



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2015 NOV -5 PM 6:10

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Kiran Bawa
Budget Director

SUBJECT: Federal and State Budgetary Actions
Standing Report

DATE: November 3, 2015

City Administrator Approval

Date:

11/5/15

RECOMMENDATION

Staff Recommends That The City Council Receive this Informational Report on the status of Federal and State budgetary actions.

EXECUTIVE SUMMARY

Agendized at each Finance and Management Committee meeting is a standing verbal report on the latest known Federal and State budgetary actions. At its September 15, 2015 meeting, the Finance and Management Committee meeting, the Committee requested that a written report be prepared to accompany the verbal report. This report has been prepared in response to this request.

The information listed below represents the latest information available as of the release of this report. Any relevant information available after the release of this report will be reported in verbal format to the Finance and Management Committee on November 10, 2015.

Federal

Budget Deal and Debt Ceiling Increase – Congress approved a combination budget and debt-limit increase on October 27th, President Obama signed this deal into law on November 2, 2015. H.R. 1314 the Bipartisan Budget Agreement of 2015, negotiated with the White House, extends U.S. borrowing authority until March of 2017 and raises both the defense and non-defense spending caps imposed by the sequester by \$25 billion each in the current Fiscal Year 2016 and \$15 billion each in Fiscal Year 2017. The law's provisions include the prevention of a major increase in Medicare premiums for some recipients.

Surface Transportation (Highway & Transit) Bill – The Congress approved and President Obama signed a short-term extension of surface transportation programs - H.R. 3819, the Surface Transportation Extension Act of 2015. The law extends federal highway, transit and safety programs through November 20, 2015. The Congress is presently working on a six-year bill to reauthorize surface transportation programs. The Senate passed its version in July, the Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act, and the House is expected to take up a similar bill, the Surface Transportation Reauthorization & Reform (STRR) Act.

Item: 3

Finance and Management Committee
November 10, 2015

Affordable Housing Rule Changes from HUD – The Department of Housing and Urban Development (HUD) released an Advanced Notice of Proposed Rulemaking regarding the use of Fair Market Rent (FMRs) in the Housing Choice Voucher Program. This HUD proposed rule would alter the formula that determines how much local Housing Authorities can pay for rents in their respective regions. The rule would decrease Fair Market Rent for Oakland and reduce the value of vouchers for Housing Choice Vouchers (Section 8) tenants.

The Oakland Housing Authority Director and staff from Congresswoman Lee's office are working with Secretary Castro and HUD officials to find a solution. It is not known yet what HUD plans to finalize for Oakland. One option under consideration is an "exception payment standard," which is typically used to accommodate cases where the prevailing rents in a segment of the FMR area are significantly different than the FMRs in place for the entire area. This option would be a temporary fix until HUD determines a more permanent solution. Congresswoman Lee's office has asked HUD to postpone implementation in order to give local housing authorities time to complete rent surveys and demonstrate that the proposed FMRs do not work for the region or for Oakland.

Sanctuary Cities Bill – The Stop Sanctuary Policies and Protect Americans Act, a bill authored by Senator David Vitter (R-La) to prohibit federal funds to sanctuary cities, failed to pass the Senate by a vote of 54 to 45. Senators Boxer and Feinstein both opposed the bill.

Other Federal Grants – Staff is working with our federal lobbyist on the following grant opportunities: Economic Development Assistance Program to implement economic development strategies in distressed communities; AmeriCorps State and National Grants to engage AmeriCorps members (community service) in evidence-based interventions to strengthen communities; and the Food Insecurity Nutrition Incentive (FINI) Grant Program to support projects to increase the purchase of fruits and vegetables among low-income consumers participating in the Supplemental Nutrition Assistance Program (SNAP) by providing incentives at the point of purchase.

Staff is researching federal grant opportunities related to faith based initiatives (in coordination with Oakland churches), urban greenbelt and forestry programs, and freeway reclamation.

State – No New Substantive Developments

There have been no substantive developments on the state level since the last report. Prior items of note include:

Redevelopment Financing Tools – Staff is assessing new and existing options under state law for the financing of infrastructure and affordable housing in the wake of redevelopment's dissolution. A separate staff report on this subject is in development, and will be brought forward to the Finance & Management Committee.

Medical Marijuana Law – Staff is developing amendments to the City's medical marijuana ordinance and procedures to align with new state licensing categories. This will enable the permitting, taxation, and regulation of cultivation, distribution, laboratory, manufacturing and transportation facilities. As a component of these amendments staff will assess any knowable

fiscal impacts, however, any new Business License Tax revenue will not be realized until FY 2017-18 due to the timing of Business License Tax remittances.

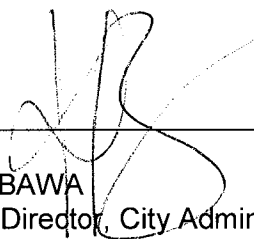
Racial Profiling Law – Staff is assessing any impacts of the newly adopted racial profiling law on City of Oakland operations

ACTION REQUESTED OF THE CITY COUNCIL

That the City Council receive this informational report on Federal and State budgetary actions.

For questions regarding this report, please contact Bradley Johnson, Assistant to the City Administrator, at (510) 238-6119.

Respectfully submitted,



KIRAN BAWA
Budget Director, City Administrator's Office

Reviewed By:
Sarah Schlenk Johnson, Agency
City Administrator's Office

Prepared by:
Bradley Johnson, Assistant to the Administrator
City Administrator's Office - Budget Department