in full of the Notes, (i) make any scheduled payments of principal thereof or interest thereon, (ii) make any prepayment thereof, or (iii) issue any such Subordinate Note that has a maturity date earlier than the stated maturity dates of the Notes.

Any additional notes issued to pay or refinance maturing Notes will not have a maturity date, and will not be paid, until after the Notes are fully paid.

The City presently expects that other than the Notes, it will not issue any other notes or warrants for cash flow borrowing purposes with respect to Fiscal Year 2026-27.

Available Source of Repayment

The Notes, in accordance with the Act, are general obligations of the City payable from taxes, income, revenue, cash receipts and other moneys to be received for or accrued to the General Fund for Fiscal Year 2026-27, and secured by a pledge of the Pledged Moneys. The Constitution of the State substantially limits the City’s ability to levy *ad valorem* taxes and to increase fees charged for services of the City. See “APPENDIX A – CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS” hereto.

GENERAL FUND CASH FLOWS – [PENDING ADDITIONAL CURRENT YEAR CASH FLOW INFORMATION]

Set forth below is a summary of the City’s estimated 2025-26 General Fund cash flows (based on actual data for the months of July 2025 through and including March 2026, with projected data as of June 3, 2026 for the remainder of Fiscal Year 2025-26) and the City’s projected Fiscal Year 2026-27 General Fund cash flows, as of June 3, 2026. See APPENDIX A — “CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND — OVERVIEW” and “— BUDGET AND FINANCIAL OPERATIONS — Fiscal Years 2025-27 Adopted Biennial Policy Budget” attached hereto.

The Fiscal Year 2026-27 General Fund cash flow projections set forth below are based on the City’s 2026-27 Midcycle Budget, which was adopted by the City Council on June 12, 2026. As described in Appendix A, the City’s revenue assumptions for Fiscal Year 2026-27 are based on trends in receipts, analyses conducted

*Preliminary, subject to change.

by departments, and relevant industry forecasts as of May 2026, and assume that an economic recession will not occur. Future economic uncertainty presents particular challenges in connection with the revenue forecast for Fiscal Year 2026-27. See APPENDIX A — “CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND — BUDGET AND FINANCIAL OPERATIONS.” The following General Fund cash flow projections also include a number of other assumptions relating to the City’s revenues and expenditures. Actual circumstances may be significantly different from the assumptions, and such differences may be material and adverse.

The General Fund cash flows for Fiscal Year 2025-26 and projected cash flows for Fiscal Year 2026-27 in the following tables include only certain unrestricted funds of the General Fund of the City. The following tables do not include all funds and accounts which make up the General Fund, but include more funds and accounts than make up the General Purpose Fund. The revenues and expenditures of the General Purpose Fund as set forth in the City’s 2025-26 Adopted Budget, its projected Fiscal Year 2025-26 year-end General Purpose Fund revenues and expenditures, and the 2026-27 Midcycle Budget for the General Purpose Fund, are set forth in Tables 11 and 12 under the heading “GENERAL PURPOSE FUND REVENUES” in Appendix A to this Official Statement. Certain restricted funds which make up the General Fund have not been included in the tables below. Specifically, those tables do not include certain funds where the amounts deposited therein are restricted for the payment of pensions, healthcare or OPEB costs for current employees or retirees, fringe benefits, and paid leave, and does not include amounts collected for the Pension Tax Override described under the heading “EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs” in Appendix A to this Official Statement, however the costs associated with payment of pensions, healthcare or OPEB costs for current employees or retirees, fringe benefits, paid leave, are included in the cash flows on the following tables. The Pension Tax Override revenues are not included in the following tables. Certain of these funds may be available for payment of a Set-Aside Payment as described under the heading “OTHER BORROWABLE RESOURCES” below.

In addition, the information in the tables on the following pages is presented on a cash basis of accounting, unlike the information in Tables 11 and 12 in Appendix A hereto, which is presented on an accrual basis. The deficits displayed in the tables on the following pages are due in part to the presentation of funds on a cash basis of accounting rather than an accrual basis, and the City’s Fiscal Year 2026-27 Midcycle Budget is balanced in the General Purpose Fund and other special revenue funds on an accrual basis, in accordance with the City’s balanced budget policy, which is a component of the City’s consolidated fiscal policy pursuant to Ordinance No. 13487. Nonetheless, the City is currently facing significant structural budget deficits, as described under the heading “BUDGET AND FINANCIAL OPERATIONS – City’s General Financial Condition” in Appendix A hereto.

The General Purpose Reserve Fund consists of the combined balance of the General Purpose Emergency Reserve (the “General Purpose Emergency Reserve”) and the unassigned General Purpose Fund balance, and is included in the projected cash flows for Fiscal Year 2026-27 set forth below. The General Purpose Emergency Reserve is further described in APPENDIX A under the caption “BUDGET AND FINANCIAL OPERATIONS — Reserves”.

Inclusion of the projected cash flows in this Official Statement should not be regarded as a representation by any person that the results contained in the projected cash flows will be achieved. Neither the City’s independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the estimated and projected cash flows contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the estimated or projected cash flows.

The statements in this Official Statement relating to the cash flow projections constitute “forward-looking statements.” Such forward-looking statements refer to the achievement of certain results or other expectations or performance, which involves known and unknown risks, uncertainties and other factors. These risks, uncertainties and other factors may cause actual results, performance or achievements to be

materially different from any projected results, performance or achievements described or implied by such forward-looking statements. The City does not plan to issue updates or revisions to such forward looking statements if or when its expectations, or the events, conditions or circumstances on which such statements are based, occur, or if the actual results, performance or achievements are materially different from any results, performance or achievements described or implied by such forward-looking statements.

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CITY OF OAKLAND
GENERAL FUND CASH FLOW
FISCAL YEAR 2025-26
(Actuals for July 2025 through and including March 2026, projections thereafter)
(In Thousands)

<i>MONTH ENDING</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April⁽¹⁾</i>	<i>May⁽¹⁾</i>	<i>June⁽¹⁾</i>	<i>Total⁽¹⁾</i>
BEGINNING BALANCE	\$ 125,474	\$ 83,139	\$ 56,555	\$ 42,602	\$ (10,290)	\$ (32,678)	\$ 10,889	\$ 39,906	\$ 62,840	\$ 95,297	\$ 126,831	\$ 78,953	\$ 125,474
CASH RECEIPTS													
Taxes:													
Property	\$ -	\$ 2,409	\$ 11,605	\$ -	\$ 2,244	\$ 117,522	\$ 33,368	\$ -	\$ 31,077	\$ 67,398	\$ 2,415	\$ 57,568	\$ 325,606
Sales & use	5,748	4,408	4,905	4,931	5,264	6,696	5,710	10,754	6,730	4,518	5,656	16,238	81,557
Motor vehicles in-lieu	-	-	662	-	-	-	-	-	-	-	-	-	662
Local taxes	41,098	17,343	14,900	15,726	15,517	20,790	35,026	64,560	49,691	14,517	13,457	16,535	319,159
License & Permits	265	98	84	143	96	43	114	289	72	83	197	122	1,606
Fines & Penalties	2,312	1,445	3,191	2,474	723	2,354	1,950	2,227	1,799	2,923	1,044	2,797	25,239
Interest & Investment													
Income	351	257	167	41	(97)	161	250	240	1,282	-	-	-	2,651
Charges for Services	8,091	4,872	5,595	7,110	2,948	7,378	5,832	6,293	5,619	6,143	5,452	14,013	79,344
Federal & State Grants and													
Subventions	6	1,039	80	21	1,733	211	394	107	1	-	-	-	3,594
Other	894	1,184	4,407	1,982	297	426	302	603	203	200	1,228	80	11,807
Transfers In	23	46	-	-	-	-	70,357	-	-	-	-	-	70,426
Total Receipts	\$ 58,788	\$ 33,101	\$ 45,596	\$ 32,428	\$ 28,725	\$ 155,580	\$ 153,303	\$ 85,073	\$ 96,473	\$ 95,782	\$ 29,450	\$ 107,352	\$ 921,651
CASH DISBURSEMENTS													
Salaries & Benefits	\$ 44,298	\$ 40,324	\$ 38,093	\$ 43,630	\$ 34,223	\$ 36,789	\$ 38,578	\$ 35,470	\$ 39,947	\$ 39,832	\$ 40,580	\$ 35,338	\$ 467,103
Retirement	14,169	12,531	11,900	13,201	10,797	11,559	11,934	11,019	11,998	13,349	13,600	11,843	147,902
O&M	40,243	2,214	6,811	17,697	3,607	12,598	7,304	13,093	9,424	10,165	14,315	33,130	170,600
ISF	2,414	2,435	2,745	2,689	2,486	51,067	2,566	2,556	2,647	896	8,831	1,771	83,102
Interfund Transfers	-	2,181	-	8,103	-	-	63,906	-	-	6	-	221	74,417
Total Disbursements	\$ 101,123	\$ 59,685	\$ 59,549	\$ 85,321	\$ 51,113	\$ 112,013	\$ 124,286	\$ 62,139	\$ 64,017	\$ 64,248	\$ 77,327	\$ 82,304	\$ 943,124
NET CASH FLOW													
SURPLUS/(DEFICIT)	\$ (42,335)	\$ (26,584)	\$ (13,953)	\$ (52,893)	\$ (22,388)	\$ 43,567	\$ 29,017	\$ 22,934	\$ 32,457	\$ 31,534	\$ (47,878)	\$ 25,049	\$ (21,473)
ENDING BALANCE	\$ 83,139	\$ 56,555	\$ 42,602	\$ (10,290)	\$ (32,678)	\$ 10,889	\$ 39,906	\$ 62,840	\$ 95,297	\$ 126,831	\$ 78,953	\$ 104,002	\$ 104,002

⁽¹⁾ Projections as of June 1, 2026.
Source: City of Oakland, Finance Department.

**CITY OF OAKLAND
GENERAL FUND CASH FLOW
FISCAL YEAR 2026-27
(Projections, as of June 1, 2026)
(In Thousands)**

<i>MONTH ENDING</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>Total</i>
BEGINNING BALANCE	\$ 104,002	\$ 50,200	\$ 32,602	\$ 11,663	\$ (19,235)	\$ (51,955)	\$ 11,716	\$ 24,358	\$ 24,596	\$ 25,420	\$ 34,779	\$ 12,421	\$ 104,002
CASH RECEIPTS													
Taxes:													
Property	\$ -	\$ 1,802	\$ 10,825	\$ -	\$ 2,098	\$ 114,783	\$ 35,881	\$ -	\$ 33,942	\$ 67,476	\$ 2,418	\$ 57,635	\$ 326,861
Sales & use	7,385	7,129	6,121	6,339	7,169	6,204	5,964	7,768	6,014	5,364	6,716	19,281	91,454
Motor vehicles in-lieu	-	-	-	-	-	-	395	310	-	-	-	-	705
Local taxes	19,376	17,879	17,086	15,708	17,167	14,258	36,729	67,257	49,094	23,167	21,475	26,386	325,582
License & Permits	8	17	29	23	30	13	20	41	28	20	47	29	305
Fines & Penalties	1,216	3,083	3,448	722	2,271	2,818	1,779	2,680	1,464	3,809	1,361	3,645	28,294
Interest & Investment Income	338	268	240	220	197	217	250	219	266	295	310	21	2,842
Charges for Services	5,310	6,816	6,893	6,590	5,939	6,572	5,028	5,865	7,102	7,817	6,939	17,833	88,705
Federal & State Grants and Subventions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	92	726	75	328	141	127	695	45	212	60	369	24	2,894
Transfers In	-	-	-	-	-	-	78,317	-	-	-	-	-	78,317
Note Proceeds	164,925	-	-	-	-	-	-	-	-	-	-	-	164,925
Reimbursements from Other Funds ⁽¹⁾	3,828	3,828	3,828	3,828	3,828	3,828	3,828	3,828	3,828	3,828	3,828	3,828	45,941
Total Receipts	\$ 202,478	\$ 41,549	\$ 48,545	\$ 33,758	\$ 38,841	\$ 148,820	\$ 168,886	\$ 88,014	\$ 101,949	\$ 111,837	\$ 43,463	\$ 128,683	\$ 1,156,823
CASH DISBURSEMENTS													
Salaries & Benefits	\$ 45,659	\$ 41,759	\$ 40,866	\$ 39,426	\$ 36,652	\$ 36,695	\$ 38,848	\$ 36,957	\$ 39,063	\$ 38,210	\$ 38,928	\$ 33,899	\$ 466,963
Retirement	6,175	4,800	4,485	3,978	3,001	3,016	3,774	3,108	3,850	3,550	3,803	2,031	45,571
CalPERS UAL Prepayment	164,925	-	-	-	-	-	-	-	-	-	-	-	164,925
O&M	36,536	9,979	17,851	11,272	11,540	12,754	6,886	10,301	11,188	8,300	11,689	27,051	175,347
ISF	2,985	2,609	2,703	4,175	20,369	32,683	2,969	11,956	4,535	1,157	11,402	2,286	99,830
Interfund Transfers	-	-	3,578	5,804	-	-	52,860	-	66	355	-	14,223	76,886
TRAN Principal Pledge*	-	-	-	-	-	-	48,624	24,312	40,520	48,624	-	-	162,080
TRAN Interest Pledge*	-	-	-	-	-	-	2,283	1,141	1,902	2,283	-	-	7,609
Total Disbursements	\$ 256,280	\$ 59,147	\$ 69,483	\$ 64,656	\$ 71,561	\$ 85,149	\$ 156,244	\$ 87,775	\$ 101,125	\$ 102,478	\$ 65,821	\$ 79,490	\$ 1,199,210
NET CASH FLOW													
SURPLUS/(DEFICIT)	\$ (53,802)	\$ (17,598)	\$ (20,938)	\$ (30,898)	\$ (32,720)	\$ 63,671	\$ 12,642	\$ 239	\$ 824	\$ 9,359	\$ (22,358)	\$ 49,193	\$ (42,388)
ENDING BALANCE	\$ 50,200	\$ 32,602	\$ 11,663	\$ (19,235)	\$ (51,955)	\$ 11,716	\$ 24,358	\$ 24,596	\$ 25,420	\$ 34,779	\$ 12,421	\$ 61,614	\$ 61,614

(1) CalPERS UAL Prepayment

Source: City of Oakland, Finance Department.

OTHER BORROWABLE RESOURCES

Based on the revenue and expenditure assumptions set forth in the Fiscal Year 2026-27 Midcycle Budget, the City currently anticipates that sufficient funds will be available to make the Set-Aside Payments on the Notes as set forth under the heading “SECURITY FOR THE NOTES – General.” In the event there are insufficient Unrestricted Moneys received by the City to permit the deposit into the Special Account of the full amount required to be deposited in a Set Aside Period, the amount of the deficiency shall be satisfied and made up from the first Unrestricted Moneys of the City in the month next following said Set Aside Period.

The City Charter authorizes obligations, such as the Notes, to be financed by cash pool operations, with temporary transfers between funds permitted so long as the funds transferred are not restricted by bond indentures, State or Federal law, other sections of the City Charter, or specific conditions of the legislation creating such funds.

The City has a number of available funds from which it could legally borrow to make payments on the Notes, which are not reflected in the cash flows set forth above under the heading “GENERAL FUND CASH FLOWS”. The actual amount available to be borrowed at any given time will depend on a variety of factors, including the actual revenues and expenditures attributable to the available funds over the course of the fiscal year, and any prior borrowings from such available funds, and is subject to change. The amounts in the special funds which are eligible and may be available for borrowing with City Council action totaled approximately \$838,394 million at March 31, 2026.

INVESTMENTS

Pursuant to the Fiscal Agent Agreement, moneys in the Proceeds Account and the Special Account shall be invested by the Fiscal Agent in accordance with a written direction of the City and in accordance with the investment policy of the City. The investment earnings on amounts in the Proceeds Account and the Special Account shall be retained in the respective account.

Pursuant to the Resolution, permitted investments include, without limitation, any investment permitted by Government Code Section 53601 and any investment agreement, repurchase agreement or guaranteed investment contract that (i) is entered into with a commercial bank or other entity whose long-term debt is rated, at the time such agreement or contract is entered into, in one of the two highest rating categories by Moody's Investors Service and S&P Global Ratings, or (ii) is otherwise acceptable to each rating agency then rating the Notes. No such investments shall have a maturity date later than the maturity date of the Notes.

The City invests funds of the City in accordance with the City's investment policy adopted by the City Council. See APPENDIX A — “CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND — INVESTMENT OF CITY FUNDS” attached hereto.

RISK FACTORS

The following factors, along with all other information in this Official Statement, must be considered by potential investors in evaluating the risks inherent in the purchase of the Notes. The following description is not intended to be an exhaustive list of the risks associated with the purchase of the Notes and the order of presentation below does not necessarily reflect the relative importance of the various risks.

The 2026-27 Midcycle Budget; City Financial Challenges

The Fiscal Year 2026-27 General Fund cash flow projections set forth above are based on the City's 2026-27 Midcycle Budget. The 2026-27 Midcycle Budget is based on a number of assumptions regarding both revenues and expenditures. As described in Appendix A, the City's revenue assumptions for Fiscal Year 2026-

27 are based on trends in receipts, analyses conducted by departments, and relevant industry forecasts as of May 2026, and assume that an economic recession will not occur.

The City has experienced considerable financial challenges over the past few years. For a discussion of the City's recent financial challenges and some risks associated with the City's finances, see "BUDGET AND FINANCIAL OPERATIONS — City's General Financial Condition" in APPENDIX A. While the City does not expect that its current financial condition will impede its ability to make timely payments of debt service on the Notes, or any of its outstanding bonds or necessitate a draw by the City on any of its debt service reserve funds or policies (where applicable) to meet its payment obligations, and while the City is taking steps to improve its financial condition, the City cannot guarantee that its financial condition will not deteriorate. Accordingly, the City's actual Fiscal Year 2026-27 cash flows may differ from the above projections and such differences may be material and adverse. Inclusion of the projected cash flows in this Official Statement should not be regarded as a representation by any person that the results contained in the projected cash flows will be achieved.

Limitations on Remedies

The enforceability of the rights and remedies of the owners of the Notes, and the obligations incurred by the City, may become subject to the exercise by the United States of America of the powers delegated to it by the Constitution, or the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State.

Bankruptcy

The enforceability of the rights and remedies of the owners of the Notes (including the enforceability and priority of the statutory lien pursuant to Section 53856 of the California Government Code), and the obligations incurred by the City, may become subject to the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, or equity principles which may limit the specific enforcement under State law of certain remedies. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Notes to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

The City is authorized under California law to file for bankruptcy protection under Chapter 9 of the Bankruptcy Code. However, third parties cannot bring involuntary bankruptcy proceedings against the City.

Should the City become a debtor in a federal bankruptcy proceeding, the owners of the Notes should continue to have a lien on Pledged Moneys because that lien is imposed by statute. Unlike other types of pledges and liens that are cut off by the Bankruptcy Code upon the filing of the bankruptcy case, statutory liens continue both after the filing and the conclusion of the case. In 1996, in the case of *Alliance Capital Management L.P. v. County of Orange*, related to Orange County's chapter 9 case, the United States District Court for the Central District of California held that the lien imposed pursuant to Section 53856 of the California Government Code creates a statutory lien for purposes of the federal Bankruptcy Code. Accordingly, the City believes that, in a Chapter 9 case of the City, pursuant to Section 53856 of the California Government Code holders of the Notes should have a first priority statutory lien on Pledged Moneys.

In another 1996 decision, *County of Orange v. Merrill Lynch & Co., Inc., et al.* the bankruptcy court held that a State statute providing for a priority of distribution of property held in trust conflicted with, and was preempted by, federal bankruptcy law. In that case, the court addressed the priority of the disposition of moneys held in a county investment pool upon bankruptcy of the county, and held that a state statute purporting to create a priority secured lien on a portion of such monies was ineffective unless such funds could be traced. The court was not required to directly address Section 53856 of the California Government Code. With respect to the

Notes, the City will be in possession of the taxes and other revenues that will be set-aside and pledged to repay the Notes and these funds may be invested for a period of time in the City Operating Pool. See APPENDIX A — “CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND — INVESTMENT OF CITY FUNDS” attached hereto. If the City were to file for bankruptcy relief under Chapter 9 of the federal Bankruptcy Code, if sufficient funds are not available to address all obligations, a court might hold that the owners of the Notes do not have a valid and/or prior lien on the Pledged Moneys where such amounts are deposited in the General Investment Pool and may not provide the owners of the Notes with a priority interest in such amounts. In that circumstance, unless the owners could “trace” the funds from the Special Account or the Proceeds Account that have been deposited in the City Operating Pool, the owners should be unsecured creditors of the City. There can be no assurance that the owners of Notes could successfully so “trace” the Pledged Moneys and other revenues in the City Operating Pool or that they will have a priority in such funds under the statutory lien imposed pursuant to Section 53856 of the California Government Code.

Regardless of any specific determinations by a bankruptcy court in a City bankruptcy proceeding, the mere filing by the City for bankruptcy protection likely would have a material adverse effect on the marketability and market price of the Notes.

Natural Hazards

Natural hazards and/or the occurrence of natural disasters beyond the City’s control, including, but not limited to some of the events listed below, have the potential to impact the City’s economic condition. It is not possible for the City to make any representation regarding the extent to which the occurrence of any of these hazards could cause reduced economic activity within the boundaries of the City or impact its General Fund.

Seismic Risks. The City is located in a seismically active region. Active earthquake faults underlie both the City and the surrounding Bay Area. Three major earthquake faults that comprise the San Andreas fault system extend through the Bay Area, including the San Andreas fault, the Hayward fault, and the Calaveras fault. Portions of the City have been identified as liquefaction and earthquake-induced landslide zones pursuant to Section 2696 of the California Public Resources Code. The effects of strong ground shaking, liquefaction, landslides, or other ground failure account for approximately 95 percent of economic losses caused by an earthquake.

During the past 155 years, the Bay Area has experienced several major, and numerous minor, earthquakes. The largest was the 1906 San Francisco earthquake along the San Andreas fault, which passes through the San Francisco Peninsula, west of the City, with an estimated magnitude of 8.3 on the Richter scale of earthquake intensity. More recently, on August 24, 2014, an earthquake occurred in Napa, California. The tremor’s epicenter was located approximately 3.7 miles northwest of American Canyon near the West Napa Fault and registered 6.0 on the Richter scale of earthquake intensity. The Napa earthquake caused fires, damaged buildings and roads, and injured approximately 200 people. The City did not suffer any material damage as a result of this earthquake. The Napa earthquake was the largest earthquake in the Bay Area since the 1989 Loma Prieta earthquake on the San Andreas Fault, which registered 6.9 on the Richter scale. The Loma Prieta earthquake caused fires and collapses of, and structural damage to, buildings, highways and bridges in the Bay Area, including in the City.

In March 2015, the 2014 Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey (“USGS”), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more earthquakes of magnitude 6.7 (the magnitude of the 1994 Northridge earthquake) or larger will occur in the San Francisco Bay Area before the year 2043. In addition, the USGS released a report in April 2018 entitled “The HayWired Earthquake Scenario,” which estimates that property damage and direct business disruption losses from a magnitude 7.0 earthquake on the Hayward Fault would be more than \$82 billion (in 2016 dollars). Most of the losses are expected to be attributable to shaking damage, liquefaction, and landslides (in that order). Such earthquakes may be very

destructive. Property within the City could sustain extensive damage in a major earthquake, and a major earthquake could adversely affect the area's economic activity and assessed values of taxable property.

Wildfire. In recent years, portions of California, including several areas in Northern California, have experienced multiple significant wildfires that have burned thousands of acres and destroyed thousands of homes and structures, such as the Camp Fire in Butte County in November 2018, which burned over 150,000 acres, destroyed over 18,000 structures, and caused approximately \$16.5 billion in damage. Property damage due to a wildfire could result in a significant decrease in the assessed value of taxable property in the City. In October 1991, a firestorm on the hillsides of the northern section of the City and southeastern Berkeley burned 1,520 acres and destroyed over two thousand single-family homes and hundreds of apartment and condominium units. The economic loss from that fire was estimated at \$1.5 billion.

In 2020 and 2021, parts of the City experienced several blackout days as a result of PG&E's wildfire prevention strategy, the Public Safety Power Shutoff ("PSPS"). PSPS days were considered in October 2022 due to severe winds and temperature but ultimately not implemented. While no PSPS events occurred in the City from 2022–2025 or in 2026 through April 29, PSPS remains a key preventative strategy considered by PG&E during extreme weather conditions to reduce wildfire risk. Additional PSPS events may occur in the future and it is uncertain what effects these future PSPS events could have on the local economy.

In addition, the smoke from wildfires impacts the quality of life in the Bay Area and the City, and, if the frequency of wildfires increases, it could impact the desirability of the City and the Bay Area as places to live, potentially impacting real estate market trends and values. Wildfires both in California and nationally have also adversely impacted the insurance markets, leading to higher costs for coverage; coverages becoming prohibitively expensive; limited or restricted coverage to certain types of risks; or coverage at insufficient levels.

It is not possible for the City to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the City or the extent to which wildfires may impact the assessed value of taxable property within the City.

The City's Vegetation Management Unit ("VMU") serves to inspect properties in the City's Oakland Hills, much of which is designated as a Very High Fire Hazard Severity Zone ("VHFHSZ"). The VMU works under the City's Fire Prevention Bureau and is responsible for the inspection of homes and vacant parcels in the VHFHSZ. The purpose of these inspections is to identify and mitigate hazards and reduce the amount of fuel (combustible, flammable vegetation) that could contribute to the spread, growth, and intensity of wildfire. Inspections are done annually, and property owners are required to actively maintain their parcels in a fire-safe condition year-round. The City's Fire Prevention Bureau employs a proactive approach for property owners to participate in the re-inspection process for non-compliance violations found in an initial inspection. In Fiscal Year 2024-25, approximately 25,000 total inspections were completed with an approximate 90% compliance rate for inspected parcels.

In May 2024, the City Council formally adopted a 10-year Vegetation Management Plan ("VMP"). Adoption of the VMP, which outlines implementation measures for managing fuel loads and vegetation on City-owned properties and along roadways in the City's VHFHSZ, is an actionable step to reduce the likelihood of a catastrophic wildfire, such as the 1991 Oakland Hills Fire. Along with adoption of the VMP, the City Council certified the VMP's Environmental Impact Report, which ensures the VMP's vegetation management measures are consistent with the California Environmental Quality Act ("CEQA") and thus can be implemented swiftly without further environmental review. In November 2024, residents in Oakland Hills voted in favor of passing a special wildfire prevention tax (Measure MM) to generate nearly \$3.0 million annually to fund the critical work included in the VMP. Initial use of Measure MM funding in Fiscal Year 2025-26 supported the goat grazing program, which removes overgrown vegetative fuel in public rights-of-way.

In addition, on June 30, 2025, the Governor signed SB 131, creating a statutory CEQA exemption for specified wildfire risk reduction projects—such as prescribed fires, defensible-space clearances, home

hardening, and fuel breaks—for those projects up to 50 acres, within a half-mile of a subdivision with 30 or more dwelling units, and on land excluding sensitive habitats. The City anticipates using this CEQA exemption for those vegetation management projects that may not fall within the scope of the VMP, providing even more flexibility and streamlining to the City’s vegetation management strategies.

Drought. In recent years, California has experienced severe drought conditions. In January 2014, the Governor declared a state-wide “Drought State of Emergency” due to the State facing serious water shortfalls due to the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The California State Water Resources Control Board (the “**State Water Board**”) subsequently issued a statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. In a series of proclamations in 2021 (April 12, 2021, May 10, 2021, July 8, 2021, and October 19, 2021 (the “**2021 Drought Proclamations**”)), the Governor encouraged Californians to materially reduce their water usage and empowered the State Water Board to adopt regulations to prohibit certain wasteful water use practices. On March 28, 2022, the Governor signed Executive Order N-7-22, escalating prior water conservation efforts noting that a majority of California remains under “extreme and expanding drought” conditions. Executive Order N-7-22 effected significant policies, including, suspending any ordinance, policy or requirement of any kind that prohibits the hauling of water if the water is for human consumption, cooking or sanitization, and prohibiting the City and other public agencies from approving or issuing permits for certain groundwater wells or the alteration of certain existing wells. However, due to increased rainfall in late 2022 and early 2023, some of these restrictions were rescinded. Specifically, in March 2023, following one of the wettest winters on record, the Governor rolled back certain drought restrictions, but material restrictions and prohibitions remain in effect. It is not possible for the City to make any representation regarding the extent to which drought conditions or proclamations could cause reduced economic activity within the boundaries of the City or the extent to which the drought has had or may have in the future an impact on the assessed value of taxable property within the City.

Flooding. Approximately 212 parcels in the City are subject to the effective National Flood Hazard maps and would potentially qualify for the National Flood Insurance Program (“**NFIP**”) due to such properties being located within a flood-prone area as outlined in the NFIP managed by Federal Emergency Management Agency (“**FEMA**”). Full compliance and good standing under the NFIP are application prerequisites for most FEMA grant programs. The City is in compliance with all NFIP requirements and in good-standing. Flooding can take many forms—watercourse floods, storm-related flash floods, and coastal floods, for example—and can be caused by a variety of reasons, including heavy rains, such as the winter storms occurring during Fiscal Year 2022-23, and clogged or undersized drainage systems. Urbanization also increases the risk of flooding by increasing stormwater runoff and, to a lesser extent, erosion. A UC Berkeley study, “*Toxic Tides and Environmental Injustice: Social Vulnerability to Sea Level Rise and Flooding of Hazardous Sites in Coastal California*,” published in May 2023, documented the rising groundwater levels across the Bay Area, including the City, relating to sea level rise and the potential for it to increase the intensity and impact of flooding in coastal areas. See also “— *Climate Change; Risk of Sea Level Rise*” below.

Landslides. A significant portion of the City, particularly in the Oakland Hills, consists of sloping terrain. Most sloping land has some landslide potential. The risks tend to be greatest where a number of contributing factors are present, including slopes over 15 percent, weak, unconsolidated or shallow soils, water saturation, a history of landslides, active earthquake faults, extensive grading and vegetation removal (from fires or development activity). The slide itself is usually triggered by an earthquake, heavy rain or misdirected runoff. Landslides are a relatively common hazard in the East Bay hills, especially during and soon after heavy rainstorms, when the ground is saturated. Mudslides - fast, shallow movements of water-saturated earth that flow as muddy slurries, typically following water courses - are the most common type of landslides in the City; they are also known as debris flows or soil slumps.

Approximately one-quarter of the City, including all of the Oakland Hills, contains slopes greater than 15 percent. Slopes of 15-30 percent are considered developable but are likely to require site modification or

special grading or foundation design to reduce the potential for slope instability. Slopes of that degree are found in the City throughout the southern Oakland Hills, in the roughly triangular area formed by I-580 and State Highways 13 and 24, in the vicinity of Northeastern University's Mills College campus and Eastmont, and on some of the hills around Lake Merritt. Development on slopes exceeding 30 percent is considered difficult and potentially hazardous. Such slopes are concentrated throughout the Oakland Hills (especially in the northern hills) and within two miles south of Highway 13. The landslide hazard in the Oakland Hills is exacerbated by the fact that the area is crossed by the Hayward fault. During a major earthquake on that fault, landslides, widespread failure of steep slopes and the collapse of natural stream banks are anticipated in the Oakland Hills in response to the strong ground movements anticipated with such a quake. Landslides could block roads, which would hamper evacuation, firefighting and relief operations within the area.

While landslides typically result in localized impacts, a major seismic event could trigger more widespread slope failures, presenting a persistent risk of damage to buildings and infrastructure in areas of potentially unstable slopes and potential bodily injury or loss of life, from the collapse of structures and tumbling earth, rocks, and debris. Although the landslide hazard cannot be completely eliminated, damage can be minimized by following proper development practices or by steering development away from areas of unstable slopes. While efforts have been taken by the City through the development process to minimize landslide potential, most hillside development predates the imposition of grading and related requirements. For this reason, older hillside homes and subdivisions are the most susceptible to damage from landslides.

Climate Change; Risk of Sea Level Rise. Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution.

In 2024, the State of California Ocean Protection Council published its State of California Sea-Level Rise Guidance (2024 Science and Policy Update), which provides projections for increases in sea levels and associated risk factors. This report indicates that ocean levels along the California coast are likely to rise 0.8 feet by 2050 and between 1.6 to 3.1 feet by 2100, with significantly higher rises being possible.

The Bay Conservation and Development Commission, which is the State agency tasked with leading the San Francisco Bay Area's preparedness for, and resilience to, rising sea level, tides, and storm surge due to climate change, has done additional analysis of the impacts of local tidal influences and storm surges under these sea level rise scenarios, and projects that storm surges and king tides can result in temporary flooding conditions equivalent to an additional 14 to 41 inches above the sea level rise projections. Projected possible impacts of climate change in the City include rising Bay and delta waters, increased vulnerability to flood events, and exposure to soil toxins resulting from flooding and rising groundwater due to sea level rise, decreased potable water supply due to saltwater intrusion into groundwater reservoirs and shrinking Sierra snowpack, increased fire danger, more extreme heat events and public health impacts, and added stress on infrastructure associated with sea level rise due to development on its coastline.

On October 20, 2018, the City Council adopted a Climate Emergency and Just Transition Resolution endorsing the declaration of a climate emergency and requesting regional collaboration on an immediate just transition and emergency mobilization effort to restart a safe climate. Following that effort, the City adopted the Oakland 2030 Equitable Climate Action Plan on July 28, 2020 (the "**2030 ECAP**"), reflecting the City's strategy for an equitable transition to a low-carbon economy. The goal of the 2030 ECAP is to identify an equitable path towards cost-effectively reducing the City's local climate emissions by a minimum of 56%, transitioning away from fossil fuel dependence, and ensuring that all of the City's communities are resilient to the foreseeable impacts of climate change (especially those communities hit hardest by social and economic injustices), by 2030. See also APPENDIX A — "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND — OVERVIEW — Commitment to Environmental, Social and Governance (ESG) Principles." The 2030 ECAP includes multiple action items to address climate adaptation needs, including sea level rise along Oakland's waterfront. Significant implementation has occurred on these actions through 2025, including formation of a

regional partnership to coordinate projects and information (Oakland Alameda Adaptation Committee), development of pilot projects to test shoreline designs and flood control measures, and technical analysis to better understand localized risk levels relating to the combination of rising sea levels and rising groundwater intrusion.

The City cannot predict the extent, timing, or specific impacts that climate change may effect, and, if any such events occur, whether they will have a material adverse effect on assessed values, the financial condition of the City and the local economy.

Hazard Mitigation. The City has developed, and the City Council has adopted, a hazard mitigation plan (updated as of July 2021 and referred to as the “**Hazard Mitigation Plan 2021–2026**”). The Hazard Mitigation Plan 2021–2026 has as its objective to reduce risks from disasters (including, but not limited to those discussed above) to the people, property, economy, and environment within the City and seeks, among other things, to:

- Enable the City to apply for federal grant funding to reduce hazard risk through mitigation.
- Fulfill state and federal requirements for hazard mitigation planning.
- Create a risk assessment that focuses on the hazards of concern in the City.
- Coordinate existing plans and programs so that high-priority projects to mitigate potential disaster impacts are funded and implemented.
- Establish eligibility for funding under FEMA grant programs.

In 2024, the City was awarded \$205,254 in federal and State grants to update its hazard mitigation plan for Fiscal Year 2026-27. Due to the declared emergencies associated with the winter storms occurring during Fiscal Year 2022-23, Oakland Public Works is receiving \$3,479,715 in obligated reimbursements, and \$1,300,000 in unobligated reimbursements, from FEMA to restore City infrastructure to pre-storm condition (75% of project costs). California Office of Emergency Services is reimbursing Oakland Public Works \$678,723 (18.75%) of the obligated project costs. Additionally, the Oakland Department of Transportation is anticipating an unobligated federal reimbursement of approximately \$1,636,636 (75% of estimated project costs) for storm damage to City roadways; however, this reimbursement is pending final FEMA review and has not yet been approved. Oakland’s Housing & Community Development Department (“HCD”) is set to receive \$108,062.26 in unpaid but obligated reimbursements from FEMA to offset the cost of emergency hotel stays for flood victims (75% of project costs). California Office of Emergency Services will reimburse HCD \$27,015.56 (18.75%) of eligible costs, and HCD has an additional \$2,461,908.12 in costs for which the eligibility for reimbursement is currently undergoing an appeal with FEMA. If the City prevails in this appeal, 93.75% of these potentially eligible costs will likely be reimbursed by a combination of FEMA and the California Office of Emergency Services. The updated Local Hazard Mitigation Plan that has been drafted is scheduled to be adopted by City Council in June 2026.

In 2017, the City filed a lawsuit against the five largest investor-owned fossil fuel companies in Alameda County Superior Court, entitled *The People of the State of California, acting by and through the Oakland City Attorney, Barbara J. Parker, v. BP P.L.C., et al.* This case brings public nuisance and other related tort claims on behalf of the City of Oakland and the people of the State of California in Oakland against Exxon, Shell, Conoco Phillips, BP, Chevron, and their subsidiaries. The litigation addresses alleged efforts by such fossil fuel/oil companies to hide the impacts of climate change hazards from the public in order to encourage continued use of fossil fuels and discourage the transition to renewable sources of energy. The City Attorney is seeking to have the defendant oil companies found liable for creating, participating in, and/or perpetuating a public nuisance and to have them ordered to abate the nuisance, including via an equitable abatement fund of multi-millions of

dollars to address, among other things, the hazards of sea level rise for the City's property, infrastructure, and residents.

After the case was filed in State court, the defendants attempted to remove the case to federal court. After multiple rounds of briefing and appeals, the case was eventually remanded to State court. It is currently assigned to Judge Schulman in San Francisco Superior Court in a coordinated proceeding alongside similar actions brought by nine other local governments and the State of California.

Defendants filed a Motion to Quash the Summons based on lack of personal jurisdiction, which was denied in the trial court. Writ petitions on those motions have also been denied. Chevron filed a motion to strike all claims on anti-SLAPP grounds, which was also denied in the trial court. A writ petition is pending in the California Supreme Court. Defendants have filed demurrers which will be heard after a Supreme Court cert petition in a related case is decided.

While the City believes that its claim is meritorious, there can be no assurance as to whether the case will be successful nor whether the City will obtain the requested relief from the courts or desired contributions to an abatement fund from the defendants.

Public Health Emergencies

The outbreak of the strain of coronavirus called COVID-19, which was declared a global pandemic by the World Health Organization in February 2020, materially and adversely impacted local and global economies, as governments, including the City, businesses, and citizens reacted to, planned for, and tried to prevent or slow further transmission of the virus. The City experienced significant and material economic and tax revenue losses associated with the COVID-19 pandemic and increased expenses due to public health responses. With the significant decline of COVID-19 case rates and increase in vaccination rates, emergency orders have been lifted, the national and local economy has begun improving, and scientists predict that COVID-19 will become endemic over time, if it hasn't already. However, the resulting and long-term impacts of COVID-19 on the City's economy, finances and operations are not fully known. Uncertain too are the actions that may be taken by federal and State governmental authorities to contain or mitigate the effects of COVID-19 or some future pandemic. See also APPENDIX A — "CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND — BUDGET AND FINANCIAL OPERATIONS — City's General Financial Condition."

Cybersecurity and Threats

As a large public sector organization, the City manages a complex technical environment. Through its normal operations, the City collects, processes, and maintains potentially sensitive information about residents, businesses, employees, contractors, and elected officials, making it a target for sophisticated, professional criminal organizations. As such, cybersecurity is of the utmost importance to the successful ongoing operations of the City. The City's Information Technology Department ("ITD") continually manages programs and initiates projects aimed at strengthening the City's overall technology infrastructure and automating processes, monitoring systems, and analyzing operational and security issues in real-time. The City believes these measures improve its ability to effectively respond to incidents once detected. Regarding specific security measures, the City has established an Information Security Office ("ISO") as part of ITD, reporting directly to the City's Chief Information Officer.

The ISO is responsible for the active monitoring of the City's technology systems, as well as analysis, discussion and development of information security policy and recommendations. The ISO has implemented citywide policies and procedures aligned to the National Institute of Standards and Technology, Special Publication 800-53, Security and Privacy Controls for Information Systems and Organizations ("NIST SP800-53 Rev 5"). In addition to frameworks and policies, the ISO also recognizes the need for dedicated security personnel and ongoing training. Frameworks and policies are only effective if they are enforced and tools are only effective if they remain current. Combating cybersecurity threats from both inside and outside the

organization is an ongoing active endeavor, as the threats are continually evolving. While the City maintains its technology systems and continuously implements new information security controls, no assurances can be given that the City's will be successful in guarding against all cyber threats and attacks.

To help mitigate the impacts of any such impacts, the City carries a cyber insurance policy, but there is no assurance that such coverage will be maintained in the future or that the coverage amount will be sufficient to address the cost of any particular cyberattack.

In February 2023, the City detected suspicious activity on its network and quickly contained the threat with the help of a forensics firm. While several systems were taken offline, the City confirmed that critical systems like 911, Office 365, and Oracle were unaffected. The City engaged legal and technical assistance through its cyber liability insurance policy and the City Council enacted a local state of emergency to enable rapid responses and contracting and activated its Emergency Operations Center to mobilize all City departments, agencies, and resources to respond to the incident. A majority of the City's systems were back online within 18 days after the threat was detected, and all systems were back online within three months.

In March 2023, it was discovered that a threat actor published stolen City data on the dark web, followed by a second publication of City data in April 2023. The City sent notifications of both leaks to affected individuals. A full recovery of all affected internet technology systems was achieved by May 2023.

To continue improving the City's infrastructure and data security systems and operations, the City's 2023–2025 biennial budget included a \$9.5 million investment in technology and security, resulting in many improvements during that period.

Although the City's 2025–2027 biennial budget includes reductions impacting multiple departments, the ITD budget preserves core security and technology systems. Alongside these efforts, the City's ERP financial system was successfully migrated to Oracle Cloud Infrastructure in May 2024 and integrated with Microsoft 365 identity security protections in September 2025, providing significant security and infrastructure improvements to the City's financial data systems.

No assurances can be made that the security and other measures taken by the City will be successful in guarding against another cyber threat or attack. The City cannot predict the outcome of any future attack nor its effect on the City's operations and finances. The results of any attack on the City's computer and information technology systems could have a material adverse impact on the operations of the City and damage its digital networks and systems. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the City to material litigation and other legal risks, which could cause the City to incur material costs related to such legal claims or proceedings.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall LLP, San Mateo, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Notes is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Notes may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Notes.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Note is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Note is sold is greater than the amount payable at maturity thereof, then such difference constitutes "bond premium" for purposes of federal income taxes and State of California personal income taxes.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Note on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Notes to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Note. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Notes who purchase the Notes after the initial offering of a substantial amount of such maturity. Owners of such Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the Note (said term being the shorter of the Note's maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the Note for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a Note is amortized each year over the term to maturity of the Note on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Note premium is not deductible for federal income tax purposes. Owners of premium Notes, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Notes.

California Tax Status. In the further opinion of Bond Counsel, interest on the Notes is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to Notes issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Notes, or as to the consequences of owning or receiving interest on the Notes, as of any future date. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Notes should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Notes may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Notes, the ownership, sale or disposition of the Notes, or the amount, accrual or receipt of interest on the Notes.

LITIGATION

There is no action, suit or proceeding pending (with service of process having been given) against the City or, to the knowledge of its respective officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes, the Ordinance, or the Resolution or any proceedings of the City taken with respect to the issuance or sale of the Notes, or the pledge or application of any moneys or security provided for the payment of the Notes or the use of the proceeds of the Notes.

The City is routinely subject to various actions, suits or proceedings. A description of certain recently completed, pending or threatened actions, suits and/or proceedings involving the City, which if determined in a final and conclusive manner adverse to the City may, individually or in the aggregate, materially affect the General Fund's financial position, is included in Appendix A.

CERTAIN LEGAL MATTERS

Jones Hall LLP, San Mateo, California, Bond Counsel to the City, will render its approving opinion with respect to the validity of the Notes, and an opinion with respect to federal and State income tax matters, on the date of the issuance of the Notes in substantially the form set forth in APPENDIX C — “FORM OF APPROVING OPINION OF BOND COUNSEL” attached hereto. Bond Counsel expresses no opinion regarding the accuracy or completeness of this Official Statement. Certain legal matters will be passed on for the City by Nixon Peabody LLP, San Francisco, California, Disclosure Counsel to the City, and by the City Attorney, and for the Underwriter by its counsel, Hawkins Delafield & Wood LLP, Los Angeles, California. Compensation for Bond Counsel and Disclosure Counsel's services is contingent upon the sale and delivery of the Notes.

The legal opinions and other letters of counsel to be delivered concurrently with the delivery of the Notes express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that opinion, or the transaction on which the opinion or advice is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL STATEMENTS

The audited annual financial report of the City for its Fiscal Year ended June 30, 2025, is included in APPENDIX B — “ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2025.” Said annual financial report has been audited by Macias Gini & O'Connell LLP, independent accountants (the “Auditor”), as stated in the Auditor's report appearing in APPENDIX B. The City has not requested, nor has the Auditor given, the Auditor's consent to the inclusion in APPENDIX B of its report. The Auditor has not reviewed this Official Statement nor performed any procedures subsequent to rendering its opinion on such annual financial report.

RATINGS

Moody's Investors Service, Inc. (“**Moody's**”) and S&P Global Ratings (“**S&P**”) have assigned ratings of “[_____]” and “[_____]”, respectively, to the Notes. Each rating agency generally bases its rating on its own investigations, studies and assumptions. The ratings provided by each of the rating agencies reflect only the views of such organizations and an explanation of the significance of such ratings may only be obtained from the respective agencies at the following website addresses: Moody's at <https://www.moody.com> and S&P at <http://www.standardandpoors.com>. No information from such websites is incorporated herein by reference. There is no assurance that such ratings will continue for any given period of time or that they will not be revised

downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agency, circumstances so warrant. Any such downward revisions or withdrawals of such ratings may have an adverse effect on the market price of the Notes. The City undertakes no responsibility to maintain any rating on the Notes or to oppose any such downward revision, suspension or withdrawal.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate, the City will covenant for the benefit of the owners of the Bonds to provide notices of the occurrence of certain enumerated events. The notices of enumerated events will be filed by the City (or its dissemination agent, if any) with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events and the text of the Continuing Disclosure Certificate are set forth in APPENDIX D — “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants will be made in order to assist the Underwriter in complying with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”).

The City, on its own behalf and on behalf of related entities, has entered into a number of prior continuing disclosure undertakings under the Rule, in connection with the issuance of long-term obligations, and has provided annual financial information and event notices in accordance with those undertakings. In August 2024, Assured Guaranty Municipal Corp., the insurer of certain of the City’s bonds, merged with and into its affiliate Assured Guaranty Inc. The City did not file a notice with respect to the merger until October 6, 2025. Based on an independent, third-party review, other than as described in this paragraph, the City is not aware of any instances in the past five years of any material failures by it to comply with its continuing disclosure undertaking under the Rule with respect to any bond issue of the City.

MUNICIPAL ADVISOR

Urban Futures, Inc., Walnut Creek, California (the “Municipal Advisor”) has served as independent registered municipal advisor to the City in connection with the issuance of the Notes. The Municipal Advisor assisted the City in the preparation of this Official Statement and in other matters related to the planning, structuring, execution and delivery of the Notes.

The Municipal Advisor has not audited, authenticated or otherwise independently verified the information set forth in this Official Statement, or any other related information available to the City, with respect to the accuracy and completeness of the disclosure of such information. Because of this limited participation, the Municipal Advisor makes no guaranty, warranty or other representation respecting the accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

UNDERWRITING

Pursuant to the terms and conditions of a Note Purchase Contract for the Notes (the “Purchase Contract”), by and between the City and BofA Securities, Inc. (the “Underwriter”), the Underwriter has agreed to purchase the Notes from the City at an aggregate purchase price of \$[_____], representing the aggregate principal amount of the Notes, [plus/less] [a net / an] original issue [premium/discount] of \$[_____], and less the Underwriter’s discount of \$[_____].

The Purchase Contract provides, among other things, that the obligations of the Underwriter are subject to certain terms, conditions and precedents, and that the Underwriter will be obligated to purchase all of the Notes offered under the Purchase Contract, if any of the Notes offered thereunder are purchased.

The Underwriter and its respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial

and non-financial activities and services. In the various courses of their various business activities, the Underwriter and its respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

In the ordinary course of their various business activities, the Underwriter and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

The Underwriter may also offer and sell the Notes to certain dealers and others at prices lower than the respective public offering prices stated or derived from information stated on the cover page hereof. The initial public offering prices may be changed from time to time by the Underwriter.

BofA Securities, Inc., the underwriter of the Notes, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Notes.

MISCELLANEOUS

This Official Statement contains brief descriptions of, among other things, the Notes, the Resolution and the City. Such descriptions do not purport to be comprehensive or definitive. All references in this Official Statement to documents are qualified in their entirety by references to such documents, and references to the Notes are qualified in their entirety by reference to the form of Note included in the Resolution.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Notes.

The execution and delivery of this Official Statement have been duly authorized by the City.

CITY OF OAKLAND

By: _____
City Administrator

APPENDIX A

CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND

APPENDIX A
CERTAIN INFORMATION CONCERNING THE CITY OF OAKLAND
OVERVIEW

Certain statements included or incorporated by reference in this APPENDIX A constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

This Appendix A provides some financial information for Fiscal Years 2025-26 and 2026-27. Such information is based on estimates, does not reflect complete fiscal year results and is not audited. Final, audited results for Fiscal Year 2025-26 may differ materially from these results.

General

The City of Oakland (the “**City**” or “**Oakland**”) is located in the County of Alameda (the “**County**”) on the eastern shore of the San Francisco Bay, approximately seven miles from downtown San Francisco via the San Francisco-Oakland Bay Bridge. Occupying approximately 53.8 square miles of land, the City is the most populous of the “East Bay” cities. The City is the seat of government for the County and is the eighth most populous city in the State of California (the “**State**”). Its geography ranges from industrialized areas in the west, which border the San Francisco Bay, to suburban foothills in the east.

The City is the hub of an extensive transportation network, which includes several interstate freeways, which are key regional corridors for mobility and goods movement, the western terminus of major railroad and trucking operations, and one of the largest container-ship ports in the United States, the Port of Oakland. The City is also served by an active international airport, rail, ferry service and the Bay Area Rapid Transit system (“**BART**”), which connects the City by commuter rail to most of the San Francisco Bay area (the “**Bay Area**”).

Formerly the industrial heart of the Bay Area, the City has developed into a vibrant metropolitan center, home to a diverse mix of residential neighborhoods and financial, health care, governmental and commercial activities. The City’s mix of traditional employers as well as companies from emerging industries are attracted to the City’s quality of life, central Bay Area location with affordable housing, comparatively low business costs, proximity to research institutions and vast intermodal transportation network. Leading industries include health care and social assistance, professional, scientific, and technical services, transportation and warehousing, educational services, accommodation and food services, light manufacturing, government, and arts, culture, and entertainment.

Culturally, the City is home to a nationally-recognized symphony, the Oakland Ballet, a rich array of artistic and cultural institutions, an award-winning zoo, the Paramount Theatre, the Fox Theater, the newly-renovated Henry J. Kaiser Center for the Arts, the Oakland Museum of California, and a celebrated restaurant scene. Oakland’s diverse population is reflected in a variety of attractions, including Chinatown, Little Saigon, the Latin-infused Fruitvale area, and the African American Museum and Library downtown. The Black Arts Movement and Business District was recently certified by the State as a California Cultural District.

Oakland boasts a wide array of parks and open space. In addition to its waterfront, the City maintains over 100 city parks, mini parks and open spaces, including Lake Merritt and Lakeside Park, home of the nation’s oldest wildlife refuge and Fairyland, a popular children’s theme park. The City counts lush green hills, redwood

and other forests, creeks, an estuary and two lakes among its natural amenities. The extensive East Bay Regional Park District borders Oakland and is easily accessible.

Population

The Demographic Research Unit of the California Department of Finance estimated the City’s population as of January 1, 2026 at 429,591. This figure represents approximately 25.78% of the corresponding County figure and 1.09% of the corresponding State figure. The following Table 1 sets forth the estimated population of the City, the County and the State for calendar years 2021 through 2026 with 2020 included as a benchmark reference.

**Table 1
City of Oakland, County of Alameda and State of California
Population
2020-2026**

Calendar Year	City	County	State
2020	433,148	1,682,353	39,538,223
2021	431,073	1,669,095	39,369,530
2022	420,963	1,648,467	39,179,680
2023	424,172	1,657,334	39,228,444
2024	424,235	1,658,061	39,420,663
2025	429,732	1,667,901	39,646,907
2026	429,591	1,666,136	39,592,978

Note: Data reflect population estimates as of January 1 of each year except for 2020 data which is as of April 1, 2020.
Source: State of California, Department of Finance.

Income

The following Table 2 summarizes personal income for the County (which is larger than, but encompasses, the City) for the calendar years 2020 through 2024, the most current year for which data is available. Personal income increased by 23.81% from 2020 to 2024. Per capita personal income in the area grew by 26.18% in that same time period.

**Table 2
Personal Income and Per Capita Income
County of Alameda
2020 - 2024⁽¹⁾**

Year	Personal Income (in Thousands)	Annual Percent Change ⁽²⁾	Per Capita Income	Annual Percent Change ⁽²⁾
2020	\$148,199,107	10.03%	\$88,182	10.25%
2021	162,177,784	9.43	98,657	11.88
2022	163,748,943	0.97	100,110	1.47
2023	171,119,975	4.50	104,460	4.35
2024	183,486,862	7.22	111,268	6.52

⁽¹⁾ Most current data available as of the date of this Official Statement.

⁽²⁾ Rounded numbers.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *CAINCI Personal Income Summary: Personal Income, Population, Per Capita Personal Income, by County, 2020-2024.*

Industry and Employment

The following Table 3 sets forth estimates of the civilian labor force, employment, and unemployment for City residents, County residents, State residents and United States residents from calendar years 2021 through 2025. The California Employment Development Department has reported preliminary unemployment figures for April 2026 at 4.4% for the City, 4.1% for the County, 5.0% for the State and 4.1% for the Oakland-Fremont-Berkeley metropolitan division (not seasonally adjusted).

Table 3
City of Oakland, County of Alameda, State of California and United States⁽⁶⁾
Civilian Labor Force, Employment and Unemployment
Annual Average⁽¹⁾ for Years 2021 through 2025⁽²⁾

Year and Area	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
2021				
City of Oakland	231,300	215,900	15,400	6.7%
County of Alameda	846,500	796,900	49,600	5.9
California	18,954,600	17,564,900	1,389,700	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
2022				
City of Oakland	234,000	225,700	8,300	3.5%
County of Alameda	856,600	829,100	27,500	3.2
California	19,218,300	18,393,900	824,400	4.3
United States	164,287,000	158,291,000	5,996,000	3.6
2023				
City of Oakland	237,700	228,100	9,600	4.1%
County of Alameda	866,300	833,200	33,100	3.8
California	19,471,000	18,551,800	919,200	4.7
United States	167,116,000	161,037,000	6,080,000	3.6
2024				
City of Oakland	238,800	227,600	11,200	4.7%
County of Alameda	866,300	827,700	38,600	4.5
California	19,644,100	18,600,900	1,043,100	5.3
United States	168,106,000	161,346,000	6,761,000	4.0
2025				
City of Oakland	239,590	227,754	11,809	4.9%
County of Alameda	873,300	832,600	40,700	4.7
California	19,823,800	1,838,500	1,085,300	5.5
United States	170,807,000	163,493,000	7,314,000	4.3

⁽¹⁾ Data presented as annual averages, except where otherwise indicated. Data may not add due to rounding.

⁽²⁾ *Source:* For 2021-2025 data for County and State, State of California Employment Development Department, Labor Market Information Division, *Unemployment Rates (Labor Force)*, Labor Force Data Search Tool, Annual historical data from 2021-2025, Data Not Seasonally Adjusted, data pulled on April 16, 2026.

⁽⁶⁾ *Source:* U.S. Department of Labor, Bureau of Labor Statistics. Access to Historical Data. Household Data. Annual Averages Table 1, Employment status of the civilian noninstitutional population, 1991 to 2025.

The following Table 4 sets forth the largest industries in the County in terms of employment in each respective industry, as estimated by the State of California Employment Development Department, for calendar years 2021 through 2025.

Table 4
County of Alameda
Employment by Industry Group
Annual Averages
2021 - 2025⁽¹⁾

Industry	2021	2022	2023	2024	2025
Trade, Transportation and Utilities	134,000	137,300	137,100	132,000	
Professional and Business Services	134,400	137,800	135,000	132,700	
Educational and Health Services	125,100	128,500	135,800	142,200	
Government	114,500	113,200	115,500	116,200	
Manufacturing	91,800	98,300	97,800	90,900	
Leisure and Hospitality	57,900	68,600	71,100	69,900	
Mining, Natural Resources and Construction ⁽²⁾	48,700	48,400	47,400	46,800	
Financial Activities	27,100	27,100	27,300	26,900	
Other Services	23,800	25,800	27,200	26,200	
Information	18,800	19,100	18,600	17,000	
Farm	1,000	900	800	800	
TOTAL:	777,100	804,900	813,600	801,500	

⁽¹⁾ Employment is reported by place of work. Figures are rounded to the nearest hundred. Columns may not add to totals due to rounding.

⁽²⁾ Includes logging.

Source: California Employment Development Department, as of April 2026.

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The following Table 5 sets forth the top ten employers in the City as of June 2025.

**Table 5
City of Oakland
Top Ten Employers
as of June 2025**

Rank	Employer Name	Employee Count	Percent of Total Employment⁽¹⁾
1.	Kaiser Permanente Medical Group, Kaiser Foundation Hospitals and Health Plan	11,000+	4.9%
2.	County of Alameda	8,000+	3.5
3.	Oakland Unified School District	5,500+	2.4
4.	City of Oakland	4,500+	2.0
5.	State of California	4,000+	1.8
6.	San Francisco Bay Area Rapid Transit District	3,500+	1.5
7.	Southwest Airlines	2,500+	1.1
8.	UCSF Benioff Children’s Hospital & Research Center	2,500+	1.1
9.	Alameda Health System	2,000+	0.9
10.	United Parcel Service	1,500+	0.7
Total		45,000+	

⁽¹⁾ Percentage of total employment is based on December 2024 employment of 225,900.
Source: City of Oakland Annual Comprehensive Financial Report for Year Ended June 30, 2025.

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Commercial Activity

The following Table 6 sets forth a history of taxable transactions for the City for calendar years 2021 through 2025.

Table 6
City of Oakland
Taxable Transactions by Type of Business
for Calendar Years 2021 through 2025
(\$ in Thousands)

Type of Business	2021	2022	2023	2024	2025
Motor Vehicle & Parts Dealers	\$588,561	\$572,303	\$581,526	\$554,802	\$571,467
Home Furnishings & Appliance Stores	155,359	147,394	142,792	187,545	179,064
Building Material & Garden Equipment & Supplies Dealers	258,652	252,581	228,639	212,691	213,858
Food & Beverage Stores	355,965	362,609	354,274	348,348	355,526
Gasoline Stations	444,045	644,871	531,427	473,773	445,352
Clothing & Clothing Accessories Stores	100,892	111,792	109,046	106,592	106,442
General Merchandise Stores	112,818	134,867	157,088	96,280	91,232
Food Services & Drinking Places	792,369	950,985	980,077	958,120	932,455
Other Retail Group	393,144	381,829	338,340	338,296	309,392
Total Retail & Food Service	3,201,805	3,559,230	3,423,208	3,276,445	3,204,789
All Other Outlets	1,403,122	1,641,427	1,566,262	1,435,612	1,351,425
Total All Outlets	<u>\$4,604,928</u>	<u>\$5,200,657</u>	<u>\$4,989,470</u>	<u>\$4,712,057</u>	<u>\$4,556,216</u>

Note: Totals may differ due to rounding.

Source: Taxable Sales In California, California State Department of Tax and Fee Administration.

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Economic Development and Construction Activity

The following Table 7 sets forth a summary of residential and commercial building permit valuations in the City for Fiscal Years 2020-21 through 2024-25.

Table 7
City of Oakland
Building Permit Valuation
2020-21 through 2024-25

	2020-21	2021-22	2022-23	2023-24	2024-25
Building Permits Issued ⁽¹⁾	12,784	14,356	15,700	13,700	13,694
Authorized New Dwelling Units ⁽¹⁾	1,159	1,469	1,378	880	472
Commercial Value (in thousands) ⁽²⁾	\$322,408	\$367,304	\$172,550	\$459,135	\$517,458
Residential Value (in thousands) ⁽³⁾	\$380,814	\$473,718	\$358,387	\$285,071	\$180,067

⁽¹⁾ Decreases in building permits issuances and new dwelling unit authorizations in Fiscal Years 2023-24 and 2024-25 reflect higher borrowing and construction costs in recent years, as well as stable, lower rental prices.

⁽²⁾ Decreased value for commercial permits in fiscal year 2023 reflects changing market conditions, including higher borrowing costs in recent years. Increased value for commercial permits in fiscal year 2024 reflects an investment by the Stanford Medical Health Cancer Center for a medical facility.

⁽³⁾ Decreased values for residential permits since fiscal year 2021-22 reflect changing market conditions, including higher borrowing costs in recent years.

Source: City of Oakland Annual Comprehensive Financial Report for Year Ended June 30, 2025.

The City continues to experience new commercial real estate investment and development activity in its downtown, as well as other areas of the City. Several large mixed-use projects are underway, including: (i) the Brooklyn Basin, a \$1.5 billion project creating a new mixed-use waterfront neighborhood with a maximum of 3,700 housing units entitled for and 1,696 units constructed thus far, associated retail and approximately 32 acres of publicly accessible parks and open space; (ii) the construction of a mixed-use residential community at the site of the former Oak Knoll Naval Medical Center, for which a total of 918 units are entitled for with 97 building permits recently applied for; (iii) new transit-oriented developments adjacent to the City's BART stations including the MacArthur, Fruitvale, Lake Merritt and West Oakland stations; and (iv) significant investment in the health care sector, including construction of a new campus for Samuel Merritt University in downtown Oakland, which opened in January 2026, a new \$250 million cancer center developed in partnership between Stanford University and Sutter Health, and the \$300 million redevelopment and modernization of UCSF Benioff Children's Hospital. Another recently completed project is the \$70 million rehabilitation and adaptive reuse of the Henry J. Kaiser Convention Center into a new performing arts center at the south end of Lake Merritt. Pacific Gas & Electric Company relocated its headquarters to the City from San Francisco, and recently finalized its purchase of the 910,000 square-foot Class A office building that it had been leasing at 300 Lakeside Drive. Additionally, the City and the County are continuing to negotiate the sale of the Coliseum Complex to the Oakland Acquisition Company LLC.

To complement and accelerate this real estate and investment activity, the City has created a series of plans for creating sustainable and vibrant neighborhoods, including a Downtown Oakland Specific Plan (the "DOSP"), which was adopted by the City Council in July 2024. The DOSP provides a vision together with goals and strategies to continue growing the City's downtown as a major regional employment, cultural, and residential center while meeting the needs of its most vulnerable stakeholders over the next 20 years. It encourages dense development by increasing development capacity and also addresses community priorities for a sense of place, shelter, economic opportunity, cultural belonging, and mobility. The DOSP lays the groundwork for more flexible use of existing space and future development, ensuring the City is ready for the next development cycle. The DOSP expands the range of uses that will be allowed by right which then, will help address ground-floor commercial vacancies. City Departments are coordinating to work on various aspects of implementing the DOSP.

Development capacity created by the DOSP could add approximately 29,000 housing units, 18.3 million square feet of new commercial space, 1.3 million square feet of new institutional space, and 500,000 square feet of new industrial space resulting in approximately 57,000 jobs and \$41 million in impact fees to fund affordable housing and transportation improvements units. Notwithstanding the recent slowdown in the construction of market-rate housing, which is a reflection of the significant supply delivered in the past several years and where the City is in the development cycle (high development costs relative to residential values), the DOSP also creates development capacity for 29,000 housing units.

The Development Feasibility Analysis and Housing Strategy Study conducted as part of the Impact Fees Update Phase 2 process in June 2024 found that the City’s economy and real estate market are still recovering and adjusting to the impacts of the pandemic. Current economic conditions are very different from those of 2016-2019 due to reduced demand, higher vacancy rates, lower rents, and higher construction and capital investment costs, which are impacting all sectors. The demand surrounding new housing and the ability to charge rents required for new construction was reduced due to uncertainties introduced by remote and hybrid work trends and declined activity in downtown areas surrounding new housing. Rapidly escalating construction costs, high interest rates, and depressed market rents significantly impacted multifamily housing projects, the only unit type to experience a major decline.

Commitment to Environmental, Social and Governance (ESG) Principles

Oakland Municipal Code § 2.29.170 directs staff and departments to support policies, programs and services that remove barriers to fairness and inclusion. In addition, the City’s administrative instructions on inclusive engagement provide further standards for actions that address historical gaps in access to services and programs. These policies are the result of a long history of activism around issues of equity and social justice in the City. The City’s environmental and social equity goals are rooted in the knowledge that all Oakland residents have the right to pursue safe, happy, healthy, and fulfilling lives. The effects associated with environmental racism and climate change, including long-term issues like sea level rise and immediate concerns like poor air quality, present opportunities to address these complex economic and environmental issues through equitable climate action and the General Plan update. The City regularly reports on its efforts to become a more sustainable, fair and just city that seeks to tackle the interconnected issues of climate change and social equity openly in alignment with current State and City laws and policies.

City leaders have committed to promoting equity measures to address decades of discrimination and inequitable outcomes. The City established a Department of Race and Equity (“**DRE**”) to work with departments and support review of policies and practices of the City to promote the inclusion of race and social equity impact analysis and outcome measures prior to policy adoption and implementation. These efforts can be seen now in most large planning efforts conducted by the City, including the development and updating of its General Plan, a requirement under California law, which guides the development (what gets built and preserved) in the City, and includes a vision, goals, and policies for future City decisions, and cover a range of topics, separated into individual General Plan “elements.” The City’s General Plan Update presents an opportunity for City residents to share their priorities about the City’s future and for the City to lay a strong foundation to advance fairness and justice through its elements. In 2023, the City adopted the first phase of its General Plan, which in its Environmental Justice, Safety, and Housing elements, included policies and actions that will guide the City on decisions related to racial equity, affordable housing, protection from natural hazards, healthy foods, and more. Now in its second phase, the General Plan will build on the work done to date by updating the General Plan’s Land Use and Transportation Element, Open Space, Conservation and Recreation Element, and Noise Element, which collectively relate to usage of land, transportation and mobility, parks conservation and open spaces, noise exposure, and more. The City will also present for adoption a new Infrastructure and Capital Facilities Element, which will provide a policy framework for aligning public infrastructure and facility investments with planned growth, in coordination with the City’s Biannual Capital Improvement Program Process (discussed under “**BUDGET AND FINANCIAL OPERATIONS – City Budget Process herein**”).

DRE's work in collaboration with City departments has resulted in investments from the State and Federal governments related to homelessness, lead poisoning, internet services for low-income residents, and other policies which eliminate barriers to services and programs and benefit all City residents. The DRE's biannual accomplishments report tracks City department activities to address inequities in services and programs, trains staff on applications of equity change processes, and supports City departments' Equity Teams, which advance more equitable outcomes related to the department's specific lines of business. In addition, the City is widely recognized for its pioneering, data-driven equity work, specifically for establishing the nation's first Cannabis Equity Program in 2017 and launching a certified "Legendary" label for equity-owned cannabis businesses in 2026. The City was also named in 2024 as one of the top ten Cities in the Country for Equity and Inclusive Engagement, and in 2025 for Digital Inclusion Trailblazer for its fourth consecutive year, highlighting efforts to bridge the digital divide to name a few.

The City also has a long and storied history of environmental achievement and sustainability efforts. For instance, the Sustainability and Resilience Division ("SRD") is an outgrowth of the Sustainable Community Development Initiative, established by the City Council in 1998. Housed in the City Administrator's Office, it supports the City's progress in becoming a more resilient and sustainable city. The division provides bi-annual updates to the public and City Council on progress in implementing the adopted Oakland 2030 Equitable Climate Action Plan (the "2030 ECAP") and its 40 Actions.

- The City partners with multiple local, regional, and statewide entities to market and deliver a range of energy savings and electrification resources to City residents, both residential and commercial. This includes the Bay Area Multifamily Building Enhancements Program, a program of the Bay Area Regional Energy Network ("BayREN"), which in calendar year 2025 provided technical assistance and \$634,450 in incentives to upgrade 209 residential units across twelve multifamily properties; BayREN's EASE Home program, which in the second half of 2025 completed 18 installations that saved residents 1,088 Therms and 1,825 kWh; the statewide TECH program, which has installed more than 220 heat pump water heaters and 660 heat pump HVAC systems in Oakland since 2020; the Green Housecalls program, delivered by Oakland-based Rising Sun Center for Opportunity and providing energy efficiency measures and in-home, hands-on training for energy and water conservation for City residents every Summer; PG&E's Energy savings Assistance Program and similar public- and ratepayer-funded income-qualified energy efficiency programs; a range of building and transportation electrification programs led by Ava Community Energy, Alameda County's publicly-owned electricity provider; contractor and business owner trainings provided directly by the City's Housing and Community Development Department ("HCD") and SRD; and a range of means-tested home upgrade services, including electrification, provided by HCD.
- In 2025, HCD's Asset Management staff conducted a survey of the City's affordable housing loan portfolio, which showed that electrification readiness remains low in older portfolio properties. In response, HCD plans to issue a Rehabilitation Notice of Funding Availability in Fiscal Year 2026-27 that will provide an opportunity for improving electrification readiness in the portfolio.
- The City's departments of Planning and Building and Economic and Workforce Development have led efforts to streamline building and business permitting. In combination with zoning and regulatory changes, building code updates since 2010 that encourage green building, energy and resource conservation, and electrification, these reforms further the City's leadership in sustainability and local economic development.
- In 2018, the City was awarded a SolSmart Gold designation for efforts to make it faster, easier, and more affordable for homes and businesses to install solar photovoltaics. SolSmart is led by the Solar Foundation and the International City/County Management Association, and is funded by the U.S. Department of Energy's Solar Energy Technologies Office. Since its founding in 2016, over 550 communities have achieved SolSmart designation. Oakland qualified in 2018 by creating a streamlined permitting process for small solar systems, installing solar capacity on local facilities,

offering PACE financing, and providing solar charging for City employees. With its Gold designation, the City is recognized as a national leader in advancing solar energy and helping to attract solar industry investment that generates economic development and employment opportunities.

- From 2005 to 2022, Oakland’s greenhouse gas emissions decreased by more than 20%, even while the City’s population grew by 8% and regional commercial activity flourished. More recent GHG data are not available, but the City has seen progress in the factors that determine emissions. Transportation, which contributes 63% of local emissions, saw a major dip in the pandemic but preliminary data indicate that it may have increased somewhat in the last two years. However, the City is updating the Land Use and Transportation Element of its General Plan in 2024-2026, which targets major increases in bicycle, pedestrian, and public transit access and use, as well as safer and more walkable neighborhoods. These changes take time to implement but are extremely durable, and they represent the most important contributions a community can implement to reduce transportation emissions.
- GHG emissions from buildings (derived from electricity use and onsite natural gas burning) are the second-largest contributor to Oakland’s emissions profile. Total electricity consumption in Oakland was 1,328 GWh in 2024, 11% less than in 2005. Over the same period, natural gas use in Oakland decreased 22%. These reductions reflect successes in energy efficiency and renewable energy, even as there has been marked progress in electrification of both buildings and transportation: In the three calendar years 2023-2025, City residents installed more than 600 residential heat pumps, and completed 1,115 single family residential permits and 39 commercial permits (including multifamily buildings) for battery installations.

Most recently, the City’s efforts to be a sustainability leader is exemplified in the City’s 2030 ECAP, which is the City’s roadmap for climate mitigation and adaptation and affirms that reducing disparities is a cornerstone of the City’s climate goals. In the 2030 ECAP, the City has committed to substantially cut greenhouse gas emissions and implement green building codes, standards and environmental practices and a long-term plan to maintain clean air supported by green jobs. As of the end of 2025, 13 of the ECAP’s 40 Actions have seen major progress, another 11 are in moderate progress, 13 are in early progress, and only three have not yet begun.

The 2030 ECAP includes a Racial Equity Impact Assessment & Implementation Guide (the “**Guide**”) to be used for guidance on effective implementation and community oversight. The Guide describes the disparities that disproportionately impact the City’s frontline communities and details a process for utilizing City-specific data to identify the frontline communities related to each 2030 ECAP action item, flexible to the constraints and objectives of each City department. It further provides in-depth recommendations and best practices for an equitable community engagement structure for the 2030 ECAP implementation that is inclusive of underrepresented frontline communities across the City. Finally, it identifies the equity gaps related to each 2030 ECAP action item and provides guidance on addressing these gaps to best maximize equity outcomes.

The City’s general obligation bond measures, Measure KK and Measure U (the “**Measures**”), each authorize the use of bond proceeds for, among other things, water, energy, environmental and seismic improvements to City facilities and systems consistent with the 2030 ECAP, as well as for the acquisition and construction of, and improvements to, affordable housing. See “**BONDS AND OTHER INDEBTEDNESS – General Obligation Debt**” herein for more information about the Measures.

Additionally, the Measures provide that, prior to issuance of bonds pursuant to the Measures, the City Council must identify how the projects and programs authorized for funding with such bond proceeds: (i) address improvements to the City’s existing core capital assets; (ii) maintain or decrease the City’s existing operations and maintenance costs; and (iii) address social and geographic equity, such as providing greater benefit to underserved populations and in geographic areas of greatest need. Measure KK additionally requires the City Council

to identify how the projects and programs authorized for funding with Measure KK bond proceeds address improvements to energy consumption, resiliency and mobility.

Many of the improvements financed with bond proceeds authorized pursuant to the Measures are anticipated or designed to improve the City's aging building stock to align City buildings with the State's current Building Energy Efficiency Standards (California Code of Regulations, Title 24), 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.

CITY GOVERNMENT

Overview

The City was incorporated as a town in 1852 and as a city in 1854. In 1889, the City became a charter city. The Charter of the City provides for among other matters: the election, organization, powers, and duties of the legislative branch, known as the City Council (the "**City Council**"); the powers and duties of the executive and administrative branches, including the elected Mayor of the City ("**Mayor**") and the appointed City Administrator; the election, powers, and duties of other City Officers including the City Attorney and the City Auditor; fiscal and budgetary matters; personnel administration; employee pension funds; and the creation and organization of the Port of Oakland. An eight-member City Council, seven of whom are elected by district and one of whom is elected on an at-large citywide basis, is the governing body of the City. City Councilmembers serve four-year terms, staggered at two-year intervals. City Councilmembers are limited to three consecutive terms, though district councilmembers may serve in the at-large seat for an additional three consecutive terms.

The Mayor is not a member of the City Council but is the City's chief elective officer. The current Mayor, Barbara Lee, is serving her first term after an April 2025 special election to fill the vacancy from a Mayoral recall. Her term will expire in January 2027. The next regularly scheduled mayoral election is November 2026, for a four-year term commencing January 2027. No person can be elected Mayor for more than two consecutive terms.

The City Attorney is elected to a four-year term at the same election as the Councilmember-at-large. The current City Attorney, Ryan Richardson, is serving his first term, which will expire in January 2029. The City Auditor is elected to a four-year term at the same election as the Mayor. The current City Auditor, Michael C. Houston, is serving his first term after a March 2024 special election to fill a vacancy in the Office of the City Auditor. His term will expire in January 2027.

On June 16, 2026, the City Council voted to place a Charter amendment on the November 3, 2026 ballot that would amend Oakland's City Charter to, among other things, shift the executive power in the City and make the Mayor the City's chief executive with a legislative veto.

The Mayor appoints a City Administrator who is subject to confirmation by the City Council. The City Administrator is responsible for daily administration of City affairs and preparation of the biennial budget for the Mayor to submit to the City Council. Subject to civil service regulations, the City Administrator appoints all City employees who are not elected officers of the City. The City Administrator is appointed for an indefinite term and serves at the pleasure of the Mayor. [The City Administrator, Jestin D. Johnson, was confirmed on May 16, 2023. On May 17, 2026, City Administrator Johnson submitted his resignation informing the Mayor that his last day as City Administrator will be July 14, 2026. The Mayor intends to bring a resolution to confirm an interim City Administrator at a future Council meeting.]

The City provides a full range of services required by State law and the Charter, including those functions delegated to cities under State law. These services include public safety (police and fire), sanitation, recreational and cultural activities, human services, economic development, public improvements, planning, zoning and general administrative services.

The Port of Oakland (the “**Port**”), designated by the Charter as an independent department of the City, operates the airport, maritime operations, and certain land along the waterfront. The Port is governed by a separate board of directors nominated by the Mayor and appointed by the City Council. Funds of the Port are accounted for in a separate enterprise fund held by the City Treasurer.

Recall of Former Mayor

In January 2024, a group of City residents filed a notice of intention to start a recall effort against then-Mayor Sheng Thao, citing an increase in crime, other public safety concerns, and mishandling of City finances, and in a recall election consolidated with the City’s general election held on November 5, 2024, voters approved the removal of then-Mayor Thao from office. At a special election held on April 15, 2025, voters elected Barbara Lee as Mayor, to serve the remainder of the unexpired term, which ends January 4, 2027. Mayor Lee was sworn in on May 20, 2025.

Former Mayor Thao has been indicted by a grand jury for acts taken in an alleged bribery scheme, as further described under the heading “LEGAL MATTERS AND RISK MANAGEMENT – Criminal Investigation of Former Mayor” in this Appendix A.

BUDGET AND FINANCIAL OPERATIONS

Overview

The City’s finances are organized into several fund groups. The General Fund (sometimes referred to as the general fund group) includes a number of funds intended for general use or citywide functions, the largest of which is the General Purpose Fund. The General Purpose Fund accounts for revenues from most of the City’s taxes, fees and service charges and is unrestricted in its use. In the 2026-27 Midcycle Budget (as defined herein), the General Purpose Fund included \$818 million of estimated appropriations and revenues and represented approximately 75% of the General Fund. The second largest component of the General Fund is the Pension Override Tax Fund representing \$94 million (9% of the Fiscal Year 2026-27 General Fund). See “EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*” regarding the Pension Tax Override (defined herein). Other funds reported as part of the General Fund include the City’s Self-Insurance Liability Fund; the Kids First Fund (which receives 3% of unrestricted General Purpose Fund Revenues); Comprehensive Clean-Up Fund; the Affordable Housing Trust Fund; solid waste and recycling services franchise fees to cover costs associated with illegal dumping enforcement, street sweeping, and other clean-up activities; and proceeds from a voter-approved general tax relating to Sugar Sweetened Beverages. Various reserves are also accounted for separately in the General Fund. See “– Financial Policies – *Reserves*.”

The City also maintains more than 150 special revenue funds, enterprise funds for sewer and golf operations, and various capital, debt service, internal service and fiduciary funds. See “OTHER BORROWABLE RESOURCES” in the body of this Official Statement for a discussion of certain funds which are not pledged to payment of the Notes but which may be available for such payments under certain circumstances as discussed therein.

City’s General Financial Condition

Overview

The City has experienced considerable financial challenges over the past few years. While the immediate crisis of the COVID-19 pandemic has passed, its effects are still being felt. Shortfalls in certain general-purpose revenues, notably in real estate transfer tax, business license tax, and transient occupancy tax first arose during the COVID-19 pandemic and in some cases have proven long-lasting. The effects of revenue shortfalls were mitigated in the short-term by federal COVID-19 subsidies that have now ended. Between Fiscal

Year 2020-21 and Fiscal Year 2022-23, the City received \$188 million in direct federal subsidies and used these funds to offset revenue shortfalls arising from reduced economic activity. Major revenue sources, such as property and sales tax, are growing at slower rates than the recent historical average. The City's property market, historically a key factor in the strength of its General Fund, has shown signs of weakness as a result of commercial vacancies, declines in median prices for residential properties, and lower sales volumes resulting from a variety of factors, including continuing remote work by a significant portion of the workforce (which has led to declining property taxes for certain office buildings, lower real estate property transfer taxes, and reductions in taxes based on workers physically located in the City), continuing weakness in the local hospitality and convention industries (resulting in declines in hotel and sales taxes), and general economic conditions). In addition, expenditure pressures have exacerbated the challenge of revenue declines following multi-year labor cost increases intended to address the impacts on employees of extraordinary price inflation. Furthermore, heightened crime rates and negative media coverage of the City and of the Bay Area generally have impacted regional tourism and retail consumption.

On May 15, 2018, the City Council adopted its Consolidated Fiscal Policy, which stated that one-time revenues should be used for one-time expenses, or if not, to fund debt retirement and unfunded long-term obligations; or shall remain as fund balance, unless the City Council adopts a resolution explaining the need to use one-time funds and the steps the City will take to return to using one-time revenues in accordance with the Consolidated Fiscal Policy. Each year since Fiscal Year 2019-20, the City Council has adopted such a Resolution and significantly relied on outside one-time revenues to balance the General Purpose Fund and other funds, including the federal grants described in the preceding paragraph and then-anticipated proceeds of the Coliseum Sale as defined and described below. This has led to a prolonged structural deficit in the City's finances where ongoing expenditures exceed ongoing revenues. While a structural deficit existed prior to the 2020 COVID-19 pandemic, the scale and depth of this deficit greatly expanded after 2020. Since Fiscal Year 2024-25, the City has made efforts to address its financial challenges as described below. The City's adopted budget for Fiscal Year 2025-26 (the "**2025-26 Adopted Budget**") and the 2026-27 Midcycle Budget have made major progress in reducing the structural deficit.

Fiscal Year 2024-25 Budget Deficit and Balancing Measures

In June 2024, the City's General Purpose Fund, which accounts for revenues from most of the City's taxes, fees and service charges and is unrestricted in its use, faced a shortfall in its Fiscal Year 2024-25 Budget of approximately \$175 million compared to the revenues estimated for the fiscal year at the time of the adoption of the two-year Fiscal Year 2023-2025 budget (the "**Fiscal Years 2023-25 Biennial Budget**") in June 2023. In addition, the City faced deficits totaling over \$45 million across several non-General Purpose Fund funds. The decline in the General Purpose Fund was primarily caused by the absolute decline in real estate transfer tax, diminished growth in business license tax and transient occupancy tax relative to pre-pandemic trends, increased labor costs, a reduction in fund balance previously planned for appropriation, increased internal service costs (such as utilities, security, etc.), and increased insurance costs.

On July 2, 2024, the City Council adopted its midcycle budget for Fiscal Year 2024-25 (the "**2024-25 Budget**"), which updated the second year of its Fiscal Years 2023-25 Biennial Budget. In response to the deficit described in the preceding paragraph and the City's largest General Purpose Fund budgetary shortfall in its history, the City Council declared a state of extreme fiscal necessity for Fiscal Year 2024-25. This declaration allowed the City Council, among other things, greater discretion to suspend certain expenditures and reduce certain reserves. Consistent with City policy, the City Council authorized the use of one-time revenues to balance the 2024-25 Budget. The 2024-25 Budget also allowed for the suspension of maintenance of effort provisions in special tax measures and the suspension of certain City Charter requirements for minimum budget set-asides to legally required minimum levels. The 2024-25 Budget also reflected the freezing of current vacant positions and the utilization of cost savings therefrom, departmental reorganizations and permissible transfers of appropriations and funds.

In addition, the 2024-25 Budget assumed the receipt of one-time revenues in the amount of \$63 million from a portion of the proceeds of the anticipated sale of the City's 50% undivided ownership interest in the Oakland-Alameda County Coliseum Complex ("**Coliseum Complex**"), previously the home to the Oakland Athletics and the Golden State Warriors (the "**Coliseum Sale**"). The remaining \$42 million of the assumed Coliseum Sale proceeds were allocated to restoration of the then-projected operating deficit at the end of Fiscal Year 2023-24. The City's General Purpose Fund was balanced using a total of an assumed \$105 million from the aforementioned sale across the two fiscal years.

As a contingency, the 2024-25 Budget provided for \$63 million of expenditure reductions that would take effect if proceeds of the Coliseum Sale were not realized by the dates or in the amounts anticipated (payments totaling \$105 million were to be paid between September 2024 and February 2025). In addition to these budget reductions, the contingency provisions directed the City Administrator to take a variety of administrative actions intended to preserve the fiscal health of the City. The Coliseum Sale did not close as anticipated, and the contingency provisions became legally effective in September 2024. Many of the actions required by the contingency provisions including the brownout of fire engine companies were not immediately implemented, though others were put in place in October 2024. Preliminary reports from the First Quarter of Fiscal Year 2024-25 also showed trends in overspending in the General Purpose Fund.

In December of 2024, following the close of its books for Fiscal Year 2023-24, staff affirmed that the City General Purpose Fund had a negative balance of \$47.8 million. This negative balance effectively reduced the City General Purpose Fund Emergency Reserve to a net amount of \$22.84 million. The City's Consolidated Fiscal Policy requires a General Purpose Fund Emergency Reserve balance equivalent to 7.5% of General Purpose Fund appropriations, and the \$22.84 million represents just 2.64% of General Purpose Fund appropriations. For further discussion of reserves, see "– Financial Policies – *Reserves*" below.

On December 17, 2024, the City Council approved a series of balancing measures and a City Administrator's balancing plan to address the projected General Purpose Fund deficit of \$130 million and restore the General Purpose Fund Emergency Reserve to the levels required in the Consolidated Fiscal Policy. Through the spring of 2025 the City implemented the initial elements of the balancing plan including unrestricting certain resources and their transfer of funds into the General Purpose Fund. Other actions included a freeze on hiring, travel, and similar expenditures; a reduction in force that resulted in both demotions and layoffs of non-sworn staff, and significant control on police overtime. On March 4, 2025, the City Council approved a resolution that further amended the Fiscal Year 2024-25 budget to reopen fire stations that were impacted by prior balancing actions.

The Fiscal Year 2024-25 Third Quarter Revenue and Expenditures Report developed in May 2025 projected that the City's balancing plan would resolve the Fiscal Year 2024-25 deficit and restore the General Purpose Fund Emergency Reserve to its required levels. In June 2025 the City became aware of a significant property sale that resulted in an additional \$24.64 million in Real Estate Transfer Tax above that which was forecast in the Fiscal Year 2024-25 Third Quarter Revenue and Expenditures Report. Of this amount approximately \$15 million was dedicated to return to General Purpose Fund fund balance and approximately \$10 million was allocated to resolve collective bargaining agreements as described under "Fiscal Years 2025-26 and 2026-27 Biennial Budget."

The City's audited financial statements for the year ended June 30, 2025 reported \$978.77 million in General Fund revenues and \$825.9 million in General Fund expenditures. Unassigned fund balance was \$191.2 million as of June 30, 2025, an increase of \$90.3 million compared to Fiscal Year 2023-24. The City's improved fund balances are a result of the intentional balancing actions taken during Fiscal Year 2024-25.

Between November 2024 and February 2025, Fitch, Moody's and S&P downgraded the City's credit ratings. Fitch (which does not rate the City's general obligation bonds) downgraded the City's Issuer Default Rating from AA- to A and changed the outlook from stable to negative; Moody's downgraded the City's general obligation bonds from Aa1 to Aa2 and changed the outlook on such bonds from stable to negative; and S&P

downgraded the City’s general obligation bonds from AA+ to AA- and changed the outlook from watch negative to negative.

Fiscal Year 2024-25 Audited Financial Statements

The City’s most recent audited financial statements are presented in the City’s Annual Comprehensive Financial Report⁶ for the Fiscal Year Ended June 30, 2025 (the “**2024-25 Audited Financial Statements**”), which is attached as APPENDIX B hereto. Please also see the table set forth under the heading “– Financial Reporting” for revenues and expenditures in the City’s General Fund for Fiscal Year 2024-25 and prior Fiscal Years.

The 2024-25 Audited Financial Statements reported a net position for the governmental and business-type activities of \$1.4 billion, an improvement of \$414.7 million over the prior fiscal year that primarily resulted from the reclassification of employee benefit liabilities (partially offset from the implementation of GASB Statement No. 101), and increases in operating grants stemming from growth and the timing of affordable housing and Caltrans grants, a one-time boost in real estate transfer tax from a sale of property by PG&E, and legal settlements. Property tax revenues continued to grow in Fiscal Year 2024–25, although at a slower pace than in prior years, largely due to Proposition 8 assessment reductions concentrated in the commercial sector. While these temporary reductions moderated growth, overall property tax revenues still increased. At the same time, the City’s pension-related property tax override rate supporting the Police and Fire Retirement System (“**PFRS**”) has significantly decreased. Under Measure O and the City Charter, the override was structured to ensure PFRS liabilities would be fully funded by July 1, 2026, and as of its July 1, 2025 actuarial valuation report, the PFRS system was fully funded.

While unrestricted net position remained negative at \$0.9 billion, it improved compared to prior the fiscal year, reflecting progress in addressing historical underfunding of the pension and OPEB liabilities, as well as other unfunded long-term liabilities. Net pension and OPEB liabilities were among the largest contributing factors at \$1.8 billion and \$0.6 billion, respectively, while other non-current liabilities, including long-term debt, totaled \$1.1 billion.

Fiscal Years 2025-26 and 2026-27 Biennial Budget

The City Council adopted a Fiscal Years 2025-2027 biennial budget (the “**Fiscal Years 2025-27 Biennial Budget**”) in early June 2025. This budget began with a substantial funding gap in the General Purpose Fund of \$265 million over two years, as well as projected shortfalls in several special revenue funds. The Fiscal Years 2025-27 Biennial Budget is balanced in both the General Purpose Fund and other special revenue funds.

The Fiscal Years 2025-27 Biennial Budget incorporated revenues from Measure A, a local option transportation and use tax approved by voters in the April 2025 special municipal election. The Fiscal Years 2025-27 Biennial Budget does not include any revenues from the assumed sale of the City’s interest in the Coliseum Complex.

As adopted, the Fiscal Years 2025-27 Biennial Budget also assumed \$40 million in additional recurring revenues from a future voter-approved measure beginning in its second year. At the time of adoption of the Fiscal Years 2025-27 Biennial Budget, no such revenue measure had qualified for or been placed on the ballot. Since that time, a voter initiative petition proposing such revenues in the form of a parcel tax was certified and submitted to voters as Measure E for the June 2, 2026 election (“**Measure E**”). However, based on Based on unofficial results which have not been certified by the County Registrar of Voters, the voters are not projected to approve the additional revenue measure, and the 2026-27 Midcycle Budget does not rely on any such revenue measure. See “– Fiscal Year 2026-27 Midcycle Budget” below for a discussion of subsequent developments.

⁶ For earlier years the City’s audited financial statements were presented in its “Comprehensive Annual Financial Report.” The change in nomenclature to “Annual Comprehensive Financial Report” was made for financial statements beginning with the fiscal year ending June 30, 2022 pursuant to GASB Statement No. 98.

Similar to the Fiscal Year 2023-25 Biennial Budget, the City Council declared a state of extreme fiscal necessity for Fiscal Years 2025-27. This declaration allowed the City Council, among other things, greater discretion to suspend certain expenditures and reduce certain reserves.

The Fiscal Years 2025-27 Biennial Budget incorporated revenues from Measure A, a local option transportation and use tax approved by voters in the April 2025 special municipal election. The Fiscal Years 2025-27 Biennial Budget does not include any revenues from the assumed sale of the City's interest in the Coliseum Complex.

Based on audited results for Fiscal Year 2024-25, the City was in compliance with its General Purpose Fund Emergency Reserve Policy entering Fiscal Year 2025-26. The 2025-26 Adopted Budget contained expenditures of \$791.29 million, thereby requiring an emergency reserve of \$59.35 million. The amount held in the City's General Purpose Emergency Reserve Fund is \$63.81 at the end of Fiscal Year 2024-25, meeting the reserve target. See also " – Financial Policies – Reserves" herein for more information on the General Purpose Emergency Reserve and the suspension of transfers to the Vital Services Stabilization Fund.

In August 2025, the City reached agreements with its non-sworn employees for a one-year contract extension through June 2026. The agreements were approved by the City Council in September 2025. Non-sworn employees represent approximately 70% of City employees. The cost of these agreements is expected to be roughly \$8.173 million in one-time expenses in Fiscal Year 2025-26. The additional expenses are expected to be supported by a large property sale that resulted in an additional \$24.64 million in Real Estate Transfer Tax as described under "Fiscal Year 2024-25." The agreements also include triggered Cost of Living Increases should General Purpose Fund revenues exceed budget, up to a maximum of 3% at a cost of roughly \$15 million, no earlier than May 2026. The trigger language could be effectuated at two time periods: one, following the Third Quarter Revenues & Expenditures report, and the second, following the completion of the audited financial statements.

Current revenue and expenditure projections for Fiscal Year 2025-26 indicate that the General Purpose Fund is expected to remain balanced through the end of the fiscal year. Based on the Third Quarter Revenue and Expenditure Report developed in May 2026, the City does not currently anticipate that the revenue thresholds required to trigger the contingent cost of living increases described above will be met. However, certain General Purpose Fund revenues, including real estate transfer tax, business license tax, transient occupancy tax, and sales tax continue to be sensitive to economic conditions, while expenditure pressures persist in areas such as personnel costs, overtime, insurance utilities and contractual obligations. These projections are subject to change until final audited results for Fiscal Year 2025-26 become available, which is expected to occur in late 2026.

In June 2026, collective bargaining agreements for all City employee bargaining units, including sworn police, sworn fire, and non-sworn employees, expired and are currently under negotiation. The City cannot predict the outcome of collective bargaining or the potential fiscal impact of any future agreements.

Fiscal Year 2026-27 Midcycle Budget

On June 12, 2026, the City Council adopted the Fiscal Year 2026-27 Midcycle Budget, which amends the second year of the City's Fiscal Years 2025-27 Biennial Budget (the "**2026-27 Midcycle Budget**"). The 2026-27 Midcycle Budget is balanced in the General Purpose Fund and other special revenue funds and, unlike the originally adopted Fiscal Years 2025-27 Biennial Budget, does not assume revenues from Measure E. Instead, the 2026-27 Midcycle Budget was rebalanced through revenue adjustments, the freezing of vacant positions and reductions in departmental operating and maintenance expenditures. The City Council also continued its declaration of extreme fiscal necessity as part of the adopted of the 2026-27 Midcycle Budget..

Based on unofficial results which have not been certified by the County Registrar of Voters, Measure E was not approved by the voters at the June 2026 election. As a result, the City will not receive revenues from the

proposed measure. Because the 2026-27 Midcycle Budget was developed and balanced without Measure E revenues, the election outcome did not require additional balancing actions to maintain a balanced budget.

In June 2026, collective bargaining agreements for all City employee bargaining units, including sworn police, sworn fire, and non-sworn employees, expire and are currently under negotiation. The City cannot predict the outcome of collective bargaining or the potential fiscal impact of any future agreements.

Roadmap to Fiscal Health

The City Administrator's Office has developed a roadmap to fiscal health that includes establishing a fiscal health executive team to manage these financial initiatives, achieving short-term structural balance during the upcoming two-year budget period (through the Fiscal Years 2025-27 Biennial Budget), diversifying the City's revenue base with a new voter-adopted revenue proposal in 2026, developing a multi-year plan to meet voter-mandated staffing and service levels, developing long-term plans to contain rising pension and other benefit costs, developing contingency plans given the risk of federal and state revenues, review and update the City's governing financial policies, developing long-term investment plans for the City's infrastructure, fleet and systems, maximizing existing revenue sources, strengthening the City's revenue base through focused economic development efforts and improving structures needed to hold the City and its contractors accountable for the delivery of city services.

As part of the City's Roadmap to Fiscal Health, City staff presented a multi-year plan to the City Council to restore compliance with certain maintenance of effort and minimum staffing requirements over a five-year period. The 2026-27 Midcycle Budget includes funding adjustments consistent with components of that plan, including funding sufficient to meet the General Purpose Fund maintenance of effort requirement for the library established under Measure C and the minimum staffing requirement for the Office of the City Auditor under Measure X, both of which were not achieved in the originally adopted Fiscal Years 2025-27 Biennial Budget.

Grand Jury Report

On June 20, 2025, the Alameda County Civil Grand Jury released its 2024-2025 Final Report (the "**Grand Jury Report**") which, among other matters, described structural deficits contained in the City's budget for Fiscal Year 2024-25 and its resulting effects on the City's issuance of bonds and ability to carry out infrastructure projects. In addition to highlighting the structural deficit in the City's General Purpose Fund, the grand jury expressed concerns that the City's financial situation was more precarious than had been acknowledged publicly, that there was a disconnect between the City's finance officials and elected City Council, and that the City's financial condition was impacting scheduled bond issuances. Additionally, the grand jury expressed concerns about the failure to conduct required audits under Measure KK and Measure U and the failure of the public oversight committee to perform its role.

The City submitted a response to the Grand Jury Report in November 2025. Because the grand jury made no findings or recommendations with respect to the City's structural deficit and did not require a response on that topic, the City did not respond to that portion of the Grand Jury Report. For discussion of measures that the City has taken to address its structural deficit, see " – Fiscal Year 2024-25," " – Fiscal Years 2025-26 and 2026-27" and " – Roadmap to Fiscal Health" above. The City's response indicates disagreement or partial disagreement with some findings about required audits and failure of the public oversight committee to perform its role, but agrees to take various measures including obtaining specific Measure KK and Measure U audits from external auditors, filling vacancies on the public oversight committee, developing a plan to have consistent meetings of the committee, and updating the website of the committee to provide more complete information.

Federal Policy

The City receives significant funding from the federal government for community development, social services, emergency and safety services, early childhood education, infrastructure, and other purposes pursuant

to various federal programs. In Fiscal Year 2025-26, the City of Oakland's adopted budget included \$48.8 million in federal grant receipts, excluding the Port of Oakland. The 2026-27 Midcycle Budget includes \$55.6 million in federal grant revenues. Additional competitive grants may be received by the City and appropriated by standalone resolution of the City Council.

The City cannot predict the outcome of future federal budget deliberations and the impact that such budgets will have on the City's finances and operations. The federal administration's proposed Fiscal Year 2026-27 budget eliminates or reduces several key formula grants the City has historically received. The federal administration has also made statements about potential plans to phase out FEMA, provide less federal aid to states for natural disaster response, and to distribute such funds directly from the President's Office. Additionally, the federal administration has issued a series of executive orders and other policy documents and notices which, if legally enforceable and fully implemented, could impact federal spending programs, including federal funds payable to the City. In particular, these executive orders have sought to cut federal funding to programs which promote diversity, equity, and inclusion, and what the administration terms "gender ideology", and have sought to withhold funding for municipalities like Oakland that have declared themselves sanctuary jurisdictions or provide services to undocumented immigrants. The City, along with other jurisdictions across the country, has filed litigation challenging the legality of these actions by the federal government to preserve funding and has won preliminary injunctions from district courts that protect certain of the City's grants. Notwithstanding, the federal government is appealing these injunctions and litigation remains pending, thus the potential adverse impact of enforcement of executive orders and related federal policy changes on City finances, if any, cannot be clearly predicted at this time. Of note, two of those cases are pending decision with the Ninth Circuit, where they have been fully briefed and argued for almost six months.

Further, in the event Congress and the President fail to enact appropriations, budgets or debt ceiling increases on a timely basis in the future, such events could have a material adverse effect on the financial markets and economic conditions in the United States and an adverse impact on the City's finances. The City cannot predict the outcome of future federal budget deliberations and the impact that such budgets will have on the City's finances and operations.

The City can provide no certain assurances with respect to continued grant funding or other direct payments to the City in support of governmental services, whether previously made directly or by pass-through to the State.

Funds from State of California

Changes in the revenues received by the State of California can affect the amount of funding, if any, to be received from the State by the City and by other local governments in the State. [On June 15, 2026, the State Legislature adopted the State Budget for Fiscal Year 2026-27, which was signed into by law by the Governor on _____, 2026 (the "**Fiscal Year 2026-27 State Budget**"). The Fiscal Year 2026-27 State Budget identified continuing State fiscal pressure, specifically _____. The 2025-26 Adopted Budget included approximately \$48.0 million in State grants and revenues, while the 2026-27 Midcycle Budget includes approximately \$32.1 million. At this time, the City cannot predict the extent to which any final State budget may affect City operations or finances.]

Changes in Law

The State or the City's electorate, either on their own initiative or as submitted by the State Legislature or the City Council to the voters, could enact future legislation to amend the Constitution of the State or the City Charter, respectively, in a manner that would restrict or reduce revenue. Such legislation may make it more difficult for local governments, including charter cities like the City, to impose taxes or charge fees, and may void existing taxes or fees, even if previously approved by voters.

For example, a statewide initiative currently eligible that has qualified for the November 2026 ballot would prohibit city-only transfer taxes, would require approval of 2/3 of voters for special taxes, and in 2028 would terminate city-only transfer taxes and parcel taxes that were not approved by 2/3 of voters. This measure is subject to “legislative fix” remedies, wherein legislation may be adopted in response to a proposed ballot measure through a negotiation process with the supporters of the proposal, and such negotiations are underway with the legislature. The terms of the proposal that is ultimately placed on the ballot, if any, may change materially from what has currently qualified for the ballot, or legislation that passes, if any, may be materially different from such proposal. The City’s real estate transfer tax is a significant source of General Purpose Fund revenues. The City is continuing to monitor developments related to the proposed initiative. At this time, the City cannot determine whether the initiative, if approved by voters, would have a material impact on the City’s revenues, expenditures, or financial operations. Any such impacts would depend on the final form of the measure presented to voters, subsequent implementation and the resolution of any legal challenges.

In addition, the City has in place two parcel taxes (the Oakland Children’s Initiative and the Oakland Zoo Animal Care, Education, and Improvement Ordinance) that were approved by less than 2/3 of voters. The City cannot accurately predict whether the proposed ballot measure will be placed on the statewide ballot, what changes it may undergo, or whether it will be approved by voters. For other examples of legislation limiting the ability of local governments to generate revenues, see “CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS.”

Other Long-Term Challenges

The City also faces longer-term financial challenges including increases in annual required payments to CalPERS of an additional estimated \$22 million by 2031 and expected growth of employee healthcare costs at rates higher than revenue growth. In addition, the City has significant unfunded pension and OPEB (herein defined) liabilities as described under “EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs” and “ – Other Post-Employment Retirement Benefits.” Furthermore, as noted under “ – City Budget Process,” the Five Year Financial Forecast projects a \$624 million cumulative budget shortfall through Fiscal Year 2029-30 assuming no corrective actions. The Charter and Consolidated Fiscal Policy requires adoption of a balanced budget each fiscal year, and the City will therefore need to develop strategies to address the shortfalls projected in the Forecast.

While the City does not expect that its current financial condition will impede its ability to make timely payments of debt service on the Notes or any of its outstanding bonds or necessitate a draw by the City on any of its debt service reserve funds or policies (where applicable) to meet its payment obligations and while the City is taking steps to improve its financial condition, the City cannot guarantee that its financial condition will not deteriorate due to circumstances that are currently unforeseen.

Financial Reporting

The City prepares its financial statements in accordance with Generally Accepted Accounting Principles (“GAAP”) and specific guidance from the Government Accounting Standards Board (“GASB”). Since 1999, GASB has required that basic financial statements include government-wide financial statements, which are designed to provide readers with a broad overview of the City’s finances. The government-wide statement of net position presents information on all the City’s assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating. Various GASB rules have required the inclusion of both pension and other post-employment benefits (“OPEB”), such as and retiree health liabilities in the government-wide financial statements. The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities).

The government-wide statements focus on the measurement of economic resources and account for long-term liabilities. The fund financial statements in the City's audited annual comprehensive financial report utilize an alternate measurement focus that considers current financial resources and excludes most long-term liabilities. Information presented in the tables below relating to the General Fund relies on the fund financial statements as reported in the City's audited annual comprehensive financial reports ("**Annual Financial Reports**") for Fiscal Years 2020-21 through 2024-25.

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Table 8
City of Oakland
Revenues and Expenditures
General Fund
2020-21 through 2024-25
(\$ in Thousands)

Revenues	2020-21	2021-22	2022-23	2023-24	2024-25
Taxes					
Property ⁽¹⁾	\$377,175	\$410,089	\$444,098	\$462,551	\$403,829
State-collected ⁽²⁾	58,143	64,669	66,834	62,275	60,682
Local ⁽³⁾	314,100	351,400	318,529	299,272	342,044
Licenses and Permits	1,243	1,413	1,037	1,436	1,516
Fines and Penalties	17,591	19,741	18,747	18,759	23,686
Interest Income (loss) ⁽⁴⁾	(7,860)	(16,531)	17,901	30,048	28,880
Charges for Services ⁽⁵⁾	83,173	84,948	81,813	86,552	91,660
Grant Revenue	4,983	3,189	3,719	3,390	3,590
Other Revenue	33,553	2,663	10,785	6,625	22,890
Annuity Income	5,120	5,015	4,305	4,591	-
TOTAL REVENUES	\$887,221	\$926,596	\$967,768	\$975,499	\$978,777
Expenditures					
General Government ⁽⁶⁾	\$184,053	\$152,326	\$171,660	\$207,843	\$150,456
Public Safety ⁽⁷⁾	446,722	402,364	462,660	550,640	534,937
Public Works and Transportation	36,172	48,229	55,317	53,354	35,105
Community and Human Services ⁽⁸⁾	46,613	64,812	78,895	74,304	55,909
Community and Economic Development ⁽⁹⁾	15,678	18,494	28,010	36,290	42,819
Other ⁽¹⁰⁾	4,752	4,429	12,426	4,887	6,722
TOTAL EXPENDITURES	\$733,990	\$690,654	\$808,968	\$927,318	\$825,948
Other Financing Sources and Uses ⁽¹¹⁾	(\$93,533)	(\$85,997)	(\$100,744)	(\$78,479)	(\$71,683)
Net Change in Fund Balance	\$59,698	\$149,945	\$58,056	(\$30,298)	\$81,146
Fund Balance (deficit) – Ending	\$463,966	\$613,911	\$671,967	\$641,669	\$922,718

(1) Includes General Purpose Fund property tax revenue, as well as property tax override collections for obligations relating to PFRS.

(2) Primarily Sales and Use Tax, as well as Motor Vehicle in-lieu.

(3) Includes Business License, Utility Consumption, Real Estate Transfer, Transient Occupancy, Parking, Sugar Sweetened Beverage Tax and Franchise Tax.

(4) Losses reflect marked-to-market valuation of investments.

(5) Includes revenues arising from charges for goods and services, such as fees for building inspections, parking, or parks and recreation programs.

(6) Includes elected and appointed officials, general governmental agencies, and administrative services. The decline in 2021-22 primarily results from a reorganization that shifted several City departments from General Government to Community and Human Services.

(7) Includes police and fire services and the police commission.

(8) Includes Parks and Recreation, Library, Human Services, and Department of Violence Prevention.

(9) Includes Planning and Building, Aging & Health and Human Services, Cultural and Community Services and Cultural Arts and Museums.

(10) Includes capital outlays and certain debt service charges not paid from a general obligation bond tax levy.

(11) Includes operating transfers between the General Fund and other major funds, primarily to account for debt service payments made from revenues collected in the General Fund.

Source: City of Oakland, Annual Financial Reports for Fiscal Years Ended June 30, 2021 through June 30, 2025.

Table 9
City of Oakland
Balance Sheet
General Fund as of June 30
(\$ in Thousands)

ASSETS	2021	2022	2023	2024	2025
Cash and investments	\$598,755	\$745,592	\$829,927	\$842,398	\$888,740
Receivables ⁽¹⁾					
Accrued interest	313	1,842	8,061	10,345	9,342
Property taxes	6,293	7,373	7,952	8,491	7,790
Accounts receivable	58,931	52,404	45,176	51,510	78,782
Grants Receivable	-	312	-	334	-
Lease Receivable	-	13,884	11,992	12,411	17,665
Due from component unit ⁽²⁾	11,974	7,849	8,972	9,762	8,685
Due from other funds ⁽³⁾	8,104	6,142	2,303	2,485	2,227
Due from other governments	12,475	12,573	13,651	12,583	12,717
Notes and loans receivable ⁽⁴⁾	11,415	17,601	21,951	38,059	52,322
Restricted cash and investments	50,164	40,565	35,613	28,391	23,453
Property held for resale	17,964	17,964	17,964	17,964	2
Other/Prepaid items	723	1,271	790	859	943
TOTAL ASSETS	\$777,111	\$925,372	\$1,004,352	\$1,035,592	\$1,102,668
LIABILITIES					
Accounts payable and other accrued liabilities	\$275,559	\$252,614	\$269,152	\$311,961	\$80,128
Due to other funds ⁽³⁾	-	-	-	-	-
Due to other governments	1,354	116	-	-	-
Unearned revenue	4,388	4,562	4,565	4,782	5,001
Other	2,777	4,306	7,030	7,534	6,968
TOTAL LIABILITIES	\$284,078	\$261,598	\$280,747	\$324,277	\$92,097
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property tax	\$6,612	\$7,405	\$8,160	\$9,381	\$8,395
Unavailable revenue – notes and loans	11,415	17,599	21,951	38,059	52,322
Unavailable revenue – grants and others	11,040	11,376	10,386	10,173	10,284
Leases	-	13,482	11,141	12,033	16,852
TOTAL DEFERRED INFLOWS	\$29,067	\$49,863	\$51,638	\$69,646	\$87,853
FUND BALANCES					
Nonspendable ⁽⁵⁾	\$18,687	\$19,235	\$18,754	\$18,823	\$945
Restricted ⁽⁶⁾	267,811	286,994	342,050	411,444	420,809
Committed ⁽⁷⁾	38,739	52,195	67,525	54,642	249,281
Assigned ⁽⁸⁾	41,786	49,251	74,239	55,894	60,476
Unassigned ⁽⁹⁾	96,943	206,236	169,399	100,866	191,207
TOTAL FUND BALANCES	\$463,966	\$613,911	\$671,967	\$641,669	\$922,718
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$777,111	\$925,372	\$1,004,352	\$1,035,592	\$1,102,668

(1) Net of allowance for uncollectibles.

(2) Includes payments due from Port, from the Oakland Redevelopment Successor Agency (“ORSA”) trust fund and from custodial funds.

(3) “Due to” and “due from” balances have primarily been recorded when funds overdraw their share of pooled cash and interfund loans.

(footnotes continue on next page)

- (4) Net of allowance for uncollectibles.
- (5) Includes prepaid items and property held for resale with no restrictions on the use of proceeds.
- (6) Primarily restricted for capital projects, pension obligations annuity and PFRS pension liabilities.
- (7) Primarily restricted for Affordable Housing.
- (8) Assigned for prior year commitments of appropriations for capital projects and encumbrances as well as projects funded from Sugar-Sweetened Beverages tax.
- (9) Includes General Purpose Fund Emergency Reserve.

Source: City of Oakland, Annual Financial Reports for Fiscal Years Ended June 30, 2021 through June 30, 2025.

City Budget Process

The City's budget cycle is a two-year process that is intended to promote long-term decision making, increase funding stability and allow for greater performance evaluation. The City's budget is adopted for a two-year period, with appropriations divided into two one-year spending plans, and is referred to as the "policy budget" or the "biennial budget." During the second year of the two-year cycle, a review is conducted to amend the budget and address variances in estimated revenues and revised mandates due to Federal, State, and/or court actions, and the City adopts a "midcycle budget". The City is currently operating under the 2026-27 Midcycle Budget, as discussed under "– City's General Financial Condition – Fiscal Year 2026-27 Midcycle Budget" herein.

Under the Charter, the City Administrator prepares budget recommendations that the Mayor presents to the City Council. The City Administrator and Department Directors conduct internal budget hearings to develop budget recommendations. The proposed budget is based on the Mayor's budget priorities and includes estimates of receipts from the City's various revenue sources. The Mayor then submits the proposed two-year budget to the City Council. The City Council may propose adjustments and/or revisions to the proposed budget. Following public budget hearings, the City Council adopts by resolution the City's budget. In practice, the City Council adopts the City's budget on or before June 30.

The City also prepares a Capital Improvement Program ("CIP") to guide decisions regarding the construction, repair and replacement of the City's assets including libraries, public safety facilities, sewers, recreation centers and parks, and transportation and street improvements. Funding sources for the CIP include the proceeds of general obligation bonds and a number of special fund revenues. The City develops a new CIP Budget every two years for inclusion in the overall City budget.

The final adopted policy budget and midcycle budgets, are subject to review and revision to reflect any changes in revenue and expenditure projections. As part of this process, the City Administrator prepares quarterly reports for the City Council's review. Included in these quarterly reports are summary-level overviews of the City's finances, a review of revenues by major category, information on variances in departmental budgetary performance and projected changes in fund balance.

In support of the biennial budget process, the City prepares a Five-Year Financial Forecast ("**Forecast**") to help the City make better informed financial and operational decisions by projecting future revenues, expenditures, and financial risks. The Forecast often projects a gap between estimated expenditures and revenues, as is the case in every year of the Forecast for Fiscal Year 2025-26 to Fiscal Year 2029-30. The forecast is completed prior to balancing measures and thus does not include the result of any budget actions taken to restore balance in the coming biennium. Although General Purpose Fund shortfalls are expected to decrease during the Forecast period, the cumulative gap over this period, deficits are projected to persist throughout the period, and will be resolved through the annual budget process. The Charter and Consolidated Fiscal Policy requires adoption of a balanced budget each fiscal year, and the City will therefore need to develop strategies to address the shortfalls projected in the Forecast.

Financial Policies

The City has adopted a number of policies to guide its financial management. The City has consolidated many of its fiscal policies by ordinance into the City's Consolidated Fiscal Policy. The Consolidated Fiscal Policy includes policies on budgeting practices, reserve funds, use of one-time revenues, the budget process, fiscal planning and public participation. The following highlights some key components of that policy.

Reserves

The Consolidated Fiscal Policy establishes a number of reserves to address unanticipated adverse financial conditions, including a General Purpose Fund Emergency Reserve Subfund, any unassigned fund balance in the General Purpose Fund, and a Vital Services Stabilization Fund. Together, these three elements represent the City's total General Fund Reserve.

The General Purpose Fund Emergency Reserve consists of the combined balance of the General Purpose Emergency Reserve Subfund and the unassigned General Purpose Fund balance. Per the Consolidated Fiscal Policy, the City shall maintain a General Purpose Fund Emergency Reserve equal to 7.5% of the General Purpose Fund appropriations as adopted in the biennial or midcycle budget. If in any fiscal year the General Purpose Fund Reserve Policy is not met, the City Administrator shall present to the City Council a strategy to meet the General Purpose Fund Emergency Reserve Policy. Pursuant to the City's Consolidated Fiscal Policy, this Emergency Reserve may be appropriated by the City Council only to fund unusual, unanticipated and seemingly insurmountable events of hardship of the City, and only upon declaration of fiscal emergency. The City did not meet the 7.5% General Purpose Fund Emergency Reserve requirement as of the end of Fiscal Year 2023-24. The City's Fiscal Years 2025-27 Biennial Budget restored compliance with the policy, and the City's Fiscal Year 2026-27 Midcycle Budget continues to provide funding sufficient to maintain compliance with the Emergency Reserve requirement.

The Vital Services Stabilization Fund is separately established with a target funding level of 15% of General Purpose Fund revenues. The Vital Services Stabilization Fund is funded by transfers from the real estate transfer tax when revenues of such tax exceed 15% of General Purpose tax revenues. Such additional revenue is deemed to be one-time and is applied as follows: one-half of excess real estate transfer tax may be spent on one-time expenditures, 25% is to be allocated to the Vital Services Stabilization Fund and 25% is allocated to repayment of long-term obligations such as unfunded retirement obligations. See also "OTHER TAXES AND REVENUES – Real Estate Transfer Tax." In those years when the City forecasts that total General Purpose Fund revenues will be less than the current year's revenues, or anytime significant service reductions, such as layoffs or furloughs, are contemplated due to adverse financial conditions, use of the Vital Services Stabilization Fund may be considered to maintain existing services. While the City was able to increase the fund balance to \$10.6 million during the Fiscal Year 2021-23 cycle, a significant deficit projection for the Fiscal Year 2023-25 budget cycle led to the existing balance being appropriated in Fiscal Year 2023-24 for service stabilization. The Fiscal Years 2025-27 Biennial Budget temporarily suspends the Vital Services Stabilization Fund policy and does not make additional contributions to the fund. The Fiscal Year 2026-27 Midcycle Budget similarly does not include contributions to the Vital Services Stabilization Fund.

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The following Table 10 is a summary of the City’s key General Fund reserves available for City general purposes as of each June 30 from 2021 through 2025:

Table 10
City of Oakland
Certain General Fund Reserves
(as of June 30)
(\$ in Thousands)

<u>Reserve Fund</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
1) General Purpose Fund Emergency Reserve ⁽¹⁾ :					
i) General Purpose Fund Emergency Reserve Subfund	-	\$53,971	\$66,630	\$70,162	\$63,810
ii) General Purpose Fund unassigned fund balance	<u>\$52,700</u>	<u>90,610</u>	<u>18,670</u>	<u>(47,822)</u>	<u>34,632</u>
Total General Purpose Fund Emergency Reserve	<u>\$52,700</u>	<u>\$144,581</u>	<u>\$85,300</u>	<u>\$22,340</u>	<u>\$98,442</u>
2) Vital Services Stabilization Fund	\$251	\$2,800	\$10,600	\$500	\$21
TOTAL	\$52,951	\$147,381	\$95,900	\$22,840	\$98,463
General Purpose Fund (“GPF”) Appropriations	\$644,000	\$728,000	\$853,584	\$863,678	798,159
GPF Emergency Reserve % of GPF Appropriations ⁽²⁾	8.18%	19.86%	9.99%	2.59%	12.33%

- (1) Prior to Fiscal Year 2021-22, the City calculated the General Purpose Fund Emergency Reserve as the sum of all unassigned fund balance in the General Purpose Fund. Beginning in Fiscal Year 2021-22, the City established a separate subfund within the General Fund as the General Purpose Fund Emergency Reserve, and appropriated an amount equal to 7.5% of total General Purpose Fund appropriations to this new fund. The table above includes amounts in this new subfund as well as additional General Purpose Fund unassigned fund balance to provide a consistent measure of reserves across fiscal years. In Fiscal Year 2023-24, the unassigned fund balance in the General Purpose Fund was negative, which reduced the total emergency reserve available. The negative unassigned fund balance offsets portion of the reserve under the City's reserve calculation methodology.
- (2) Includes General Purpose Fund Includes General Purpose Fund Emergency Reserve only. Excludes Vital Services Stabilization Fund.
Source: City of Oakland

OPEB Funding Policy

In Fiscal Year 2018-19, the City adopted an OPEB Funding Policy, which remains in effect. This policy is described under “EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Other Post-Employment Benefits.”

Debt Management Policy

The City has adopted and amended a debt management policy, which sets forth the City’s goals and objectives, its approach to debt management and standards for use of debt financing (including financing criteria such as structure and terms), refinancing goals and methods of issuance; as well as the City’s policy of charging administrative costs incurred in the debt issuance.

Investment Policy

The City invests funds of the City in accordance with the City’s Investment Policy adopted by the City Council. See “INVESTMENT OF CITY FUNDS.”

Fiscal Years 2025-27 Adopted Biennial Policy Budget

The Fiscal Years 2025-27 Biennial Budget was based on the Fiscal Year 2024-25 Midcycle Budget (prior to contingency implementation) using strategic spending reductions and targeted operational efficiencies. The Fiscal Years 2025-27 Biennial Budget began with a substantial funding gap in the General Purpose Fund, as well as projected shortfalls in several special revenue funds. This Fiscal Years 2025-27 Biennial Budget is

balanced without any significant fiscally driven service impacts or changes, although substantial changes were made for policy reasons to the City’s strategy and means for delivery of public safety services. The Fiscal Year 2026-27 Midcycle Budget continues the City’s efforts to address ongoing fiscal challenges while maintaining core municipal services, as described more fully under the heading “City’s General Financial Condition – Fiscal Year 2026-27 Midcycle Budget” herein.

The City’s most recent policy budgets are summarized below:

<u>Category</u>	<u>Midcycle Fiscal Year 2022-23</u>	<u>Fiscal Year 2023-24</u>	<u>Midcycle Fiscal Year 2024-25</u>	<u>Fiscal Year 2025-26</u>	<u>Midcycle Fiscal Year 2026-27</u>
General Purpose Fund (unrestricted)	\$ 872,069,302	\$ 834,800,344	\$807,189,360	\$791,285,083	\$818,287,494
Other Funds (restricted) ⁽¹⁾	1,398,512,553	1,303,086,016	1,416,210,120	1,382,651,242	1,525,747,364
TOTAL - All Funds	\$2,270,581,855	\$2,137,886,360	\$2,223,399,480	\$2,173,936,325	\$2,344,034,858

⁽¹⁾ Includes other funds reported in the General Fund other than the General Purpose Fund, Special Funds, and other funds of the City. Does not include the Port of Oakland.

Source: City of Oakland

GENERAL PURPOSE FUND REVENUES

The City’s General Fund receives revenues from a variety of sources, including property and local taxes, taxes imposed by the State, intergovernmental transfers and fees and charges for services. The General Fund has seen 46% growth over the past ten fiscal years through the end of Fiscal Year 2024-25, with surpluses every year in the same period (except for Fiscal Years 2016-17 and 2019-20). The General Fund includes the General Purpose Fund, into which general unrestricted revenues that can be used for any governmental purpose are deposited. See “BUDGET AND FINANCIAL OPERATIONS – Overview.”

The following Table 11 presents information regarding the City’s Fiscal Year 2025-26 adjusted Budget, its projected Fiscal Year 2025-26 year-end General Purpose Fund revenues and expenditures, and its 2026-27 Midcycle Budget for the General Purpose Fund. The cash flows for Fiscal Year 2025-26 and projected cash flows for Fiscal Year 2026-27 shown in the tables under the heading “GENERAL FUND CASH FLOWS” in the body of this Official Statement display the amounts in the General Purpose Fund set forth in Tables 11 and 12, as well as certain other unrestricted funds which make up the General Fund. In addition, the amounts set forth in Tables 11 and 12 below are accounted for on an accrual basis, as opposed to the cash flow information in the body of this Official Statement, which is set forth as cash accounting.

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Table 11
City of Oakland
General Purpose Fund Revenues and Expenditures
(in Millions)

	FY 2025-26 Adjusted Budget ⁽⁴⁾	FY 2025-26 Year-End ⁽⁵⁾	FY 2026-27 Mid-cycle Adopted Budget ⁽⁵⁾⁽⁶⁾
REVENUES			
Property Tax ⁽¹⁾	\$322.29	\$312.26	\$312.83
Sales Tax ⁽²⁾	84.14	81.56	91.45
Vehicle License Fee	0.00	0.66	0.70
Business License Tax	129.53	132.08	133.77
Utility Consumption Tax	75.62	70.60	75.06
Real Estate Transfer Tax	68.30	69.92	72.02
Transient Occupancy Tax	15.48	16.40	15.79
Parking Tax	11.94	10.96	11.52
Local Tax	0.00	0.00	0.00
Licenses & Permits	1.35	1.61	0.30
Fines & Penalties	24.57	26.59	31.66
Interest Income	0.34	2.50	2.81
Service Charges	51.99	53.46	57.29
Grants & Subsidies	0.85	2.58	0.00
Miscellaneous Revenue	3.10	4.27	4.60
Interfund Transfers	2.16	2.16	2.17
Subtotal Revenues*	<u>\$791.66</u>	<u>\$787.61</u>	<u>\$811.99</u>
Project Offsets & Carryforwards ⁽³⁾	55.86	0.00	6.30
Total Revenues*	<u>\$847.54</u>	<u>\$787.61</u>	<u>\$818.29</u>
EXPENDITURES			
Mayor	\$5.87	\$5.45	\$5.71
City Council	7.32	6.99	8.10
City Administrator	4.74	4.74	7.36
City Clerk	7.21	6.66	4.72
City Attorney	25.49	25.82	24.98
Human Resources Management Department	0.57	0.59	0.38
City Auditor	3.83	3.72	3.78
Finance Department	27.02	25.99	27.03
Police Department	360.85	354.32	342.50
Fire Department	221.92	221.95	215.55
Oakland Public Works Department	1.59	3.16	2.48
Department of Transportation	27.23	27.64	28.36
Information Technology Department	7.37	7.99	5.24
Oakland Parks and Recreation Department	13.12	12.22	13.59
Oakland Public Library Department	12.30	13.07	14.50
Oakland Animal Services	6.44	5.73	6.28
Race and Equity Department	1.09	1.03	1.33
Public Ethics Commission	3.17	2.48	2.75
Police Commission	7.71	5.81	6.21
Department of Workplace and Employment Standard	1.53	1.34	0.82
Department of Violence Prevention	6.00	5.68	5.28
Human Services Department	40.10	39.52	33.65
Economic and Workforce Development Department	12.72	11.82	11.75
Housing and Community Development Department	0.00	0.68	0.00
Non Departmental & CIP	42.34	46.40	45.84
Total Expenditures*	<u>\$847.54</u>	<u>\$840.80</u>	<u>\$818.29</u>

* Columns may not add to totals due to rounding.

⁽¹⁾ Excludes the tax override (defined herein) collected for obligations relating to PFRS and revenues collected to fund general obligation bond debt service, which is collected from property taxes but allocated to separate funds outside of the General Purpose Fund. See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – Police and Fire Retirement System" herein.

⁽²⁾ For Fiscal Year 2025-26, Sales Tax reflects the passage of Measure A, a half-cent Transactions and Use Tax increase that Oakland voters approved during the special election on April 15, 2025. Measure A took effect October 1, 2025, meaning that Fiscal Year 2025-26 would generate only 75% of the projected revenue. For further information, see "OTHER TAXES AND REVENUES – Sales or Transactions & Use Tax." Measure A is the subject of a legal challenge. See "LITIGATION – Transactions and Use Tax Litigation."

⁽³⁾ Transfers from Fund Balance and any unspent carryforward funds.

⁽⁴⁾ The 2025-26 Adjusted Budget consists of the 2025-26 Adopted Budget, plus prior year carryforwards. Carryforwards include authorized prior year funding added to support ongoing or delayed expenditures. The 2025-26 Adjusted Budget was last updated on April 10, 2026.

⁽⁵⁾ Projected.

⁽⁶⁾ 2026-27 Midcycle Budget as adopted by the City Council on June 12, 2026.

Source: City of Oakland.

The following Table 12 summarizes the major General Purpose Fund revenues for Fiscal Years ended June 30, 2022 through June 30, 2025, includes preliminary revenues year-to-date through the third quarter for the Fiscal Year ending June 30, 2026, and sets forth the major General Purpose Fund revenues budgeted for Fiscal Year 2025-26 and Fiscal Year 2026-27.

Table 12
City of Oakland
General Purpose Fund Revenues ⁽¹⁾
(as of June 30)

Revenue Types	2022	2023	2024	2025	2026 (Estimated)⁽⁵⁾	2026 (Third Quarter Year to Date)⁽⁶⁾	2027 (2026-27 Midcycle Budget)
Property Tax ⁽²⁾	\$258,968,959	\$281,280,027	\$299,146,868	\$309,719,061	\$312,258,757	\$190,611,286	\$312,834,870
Sales Tax ⁽³⁾	64,165,884	66,389,881	61,739,826	59,998,887	81,557,397	45,397,555	91,454,319
Vehicle License Fee	503,130	443,982	535,025	682,948	662,226	662,226	704,622
Business License Tax	101,289,622	115,376,772	123,481,692	129,666,340	132,076,642	115,647,506	133,768,040
Utility Consumption Tax	57,929,743	64,507,560	66,217,111	70,753,142	70,604,380	47,521,495	75,056,277
Real Estate Transfer Tax	138,395,515	78,054,510	57,613,105	93,219,939	69,919,517	52,439,638	72,017,103
Transient Occupancy Tax	16,661,834	20,199,664	18,930,460	16,388,322	16,398,543	12,657,688	15,787,554
Parking Tax	9,538,679	12,005,876	11,870,935	11,236,052	10,958,282	7,817,067	11,522,760
Licenses & Permits	1,412,791	1,036,757	1,436,106	1,515,956	1,605,506	1,204,130	304,686
Fines & Penalties	20,366,959	18,845,241	19,187,327	24,000,260	26,592,288	18,096,643	31,664,563
Interest Income	1,350,873	4,994,920	3,550,044	2,677,513	2,500,000	(746,400)	2,810,069
Service Charges	51,560,915	54,176,587	46,982,172	53,177,773	53,463,089	28,214,998	57,292,261
Grants & Subsidies	1,839,562	2,420,812	1,774,726	2,368,786	2,582,172	2,582,712	-
Miscellaneous Revenue	(3,423,012)	5,787,017	9,139,525	17,554,424	4,269,322	3,765,473	4,599,085
Interfund Transfers ⁽⁵⁾	3,256,617	2,904,867	13,075,127	22,936,163	2,158,824	2,158,824	2,170,524
Transfers from Fund Balance	-	-	-	-	-	-	6,300,761
TOTAL:	\$723,818,071	\$728,424,473	\$734,680,048	\$815,895,565	\$787,606,945	\$528,030,299	\$818,287,494

(1) Totals may not be precise due to rounding.

(2) Excludes the tax override (defined herein) collected for obligations relating to PFRS and revenues collected to fund general obligation bond debt service, which is collected from property taxes but allocated to separate funds outside of the General Purpose Fund. See "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*" herein.

(3) For Fiscal Year 2025-26 and Fiscal Year 2026-27, Sales Tax reflects the passage of Measure A, a half-cent Transactions and Use Tax increase that Oakland voters approved during the special election on April 15, 2025. Measure A took effect October 1, 2025, meaning that Fiscal Year 2025-26 would generate only 75% of the projected revenue. For further information, see "OTHER TAXES AND REVENUES – Sales or Transactions & Use Tax." Measure A is the subject of a legal challenge. See "LITIGATION – Transactions and Use Tax Litigation."

(4) Interfund transfers in Fiscal Year 2021-22 through Fiscal Year 2024-25 represent the appropriation of revenues from the City's parking garage operations. In addition, Fiscal Year 2023-24 includes a Transfer out of the City's Vital Services Stabilization Fund and Fiscal Years 2025-26 and 2026-27 include a transfer out of the Affordable Housing Trust Fund in response to the General Purpose Fund budgetary shortfall in those years.

(5) Projected.

(6) Year-to-date figures through the third quarter of Fiscal Year 2025-26 are as of April 22, 2026, the preparation date of the Fiscal Year 2025-26 Third Quarter Revenue and Expenditures Report.

Source: City of Oakland.

PROPERTY TAXATION

Ad Valorem Property Taxes

Property taxes are assessed and collected by the County. Taxes arising from the general 1% levy are apportioned among local taxing agencies on the basis of a formula established by State law, which reflects the average tax rate levied by the taxing agency for the three years before Proposition 13 was adopted. The City receives about 18% of these collections for its General Purpose Fund. Taxes relating to voter-approved indebtedness are allocated to the relevant taxing agency. The City levies taxes for two forms of voter-approved indebtedness: pension obligations, collected as Pension Tax Override and reported in a separate fund in the General Fund, and general obligation bonds, reported in various debt service funds. See “EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*” and “BONDS AND OTHER INDEBTEDNESS – General Obligation Debt” in this Appendix A.

The County is permitted under State law to pass on costs for certain services provided to local government agencies, including the collection of property taxes. The County imposes a fee on the City of approximately 0.3% of the taxes collected for tax collection services it provides.

Assessed Valuations

All property is assessed using full cash value as defined by Article XIII A of the State Constitution. See “CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS – Article XIII A of the California Constitution” in this Appendix A for more detail. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, nonprofit hospitals, and charitable institutions. State law also allows exemptions from *ad valorem* property taxation at \$7,000 of full value of owner-occupied dwellings and 100% of business inventories. Revenue losses to the City from the homeowners’ exemption are replaced by the State.

Property taxes associated with future assessed valuation growth allowed under Article XIII A for new construction, certain changes of ownership, and annual increases in value, if any, subject to a maximum of 2% each year will be allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of “base” revenues from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year. The availability to such entities of revenue from growth in the tax base were affected by the establishment of redevelopment project areas, which under certain circumstances, were entitled to revenues resulting from the increase in certain property values, as provided in Article XVI of the State Constitution. Since Fiscal Year 2012-13, following the dissolution of redevelopment agencies, tax revenues resulting from the increase in such property values have been deposited by the County Auditor-Controller into the City’s Redevelopment Property Tax Trust Fund (“**RPTTF**”). See “BONDS AND OTHER INDEBTEDNESS – Limited Obligations – *Redevelopment Agency of the City of Oakland*.”

Because of the general limitation to 2% per year in increases in full cash value (which is reflected as assessed value in the table below) of properties that remain in the same ownership, the county tax roll does not reflect values uniformly proportional to actual market values. As a result of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than that of similar properties more recently sold, and that may be lower than its own market value. Likewise, changes in ownership of property and reassessment of such property to market value commonly will lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership. For further discussion of the limit on full cash value, see “CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS – Article XIII A of the California Constitution” in this Appendix A.

The following Table 13 sets forth the history of assessed valuations in the City for Fiscal Years 2016-17 through 2025-26:

Table 13
City of Oakland
Assessed Valuations⁽¹⁾
Fiscal Years 2016-17 through 2025-26
(\$ in Thousands)

Fiscal Year Ending June 30	Local Secured	Utility	Unsecured	Gross	Less Tax Increment ⁽²⁾	Total Net Assessed Valuation
2017	\$47,401,607	\$24,318	\$3,932,788	\$51,358,713	(\$13,171,622)	\$38,187,091
2018	51,334,369	19,326	3,671,801	55,025,497	0	55,025,497
2019	54,928,874	16,660	3,930,486	58,876,019	0	58,876,019
2020	59,428,014	16,679	4,069,713	63,514,406	0	63,514,406
2021	65,632,263	16,367	4,305,836	69,954,466	0	69,954,466
2022	69,693,144	48,671	4,357,537	74,099,351	0	74,099,351
2023	75,745,526	20,284	4,360,004	80,125,813	0	80,125,813
2024	80,750,118	20,193	4,641,992	85,412,303	0	85,412,303
2025	84,485,956	51,443	4,769,366	89,306,765	0	89,306,765
2026 ⁽³⁾	85,136,452	50,311	4,869,707	90,056,470	0	90,056,470

⁽¹⁾ Net of exemptions other than homeowners’ exemptions. Valuations are determined as of January 1 preceding the respective fiscal year.

⁽²⁾ Tax increments were allocations made to the Oakland Redevelopment Successor Agency under authority of the State of California Constitution, Article XVI. Beginning in Fiscal Year 2017-18, this figure is no longer provided by the County since only a portion of the Countywide 1% Tax will be remitted to the RPTTF for enforceable obligations. See “BONDS AND OTHER INDEBTEDNESS – Limited Obligations – *Redevelopment Agency of the City of Oakland.*” No portion of the Police and Fire Retirement System pension tax override revenue will be remitted to the RPTTF.

⁽³⁾ The City’s lower assessed value growth in Fiscal Year 2025-26 was primarily driven by conditions in the Central District Redevelopment Project Area, which covers much of downtown Oakland and adjacent zones. Contributing factors include weak demand, limited sales activity, high vacancies, the granting of assessed value appeals filed due to vacancies, and reduced asking prices on properties offered for sale as a result of vacancies.

Source: Alameda County Auditor-Controller’s annual certificates of fiscal year assessed value.

The City’s assessed valuation and property-related revenues have grown at a steady rate historically. However, there can be no assurances that such growth will continue in the future. Total net assessed valuation in the City grew approximately 0.84% in Fiscal Year 2025-26 as compared to Fiscal Year 2024-25, significantly below the most recent gross annual growth averages of approximately 7% from Fiscal Years 2017-2025 as shown in Table 13. Preliminary data from the County indicates that assessed value growth is expected to slow even further in Fiscal Year 2026–27. Reflecting this significant deceleration, the Fiscal Year 2026-27 Midcycle Budget assumes overall assessed value growth of just 0.20% from the Fiscal Year 2025–26 year-end estimates.

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The following Table 14 indicates various land uses within the City based on assessed valuation and number of parcels for Fiscal Year 2025-26:

Table 14
City of Oakland
Assessed Valuation and Parcels by Land Use

	2025-26 <u>Assessed Valuation</u> ⁽¹⁾	% of <u>Total</u>	No. of <u>Parcels</u>	% of <u>Total</u>
Non-Residential:				
Commercial/Office	\$16,077,160,593	18.88%	5,996	5.32%
Vacant Commercial	221,551,639	0.26	372	0.33
Industrial	5,607,617,126	6.59	2,206	1.96
Vacant Industrial	237,670,898	0.28	404	0.36
Recreational	114,607,561	0.13	270	0.24
Government/Social/Institutional	<u>377,265,799</u>	<u>0.44</u>	<u>3,274</u>	<u>2.90</u>
Subtotal Non-Residential	\$22,635,873,616	26.59%	12,522	11.10%
Residential:				
Single Family Residence	\$42,203,229,687	49.57%	68,127	60.41%
Condominium/Townhouse	6,699,275,197	7.87	11,790	10.45
Mobile Home	415,922	0.00	6	0.01
2-4 Residential Units	3,724,857,326	4.38	12,999	11.53
5+ Residential Units/Apartments	9,293,058,310	10.92	3,328	2.95
Residential-Miscellaneous Uses	89,530,125	0.11	89	0.08
Vacant Residential	<u>490,211,634</u>	<u>0.58</u>	<u>3,912</u>	<u>3.47</u>
Subtotal Residential	\$62,500,578,201	73.41%	100,251	88.90%
Total	\$85,136,451,817	100.00%	112,773	100.00%

⁽¹⁾ Local Secured Assessed Valuation, excluding tax-exempt property.
Source: California Municipal Statistics Inc.

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The following Table 15 indicates the array of assessed valuation for single-family homes in the City for Fiscal Year 2025-26:

Table 15
City of Oakland
Per Parcel 2025-26 Assessed Valuation of Single-Family Homes

	No. of <u>Parcels</u>	2025-26 <u>Assessed Valuation</u>		<u>Average</u> <u>Assessed Valuation</u>	<u>Median</u> <u>Assessed Valuation</u>		
Single Family Residential	68,127	\$42,203,229,687		\$619,479	\$478,061		
	<u>2025-26 Assessed Valuation</u>	<u>No. of Parcels ⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
	\$0 - \$99,999	6,840	10.040%	10.040%	\$ 437,180,526	1.036%	1.036%
	\$100,000 - \$199,999	9,567	14.043	24.083	1,424,223,920	3.375	4.411
	\$200,000 - \$299,999	7,257	10.652	34.735	1,795,801,762	4.255	8.666
	\$300,000 - \$399,999	5,989	8.791	43.526	2,094,590,109	4.963	13.629
	\$400,000 - \$499,999	5,677	8.333	51.859	2,555,310,282	6.055	19.684
	\$500,000 - \$599,999	5,428	7.967	59.827	2,978,377,219	7.057	26.741
	\$600,000 - \$699,999	4,320	6.341	66.168	2,798,839,535	6.632	33.373
	\$700,000 - \$799,999	3,692	5.419	71.587	2,763,689,772	6.549	39.921
	\$800,000 - \$899,999	3,390	4.976	76.563	2,876,841,836	6.817	46.738
	\$900,000 - \$999,999	2,954	4.336	80.899	2,799,735,142	6.634	53.372
	\$1,000,000 - \$1,099,999	2,232	3.276	84.175	2,337,891,919	5.540	58.911
	\$1,100,000 - \$1,199,999	1,829	2.685	86.860	2,098,824,352	4.973	63.884
	\$1,200,000 - \$1,299,999	1,514	2.222	89.082	1,890,069,236	4.478	68.363
	\$1,300,000 - \$1,399,999	1,361	1.998	91.080	1,833,170,817	4.344	72.707
	\$1,400,000 - \$1,499,999	1,108	1.626	92.706	1,601,077,360	3.794	76.500
	\$1,500,000 - \$1,599,999	952	1.397	94.104	1,471,906,584	3.488	79.988
	\$1,600,000 - \$1,699,999	767	1.126	95.229	1,263,481,538	2.994	82.982
	\$1,700,000 - \$1,799,999	615	0.903	96.132	1,074,675,171	2.546	85.528
	\$1,800,000 - \$1,899,999	531	0.779	96.912	979,592,376	2.321	87.849
	\$1,900,000 - \$1,999,999	394	0.578	97.490	765,298,333	1.813	89.663
	\$2,000,000 and greater	<u>1,710</u>	<u>2.510</u>	100.000	<u>4,362,651,898</u>	<u>10.337</u>	100.000
		68,127	100.000%		\$42,203,229,687	100.000%	

⁽¹⁾ Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics Inc.

Tax Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property situated in the City as of the preceding January 1. A supplemental roll is developed when property is transferred or sold or new construction is completed that produces additional revenue.

All taxable real and personal property is classified as either “secured” or “unsecured.” The “secured roll” contains real property (land and improvements), certain taxable personal property (such as business equipment on business-owned property), and possessory interests (a leasehold on otherwise exempt government property). The “unsecured roll” contains all other taxable property, the majority of which is business equipment on leased or rented premises, and other taxable personal property such as boats and aircraft, as well as delinquent possessory interests. The process of assessing commercial aircraft at Oakland San Francisco Bay Airport takes into account the location of the aircraft during a representative period of time which is established for each tax year. The balance of personal property has been exempted by State law from property taxes.

Secured property taxes are due on November 1 and March 1 and become delinquent if not paid by December 10 and April 10, respectively. A 10% penalty attaches to any delinquent payment for secured roll

taxes. In addition, property on the secured roll with respect to which taxes are delinquent becomes tax-defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus interest at 1.5% per month from the July 1 first following the default. If taxes remain unpaid for a period of five years or more, the property is subject to auction sale by the County Tax Collector.

In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year; a lien is also recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) pursuing a civil action against the taxpayer; (2) filing a certificate in the office of the clerk of the court specifying certain facts in order to obtain a judgment lien on specific property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder’s Office in order to obtain a lien on specified property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Certain counties within the State, including the County, have adopted an “Alternative Method of Distribution of Tax Levies and Collections and Tax Sale Proceeds” authorized under the State Revenue and Taxation Code (the “**Teeter Plan**”). Under the Teeter Plan, local taxing agencies receive 100% of the tax levy for each fiscal year rather than on the basis of actual collections. The City does not participate in the County’s Teeter Plan and thus absorbs current delinquencies and receives the payment of past delinquencies, penalties and interest.

The following Table 16 represents the City’s tax levy and collected amounts for Fiscal Years 2020-21 through 2024-25. Included in these collections are the City’s share of the 1% tax rate and levies for voter-approved indebtedness.

Table 16
City of Oakland
Property Tax Levies and Collections
Fiscal Years 2020-21 through 2024-25
(\$ in Thousands)

Fiscal Year Ended June 30,	City’s Share of 1% Levied	Levied Voter- Approved Debt ⁽¹⁾	Total	Total Collected ⁽²⁾	Percent Collected
2021	\$139,467	\$157,364	\$296,831	\$291,954 ⁽³⁾	98.36%
2022	146,646	171,901	318,547	313,023 ⁽³⁾	98.27
2023	158,251	188,124	346,375	339,768 ⁽⁴⁾	98.09
2024	168,485	201,368	369,853	362,238 ⁽⁴⁾	97.94
2025	174,820	126,226	301,046	294,164 ⁽⁴⁾	97.71

⁽¹⁾ Includes levy for the City’s general obligation bonds and the Pension Tax Override (as defined herein), which was used to pay the City’s Pension Obligation Bonds, which matured on December 1, 2025. See “EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Program – *Police and Fire Retirement System*” and “– BONDS AND OTHER OBLIGATIONS – General Obligation Debt” and “– Pension Obligations Bonds.”

⁽²⁾ As of June 30 of the related Fiscal Year.

⁽³⁾ Property taxes levied and collected are net of current and prior year refunds.

⁽⁴⁾ Property taxes levied do not include current or prior year refunds. Property taxes collected do not include prior year refunds.

Source: City; based on data from County of Alameda.

Assessment Appeals

The following Table 17 sets forth resolved and unresolved pending assessment appeals in the City as of April 2, 2026. For discussion of appeals, see “CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS – Article XIII A of the California Constitution” herein.

Table 17
City of Oakland
Pending Appeals of Assessed Valuations
As of April 2, 2026^(*)

Pending Appeals (Fiscal Years 2020-21 through 2025-26)

Number of Pending Appeals	1,882
Total Assessed Value Under Appeal	\$16,593,690,248
Owner’s Opinion of Value	\$8,875,135,305
Maximum Potential Loss ⁽¹⁾	\$7,718,554,943
Maximum Potential Loss as Percent of Value under Appeal	46.51%

Resolved Appeals (Fiscal Year 2025-26)

Number of Resolved Appeals	82
Total Appealed Value of Resolved Appeals	\$480,734,493
Appeals Denied	51
Assessed Value of Denied Appeals	\$73,680,291
Appeals Allowed with Change of Value	31
Original Assessed Value of Allowed Appeals	\$407,054,202
Value Determined by Appeals Board	\$184,915,000
Board Approved Reduction in Value	\$222,139,202
Percent of Original Assessed Value of Allowed Appeals Reduction	54.57%
City of Oakland 2025-26 Taxable Value ⁽²⁾	\$90,056,469,826
Maximum Potential Appeals Loss ⁽¹⁾	\$15,102,838,972
Maximum Potential Loss as Percent of Total City Taxable Value	16.77%

^(*) Most current information available.

⁽¹⁾ Assumes all pending assessment appeals are resolved fully in favor of property owner.

⁽²⁾ This amount represents the full taxable value for the City, including secured, unsecured and utility, as reported in the Alameda County Auditor-Controller Report of Fiscal Year 2025-26 Assessed Values. It does not include homeowners’ exemption or State Board of Equalization non-unitary values.

Source: City; based on data from Alameda County Assessment Appeals Board.

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Tax Rates

The City consists of 47 tax rate areas. The following Table 18 sets forth property tax rate levies by the City and other local government agencies on properties in the City for Fiscal Years 2021-22 through 2025-26.

Table 18
City of Oakland
Property Tax Rates⁽¹⁾
Fiscal Years 2021-22 through 2025-26

Fiscal Year	Countywide Tax ⁽²⁾	City of Oakland ⁽³⁾	Others ⁽⁴⁾	Total
2021-22	1.0041%	0.2011%	0.2270%	1.4322%
2022-23	1.0103	0.2035	0.2287	1.4425
2023-24	1.0088	0.2035	0.2407	1.4530
2024-25	1.0089	0.1145	0.2157	1.3391
2025-26	1.0084	0.1200	0.2352	1.3636

⁽¹⁾ The Tax Rates shown are the highest tax rates among the City’s tax rate areas. The City’s other tax rate areas have lower tax rates, the lowest total tax rate in Fiscal Year 2025-26 being 1.2652%.

⁽²⁾ Includes County-wide general 1% tax levy and County general obligation bonds tax rates.

⁽³⁾ Tax rates for tax override collected for obligations relating to PFRS and revenues collected to fund debt service on general obligation bonds.

⁽⁴⁾ “Others” includes San Leandro Unified School District, Chabot-Las Positas Community College District, Bay Area Rapid Transit District and East Bay Regional Park District in Fiscal Year 2025-26. The components of “other” may differ in prior years.

Source: County of Alameda Tax Rate Books.

OTHER TAXES AND REVENUES

In addition to property taxes, the City’s General Fund receives revenues from other sources, including the City’s transaction and use tax, sales and use tax, utility consumption tax, business license tax, real estate transfer tax, transient occupancy tax, and parking tax. See Tables 10 and 11 for historic General Fund revenues and Table 12 for projected General Purpose Fund revenues.

Sales or Transactions & Use Tax

Sales or transactions and use tax (“**Sales Tax**”) applies to the retail sale or use of “tangible personal property.” The total Sales Tax percentage in the City currently is 10.75%, meaning that a \$1 taxable purchase results in Sales Tax of 10.75 cents. The City receives 1.5% of the total sale as a distribution to its General Fund, meaning the City receives 1.5 cent on a \$1 purchase. Oakland’s Sales Tax base consists of six major business groups: auto and transportation; fuel and service stations; business and industry; general consumer goods; building and construction; and food and drugs.

Sales Tax reflects the passage of Measure A, a new half-cent Transactions and Use Tax that Oakland voters approved during the special election on April 15, 2025. Measure A raised Oakland’s total Sales Tax rate from 10.25% to 10.75%, generating an estimated \$29.82 million annually. Due to the timing of the election, the operative date of the tax is October 1, 2025, meaning that in Fiscal Year 2025-26, Measure A would generate only 75% of the annual projected revenue. Measure A is the subject of a legal challenge. See “LITIGATION – Transactions and Use Tax Litigation.”

Sales tax performance through the first half of Fiscal Year 2025–26 has remained generally stable, though growth in the City has trailed broader regional trends. In the first quarter of Fiscal Year 2025-26, receipts increased 1.0% year over year, supported in part by one-time payments; excluding these, underlying taxable sales declined 4.2%, compared to growth of 1.0% in Alameda County and 2.5% across the Bay Area.

In the second quarter of Fiscal Year 2025-26, total receipts declined 1.6% year over year, with underlying taxable sales down 1.4%. Declines were concentrated on vehicle sales, rental cars, and fuel-related categories, reflecting softer consumer activity in several major taxable sectors as well as broader changes in pricing and purchasing patterns. These decreases were partially offset by continued strength in casual dining and gains in select business service categories, particularly medical and biotech-related activity.

In Fiscal Year 2026–27, sales tax growth is projected to remain modest at approximately 0.7%, as gains in certain service-related sectors are expected to be partially offset by continued moderation in vehicle, fuel, and other consumer-oriented categories. However, the economic outlook for Sales Tax revenues remains uncertain as sales continue to be impacted from persistently high inflation and consequently high federal interest rates, as well as uncertainty resulting from policy changes from the new Federal administration, including tariffs and potential tax reductions and increases in gasoline and oil prices as a result of the conflict in Iran, all of which may affect consumer spending patterns.

Utility Consumption Tax

The City’s utility consumption tax (“UCT”) is a surcharge to all users of a given utility (i.e., on the use of electricity, gas, telephone, water and cable television). The current UCT rate is 7.5%, however, certain persons qualify for a low-income rate assistance program offered by the Pacific Gas & Electric Company. Revenues have grown significantly in recent years, driven largely by substantial utility rate increases over the past decade. More recently, however, PG&E has indicated that electric rates have begun to level off, and revenue growth has correspondingly moderated. Through February of Fiscal Year 2025–26, revenues were essentially flat year over year, declining slightly by 0.2% compared to the same period in Fiscal Year 2024–25. If current trends continue, Fiscal Year 2025–26 year-end revenues are expected to remain comparable to Fiscal Year 2024–25 levels, with Fiscal Year 2026–27 revenues projected to remain relatively stable, consistent with the recent plateau in utility rates.

Business License Tax

The City’s business license tax (“BLT”) is charged annually to businesses based in the City and calculated either by gross receipts (which accounts for approximately 60% of BLT revenue) or rental income (which accounts for 40% of BLT revenue). The BLT rate on gross receipts varies by type of business, ranging currently from a low of \$0.60 per \$1,000 of receipts (0.06%) for grocers up to 2.40% for firearm dealers when applied to gross receipts, and 0.12% when applied to gross payroll. The BLT rate on rental income is \$13.95 per \$1,000.

Based on strong Fiscal Year 2025–26 renewal activity and the continued success of special revenue collection projects, BLT revenue is projected to remain strong in Fiscal Year 2026–27. Fiscal Year 2025-26 revenues are projected to exceed the Fiscal Year 2025–26 Adjusted Budget by \$2.54 million, or 2%, reaching \$132.08 million based on third quarter projections as stated in revenue and expenditures reports. Ongoing initiatives to recover outstanding business tax revenue are expected to support sustained revenue growth and improved compliance, and a large, proposed audit is expected to further enhance recovery efforts.

Measure C, which was on the ballot for the June 2, 2026 election, and based on unofficial results which have not been certified by the County Registrar of Voters, is projected to pass, would provide temporary business tax relief for certain small businesses in Oakland. Specifically, it would eliminate the business license tax in 2027 for small businesses with \$1 million or less in annual gross receipts across certain business classes, including retail sales, groceries, business and personal services, recreation and entertainment, and manufacturing. The measure would also eliminate up to \$1 million in tax liability for new businesses, that establish a commercial location in the city. The measure would authorize the City Council to extend the exemption annually for up to three additional years without returning to voters. If passed, Measure C would exempt around 12,000 existing businesses from paying City business tax, resulting in approximately \$2.2 million savings for eligible City businesses and a loss of approximately \$2.2 million in business tax revenue for the City

of Oakland for calendar year 2027. However, in anticipation of the measure’s potential passage, the Oakland City Council set aside \$3 million for general business support as part of the Fiscal Years 2025–2027 Biennial Budget passed in June 2025.

Real Estate Transfer Tax

Real Estate Transfer Tax (“RETT”) revenues are generated by the transfer of ownership of existing properties. The RETT is applied to the sale price of the property, and the cost is typically split between the buyer and seller. The RETT rate is composed of a City portion and a County portion: 0.11% is allocated to the County and the remaining tax is allocated to the City.

On November 6, 2018, Oakland voters approved Measure X, establishing a progressive RETT rate for the City (previously, the City RETT rate was 1.50%). The new RETT rates became effective on January 1, 2019, and are as follows:

Amount of Transfer	RETT Rate
Up to \$300,000	1.00%
\$300,001 to \$2,000,000	1.50%
\$2,000,001 to \$5,000,000	1.75%
\$5,000,001 and above	2.50%

Historically, this revenue has been the City’s most volatile as it is directly dependent on the number and value of real estate sales, often impacted by a handful of high value transfers in a given year. Due to this revenue source’s volatility, the City enacted Ordinance No. 13487 C.M.S. creating policies for the use of excess RETT. The Ordinance defines “excess” RETT as any amounts of RETT revenues whose value exceeds 15% of the corresponding General Purpose Fund tax revenues (inclusive of RETT). The excess RETT is to be used in the following manner:

- At least 25% shall be allocated to the Vital Services Stabilization Fund until the value in such fund is projected to equal to 15% of General Purpose Fund revenues over the coming fiscal year.
- At least 25% shall be used to fund accelerated debt retirement and unfunded long-term obligations, including negative fund balances, the PFRS liability, other unfunded retirement and pension liabilities, unfunded paid leave liabilities, and OPEB liabilities.
- The remainder shall be used to fund one-time expenses, to augment the General Purpose Fund Emergency Reserve, and to augment the Capital Improvements Reserve Fund.

See also “BUDGET AND FINANCIAL OPERATIONS – Financial Policies” for information on the suspension of transfers to the Vital Services Stabilization Fund.

Fiscal year 2025–26 RETT performance is tracking closely with Fiscal Year 2024–25 levels, with Fiscal Year 2025–26 currently projected to end at approximately \$69.92 million. Excluding the major one-time transaction recorded in the fourth quarter of Fiscal Year 2024–25 that generated more than \$24 million in RETT revenue, Fiscal Year 2024–25 collections would have totaled approximately \$68.58 million, indicating stable underlying performance across both years. This stability reflects improving market conditions, supported in part by Federal Reserve interest rate reductions during Fiscal Year 2024–25 and Fiscal Year 2025–26, which lowered the federal funds rate from its 2023 peak of approximately 5.50% to a range of 3.50%–3.75%.

Looking ahead to Fiscal Year 2026–27, RETT revenues are expected to remain stable with modest growth of approximately 3%, assuming continued steady market conditions and the absence of significant one-time transactions.

Transient Occupancy Tax

The transient occupancy tax (“TOT”) represents a surcharge on room rates imposed on transient or temporary accommodations within the City. The tax is levied on persons staying 30 days or less in a hotel, motel, inn or other lodging facility and is collected by the lodging facility operator, who then remits the collected tax to the City. In July 2009, the voters approved Measure C, which increased the TOT rate from 11% to 14%. Measure C allocates 3% of total TOT revenue to support various community-based institutions, which amount is reported as a special fund revenue and not as part of the General Purpose Fund.

In Fiscal Year 2026–27, TOT revenues are expected to remain relatively stable in the \$15–16 million range, consistent with Fiscal Year 2024–25 and current Fiscal Year 2025–26 trends. Revenues have declined from prior peak levels due to hotel closures and reduced travel activity in the area, following a high of approximately \$26 million in Fiscal Year 2018–19 and stabilization at around \$20 million in Fiscal Year 2022–23. Through February of Fiscal Year 2025–26, collections were approximately 1.2% below the same period in the prior fiscal year. While a modest increase in summer activity associated with Bay Area World Cup-related events is anticipated, revenues are expected to remain within the recent range in the short to medium term.

Parking Tax

The City’s parking tax (“PT”) is imposed on the occupant of an off-street parking space for the privilege of renting the space within the City. The tax is collected by private parking facility operators who then remit the collected tax to the City. The current PT rate, which is applied to the gross receipts of parking facility operators, is 20.0%, with 10.0% restricted to funding the Oakland Community Violence Reduction and Emergency Response Act of 2024 (captured outside the General Purpose Fund in the Measure NN fund). Most of PT revenue is generated from parking at the Oakland San Francisco Bay Airport and the downtown area.

Parking Tax revenues are expected to remain relatively stable at current levels, which are projected to end Fiscal Year 2025–26 at approximately \$11 million based on third quarter projections. Revenues are primarily driven by activity at Oakland International Airport and downtown parking facilities, with recent declines reflecting lower airport-related activity. In Fiscal Year 2026–27, revenues are projected to remain near current levels with limited growth anticipated.

Fines and Penalties

Fines and penalties consist primarily of parking enforcement fines (approximately 90% of the total) and penalties and interest for late tax payments.

For Fiscal Year 2026–27, Parking Citation revenue is projected to continue growing, reflecting the cumulative impact of prior policy actions, including two 5 percent increases in parking fines implemented in Fiscal Year 2023–24 and Fiscal Year 2024–25 to account for inflation. Growth is also supported by sustained enforcement activity enabled by expanded staffing in the Parking Enforcement Unit, which has increased citation issuance and collection capacity.

Fiscal Year 2025–26 year-end revenues are projected at approximately \$26.59 million based on third quarter estimates, exceeding the Fiscal Year 2025–26 Adjusted Budget by 8.2 percent and establishing a higher baseline entering Fiscal Year 2026–27. Additional growth is expected from expanded parking enforcement measures implemented in April 2026, including the introduction of Sunday metered parking enforcement for limited hours, as well as improved collections resulting from the transfer of parking citation processing

responsibilities from the Department of Transportation to the Finance Department, further supporting revenue growth in Fiscal Year 2026–27.

Licenses and Permits

These revenues primarily include special police and fire permits, traffic, bingo permits, residential parking permits, and animal licenses.

Service Charges

These revenues include franchise fees imposed on utilities for use of City rights of way, City-operated parking meter and other parking revenues, reimbursements for services provided to the Port, and various other fees and charges. Most of these revenues are considered cost recovery. Each department prepares amendments to the Master Fee Schedule and presents these proposed amendments to the City Council in the Spring; if approved, these changes are incorporated into the budget.

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VOTER-APPROVED SPECIAL TAX REVENUES

The City has sought voter approval for a number of special taxes and assessments to supplement its revenues in order to provide additional funding for City services. The following table summarizes some of these revenues which provide funds for services that otherwise might be funded by the General Purpose Fund. Several of these taxes have maintenance-of-service requirements for their collection.

Table 19
City of Oakland
Certain Special Tax Revenues⁽¹⁾⁽²⁾

<u>Tax</u>	<u>Basis</u>	<u>FY 2024-25 Revenues (Year-End Actuals)</u>	<u>FY 2025-26 Revenues (Budgeted)</u>	<u>FY 2025-26 Revenues (Third Quarter Year to Date)⁽⁵⁾</u>	<u>FY 2026-27 Revenues (Budgeted)</u>	<u>Expiration</u>
The Oakland Community Violence Reduction and Emergency Response Act of 2024 (Measure NN) ⁽³⁾	Parcel tax and 10% parking tax	\$0.00	\$47.37	\$28.22	\$47.73	2034
Public Safety and Services Violence Prevention (Measure Z)	Parcel tax and 8.5% parking tax	26.39	0.00	0.4	0.00	2024
Transient Occupancy Tax for Tourism and Cultural Facilities (Measure C)	3% special transient occupancy tax	4.48	4.22	3.14	4.31	None
Library Services Retention and Enhancement (Measure C)	Parcel Tax	20.10	20.86	12.75	21.90	2052
Library Services (Measure D)	Parcel Tax	16.22	16.86	10.34	17.95	2038
Parks & Recreation Preservation, Litter Reduction, and Homelessness Support (Measure Q)	Parcel Tax	32.75	34.14	20.66	36.23	2040
Paramedic Services on Fire Trucks (Measure N)	Parcel Tax	2.12	2.18	1.37	2.23	None
Vacant Property, Housing and Illegal Dumping (Measure W)	Parcel Tax	7.42	7.44	4.54	7.65	2040
Emergency Medical Services (Measure M)	Parcel Tax	2.66	2.73	1.71	2.80	None
Landscaping & Lighting Assessment District	Parcel Tax	19.42	19.51	12.30	20.05	None
The Oakland Children’s Initiative (Measure AA)	Parcel Tax	44.97	47.28	31.75	50.03	2048
The Wildfire Prevention Financing Act of 2024 (Measure MM) ⁽⁴⁾	Parcel Tax	0.00	2.67	1.59	2.75	2045

⁽¹⁾ In millions.

⁽²⁾ The voters of the City have also approved a parcel tax pursuant to the Oakland Zoo Animal Care, Education, and Improvement Ordinance, however such parcel tax does not fund services that would otherwise be funded by the General Purpose Fund.

⁽³⁾ Replaces the Public Safety and Services Violence Prevention (Measure Z), which expired in 2024.

⁽⁴⁾ Special tax levied exclusively on parcels within a defined “Wildfire Prevention Zone” representing approximately 22% of the City.

⁽⁵⁾ Year-to-date figures through the third quarter of Fiscal Year 2025-26 are as of April 22, 2026, the preparation date of the Fiscal Year 2025–26 Third Quarter Revenue and Expenditures Report.

Source: City of Oakland.

INVESTMENT OF CITY FUNDS

The City Treasurer invests City funds within the guidelines of State law (specifically Section 53600 *et seq.* of the Government Code). The City Council adopts an investment policy, copies of which can be found on its website: <https://www.oaklandca.gov/documents/investment-policies>. (The contents of such website are not incorporated herein by such reference.) The current investment policy was adopted by the City Council on June 2, 2026, and is in effect until such time as it is subsequently revised and such revision is adopted by the City Council.

The objectives of the Investment Policy are to preserve capital, liquidity, diversity, and yield. The Investment Policy addresses the soundness of financial institutions in which the City may deposit funds, types of investment instruments permitted by the City and the California Government Code, investment duration, and the amounts that may be invested in certain instruments. The Investment Policy also reflects certain ordinances and resolutions of the City further restricting investments, including the Nuclear Free Zone Ordinance, the Tobacco Divestiture Resolution, Linked Banking Ordinance, the Fossil Fuel Divestiture Resolution, the Firearm or Gun Manufacturer Divestiture Resolution and the Sanctuary City Investment Ordinance.

The City’s Operating Pool Portfolio is composed of different types of investment securities and is invested in accordance with the Investment Policy. The following Table 20 summarizes the composition of the Operating Pool Portfolio as of May 31, 2026.

Table 20
City of Oakland
Operating Pool Portfolio
as of May 31, 2026⁽¹⁾

Investments	Market Value	Book Value	Percent of Portfolio	Days to Maturity	YTM 360 Equivalent	YTM 365 Equivalent
Federal Agency Issues - Coupon	\$489,491,690.06	\$490,991,860.02	21.07%	830	3.704	3.755
Federal Agency Issues - Discount	1,126,119,354.21	1,117,145,495.09	47.95	134	3.660	3.711
Money Market	265,000,000.00	265,000,000.00	11.37	1	3.498	3.546
Local Agency Investment Funds	74,998,562.33	75,000,000.00	3.22	1	3.759	3.811
Corporate Bonds	66,626,669.02	66,894,839.78	2.87	607	3.905	3.960
Negotiable CD’s	69,985,136.50	70,000,000.00	3.00	140	3.887	3.941
Federal Agency Issues-Coupon/Bullet	200,997,648.40	201,157,986.32	8.63	395	3.677	3.728
Commercial Paper - Discount	34,443,989.50	34,276,781.94	1.47	117	3.868	3.922
Money Market Bank Account	9,551,891.94	9,551,891.94	0.41	1	3.371	3.418
	\$2,337,214,941.96	\$2,330,018,855.09	100.00%	297	3.671	3.722

⁽¹⁾ Unaudited.

Source: City of Oakland.

EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS

Labor Relations

As of May 21, 2026, City employees are represented by seven labor unions and associations (identified in the following Table 21). The largest employee organization is the Service Employees International Union, Local 1021, which represents approximately 37% of City employees. Approximately 97% of City employees are covered by negotiated agreements, as detailed below. In September 2025, the City Council approved a one-year contract through June 30, 2026. For additional description of the contracts, see “BUDGET AND FINANCIAL OPERATIONS – City’s General Financial Condition – Fiscal Years 2025-26 and 2026-27 Biennial Budget.”

**Table 21
City of Oakland
Labor Relations**

<u>Employee Organization / Representation Unit</u>	<u>Number of Employees⁽¹⁾</u>	<u>Contract Expiration⁽²⁾</u>
Confidential Management Employees' Association, Unit U31	48	June 30, 2026
International Association of Fire Fighters Local 55, Unit FQ1	510	June 30, 2026
International Brotherhood of Electrical Workers Local 1245, Units IE1, TV1	18	June 30, 2026
International Federation of Professional and Technical Engineers (IFPTE) (Includes TA1, TF1, TL1, TM2, TW1, UH1, U41, UM1 and UM2)	1,420	June 30, 2026
Service Employees International Union (SEIU) Local 1021	1,697	July 30, 2026
Oakland Police Officers' Association, Unit PP1, PT1	732	June 30, 2026
Oakland Police Management Association, Unit UN2	16	June 30, 2026
Unrepresented Employees	<u>118</u>	N/A
TOTAL EMPLOYEES	4,559	

⁽¹⁾ As of May 21, 2026

⁽²⁾ [Employees are working under the terms of the expired contract while negotiations continue.]

Source: City of Oakland, Department of Human Resources Management, Employee Relations Unit.

As part of labor negotiations with its public safety unions in Fiscal Year 2018-19, the City reduced the growth of long-term liabilities for retiree health benefits by capping its contributions for active employees and current retirees effective January 1, 2020, implementing new, lower costs tiers for employees hired after January 1, 2019, and aligning benefits for new public safety employees with that of the City's civilian employees. While these reforms are anticipated to provide significant long-term relief to the City's retiree medical costs, even with these measures, rising costs for employees and retirees continue to pressure the City's finances and will require careful management in future years.

Retirement Programs

The City currently maintains one closed pension system, the Police and Fire Retirement System ("PFRS"). In addition, the City is a member of the California Public Employees' Retirement System ("CalPERS"), a multiple-employer pension system that provides a contributory defined-benefit pension for most current employees. Additional information concerning the City's retirement programs can be found in APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2025 – FINANCIAL SECTION – Basic Financial Statements – Notes to the Basic Financial Statements" and "-- Required Supplementary Information (Unaudited)."

Police and Fire Retirement System. PFRS is a defined benefit plan administered by a seven-member Board of Trustees (the "**Retirement Board**"). PFRS is a closed plan and covers uniformed employees hired prior to July 1, 1976. On December 12, 2000, the voters of the City amended the Charter to give active members of PFRS the option to terminate their membership and transfer to CalPERS upon certain conditions. As a result, 126 former members transferred to CalPERS. See "--California Public Employees' Retirement System" below. As of June 30, 2025, PFRS covered no active employees and 597 retired employees and beneficiaries.

In accordance with voter-approved measures adopting the Charter provisions that govern PFRS, the City annually levies an *ad valorem* tax (the "**Pension Tax Override**") on all property within the City subject to taxation by the City to help fund its pension obligations to PFRS. State law limits the City's tax rate for this purpose at the rate of 0.1575%, the level at which the City levied the tax since 1983. In the second half of 2025, the City Council adopted Resolution No. 90829 C.M.S., reducing the Pension Tax Override to 0.0705% due to sufficient fund balance available to support the PFRS obligations. The City is required to fund all liabilities for future benefits for all PFRS members by June 30, 2026, at which time the unfunded actuarial liability ("UAL")

is expected to be fully amortized. In order to do so, the City makes contributions at rates established by consulting actuaries based upon plan valuations.

As of July 1, 2025, the actuarial liability of \$472.4 million less the market value of assets of \$476.7 million resulted in a funded ratio of 100.9%, meeting the requirement to fully fund the liabilities by June 30, 2026.

A schedule of funding progress for the PFRS is set forth below in Table 22. The funding status reflects a number of assumptions (such as future interest earnings, inflation, and the demographics of beneficiaries) and certain facts (including changes to labor agreements, to which benefits are tied, and actual mortality and earnings on assets).

Table 22
City of Oakland
Police and Fire Retirement System
Schedule of Funding Progress⁽¹⁾
as of July 1, 2025
(\$ In Millions)

Valuation Date (July 1)	Actuarial Liability	Actuarial Value of Assets	Market Value of Assets	Unfunded Actuarial Liability	Funded Ratio Based on Actuarial Value	Funded Ratio Based on Market Value	Number of Active Employees ⁽²⁾
2021	\$571.9	\$412.7	\$458.5	\$159.3	72.2%	80.2%	0
2022	553.0	422.8	401.5	130.2	76.5	72.6	0
2023	522.5	425.4	416.1	97.0	81.4	79.6	0
2024	496.7	438.3	450.0	58.4	88.3	90.6	0
2025	472.4	450.2	476.7	22.2	95.3	100.9	0

⁽¹⁾ Does not include outstanding pension obligation bond principal and accreted interest; see “BONDS AND OTHER INDEBTEDNESS – Pension Obligation Bonds.”

⁽²⁾ Because this is a closed system with no active employee during the periods shown, UAAL as a percentage of payroll is not presented.

Source: Oakland Police and Fire Retirement System, Actuarial Valuation Report as of July 1, 2025. Most current information available.

The contribution for Fiscal Year 2025-26 was \$27.5 million, all of which was funded out of Pension Tax Override proceeds. The City’s required contribution decreased from \$27.5 million in Fiscal Year 2025-26 to \$0 in Fiscal Year 2026-27, as the current unfunded liability is fully amortized and recent asset losses are recognized. This assumes that the annual payments by the City will equal the administrative expenses, plus an amount needed to amortize the remaining unfunded liability as a level percentage of overall public safety payroll by July 1, 2026, as is required under the Charter. Any unfunded liabilities that may remain after the exhaustion of the Pension Tax Override fund, as well as administrative expenses, would be an obligation of the City’s General Fund.

Certain current assumptions and estimated contributions as of July 1, 2025, are set forth in Table 23 below.

Table 23
City of Oakland
Police and Fire Retirement System
Projection of Future Contributions⁽¹⁾
as of July 1, 2025

	Valuation Assumptions
Investment Return	5.00%
City Contribution for Fiscal Year 2025-26	\$27.5 Million
City Contribution for Fiscal Year 2026-27	\$0

⁽¹⁾ If actual investment returns or wage growth varies from the assumptions, then the contribution rate will vary.

Source: Oakland Police and Fire Retirement System, Actuarial Report as of July 1, 2025.

California Public Employees’ Retirement System. CalPERS is a defined-benefit plan administered by the State and covers all uniformed employees hired after June 30, 1976 and all non-uniformed employees hired after September 1, 1970 as well as certain former members of PFRS and the Oakland Municipal Employees Retirement System (“**OMERS**”), which was terminated effective March 31, 2015. CalPERS acts as a common investment and administrative agent for public entities participating with the State. CalPERS is a contributory plan deriving funds from employee contributions as well as employer contributions and earnings from investments. A menu of benefit provisions is established by State statutes within the Public Employees’ Retirement Law. The City selects its optional benefit provisions from the benefit menu by contract with CalPERS. The information contained in this paragraph has been obtained from CalPERS. Additional information regarding CalPERS may be obtained from its website at www.calpers.ca.gov. However, the contents of such website are not incorporated herein by such reference.

For accounting purposes, employees covered under CalPERS are classified as either miscellaneous employees or safety employees (police and fire).

In July 2011, the City approved a CalPERS second tier (two-tiered pension plans) for all labor unions to reduce the City’s CalPERS retirement cost over time. The two-tiered pension plans were subsequently approved through collective bargaining agreements between the City and labor organizations representing miscellaneous and safety employees. The City implemented the two-tiered pension plan for safety employees effective February 8, 2012, and for miscellaneous employees effective June 8, 2012.

In September 2012, Assembly Bill 340 (known as “**PEPRA**”) was enacted into law. PEPRA reforms all State and local public retirement systems and their participating employers with the exception of charter cities and counties that operate an independent retirement system. PEPRA limits the pension benefits offered to new employees and increases flexibility for employee and employer cost sharing for current employees. A third tier

was implemented as a result of PEPRA for miscellaneous and safety employees hired on or after January 1, 2013 (“Tier Three”).

CalPERS provisions and benefits in effect as of June 30, 2025 are summarized as follows:

Tier Pension Plans	Employee Organization	
	Safety	Miscellaneous
Tier One (Classic Member)	Receive 3% at age 50. Pension benefits are based on the year of highest salary.	Receive 2.7% at age 55. Final compensation is based on the 12 highest paid consecutive months.
Tier Two (New Hires as of June 9, 2012)	Receive 3% at age 55. Pension benefits are based on the final average salary of three years under the Government Code 20037.	Receive 2.5% at age 55. Final compensation is based on the highest average annual compensation of the three consecutive years.
Tier Three: AB 340 (January 1, 2013)	Receive 2% at age 57. Option 1: 2.5% at age 57. Option 2: 2.7% at age 57. Pension benefits are based on the final average salary of three years subject to established cap.	Receive 2% at 62. Pension benefits are based on the final average salary of the three years subject to established cap.

Source: City of Oakland

The contribution requirements of the plan participants and the City are established by and may be amended by CalPERS. Beginning Fiscal Year 2017-18, CalPERS collects minimum required employer contributions equal to the sum of the Plan’s Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability Contribution Amount (billed monthly in dollars unless prepaid at the beginning of the fiscal year, as the City has done the past several years. See “BONDS AND OTHER INDEBTEDNESS – Short-Term Obligations”). In prior fiscal years, the Employer Unfunded Accrued Liability Contribution Amount was a contribution rate. As percentages of projected annual covered payroll, the total required employer contribution rates for Fiscal Year 2025-26 are estimated to be 38.17% for miscellaneous employees and 63.76% for safety employees (police and fire employees). As percentages of projected annual covered payroll, the total required employer contribution rates for Fiscal Year 2026-27 are estimated to be 37.96% for miscellaneous employees and 66.49% for safety employees (police and fire employees).

In addition, under current bargaining agreements, all City participants, other than Tier Three (described herein) employees, are required to contribute 8% for miscellaneous employees, 12% for police employees, and 13% for fire employees of their annual covered salary to CalPERS. Tier Three employees are required to contribute 50% of normal cost (currently, 8.25% for miscellaneous employees, 12.75% for police employees, and 12.75% for fire employees of their annual covered salary) to CalPERS. The contribution requirements of the plan members are established by State statute and the employer contributions are established, and may be amended, by CalPERS.

The following Table 24 sets forth the City’s employer contribution rates and amounts as determined by CalPERS for Fiscal Years 2020-21 through 2024-25, and CalPERS’s projections for Fiscal Years 2025-26 and 2026-27. The Total Required Employer Contribution is the sum of the Plan’s Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability Contribution Amount.

Table 24
City of Oakland
California Public Employees’ Retirement System

**Contribution Rates and Amounts
Fiscal Years 2020-21 through 2025-26
and Projected Fiscal Year 2026-27**

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27 (Projected) ⁽¹⁾
Safety Plan							
Total Required Employer Contribution (as percentage of payroll)	51.04%	54.02%	56.61%	57.30%	63.64%	63.76%	66.49%
Employer Normal Cost Rate (as percentage of payroll)	19.51%	18.94%	18.53%	20.43%	19.86%	19.58%	19.09%
Employer Unfunded Accrued Liability Contribution Amount	\$52,041,128	\$61,868,629	\$68,414,725	\$66,753,911	\$77,373,054	\$87,318,626	\$96,274,560
Miscellaneous Plan							
Total Required Employer Contribution (as percentage of payroll)	44.60%	45.83%	46.67%	44.66%	40.3%	38.17%	37.96%
Employer Normal Cost Rate (as percentage of payroll)	12.34%	11.85%	11.54%	12.28%	12.01%	11.7%	11.37%
Employer Unfunded Accrued Liability Contribution Amount	\$80,187,025	\$88,323,290	\$96,340,598	\$91,160,034	\$83,344,315	\$86,147,844	\$94,235,602

⁽¹⁾ Based on various assumptions, including 6.8% actuarial rate.

Source: CalPERS Annual Valuation Reports as of June 30, 2021, through June 30, 2024. Most current information available.

CalPERS uses an actuarial method that takes into account those benefits that are expected to be earned in the future as well as those already accrued. CalPERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities.

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the Fiscal Year 2015-16 rates, CalPERS no longer uses an actuarial value of assets and instead employs an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a five-year period.

On December 21, 2016, the CalPERS Board of Administration voted to further lower CalPERS's discount (i.e. assumed investment return) from 7.50% to 7.00% using a three-year phase-in, beginning with the June 30, 2016 actuarial valuations. Notwithstanding the CalPERS Board of Administration's decision to phase into a 7.00% discount rate, in July 2021, CalPERS announced that their investment returns for Fiscal Year 2020-21 was 21.3%, which triggered an automatic reduction in the discount rate, from 7% to 6.8%, under their funding risk mitigation policy. On November 25, 2021, CalPERS retained the 6.8% discount rate. Subsequent analysis of the expected investment return of CalPERS assets or changes to the investment allocation could result in a change to this discount rate schedule. There can be no assurance that CalPERS will not again lower its investment assumptions thus increasing the City's contribution obligations.

The following Tables 25 and 26 set forth the schedules of funding progress as of June 30 for 2020 through 2024 for public safety employees and for miscellaneous employees.

Table 25
City of Oakland
California Public Employees' Retirement System Schedule of Funding Progress
Public Safety Employees
(\$ in Millions)

Valuation Date (June 30)	Actuarial Accrued Liability	Market Value of Assets	Unfunded Actuarial Liability	Funded Status (MVA Basis)	Annual Covered Payroll	UAAL as % of Payroll
2020	\$2,401.8	\$1,494.0	\$907.9	62.2%	\$165.6	548.2%
2021	2,558.7	1,825.1	733.6	71.3	166.7	440.1
2022	2,698.6	1,674.1	1,024.5	62.0	162.7	629.7
2023	2,847.1	1,764.4	1,082.7	62.0	182.0	594.9
2024	3,003.9	1,919.0	1,084.8	63.9	187.0	580.1

Source: CalPERS Actuarial Valuation Report as of June 30, 2024. Most current information available.

Table 26
City of Oakland
California Public Employees' Retirement System Schedule of Funding Progress
Miscellaneous Employees
(\$ in Millions)

Valuation Date (June 30)	Actuarial Accrued Liability	Market Value of Assets	Unfunded Actuarial Liability	Funded Status (MVA Basis)	Annual Covered Payroll	UAAL as % of Payroll
2020	\$2,999.7	\$2,010.4	\$989.3	67.0%	\$252.8	391.3%
2021	3,125.4	2,434.5	690.9	77.9	259.2	266.6
2022	3,241.5	2,213.8	1,027.7	68.3	271.2	379.0
2023	3,368.0	2,315.5	1,052.5	68.8	299.6	351.3
2024	3,490.5	2,497.5	993.0	71.6	326.3	304.3

Source: CalPERS Actuarial Valuation Report as of June 30, 2024. Most current information available.

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For Fiscal Year 2024-25, the City’s CalPERS pension contributions are \$77.4 million for the Safety Plan and \$83.3 million for the Miscellaneous Plan. The following Table 27 represents the City’s annual contribution to CalPERS for Fiscal Years 2020-21 through 2024-25.

Table 27
City of Oakland
California Public Employees’ Retirement System
Annual Pension Contributions
Fiscal Years 2020-21 through 2026-27
(\$ in Millions)

Fiscal Year Ended June 30	Annual Contributions ⁽¹⁾
2021	\$178.5
2022	184.9
2023	157.9
2024	158.0
2025	160.7
2026 ⁽²⁾	173.4
2027 ⁽³⁾	190.5

Effective July 1, 2011, all City employees pay the employee contributions.

(1) Amount includes both Safety and Miscellaneous Plans.

(2) Expected payment.

(3) Minimum required payment.

Sources: City of Oakland Annual Financial Reports for Fiscal Years Ended June 30, 2021 through June 30, 2025, CalPERS Actuarial Valuation Report as of June 30, 2024.

Other Post-Employment Benefits

The City pays the partial costs of health insurance premiums for certain classes of retirees from City employment. Retirees meeting certain requirements relating to age and years of service are eligible for health benefits. The health benefits are extended to retirees pursuant to labor agreements between the City and certain of its employee labor unions and in resolutions adopted by the City. Traditionally, the City has financed these obligations on a pay-as-you go basis.

In 2014, the City began to partially pre-fund the annual required contribution (“**ARC**”) to the California Employer’s Retiree Benefit Trust (“**CERBT**”), an agent multiple-employer defined benefit post-employment healthcare plan administered by CalPERS. The CERBT is an Internal Revenue Code (“**IRC**”) Section 115 Trust and an investment vehicle that can be used by all California public employers to prefund future retiree health and OPEB costs. Since that time, the City has made contributions to the CERBT as set forth in the table below. The balance of the CERBT as of June 1, 2026 is \$145.0 million.

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Table 28
City of Oakland
Contributions to the California Employer’s Retiree Benefit Trust
Fiscal Years 2017-18 through 2025-26
(\$ in Millions)

Fiscal Year (ended June 30)	City Contribution to the CERBT
2017-18	\$10.0
2018-19	10.0
2019-20	–
2020-21	–
2021-22	15.0
2022-23	15.0
2023-24	13.5
2024-25	14.8
2025-26	15.2

Source: City of Oakland.

On February 26, 2019, the City Council adopted an OPEB Funding Policy intended to formalize its prepayment practice, providing for ongoing contributions of 2.5% of payroll in addition to the City’s pay-as-you-go requirements. These additional contributions are intended to support the sustainability of the City’s retiree medical program. The policy was suspended and these contributions were postponed for Fiscal Year 2019-20 and Fiscal Year 2020-21 in response to the financial crisis accompanying the COVID-19 pandemic. In both Fiscal Years 2021-22 and 2022-23 the City contributed \$15 million to CERBT to offset reductions in prior years as shown in the above table. The Fiscal Years 2023-25 Biennial Budget provided for the resumption of these contributions at the policy level of 2.5%. The City contributed \$15.2 million in Fiscal Year 2025-26 and anticipates contributing an additional \$15.8 million in Fiscal Year 2026-27. Additional contributions may be made pursuant to policies regarding the application of “excess” real estate transfer tax revenues.

Additionally, in Fiscal Year 2018-19 the City reached agreement with its sworn public safety unions to cap retiree medical benefits for existing employees and retirees effective January 1, 2020, and to implement new, lower-cost tiers for employees hired after January 1, 2019, aligning benefits for new public safety employees with that of the City’s civilian employees.

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The following Table 29 sets forth certain information with respect to the City’s OPEB obligations for the Fiscal Years ended June 30, 2021 through June 30, 2025.

Table 29
City of Oakland
Post-Employment Benefits Other than Pensions
Fiscal Years 2020-21 through 2024-25
(\$ in Millions)

Fiscal Year Ended June 30 ⁽¹⁾	Total OPEB Liability	Net OPEB Liability	Actuarial Determined Contribution	Benefit payments	City Contribution ⁽⁴⁾
2021	\$871.1 ⁽²⁾	\$842.8	\$52.8	\$28.9	\$29.5
2022	653.5 ⁽³⁾	617.5	54.3	29.5	43.0
2023	536.9	492.9	56.6	26.8	43.4
2024	611.8	549.0	53.9	28.4	43.2
2025	638.6	554.9	56.2	29.7	46.8

- ⁽¹⁾ Amounts reported for each Fiscal Year figures are based on measurement year for actuarial purposes, which is one year prior.
⁽²⁾ Increase to liability includes \$222.3 million increase due to changes in assumptions, including a decrease in the discount rate applied from 4.5% to 2.2%.
⁽³⁾ Decrease to liability includes \$197.6 million decrease due to changes in assumptions, including an increase in the discount rate applied from 2.2% to 3.74%.
⁽⁴⁾ Includes employer contributions and contributions to irrevocable trust.
Source: City of Oakland Annual Comprehensive Financial Report for Year Ended June 30, 2025.

The size of the City’s medical, pension and OPEB liabilities are based on a number of assumptions that are subject to change, including, but not limited to, estimates regarding personnel costs, assumed investment returns and actuarial assumptions. It is possible that actual results of these initiatives will differ materially from current assumptions and such changes in personnel costs, investment returns or other actuarial assumptions could increase budgetary pressures on the City.

BONDS AND OTHER INDEBTEDNESS

The City has issued or caused the issuance of a variety of bonded and other debt obligations as provided for under the State Constitution, judicial interpretation of the State Constitution, State statutes, and its own Charter powers. The following summarizes existing indebtedness.

General Obligation Debt

The City may issue general obligation bonds for the acquisition and improvement of real property, subject to two-thirds voter authorization of the bond proposition. An *ad valorem* tax on all taxable property within the City is levied by the City and collected by the County to pay principal and interest on general obligation bonds on the secured and unsecured property tax bills within the City.

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Table 30 below summarizes the City’s outstanding General Obligation Bonds as of July 1, 2026.

Table 30
City of Oakland
General Obligation Bonds
as of July 1, 2026
(\$ in Thousands)

Issue Name	Purpose	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
General Obligation Bonds, Series 2017C (Measure DD)	Acquire and improve water quality-related infrastructure and facilities and properties for open space purposes, design and construction of parks, bridges and trails	1/26/2017	1/15/2047	\$26,500	\$21,415
General Obligation Bonds, Measure KK, Series 2017A-1 (Tax Exempt)	For street paving and construction; bicycle, pedestrian and traffic calming improvements; construction, purchase, improvement or rehabilitation of City facilities including fire, police, library, parks & recreation, and senior facilities; and water, energy and seismic improvements.	8/30/2017	1/15/2047	62,735	62,735
General Obligation Bonds, Measure KK, Series 2017A-2 (Taxable)	Provide for anti-displacement and affordable housing preservation projects, including acquisition.	8/30/2017	1/15/2035	55,120	28,090
General Obligation Bonds, Measure KK, Series 2020B-1 (Tax Exempt)	For street paving and construction; bicycle, pedestrian and traffic calming improvements; construction, purchase, improvement or rehabilitation of City facilities including fire, police, library, parks & recreation, and senior facilities; and water, energy and seismic improvements.	2/27/2020	1/15/2050	140,010	140,010
General Obligation Bonds, Measure KK, Series 2020B-2 (Taxable)	Provide for anti-displacement and affordable housing preservation projects, including acquisition.	2/27/2020	1/15/2030	44,880	15,185
General Obligation Refunding Bonds, Series 2020	Refunded General Obligation Refunding Bonds, Series 2012	2/27/2020	1/15/2033	64,260	35,610
General Obligation Bonds, Measure KK, Series 2022C-1 (Tax Exempt)	Provide funds for certain street and road projects, Safe Routes to Schools projects, and for the construction, improvement or rehabilitation of City facilities.	3/10/2022	7/15/2052	198,645	187,895
General Obligation Bonds, Measure U, Series 2023A-1 (Tax Exempt)	Provide funds for the construction of certain affordable housing and for the improvement or renovation of City recreation, fire, library, and infrastructure facilities	10/18/2023	7/15/2053	32,760	32,760
General Obligation Bonds, Measure U, Series 2023A-2 (Taxable Social Bonds)	Provide funds for the construction of certain affordable housing and for the improvement or renovation of City recreation, fire, library, and infrastructure facilities	10/18/2023	7/15/2042	68,370	59,140

General Obligation Bonds, Measure KK, Series 2023D (Tax Exempt)	Provide funds for certain street and road projects, Safe Routes to Schools projects, and for the construction, improvement or rehabilitation of City facilities.	10/18/2023	7/15/2053	52,475	52,475
General Obligation Bonds, Measure U, Series 2025B-1 (Tax Exempt)	Provide funds for roadway safety and improvement projects; for the improvement or renovation of City parks and recreation centers, libraries, senior centers, the watershed/stormwater system and other public infrastructure	12/4/2025	7/15/2055	94,260	94,260
General Obligation Bonds, Measure U, Series 2025B-2 (Taxable) (Social Bonds)	Provide funds for the construction, acquisition, and rehabilitation of affordable housing projects and other public infrastructure improvements	12/4/2025	7/15/2049	180,765	180,765
General Obligation Bonds, Measure U, Series 2025B-3 (Taxable)	Provide funds for the improvement or renovation of the Oakland Ice Center	12/4/2025	7/15/2028	10,045	10,045
General Obligation Refunding Bonds Series 2025 (Tax-Exempt)	Refunded General Obligation Refunding Bonds, Series 2015A	12/4/2025	7/15/2039	49,275	49,275
TOTAL					<u>\$969,660</u>

⁽¹⁾ All or a portion of these bonds are expected to be refunded with the proceeds of the Refunding Bonds.
Source: City of Oakland.

The following Table 31 summarizes the voter-approved measures for which debt obligations have not yet been issued as of July 1, 2026. The City may seek additional voter authorization in the future.

Table 31
City of Oakland
General Obligation Bond Remaining Authorization
as of July 1, 2026
(\$ in Thousands)

Authorization	Date Passed	Use	Bond Total	Authorization Remaining
Measure DD	11/5/2002	Water quality-related infrastructure and facilities, open spaces, parks, bridges and trails, recreational and aquatic facilities.	\$198,250	\$ 35,755
Measure KK	11/8/2016	Infrastructure, affordable housing, and facility improvements.	600,000	32,465
Measure U	11/8/2022	Improvements to real property	850,000	463,800

Source: City of Oakland.

Short-Term Obligations

The City has issued tax and revenue anticipation notes (“TRANS”) from time to time to finance general fund temporary cash flow deficits and/or to finance prepayments of the City’s CalPERS Employer Unfunded Accrued Liability Contribution (“UAL”), all of which have been paid when due. The following Table 32 sets forth the principal amount of TRANS issued in Fiscal Years 2020-21 through 2022-23, all of which were issued with taxable interest solely for the purpose of prepayment of the City’s CalPERS UAL contributions and were privately placed with a bank, and reflects that the City did not issue TRANS in the last three fiscal years. Please see the front part of this Official Statement for information about the City’s Notes offered thereunder.

Table 32
City of Oakland
Tax and Revenue Anticipation Notes
(\$ in Thousands)

Fiscal Year Ended June 30	Principal Amount
2020-21	\$109,220
2021-22	124,085
2022-23	136,810
2023-24	0
2024-25	0
2025-26	0

Source: City of Oakland.

Lease Obligations

The City has entered into various long-term lease arrangements that secure lease revenue bonds or certificates of participation, under which the City must make annual payments, payable by the City from its General Fund, for the use of public buildings or equipment. The following Table 33 summarizes the City’s outstanding long-term lease obligations and the principal amounts outstanding as of July 1, 2026.

Table 33
City of Oakland
Lease Revenue Bonds
as of July 1, 2026
(\$ in Thousands)

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding	Leased Asset
Oakland Joint Powers Financing Authority Lease Revenue Refunding Bonds, (Oakland Administration Building), Series 2018	5/23/2018	11/1/2026	60,025	8,125	Oakland Administration Buildings
TOTAL				<u>\$8,125</u>	

Source: City of Oakland.

Master Lease Obligations

The City has entered into various long-term, master lease-purchase agreements to finance the acquisition of essential-use assets which are backed by the City's General Fund. As of July 1, 2026, the City's master lease-purchase agreements were outstanding in the principal amount of \$3,589,320.62. These financings are fixed rate with interest rates ranging from 1.7698% to 2.8780% and maturities between 2027 and 2030. As of July 1, 2026, the aggregate maximum annual debt service payment is \$1,225,726.38 in Fiscal Year 2026-27.

Pension Obligation Bonds

The City previously issued three series of pension obligation bonds (in 1997, 2001 and 2012) to fund a portion of the City's unfunded actuarial accrued liability ("UAAL") for retirement benefits to members of the PFRS, a closed plan covering uniformed employees hired prior to July 1, 1976. In Fiscal Year 2025-26, the City levied an *ad valorem* tax at a rate of 0.0705% on all property within the City subject to taxation to fund PFRS pension obligations. The final maturity of the pension obligation bonds matured on December 15, 2025. For more information, see "EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS – Retirement Programs – *Police and Fire Retirement System*" herein.

Limited Obligations

Redevelopment Agency of the City of Oakland

The City's Redevelopment Agency, prior to its dissolution in 2012, issued several series of tax allocation bonds to provide funding for blight alleviation and economic development in parts of the City or for the construction of low-income housing, which are payable from tax increment revenues received from the specific redevelopment project areas which they support. In addition, the Oakland Redevelopment Successor Agency ("ORSA") has issued bonds that are secured by the Redevelopment Property Tax Trust Fund and dedicated housing set-aside revenues from all the City's redevelopment project areas.

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The following Table 34 sets forth outstanding tax allocation bonds issued by Redevelopment Agency or ORSA, including the final maturity date, original principal amounts and principal amounts outstanding. All information below is presented, and sets forth the principal amount of debt outstanding, as of July 1, 2026.

Table 34
Tax Allocation Bonds
as of July 1, 2026
(\$ in Thousands)

Broadway/MacArthur/San Pablo Redevelopment Project Area				
<u>Issue Name</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Principal Amount Outstanding</u>
Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds Series 2006C-T	10/12/2006	9/1/2032	\$12,325	\$4,615
Broadway/MacArthur/San Pablo Redevelopment Project Tax Second Lien Allocation Bonds Series 2010-T (RZEDB)	11/12/2010	9/1/2040	7,390	6,540
TOTAL BROADWAY/MACARTHUR/SAN PABLO DISTRICT			\$19,715	\$11,155
Central City East Redevelopment Project Area				
<u>Issue Name</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Principal Amount Outstanding</u>
Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-T	10/12/2006	9/1/2034	\$62,520	\$28,420
Coliseum Area Redevelopment Project Area				
<u>Issue Name</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Principal Amount Outstanding</u>
Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-T	10/12/2006	9/1/2035	\$73,820	\$39,905
Multiple Project Areas and Housing				
<u>Issue Name</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Principal Amount Outstanding</u>
Subordinated Tax Allocation Refunding Bonds, Series 2015-TE	9/2/2015	9/1/2036	\$22,510	\$22,510
Subordinated Tax Allocation Refunding Bonds, Series 2015-T	9/2/2015	9/1/2035	66,675	32,330
Subordinated Tax Allocation Refunding Bonds, Series 2018-TE	6/6/2018	9/1/2031	15,190	12,525
Subordinated Tax Allocation Refunding Bonds, Series 2018-T	6/6/2018	9/1/2039	41,765	29,285
TOTAL MULTIPLE PROJECT AREAS AND HOUSING			\$146,140	\$96,650

Source: City of Oakland

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Land Secured Debt

The City has debt outstanding for one bond issue supported by an assessment district and one bond issue supported by a community facilities district. Debt service on the assessment and reassessment bond issue is paid solely from assessments levied on real property within the assessment district, and debt service on the community facilities bond issue is paid solely from special taxes levied on real property within the community facilities district. The following Table 35 sets forth the City’s outstanding special assessment bonds and special tax bonds as of July 1, 2026.

Table 35
City of Oakland
Special Assessment Bonds
as of July 1, 2026
(\$ in Thousands)

Issue Name	Dated Date	Final Maturity	Original Principal Amount	Principal Amount Outstanding
Oakland Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1, Limited Obligation Refunding Bonds (Reassessment and Refunding of 2018)	6/6/2018	9/2/2039	\$1,380	\$ 1,005
City of Oakland Community Facilities District No. 2023-1 (Brooklyn Basin Facilities and Services) Special Tax Bonds, Series 2025	9/18/2025	9/1/2055	5,040	5,040
TOTAL				\$6,045

Source: City of Oakland.

Enterprise Revenue Bonds

The City also has issued bonds secured solely by revenues of its sewer system. On March 20, 2014, the City issued Sewer Revenue Refunding Bonds, 2014 Series A, in the principal amount of \$40,590,000 (the “**2014 Sewer Bonds**”). The proceeds of the 2014 Sewer Bonds were used to refund the City’s then outstanding Sewer Revenue Bonds, Series 2004A. The 2014 Sewer Bonds have an outstanding principal amount of \$9,935,000 as of July 1, 2026, and mature on June 15, 2029.

Estimated Direct and Overlapping Debt

Table 36 below comprises a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc., dated April 22, 2026, and shows debt as of May 1, 2026. The Debt Report is included for general information purposes only. The City has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency. According to California Municipal Statistics, Inc., tax and revenue anticipation notes and enterprise revenue, mortgage revenue and non-bonded capital lease obligations are excluded from this debt statement. In addition, see “**BONDS AND OTHER INDEBTEDNESS**”

in this Appendix A for information about land-secured and other debt levied on certain property within the boundaries of the City.

Column 1 in Table 36 names each public agency which has outstanding debt as of the date of the Debt Report and whose territory overlaps the City's in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the City. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the Table) produces the amount shown in column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property within the City.

Table 36
City of Oakland
Direct and Overlapping Bonded Indebtedness

2025-26 Assessed Valuation: \$90,056,469,826

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 5/1/26</u>
Alameda County	20.659%	\$ 95,007,642
Bay Area Rapid Transit District	8.330	245,485,933
East Bay Regional Park District	12.914	17,309,280
Chabot-Las Positas Community College District	0.753	6,380,960
Peralta Community College District	55.755	260,177,920
Berkeley and Castro Valley Unified School Districts	0.002 & 0.103	160,992
Oakland Unified School District	99.999	1,018,533,915
San Leandro Unified School District	7.470	32,261,067
City of Oakland	100.000	969,660,000 ⁽¹⁾
City of Oakland Community Facilities District No. 2023-1	100.000	5,040,000
City of Oakland 1915 Act Bonds	100.000	1,005,000
City of Piedmont 1915 Act Bonds	4.840	<u>94,636</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$2,741,117,345
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Alameda County and Coliseum Authority General Fund Obligations	20.659%	\$123,600,731
Alameda-Contra Costa Transit District Certificates of Participation	24.326	2,130,958
Peralta Community College District Pension Obligation Bonds	55.755	55,565,323
Castro Valley Unified School District Certificates of Participation	0.115	3,956
City of Oakland and Coliseum Authority General Fund Obligations	100.000	8,125,000
Eden Township Healthcare Certificates of Participation	1.464	<u>193,760</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$189,619,728
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	100.000%	\$176,130,000
COMBINED TOTAL DEBT		\$3,106,867,073 ⁽²⁾

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2025-26 Assessed Valuation:

Direct Debt (\$969,660,000)	1.08%
Total Direct and Overlapping Tax and Assessment Debt	3.04%
Total Direct Debt (\$977,785,000)	1.09%
Combined Total Debt	3.45%

Ratio to 2025-26 Redevelopment Successor Agency Incremental Valuation (\$30,412,877,740):

Total Overlapping Tax Increment Debt	0.58%
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Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY TAX LIMITATIONS

Article XIII A of the California Constitution

Section 1(a) of Article XIII A of the State Constitution limits the maximum *ad valorem* tax on real property to 1% of full cash value (as defined in Section 2 of Article XIII A), to be collected by counties and apportioned according to law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to *ad valorem* taxes to pay interest or redemption charges on: (1) indebtedness approved by the voters prior to July 1, 1978; (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; or (3) any bonded indebtedness incurred by a school district, community college district or county office of education for the construction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities approved after November 8, 2000 by 55% of the voters of the district or county, as appropriate, voting on the proposition. Section 2 of Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under ‘full cash value’ or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment” (“**Full Cash Value**”). The Full Cash Value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. Taxpayers in the City may appeal the determination of the County Assessor of the Full Cash Value of their property. At any given point in time, hundreds of appeals are pending in the City. See Table 17 – “*City of Oakland Pending Appeals of Assessed Valuations*” in the front portion of this Official Statement. If the assessed value of a property is reduced as a result of an assessment appeal, the reduction is borne by relevant taxing agencies, including the City.

Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIII A has been amended a number of times. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first \$1,000,000 of the Full Cash Value of other real property between parents and children, do not constitute a “purchase” or “change of ownership” triggering reappraisal under Article XIII A. Other amendments permitted the State Legislature to allow persons over the age of 55 who meet certain criteria or “severely disabled homeowners” who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence’s assessed value to the new residence.

In the November 1990 election, the voters approved an amendment of Article XIII A to permit the State Legislature to exclude from the definition of “new construction” certain additions and improvements.

Article XIII A has also been amended to provide that there would be no increase in the Full Cash Value base in the event of reconstruction of property damaged or destroyed in a disaster or construction or reconstruction of seismic retrofitting components.

Section 4 of Article XIII A provides that cities, counties and special districts cannot, without a two-thirds vote of the qualified electors, impose special taxes, which have been interpreted to include special fees in excess of the cost of providing the services or facility for which the fee is charged, or fees levied for general revenue purposes.

Article XIII B of the California Constitution

State and local government agencies in the State are each subject to annual “appropriations limits” imposed by Article XIII B of the State Constitution (“**Article XIII B**”). Article XIII B prohibits government

agencies and the State from spending “appropriations subject to limitation” in excess of the appropriations limit imposed. “Appropriations subject to limitation” are generally authorizations to spend “proceeds of taxes,” which include, but are not limited to, all tax revenues, and the proceeds from (i) regulatory licenses, user charges or other user fees to the extent that such proceeds exceed “the cost reasonably borne by that entity in providing the regulation, product, or service,” (ii) the investment of tax revenues, and (iii) certain subventions received from the State. No limit is imposed on appropriations of funds which are not “proceeds of taxes,” appropriated for debt service on indebtedness existing prior to the passage of Article XIII B or authorized by the voters or appropriations required to comply with certain mandates of courts or the federal government.

The voters of the City have approved increasing the appropriations limit from time to time. For example, on March 5, 2024, the voters of the City of Oakland approved increasing the appropriations limit until March 5, 2028 by the maximum aggregate amount projected to be collected pursuant to twelve (12) voter-approved general and special tax ballot measures relating to municipal services and income from the investment of said tax revenue. The ballot measure provides that the purpose of increasing the appropriations limit is to permit the City to continue to expend revenues generated from taxes that City voters previously approved to pay for municipal services such as but not limited to emergency medical services, paramedic services, library services, public safety and violence prevention services, homeless services, children’s services, parks and recreation, the Oakland Zoo and other lawful governmental purposes, without increasing or imposing new taxes. In November 2024, City of Oakland voters passed the Oakland Community Violence Reduction and Emergency Response Act of 2024 (“**Measure NN**”) to maintain and increase a parcel tax and parking tax surcharge for nine years to fund police and fire services. Measure NN allowed the City to increase its constitutional spending limit in an amount equal to the tax revenue for the maximum time period as allowed by law.

Articles XIII C and XIII D of the California Constitution

Articles XIII C and XIII D of the State Constitution were added pursuant to Proposition 218, which was approved by the voters of the State in November 1996, and amended pursuant to Proposition 26, which was approved by the voters of the State in November 2010. Articles XIII C and XIII D contain a number of provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City require a majority vote and taxes for specific purposes, even if deposited in the general fund, require a two-thirds vote. The voter approval requirements of Article XIII C reduce the City’s flexibility to deal with fiscal problems by raising revenue through new, or extended or increased taxes and no assurance can be given that the City will be able to raise taxes in the future to meet increased expenditure requirements.

Article XIII D contains several provisions making it generally more difficult for cities to levy and maintain “assessments” for municipal services and programs. “Assessment” is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property.

Article XIII D also contains several provisions affecting a “fee” or “charge,” defined for purposes of Article XIII D to mean “any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by a city upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.” All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) with respect to any parcel or person, exceed the proportional cost of the service attributable to the parcel, (iv) are for a service not actually used by, or immediately available to, the owner of the property in question, or (v) are used for general governmental services, including police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The City must then hold a hearing upon

the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the City may not impose or increase the fee or charge. Moreover, except for fees or charges for sewer, water and refuse collection services (or fees for electrical and gas service, which are not treated as “property related” for purposes of Article XIII D), no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area. The City has two enterprise funds that are self-supporting from fees and charges, which could, depending upon judicial interpretation of Proposition 218, ultimately be determined to be property related for purposes of Article XIII D. If fees and charges cannot be appropriately increased, or are reduced pursuant to exercise of the initiative power (described in the following paragraph), the City may have to decide whether to support any deficiencies in these enterprise funds with moneys from the general fund or to curtail service, or both.

In addition to the provisions described above, Article XIII C also removes prohibitions and limitations on the initiative power in matters of any “local tax, assessment, fee or charge.” Consequently, the voters of the City could, by future initiative, repeal, reduce or prohibit the future imposition or increase of any local tax, assessment, fee or charge. “Assessment,” “fee” and “charge,” are not defined in Article XIII C and it is not clear whether the definitions of these terms in Article XIII D (which are generally property-related as described above) would limit the scope of the initiative power set forth in Article XIII C. If the Article XIII D definitions are not held to limit the scope of Article XIII C initiative powers, then the Article XIII C initiative power could potentially apply to revenue sources that currently constitute a substantial portion of general fund revenues. No assurance can be given that the voters of the City will not, in the future, approve initiatives that repeal, reduce or prohibit the future imposition or increase of local taxes, assessments, fees or charges.

Proposition 1A

The California Constitution and existing statutes give the State Legislature authority over property taxes, sales taxes and the vehicle license fee (the “VLF”). The State Legislature has the authority to change tax rates, the items subject to taxation and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance.

The California Constitution generally requires the State to reimburse the local governments when the State mandates a new local program or higher level of service. Due to financial difficulties of the State in past years, it did not provide reimbursements for many mandated costs. In other cases, the State has suspended mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

On November 3, 2004, the voters of the State approved Proposition 1A, which amended the California Constitution to, among other things, reduce the State Legislature’s authority over local government revenue sources by placing restrictions on the State’s access to local government’s property, sales and VLF revenues. Proposition 1A generally prohibits the shift of property tax revenues from cities, counties and special districts, except to address a “severe state financial hardship,” which must be approved by a two-thirds vote of both houses of the State Legislature, and only then if, among other things, such amounts were agreed to be repaid with interest within three years. The measure also (i) protects the property tax backfill of sales tax revenues diverted to pay the State’s economic recovery bonds, and the reinstatement of the sales tax revenues once such bonds are repaid, and (ii) protects local agency VLF revenue (or a comparable amount of backfill payments from the State).

If the State reduces the VLF rate below its current level of 0.65 percent of the vehicle value, Proposition 1A requires the State to provide local governments with equal replacement revenues. Proposition 1A provides two significant exceptions to the above restrictions regarding sales and property taxes. First, the State may shift to schools and community colleges up to 8 percent of local government property tax revenues if the Governor proclaims that the shift is needed due to a severe State financial hardship, the legislature approves the shift with

a two-thirds vote of both houses and certain other conditions are met. The State must repay local governments for the diversion of their property tax revenues, with interest, within three years. Second, Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A amends the California Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. If the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties or special districts to abide by the mandate would be suspended. In addition, Proposition 1A expands the definition of what constitutes a mandate to encompass State action that transfers to cities, counties and special districts financial responsibility for a required program for which the State previously had complete or partial financial responsibility. This provision does not apply to mandates relating to schools or community colleges, or to those mandates relating to employee rights.

Proposition 1A restricts the State's authority to reallocate local tax revenues to address concerns regarding funding for specific local governments or to restructure local government finance. For example, the State could not enact measures that changed how local sales tax revenues are allocated to cities and counties. In addition, measures that reallocated property taxes among local governments in a county would require approval by two-thirds of the members of each house of the legislature (rather than a majority vote). As a result, Proposition 1A could result in fewer changes to local government revenues than otherwise would have been the case.

Proposition 22

Proposition 22 which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase a school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating VLF revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. While Proposition 22 will not change overall State and local government costs or revenues by the express terms thereof, it will cause the State to adopt alternative actions to address its fiscal and policy objectives. The City is unable to predict how Proposition 22 will be interpreted, or to what extent the measure will affect the revenues in the general fund of local agencies, although it could eventually provide greater stability in local agency revenues.

Due to the prohibition with respect to the State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A (2004). However, borrowings and reallocations from local governments during 2009 are not subject to Proposition 22 prohibitions. In addition, Proposition 22 supersedes Proposition 1A of 2006. Accordingly, the State is prohibited from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local governments except pursuant to specified procedures involving public notices and hearings.

Proposition 26

On November 2, 2010, the voters of the State approved Proposition 26, revising certain provisions of Articles XIII A and XIII C of the California Constitution. Proposition 26 re-categorizes many State and local fees as taxes, requires local governments to obtain two-thirds voter approval for taxes levied by local

governments, and requires the State to obtain the approval of two-thirds of both houses of the State Legislature to approve State laws that increase taxes. Furthermore, pursuant to Proposition 26, any increase in a fee beyond the amount needed to provide the specific service or benefit is deemed to be a tax, and the approval thereof will require a two-thirds vote. In addition, for State-imposed charges, any tax or fee adopted after January 1, 2010 with a majority vote which would have required a two-thirds vote if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote. Proposition 26 eliminates the previous practice whereby a tax increase coupled with a tax reduction that resulted in an overall neutral fiscal effect was subject only to a majority vote in the State Legislature.

Proposition 26 amends Article XIII C of the State Constitution to state that a “tax” means a levy, charge or exaction of any kind imposed by a local government, except: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase, rental or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law, including late payment fees, fees imposed under administrative citation ordinances, parking violations, etc.; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Proposition 218. Fees, charges and payments that are made pursuant to a voluntary contract that are not “imposed by a local government” are not considered taxes and are not covered by Proposition 26.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a 50 percent voter requirement. Proposed local government fees that are not subject to Proposition 26 are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of property owners.

Future Initiatives

Article XIII A, Article XIII B and Propositions 218 and 26 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the City or local districts to increase revenues or to increase appropriations which may affect the City’s revenues or its ability to expend its revenues.

LEGAL MATTERS AND RISK MANAGEMENT

Insurance and Risk Management

The City is self-insured for its general liability, malpractice liability, public official’s errors and omissions, products and completed operations, employment practices liability and auto liability up to \$5.0 million retention level and up to \$750,000 for workers’ compensation. For all major insurance programs, the City insures risk and has excess insurance through its partnership with Public Risk Innovation, Solutions, and Management (“PRISM”), a member directed risk sharing pool, previously known as the CSAC Excess Insurance

Authority. The City is a member of the PRISM General Liability 2 (“GL2”) Program, which provides coverage for claims from third parties alleging damages due to negligence arising out of bodily injury, personal injury, property damage, public official’s errors and omissions, employment practices liability, and automobile liability. The GL2 Program has a \$25,000,000 per occurrence limit, which is subject to a per occurrence self-insured retention of \$5,000,000. The City also carries cyber insurance. See also APPENDIX B – “ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND FOR THE YEAR ENDED JUNE 30, 2025 – FINANCIAL SECTION – Basic Financial Statements – Notes to the Basic Financial Statements –II DETAILED NOTES ON ALL FUNDS – I. ESTIMATED LIABILITY FOR SELF-INSURANCE.”

The City is also a member of the PRISM Property Program. The Property Program provides protection from physical damage to property, it covers real and person property and boiler and machinery. The Property Program covers most types of risk, but it does not automatically cover earthquake damage. The City does not insure for damage from earthquakes (see “CERTAIN RISK FACTORS – Natural Hazards – *Seismic Risks*” in the forepart of the Official Statement). The Property Program is subject to a \$50,000 deductible. The City is also a member of the PRISM Excess Workers' Compensation (“EWC”) Program. The EWC Program provides workers’ compensation coverage for employees injured on the job. Coverage includes reimbursement for payments above the City’s SIR of \$750,000. This includes compensation for temporary disability benefits at statutory rates, medical benefits, and some allocated expenses.

As of June 30, 2025, the City Liability Program had estimated outstanding losses of \$88,187,899 calculated at the expected confidence level. As of June 30, 2025, the City’s Self-Insured Workers’ Compensation Program had estimated outstanding losses of \$102,760,851 calculated at the expected confidence level. Workers’ compensation claims are paid through annual appropriations, with approximately \$29,880,484 expected to be paid out during the Fiscal Year 2025-26.

Litigation

The City is involved in litigation relating to its operations. Upon the basis of information currently available, the City Attorney believes that the aggregate amount of any liability that the City might incur as a result of an adverse decision against the City will not materially affect the ability of the City to pay debt service on the Notes. The City cannot predict whether the aggregate amount of any liability that it might incur as a result of adverse decisions against it would impact its finances or operations. Cases of note are as follows:

Oakland Bulk & Oversized Terminal, LLC Litigation and Insight Terminal Solutions Litigation. Between 2017 and 2025, the City was in a legal dispute with Oakland Bulk & Oversized Terminal LLC (“OBOT”), a tenant of the City that planned to construct a marine export terminal to ship bulk commodities, including coal. OBOT successfully challenged in federal court a 2016 resolution passed by the City Council banning the handling and storage of coal at the terminal, and successfully challenged in state court the City’s determination that OBOT was in default of its obligation under the lease to achieve initial construction deadlines. The City ultimately paid OBOT’s attorneys’ fees and costs in the state court case in October 2025 from the City’s self-insurance liability fund.

As a result of the case described above, OBOT’s subtenant, which would actually build and operate the terminal, called Insight Terminal Solutions (“ITS”), sued the City, filing an “adversary proceeding” complaint on March 11, 2024 in the U.S. Bankruptcy Court for the Western District of Kentucky. ITS is a single-purpose entity formed to operate the terminal, and was originally owned by a coal industry executive who lived in Kentucky. ITS filed for bankruptcy in July 2019, was reorganized in 2020, and its assets and liabilities were assumed by a California-based entity called Autumn Wind Lending. ITS claims that the City’s conduct that hindered OBOT’s progress also caused ITS to file for bankruptcy in 2019, and asserts California state law claims for tortious interference with prospective economic advantage and tortious interference with contract. ITS seeks what it claims is the full value of ITS as of September 2018 – the time of the City’s alleged tortious interference – over the course of its 66-year lease, which it asserts amounts to \$673,658,000 in lost business value and \$311,701,557 in interest, or a total of \$985,359,557.

The City filed a motion to dismiss the adversary proceeding, which was denied. The case has proceeded through discovery, and the parties filed cross-motions for summary judgment. On October 28, 2025, the bankruptcy court issued an order denying the City’s motion for summary judgment, and granting ITS’s motion for summary judgment on the issue of liability, with a trial to be held later on the issue of damages. After that, on October 31, 2025 the district court granted the City’s motion to “withdraw the reference” from the bankruptcy court, and as a result, there will be no further proceedings before the bankruptcy court. The district court also vacated the purported “judgment” that the bankruptcy court entered against the City.

The parties have briefed the district court regarding the City’s objections to the bankruptcy court’s ruling, and a hearing on those objections was conducted on April 16, 2026. The parties are now waiting on a ruling from the district court, which could result in dismissal of the case, affirmance of the City’s liability with a trial to be held later on damages, or some other outcome, possibly including transferring the case to the district court for the Northern District of California. The City cannot predict when such a ruling will be received, though recognizes it could be months. It is likely that there will be an appeal of any substantive ruling that resolves the case, and the litigation is expected to continue for the foreseeable future.

COVID-19 Vaccine Mandate Litigation. *Brooklyn Moore, et al. v. City of Oakland (“Moore”)* and *Drew v. City of Oakland (“Drew”)* concern the City’s COVID-19 vaccine mandate that required all employees to get vaccinated against the COVID-19 virus. Plaintiffs in both cases sought religious exemptions from the mandate on the grounds that their sincerely held religious beliefs prevented them from taking the vaccine. After reviewing their applications and conducting an interactive process, the City denied their religious-exemption requests. Plaintiffs thereafter sued under California’s Fair Employment and Housing Act, alleging the City engaged in religious discrimination against them by declining to grant their exemption requests and also retaliated against them by terminating them from their jobs. *Moore* was brought by twenty-four plaintiffs and *Drew* was brought by four plaintiffs. Both the *Moore* and *Drew* plaintiffs are represented by the same lawyers, with *Drew* filed approximately 18 months after *Moore*.

Plaintiffs seek their lost wages since their termination, economic damages, and general damages. They claim roughly \$1.5 million in damages each. If the plaintiffs were to prevail at trial, they may also be entitled to their attorneys’ fees, which could exceed \$5 million. On February 20, 2026, the trial court entered judgment in favor of the City on all the *Moore* plaintiffs’ claims. The court determined that: (1) the City is entitled to immunity under a statutory provision that shields public entities from liability for decisions they make to protect the public health of the community; and (2) the plaintiffs failed to present evidence from which a jury could find they held sincere religious beliefs that prevented them from taking the Covid-19 vaccine.

On April 10, 2026, the trial judge—the same one that presided over *Moore*—likewise entered judgment in favor of the City on all the *Drew* plaintiffs’ claims. The *Drew* case was not as advanced as *Moore* in that unlike in *Moore*, the parties in *Drew* had not yet completed discovery or briefed motions for summary judgment. The ruling in *Drew* was therefore predicated only on the statutory immunity provision; the court did not rule on whether the plaintiffs’ religious beliefs were sincerely held and prevented them from getting vaccinated.

Both the *Moore* and *Drew* plaintiffs have appealed the judgments against them. Opening briefs have not yet been filed and it is expected to take approximately 18 months for the Court of Appeal to render a decision. While there the Court may reverse the trial court’s judgments, the City anticipates that the Court will affirm the judgment. If the Court of Appeal reverses in *Moore*, that case would return to the trial court for additional summary-judgment proceedings and/or trial. If it reverses in *Drew*, the parties would complete discovery in the trial court and then litigate summary judgment before possibly proceeding to trial.

Assembly Bill 218 (California Child Victims Act). Assembly Bill 218, the “California Child Victims Act,” became effective in January 2020 and Assembly Bill 2777, the “Sexual Abuse Cover Up Accountability Act,” became effective in January 2023. These laws extended the statute of limitations for commencing an action for recovery of damages suffered as a result of childhood sexual assault to 22 years after the plaintiff reaches the age of majority (i.e., until age 40) or within five years of the date the plaintiff discovers or reasonably should

have discovered that the psychological injury or illness occurring after the age of majority was caused by sexual assault, whichever is later.

One such lawsuit was filed against the City in 2022 in Alameda County Superior Court, based on allegations occurring in 1985 when the plaintiff was being transported by a City police officer to a youth group home. The court granted summary judgment to the City on June 6, 2025, on the basis that these laws, and the statutes amended thereby, did not revive vicarious liability claims against entity employers without direct liability. The case is currently pending appeal. The City's potential exposure is difficult to predict, but could be as much as \$10 million. There is no insurance that would cover this claim. The City can give no assurances that additional claims will not be brought against the City as a result of these laws, or that any additional claims will not have a material effect on the City's finances.

Waste Management Litigation. Waste Management of Alameda County ("WMAC") filed a lawsuit against the City on October 31, 2025. The complaint alleges three causes of action: declaratory relief, breach of contract, and breach of implied covenant of good faith and fair dealing. The claims involve the 2015 Mixed Materials and Organics Collection Services contract ("MMO"). The declaratory relief claim seeks to invalidate the City's \$24 million liquidated damages assessment against WMAC for WMAC's contract breaches. The breach of contract and breach of implied covenant claims allege that the City refused to negotiate in good faith contract modifications that WMAC is allegedly entitled to after changes in circumstances and changes in law, that the City failed to implement a special assessment program causing WMAC to suffer shortfalls in revenues, and that the City failed to prevent illegal dumping causing WMAC to lose revenue. The complaint does not specify any dollar amounts for these claims, but WMAC's government tort claim alleged \$25 million.

The City filed a cross-complaint against WMAC on January 26, 2026, bring breach of contract claims under the MMO. Specifically, WMAC's failed to meet diversion and local hire requirements, and failed to pay liquidated damages of approximately \$24 million. Trial is currently scheduled for August 30, 2027.

Transactions and Use Tax Litigation. On April 15, 2025, Oakland voters approved Measure A, a sales-tax increase of 0.5 percent. An opponent of Measure A thereafter filed a proceeding in Alameda Superior Court asking the Court to invalidate Measure A on the grounds that the language on the ballot describing the Measure, as well as the accompanying ballot materials, were inaccurate and misleading. Plaintiff further alleges that Measure A unlawfully precludes courts from issuing injunctive relief. Plaintiff brought the suit in propria persona, meaning he is not represented by counsel. The City is not aware of any facts or law suggesting the allegations have any merit and it expects the court will dismiss the suit within the next few months. Nevertheless, the City cannot guarantee the outcome of the lawsuit.

COVID-19 Eviction Moratorium Litigation. In *Williams v. Alameda County, et al.*, several dozen individual and corporate property owners filed suit in federal court challenging the County's and the City's COVID-19 eviction moratorium, which was in effect between March 2020, and July 2023. The plaintiffs argued that the eviction moratorium, along with certain tenant protections the City adopted when it lifted the moratorium, (1) constituted an unlawful taking under the Fifth Amendment to the U.S. Constitution; (2) violated the rental owners' due-process and equal-protection rights under the Fourteenth Amendment; and (3) constituted an inverse condemnation under the California Constitution. The plaintiffs collectively sought tens of millions in damages they allegedly sustained as a result of a reduction in value their properties experienced owing to the moratorium as well as out-of-pocket expenses they incurred. After multiple rounds of motion-to-dismiss and summary-judgment briefing, the federal district court presiding over the case dismissed all the plaintiffs' claims with prejudice and entered judgment in the City's favor. On September 26, 2025, the plaintiffs appealed the judgment to the Ninth Circuit Court of Appeals. If the Ninth Circuit reverses the district court, the case will return to that court where the parties will undertake discovery and possibly additional motion practice and trial. The case is now fully briefed and the parties are waiting on an oral argument date. The City expects the case will be conclusively resolved in the Ninth Circuit within the next six months.

Affordable Housing Impact Fee Litigation. A group of residential property owners filed suit against the City in November, 2025, requesting a Citywide refund of affordable housing impact fees assessed by the City. They allege the City’s affordable housing impact fee did not comply with the reporting requirements of the Mitigation Fee Act—specifically, the obligation to report at least once every five years on the purpose of the fee, fund sources, fund amounts, and expected date to spend funds, among other obligations. The case is not yet at issue pending service of all defendants in the case and the City has not responded. However, the City does not find the petitioners’ claims to have any merit at this time.

The City has also received challenges from two additional plaintiffs, each stemming from denial of administrative appeals by the City, seeking refunds for affordable housing impact fees assessed by the City in the amount of \$54,000 and \$221,700, respectively, due to alleged defects in the charging and appeals process of the fees. Hearings on the merits for each challenge are scheduled for September 2026.

As of June 11, 2026, the Affordable Housing Impact Fund has a balance of \$10,649,481.78, which is not included in the cashflows described under the heading “GENERAL FUND CASH FLOWS” in the body of this Official Statement. The Affordable Housing Impact Fund is also not a fund from which the City could legally borrow to make payments on the Notes, and is not one of the available funds described under the heading “OTHER BORROWABLE RESOURCES” in the body of this Official Statement.

Criminal Investigation of Former Mayor

On June 20, 2024, the Federal Bureau of Investigation executed search warrants at the home of then-Mayor Sheng Thao and her longtime romantic partner, as well as the homes and properties of two local businessmen who own a recycling collection company and a housing company. The search warrants were part of a federal public corruption and bribery investigation. Thao was subsequently recalled by voters in November 2024, as described under the heading “CITY GOVERNMENT – Recall of Former Mayor” in this Appendix A.

On January 9, 2025, a federal grand jury in the Northern District of California indicted former Mayor Thao. The indictment alleges that Thao was part of a bribery scheme in which she received funding from the two local businessmen for her November 2022 mayoral campaign, and her romantic partner received benefits from a no-show job with the businessmen’s housing company. The indictment alleges that in exchange for the campaign funding and no-show job, Thao promised to take official actions to benefit the housing company and recycling collection company, including by using City funds to purchase prefabricated modular homes from the housing company, and extending a City contract with the recycling company, respectively. After her election, then-Mayor Thao allegedly appointed an individual selected by the businessmen to a high-level position in the City’s Housing and Community Development Department (who has since resigned) and arranged meetings between City staff and the housing company. The indictment alleges concealment of the bribery scheme, misrepresentations and failures to disclose benefits from then-Mayor Thao’s partner’s employment, mail fraud, and wire fraud. Former Mayor Thao and the other defendants have pled not guilty. A federal jury trial on the charges against Mayor Thao and codefendants is set to begin on October 19, 2026. The City anticipates that current and former elected City officials and employees will testify at trial as witnesses for the government and/or the defense.

The City is not aware of any allegations of criminal wrongdoing against current elected officials or senior staff in connection with the indictment or the allegations made therein.

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APPENDIX B

**—
ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF OAKLAND
FOR THE YEAR ENDED JUNE 30, 2025**

APPENDIX C

FORM OF APPROVING OPINION OF BOND COUNSEL

Upon the delivery of the Notes, Jones Hall LLP, Bond Counsel to the City of Oakland, proposes to deliver its approving opinion in substantially the following form:

[Closing Date]

City Council
City of Oakland
1 Frank H. Ogawa Plaza
Oakland, CA 94612

OPINION: \$ _____ City of Oakland
2026-27 Tax and Revenue Anticipation Notes

Members of the City Council:

We have acted as bond counsel to the City of Oakland (the “City”) in connection with the issuance by the City, of the tax and revenue anticipation notes captioned above, dated the date hereof (the “Notes”). In such capacity, we have examined such law and such certified proceedings, certifications, opinions and other documents as we deem necessary to render this opinion.

The Notes are issued pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (the “Act”), an ordinance (the “Ordinance”) of the City Council of the City, adopted on ____, 2026, and a resolution (the “Resolution”) of the City Council of the City, adopted on ____, 2026.

Regarding questions of fact material to our opinion, we have relied upon representations of the City in the Resolution, and on the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. Regarding certain questions of law material to our opinion, we have assumed the correctness of certain legal conclusions contained in the written opinions of City Attorney, and others, without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The City is a duly created and validly existing municipal corporation and charter city with the power to adopt the Ordinance and Resolution, perform the agreements on its part contained in the Resolution and issue the Notes.
2. The Resolution constitutes a valid and binding obligation of the City, enforceable against the City.
3. Pursuant to the Act, the Resolution creates a first lien on funds pledged by the Resolution for the security of the Notes.
4. The Notes have been duly authorized and executed by the City and are valid and binding general obligations of the City.

5. The interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. It should be noted however that interest on the Notes may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Notes.

6. The interest on the Notes is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Notes.

The rights of the owners of the Notes and the enforceability of the Notes are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions, and any assumptions expressed herein, and in reliance upon the representations, covenants and opinions referenced above. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the City of Oakland (the “**City**”) in connection with the issuance by the City of the \$_____ City of Oakland 2026-27 Tax and Revenue Anticipation Notes (the “**Notes**”). The Notes are being issued pursuant to a resolution adopted by the City Council of the City on [July 7], 2026 (the “**Resolution**”). The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Notes and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Dissemination Agent**” shall mean [_____], or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“**Listed Events**” shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

“**MSRB**” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

“**Participating Underwriter**” shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 3, the City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Notes:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Notes under the Resolution.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 3 contain the qualifier “if material.” The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event’s occurrence is material for purposes of U.S. federal securities law.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(e) For purposes of Section 3(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 4. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the City shall give notice of such termination in the same manner as for a Listed Event under Section 3(b).

Section 5. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be _____.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Section 3(a) it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Notes, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Notes, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Notes.

Section 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

Section 8. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate any holder or beneficial owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and

duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

Section 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Notes and shall create no rights in any other person or entity.

Date: _____

CITY OF OAKLAND

By: _____
City Administrator

APPENDIX E

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in this Appendix E concerning The Depository Trust Company (“DTC”) and DTC’s book-entry system has been obtained from DTC and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Notes, (b) certificates representing ownership interests in or other confirmation of ownership interests in the Notes or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Notes, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The following description of the procedures and record-keeping with respect to beneficial ownership interests in the Notes, payment of principal, interest and other payments with respect to the Notes to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in such Notes and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representation is made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

The Depository Trust Company will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and additional certificates will be issued in aggregate principal amounts up to \$500 million each with respect to any remaining principal amount of such maturity.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The foregoing internet addresses are included for reference only, and the information on such internet site is not incorporated by reference herein.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Fiscal Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Fiscal Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Fiscal Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City or the Fiscal Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.