

Economic and Workforce Development Department

FY 2023-25

Budget Overview

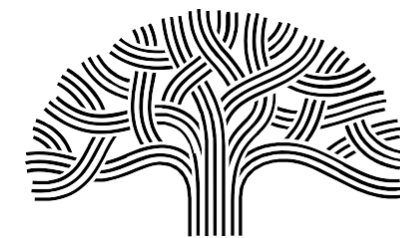
City Council Study Session

May 2023



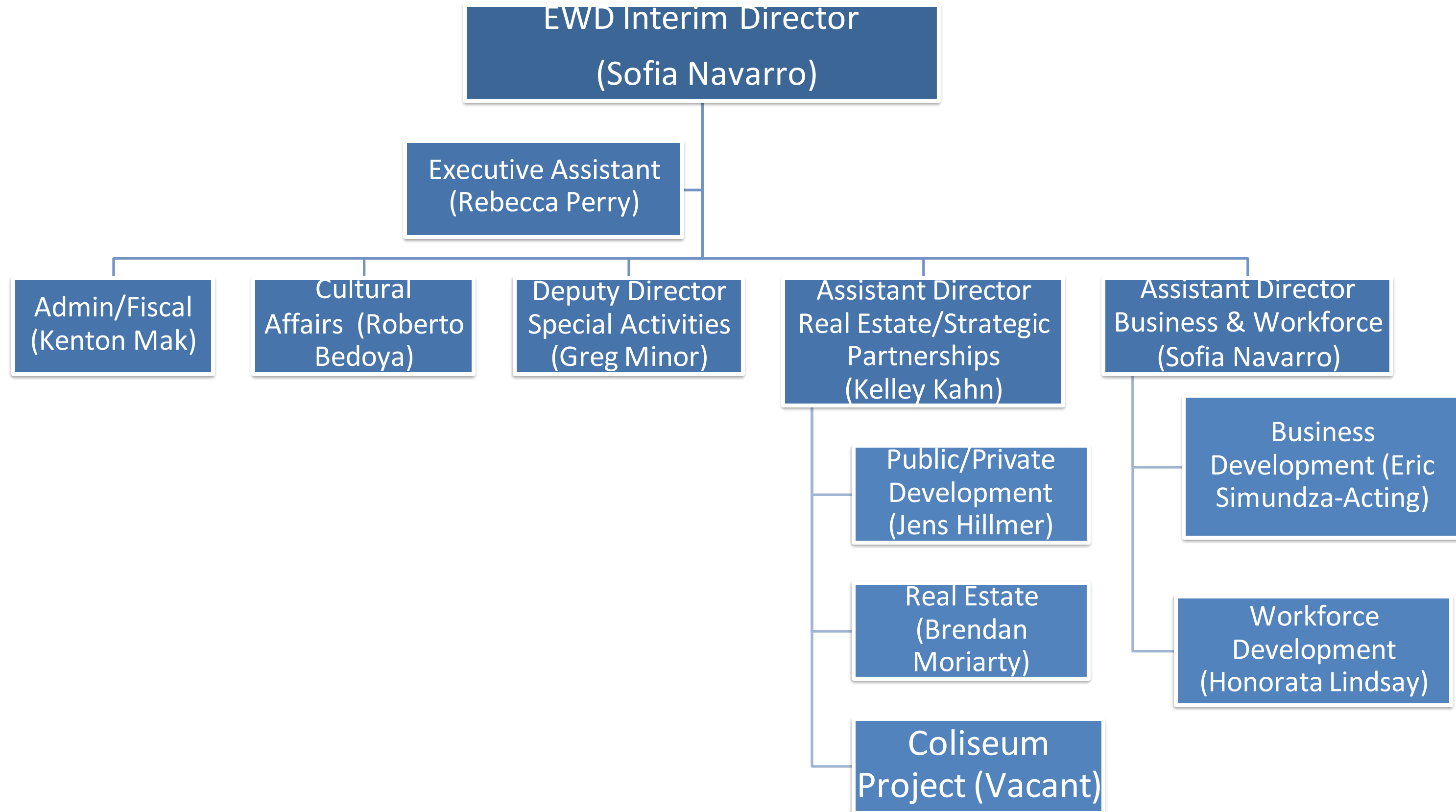
EWD Mission Statement

To ensure that all communities in Oakland are healthy, strong, and thriving by creating economic opportunity for all Oaklanders and equitable conditions to build intergenerational wealth.



CITY OF
OAKLAND

EWD Management Org Chart



EWD Department Responsibilities

- 1. Business Development** – sustain, attract and grow businesses; increase investment in Oakland
- 2. Cultural Affairs** – manage the City’s cultural arts programming, including cultural grant-making and public art.
- 3. Public/Private Development** – negotiate and implement real estate development on City land, with a focus on affordable housing
- 4. Real Estate** – manage acquisition, disposition and activation of City properties in partnership with all departments for a variety of uses including homelessness interventions
- 5. Special Activity Permits** – promote equitable ownership and employment opportunities within the cannabis industry; issue permits for special events and film production.
- 6. Workforce Development** – staff the Oakland Workforce Development Board (OWDB); oversee workforce investments in the City

EWD Budget and Staffing Levels

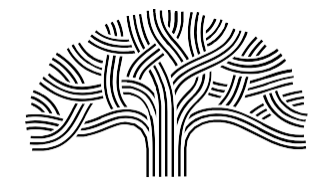
| Division | Baseline Budgeted Positions - FTE FY23-24 | Vacancies | Vacancy Rate | Mayor's Proposed Budget Freeze FTE | Vacancy Rate without Frozen position |
|----------------------------|--|-----------|--------------|------------------------------------|--------------------------------------|
| Administration | 6.00 | 1.00 | 17% | 1.00 | 0% |
| Business Development | 9.10 | 4.10 | 45% | 3.10 | 11% |
| Cultural Affairs | 7.50 | 2.50 | 33% | 2.00 | 7% |
| Public/Private Development | 18.90 | 8.10 | 43% | 1.10 | 37% |
| Real Estate | 8.00 | 1.00 | 13% | 0.00 | 13% |
| Special Activities | 11.00 | 4.00 | 36% | 1.00 | 27% |
| Workforce Development | 7.00 | 3.00 | 43% | 1.00 | 29% |
| Total | 67.50 | 23.70 | 35% | 9.20 | 21% |



Barriers to EWD's Service Delivery

- **Length of hiring process and a vacancy rate of nearly 35%.** Compromises delivery of crucial services in every division including attracting new investment and increasing revenue, building needed affordable housing, stewarding city property to serve community
- **Depletion of all redevelopment funding** that pays for staff working on critical affordable housing projects on public land by 2028/29.
 - *By FY2026-27, no longer enough funding to cover all staff*
 - *By FY2028-29, all redevelopment funding for staff depleted*

**These projected timelines may be accelerated depending on staffing levels, financial adjustments, etc.*



EWD FY23-25 Mayor's Budget Proposal Highlights

Budget Balancing Measures

Staffing Reductions

- Freeze Director of EWD
- Delete Assistant to the City Administrator (redundant)
- Freeze Urban Economic Analyst IV, PPT (PPD)
- Freeze Urban Economic Analyst II (Bus. Dev)
- Freeze Program Analyst II (Cultural Affairs)
- Freeze Admin Analyst I (WFD)
- Freeze Special Activity Permit Inspector
- Freeze Marketing Program Coordinator
- Freeze Special Events Coordinator
- Freeze Dev/Redev Program Manager effective Jan 2024

Program Reductions

- Delete \$500K for Plaza Activation in one-time money for each FY
- Reduce GPF by \$288,834 for Supplementing Inspection Fees for Special Events
- Reduce GPF Cultural Affairs Grants Funding by \$146K (20%)
- Reduce Marketing Budget by \$95K
- Reduce “One-Time” Workforce GPF Grant Funding by \$443K (50%) in each FY
- Reduce Measure CTOT - \$137,611 – cultural grants and festival funding

EWD Service Impact due to Reductions

Staffing Reductions

- Freeze 2 Urban Economic Analyst II, (Bus. Dev. and Cultural Affairs) –
 - UEA II Business Dev. - Freezing the Bilingual Urban Economic Analyst (UEA) II will reduce staffing resources for small business support programs, particularly impacting the ability of EWDD to serve business owners with language barriers.
 - UEA II Cultural Affairs - Impacts Oakland's cultural sector across the board and the division's work to foreground equity in its grantmaking services. Will also impact division's ability to manage contracting in a timely manner.

EWD Service Impact due to Reductions

Staffing Reductions

- Freeze Special Activity Permit Inspector – will reduce City’s ability to monitor and conduct outreach for special activities, such as special events and mobile food, in the field.
- Freeze Marketing Program Coordinator – Impacts ability to promote and market small business activity and resources consistently and more broadly to the Oakland community.
- Freeze Special Events Coordinator – will reduce the capacity of the Special Activity Permits Division that oversees special event permitting, which in turn reduces the Division's capacity to administer other programs, including Oakland’s cannabis, film, and mobile food permitting.
- Freeze Dev/Redev Program Manager effective Jan 2024 - no impact anticipated (position replacement)

EWD Service Impact due to Reductions

Program Reductions

- Delete \$500K for Plaza Activation in one-time money for each FY – Less activity in Frank Ogawa Plaza may discourage people from working/visiting downtown, which in turn reduces the amount of tax revenues received by the City to fund programs.
- Replace Lake Merritt Vending Program of \$60K Funding with funding from new parking meters.
- Reduce GPF by \$288,834 for Supplementing Inspection Fees for Special Events – This change will preserve a desperately needed special activity permit technician position currently being recruited to process film, special event, cabaret, mobile food, cannabis and other special activity permits, while reducing the amount of General Fund subsidy available for reduced fire inspection fees for community events.

EWD Service Impact due to Reductions

Program Reductions

- Reduce GPF Cultural Affairs Grants Funding by \$146K (20%) - significant reduction of funds that go out to the cultural stakeholder community. Impacting four current grant opportunities that exist.
- Reduce Marketing Budget by \$95K – This change, along with freezing the Marketing Program Coordinator, will reduce the size and frequency of the regular communications programs, and other marketing initiatives to support business attraction and retention, limiting resources for effectively communicating with and promoting all of Oakland’s commercial neighborhoods and businesses.
- Reduce “One-Time” Workforce GPF Grant Funding by \$443K (50%) in each FY - No impacts to services, funds had been allocated as unplanned one-time contribution.
- Measure CTOT – reduces grant making ability and funding for festival funding using transient occupancy tax.

EWD FY23-25 Budget Proposal Highlights

Budget Balancing Measures cont'

Land/Property Sales

- 22nd & Telegraph sliver parcel sale: \$792k
- Raiders Training Facility: \$17 million

Shift Staff to Development Services Fund 2415

- Shift portions of **Redevelopment-funded** staff to 2415 - total 6.79 FTE or \$2,266,174 for year 1; 6.86 FTE or \$2,476,276 in Y2.
- Also portions of Cultural Affairs, Biz Dev staff, Real Estate, and Special Activities.

New Expenditure Requests

Scotlan Convention Center

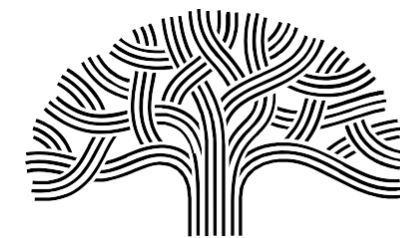
- Replenish operating reserve for Scotlan Convention Center and cover operating deficit:
 - FY23-24: \$1,465,083

Program Staff Additions

- Real Estate Agent- (focused on affordable housing)
- Program Analyst III (Grant Funded)
 - Special Activities

EWD Summary of Budget Implications

- This budget proposal ensures that EWD maintains the staff needed to deliver critical permanent affordable housing and emergency housing for the homeless
 - ✓ Addresses depletion of redevelopment funding by moving portions of some staff to an ongoing funding source (2415)
- This budget protects the programs and staff that help attract investment and increase revenue for Oakland i.e., job growth, increased tax revenue, philanthropic support



**Thank You &
Questions**



Economic and Workforce Development Department