

CITY OF OAKLAND



CITY HALL

• 1 FRANK H. OGAWA PLAZA

• OAKLAND, CALIFORNIA

94612

Date: November 1st, 2022

To: Members of City Council and Members of the Public

From: Councilmember Fife and Pro Tempore Thao

Re: **Enhanced Infrastructure Financing District**

Dear Colleagues and Members of the Public,

As you know Oakland is facing multiple crises all at once – from public safety, lack of access to quality housing, poor air and water quality, dangerous roads, and decades of underinvestment or divestment from primarily Black communities. Our work to combat these crises has repeatedly been stalled by lack of resources and political will which is why we have partnered with financial experts to study the development of an Enhanced Infrastructure Financing District. This financing district is designed to help us fund the infrastructure, affordable housing, environmental cleanups, and street safety we need as well as the intentional reinvestment into East and West Oakland via a Black New Deal.

At the June 28th Community and Economic Development Committee meeting, staff presented an item titled Report On Redlined Neighborhoods In City Council District 3. This report was called by District 3 Councilmember Carroll Fife in order to better understand the financial impacts of racist housing policies like redlining and urban renewal including freeway, transit, and post office construction. Thanks to the hard work of the Department of Race and Equity, we learned that the impact of urban renewal policies alone, particularly the demolition of homes, has resulted in an estimated \$4.9 to \$5.2 billion dollars of loss for Black Oakland residents. Based on demolished houses in West Oakland alone, families could have cumulatively built wealth from a range of \$3 to \$3.2 billion dollars. This is beyond unacceptable and only a fraction of the impact felt by Black residents and all Oaklanders citywide.

This is why we have introduced this financing district as an intentional reinvestment into communities impacted by decades of racist policies. This Enhanced Infrastructure Financing District functions by creating special districts with defined boundaries that use local property taxes to issue bonds to fund infrastructure projects (e.g. streets, utilities,

sidewalks, pedestrian safety enhancements) or affordable housing. According to a preliminary study and report brought to the City Council in April by Kosmont Companies, a West Oakland specific EIFD could conservatively generate anywhere in the range of \$16.5 million to \$33.7 million in revenue and bonding capacity over an approximately 10-year period. This revenue can be used to directly invest back into the mostly Black neighborhoods devastated by racist policies.

This resolution will help us begin the process to establish these districts and does not commit us to fully implementing an Enhanced Infrastructure Financing District. This process will also allow us to further study an East Oakland EIFD, develop mechanisms to gather community and Council input, and move us towards a Resolution of Intent and eventual district establishment.

We hope you will join us by voting for this first step in the creation of this Enhanced Infrastructure Financing District by voting for this resolution.

In Service,



Councilmember Carroll Fife
District 3



Councilmember Sheng Thao
District 4