

CITY AUDITOR'S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE A

Measure A authorizes the City of Oakland to impose a special tax on residents in the City of Oakland Community Facilities District No. 2013-1 (Wildfire Prevention District) in the current Wildfire Prevention Assessment District Area for ten years, beginning fiscal year (FY) 2014-15 and ending FY 2023-24. The tax proceeds will be deposited into a special account to be used for Wildfire Prevention District (WPD) services that generally include:

- Goat Grazing Program
- Property Owner Incentives and Chipping Program
- Vegetation Management Program
- Contract and Finance Management Support
- Roving Fire Patrols Program
- Support Services for the Vegetation Management Inspection Program
- Public Outreach

Additionally, the monies may be used for:

- Past and future delinquent parcel taxes
- Administration expenses capped at 5% of special tax, including cost of this special election

The tax rate may not be increased by action of the City Council without voter approval, but the City Council may reduce the tax rates when the costs of operations decrease. The WPD is subject to the \$3,000,000 appropriations limit per year, citizens' oversight committee, and annual audit.

The annual tax incurred will be \$58.50 for condominiums, \$58.50 for multiple-family residential units, \$39 for undeveloped parcels, and \$78 for all other parcels.

Financial Impact

The City projects it will receive \$1,869,134 in new parcel taxes for FY 2014-15. The tax under each classification is shown below:

<u>Classification</u>	<u># of Parcels</u>	<u># of Units</u>	<u>Proposed Tax Rate</u>	<u>Estimated Tax Revenue</u>
Condominium	1,970	1,970	\$58.50	\$115,245
Multi-Family	346	1,191	\$58.50	\$69,674
Undeveloped	2,179	2,179	\$39.00	\$84,981
Other Parcel	20,503	20,503	\$78.00	\$1,599,234
Total	24,998	25,843	-	\$1,869,134

The total projected amount in parcel tax revenue the City will receive over ten years is \$18,691,340. After delinquency rates and required County fees are taken into consideration, the net revenue to the City will be approximately \$17,439,020.

<u>Year</u>	<u>Fiscal Year</u>	<u>Estimated Gross Revenue</u>	<u>Net Estimated Revenue after 5% delinquency & 1.7% County fee</u>
1	FY 2014-15	\$1,869,134	\$1,743,902

2	FY 2015-16	\$1,869,134	\$1,743,902
3	FY 2016-17	\$1,869,134	\$1,743,902
4	FY 2017-18	\$1,869,134	\$1,743,902
5	FY 2018-19	\$1,869,134	\$1,743,902
6	FY 2019-20	\$1,869,134	\$1,743,902
7	FY 2020-21	\$1,869,134	\$1,743,902
8	FY 2021-22	\$1,869,134	\$1,743,902
9	FY 2022-23	\$1,869,134	\$1,743,902
10	FY 2023-24	\$1,869,134	\$1,743,902
	Total	\$18,691,340	\$17,439,020

In its analysis, the City did not factor in the County collection fee or estimated delinquencies.

Based on our analysis of the data provided by City staff and consultants, the projected revenues appear accurate. We relied on the best data available at this time, however, actual results may vary from City staff and consultants' estimates.

s/COURTNEY A. RUBY, CPA, CFE
City Auditor