



CITY OF OAKLAND

BUDGET MEMORANDUM

DATE: June 12, 2023
TO: City Council and Members of the Public
FROM: Council President Nikki Fortunato Bas, Councilmembers Rebecca Kaplan, Carroll Fife and Kevin Jenkins
SUBJECT: Council President's Amendments to the FY 23-25 Proposed Budget

Dear City Council Colleagues and Members of the Public,

Attached for your consideration are amendments and policy directives for the Fiscal Year 2023-2025 Proposed Budget from my Council President's Budget Team including Councilmembers Rebecca Kaplan, Carroll Fife and Kevin Jenkins.

We have appreciated hearing input from each Councilmember as well as the public. We value the information and feedback we have received from our city department leaders. And, we are grateful for our collaboration with the Mayor's Office and her Administration, particularly the Finance Department.

Our starting point for these amendments is Mayor Thao's creative and thoughtful plan to achieve a balanced budget, closing a historic \$360 million deficit. Tough decisions have already been made to reduce expenditures while avoiding layoffs, maintaining critical services, and making record investments in affordable housing.

Our team scrutinized the proposed budget, spoke with city staff and community members about priorities, and identified available fund balance, revenue, and expense adjustments in order to propose these amendments to meet our city's needs.

The Mayor and Council President have made a commitment to work together as One Oakland — to focus on delivering effective and equitable services, and to lay the foundation for tackling historic racial inequities and systemic problems in order to chart a path forward towards an equitable and thriving future for all Oaklanders. Our Budget Team looks forward to discussing these amendments, and ultimately, hopes that we will collaboratively approve a balanced budget.

Budget Amendments

Below is a summary of our amendments:

Revenue & Expenditure Adjustments

1. Acceptance of the FEMA SAFER grant to reverse the rolling Fire Station brown out
2. Use of available fund balance from several funds
3. \$3 million increase in assumed revenue from property sales
4. \$2 million decrease in debt payments to the Coliseum Joint Powers Authority
5. Freezing the vacant Council Budget & Policy Analyst position (\$300,000) in order to increase DVP grants to address the sex trafficking crisis

Expenditure Additions

Community Safety, Prevention & Healing

These amendments expand our comprehensive community safety program by:

1. Committing to citywide fire and emergency services (reversing rolling Fire Station brown out)
2. Investing \$2.1 million in violence prevention programs (\$1 million per year in DVP grants, with \$300,000 per year set aside to address the sex trafficking crisis)
3. Adding \$391,000 in staffing to ensure 24/7 crisis response to violent incidents
4. Adding community ambassadors in our business corridors (\$1 million each year)
5. Increasing traffic safety with \$1 million (\$800,000 to be allocated evenly by each Councilmember (\$100,000 each) and \$100,000 per year for traffic safety around Lake Merritt from parking revenue)
6. Adding two (2) civilian police investigators to solve crimes (unfreezing two (2) positions)
7. Adding Human Resources staffing to hire and fill vacant MACRO crisis response positions
8. Dedicating one (1) MACRO team to Oakland libraries
9. Unfreezing the Administrative Analyst II position in the Office of the Inspector General (OIG)
10. Adding \$100,000 for an OPD staffing study to be conducted by the OIG (total funds for the study will be \$200,000 including funds committed in the last budget cycle)

Housing Security and Homelessness Solutions

These amendments build on the Mayor's proposed investments in affordable housing and homelessness solutions by:

1. Creating a *Rapid Response Homeless Housing Acquisition Fund* with \$8.8 million. This fund supplements the \$216 million already in the Mayor's proposed budget for affordable housing, in order to more rapidly create housing for unhoused residents
2. Adding \$1 million per year for tenant legal services
3. Supporting housing and real estate development with: 1 FTE position to coordinate appraisals of properties for acquisition for homeless housing and of city properties for potential sale and redevelopment purposes; \$50,000 for appraisals of potential land sales, development and acquisition; and \$100,000 to support appraisals, seismic assessments, and environmental reports for affordable housing acquisition

Good Jobs & Vibrant Economy

These amendments support our artists and culture keepers, business community and workers by:

1. Increasing Cultural Affairs grants by \$300,000 each year
2. Unfreezing the Program Analyst II position in the Cultural Affairs Division
3. Unfreezing the Special Events Coordinator position
4. Adding \$100,000 per year for activation of Frank Ogawa Plaza
5. Unfreezing the Urban Economic Analyst II in Economic & Workforce Development to provide multilingual business assistance
6. Adding \$200,000 per year for the Facade Improvement Program to support small businesses
7. Increasing the Workplace Outreach & Education Contract by \$43,000 to account for six (6) years of inflation (total contract would be \$283,000 per year)
8. Adding Human Resources staffing to hire and fill vacant Planning & Building positions

Clean, Healthy, Sustainable Neighborhoods

These amendments support our diverse Oakland community and environment with:

1. \$750,000 for community grants, to be allocated by each Councilmember at \$93,750 each
2. \$100,000 per year for the Oakland Public Library to purchase canopies, tables, chairs, and rugs for each library location for expanded outdoor programming
3. \$500,000 to SABA Grocers Food Card Program each year for food security
4. \$300,000 to SOS Meals on Wheels each year for senior food security
5. \$20,000 to Feather River Camp each year
6. \$43,200 to Fairyland to restore the contract amount each year
7. \$40,000 to Oakland Asian Cultural Center to restore the contract amount each year
8. Allocation of \$1 million per year in parking revenue for Lake Merritt to advance equity and inclusion via the Lake Merritt Freedom Market supporting BIPOC vendors and Lake Merritt events; Park Stewards; parks maintenance; traffic safety improvements around Lake Merritt; and staffing to support safety and compliance at the Lake
9. Available funds from Measure Q to program for parks maintenance (\$1.6M), homelessness (\$418k) and stormwater (\$126k)

Effective Government

These amendments advance a more effective government by:

1. Adding capacity to the Public Ethics Commission with the unfreezing of the Program Manager position to implement Measure W and adding \$155,000 in discretionary funds
2. Adding \$10,900 for laptops for job fairs to improve onsite application and hiring process

Please note that these amendments incorporate requests from the Administration and Office of the City Attorney, which are mostly budget neutral. See the items highlighted in blue in the budget amendments spreadsheet and the memo from the Administration.

Budget Policy Directives

Attached are our team's Budget Policy Directives. Highlights include:

1. Affordable Housing: development of a coordinated advocacy strategy with County, State & Federal Government for funding and policy that supports successfully exiting unhoused individuals from shelter into permanent housing.
2. Community Safety: staffing and resource analysis of the Oakland Police Department to be conducted by the Office of the Inspector General to: identify current resources; determine the number of officers needed in a particular geographic area; and decide how staffing and operational resources should be allocated.
3. Effective Government:
 - a. Reorganization Plan and quarterly informational memos to Council and Public, with a report to Council by March 30, 2024 for consideration during mid-cycle budget.
 - b. Vacancy Strikeforce informational report to Council and Public on filling priority positions in Public Works, Housing & Community Development, Planning & Building, and Department of Transportation, and creating a more robust pipeline into City jobs and focused outreach to populations who have historically been economically marginalized
4. Revenue Generation: development of a plan for increased revenue generation, that includes but is not limited to: an economic development strategy to grow the tax base; development of a new ballot measure to replace Measure Z, the Oakland Public Safety and Services Violence Prevention Act, which expires in 2024; partnering with the Association of Bay Area Governments to place a regional affordable housing bond measure on the 2024 ballot; and partnering with the Oakland Fund for Public Innovation to develop private partnerships to resource the City's key priorities.

We look forward to discussing our proposed amendments, hearing public comments, and working toward achieving a balanced budget. Thank you to the Finance Staff and other Department Staff for supporting our budget deliberations, and to the Mayor's Office for your partnership.

For questions regarding this memo, please contact Cinthya Muñoz Ramos, Chief of Staff, Office of Council President Nikki Fortunato Bas, at cmunozramos@oaklandca.gov.

Respectfully Submitted,



Nikki Fortunato Bas
Council President, District 2



Rebecca Kaplan
Councilmember, At Large



Carroll Fife
Councilmember, District 3



Kevin Jenkins
Councilmember, District 6

Attachments:

1. Budget Policy Directives
2. Spreadsheet of Budget Amendments
3. Slide Presentation

Oakland Council President's Budget Team
Budget Policy Directives

Affordable Housing

1. Direct the City Administrator to develop a **coordinated advocacy strategy with County, State & Federal Government for funding and policy that supports successfully exiting individuals from shelter into permanent housing.**
 - a. The *Rapid Response Homeless Housing Acquisition Fund*, created with these proposed budget amendments, sets aside \$8,871,364 to rapidly create housing to serve unhoused individuals, including funding capital and operating costs. This supplements millions from Measure U, as well as potential funds from State Homekey Grants.
 - b. This coordinated strategy includes seizing opportunities for housing by rapidly conducting appraisals for properties, including the Sage Motel located at 4844 MacArthur Blvd., for the purpose of acquisition for homeless housing, and Lake Merritt Lodge located at 2332 Harrison Street, for maintaining the current 92 homeless housing units; and authorizing the City Administrator or their designee to pursue appraisals for other properties without returning to Council for the acquisition of transitional and homeless housing units.
2. Direct the City Administrator to designate future net proceeds generated from the sale or long-term ground lease of City-owned real property designated for affordable housing development to the **Affordable Housing Trust Fund**. Net proceeds is defined as "all sales/lease proceeds net of transaction costs." Net proceeds does not include any fees paid by developers intended to cover third-party expenses related to the negotiation of DDAs, LDDAs and Ground Leases or funds needed for interim property maintenance and other administrative costs.
3. Direct the City Administrator to designate the East 12th parcel lease payments to the **Affordable Housing Trust Fund**.
4. Direct the City Administrator to pursue a **program to offer available, small properties (less than 5,000 sq ft) to abutting property owners for purchase** (per Gov. Code § 54221 (f)(1)(B), excerpted below).
 - a. (f) (1) Except as provided in paragraph (2), "exempt surplus land" means any of the following:
(B) Surplus land that is (i) less than 5,000 square feet in area, (ii) less than the minimum legal residential building lot size for the jurisdiction in which the parcel is located, or 5,000 square feet in area, whichever is less, or (iii) has no record access and is less than 10,000 square feet in area; and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes. If the surplus land is not sold to an owner of contiguous land, it is not considered exempt surplus land and is subject to this article.

Community Safety

1. Direct the City Administrator or their designee (Office of the Inspector General) to conduct a **staffing study and resource analysis of the Oakland Police Department (OPD)**. This study would help to:
 - a. Identify current resources
 - b. Determine the number of officers needed in a particular geographic area

- c. Decide how staffing and operational resources should be allocated
Calls for service audits and resource allocation reviews are best when tied to a staffing study. If the City of Oakland’s objective is to determine if police are responding to calls for service in an efficient timeframe, it is critical to first know the number of available officers, target timeframes, and how alternate resources can be used to supplement services.
- 2. Direct the City Administrator or their designee to develop a **new civilian investigative classification** for a Police Services Technician position to manage traffic cases, replacing Police Officers who are currently performing these duties.

Effective Government

- 1. Direct the City Administrator to prepare a **Reorganization Plan** and provide quarterly informational memos to the Council and Public, and schedule a report to City Council by March 30, 2024 for consideration during the mid-cycle budget process.
 - a. The Reorganization Plan shall also include a feasibility study regarding moving the 911 Call Center out of the Oakland Police Department (OPD) and into civilian administration, centralizing all call center functions.
- 2. Direct the City Administrator to provide an update via an informational report on the “**Vacancy Strikeforce** ... filling the over 340 vacant positions in Oakland Public Works, Housing and Community Development, Planning and Building, and the Department of Transportation.”
 - a. The update should also include information on creating a more robust pipeline into City jobs from local schools and community colleges, and focused outreach to populations who have historically been economically marginalized such as formerly incarcerated individuals.
- 3. Direct the City Administrator to provide an update via an informational report on the “**study of salaries and compensation** for all City workers to assess if the City is competitive with other neighboring public agencies.”
- 4. Direct the City Administrator to research and apply for local, state, and federal grants/programs that accelerate the City’s efforts to procure, operate, and manage a **zero-emission vehicle fleet** and build out the City’s zero-emission charging and fueling infrastructure as outlined in the City’s Zero Emission Vehicle Action Plan, Action CL-8 – Accelerate City Fleet Vehicle Replacement.
- 5. Direct the City Administrator to create a **plan for increased revenue generation**, that includes but is not limited to:
 - a. An **economic development strategy** to grow the tax base, currently underway and anticipated for completion in the second half of 2024,
 - b. Development of a **new ballot measure to replace Measure Z**, the Oakland Public Safety and Services Violence Prevention Act, which expires in 2024, including polling,
 - c. Partnering with the Association of Bay Area Governments to place a **regional affordable housing bond measure** on the 2024 ballot, and
 - d. Partnering with the **Oakland Fund for Public Innovation** to develop private partnerships to resource the City’s key priorities.