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OAKLAND

2019 MAY 30 PM 5:26

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Director of Finance

SUBJECT: FY 2019-21 Proposed Budget
Errata No. 1 - Supplemental

DATE: May 30, 2019

City Administrator Approval

Date:

5/30/19

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The Biennial Budget For Fiscal Years 2019-2021 And Appropriating Certain Funds To Provide For The Expenditures Proposed By Said Budget.

REASON FOR SUPPLEMENTAL

This supplemental report outlines the budget adjustments (errata) to the Fiscal Year (FY) 2019-21 Proposed Biennial Budget. The proposed changes increase the other funds (non-General Purpose Fund) appropriation by \$15.0 million in FY 2019-20 for affordable housing projects. This fully allocates the available resources from Measure KK for affordable housing. The amendment also includes three cost neutral and full-time equivalent (FTE) neutral changes in the Oakland Parks, Recreation, and Youth Development Department (OPRYD) to better align classifications with their functions. The allocations proposed in the errata are in accordance with the Consolidated Fiscal Policy (Ordinance No. 13279 C.M.S.).

BACKGROUND / LEGISLATIVE HISTORY

On May 7, 2019, City Council first heard a report on the Proposed FY 2019-21 Biennial Budget. Consistent with past practice, these errata amend that budget proposal. These errata add \$15.0 million in additional resources for affordable housing development projects from Measure KK. Measure KK, which was approved in November 2016, allocated \$100 million for anti-displacement and affordable housing projects. The additional \$15.0 million in FY 2019-20 fully allocates the available resources from Measure KK for anti-displacement and affordable housing projects.

ANALYSIS AND POLICY ALTERNATIVES

Please see the FY 2019-21 Proposed Budget document for details on the proposed budget. The FY 2019-21 Proposed Budget may be accessed on the FY 2019-21 Budget website (www.oaklandca.gov/budget) and is included as an attachment on the City's Agenda

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Management website for this item (<https://oakland.legistar.com/Calendar.aspx>). A hardcopy of the FY 2019-21 Proposed Budget will also be available in the City Clerk's Office.

FISCAL IMPACT

The fiscal impacts are described in the FY 2019-21 Proposed Budget. These errata increase revenues and expenditures by \$15.0 million as authorized by Measure KK.

PUBLIC OUTREACH / INTEREST

The budget development process includes various opportunities for community input. The process began with a scientifically conducted poll on community priorities, which was conducted and presented to the City Council in February 2019. A public meeting was held with the City Council on the City's financial position, Capital Improvement Program, and priority setting in February 2019.

Additionally, the Mayor held several town hall budget meetings throughout the City during the month of April 2019. Community Budget Forums are planned in the month of May on the proposed budget. Several special budget meetings are scheduled for May and June in City Hall.

See the City's Budget website for additional information: www.oaklandca.gov/budget.

COORDINATION

The Finance Department worked with all City departments in preparing the FY 2019-21 Proposed Budget.

SUSTAINABLE OPPORTUNITIES

Economic: The proposed errata increases the amount of funding for affordable housing projects by \$15.0 million which will have a positive impact on the local construction industry.

Environmental: Increasing affordable housing in transit rich cities such as Oakland can help mitigate increased greenhouse gas emissions from population growth.

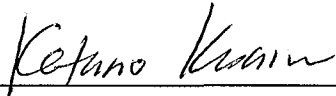
Social Equity: The budget is a significant tool for improving social equity. Housing affordability is one of the most important equity issues facing Oakland and the broader Bay Area. Increasing the funds available for affordable housing development will lessen the impact of growing housing inequity.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing The Biennial Budget For Fiscal Years 2019-2021 And Appropriating Certain Funds To Provide For The Expenditures Proposed By Said Budget.

For questions regarding this report, please contact Adam Benson, Budget Administrator at 510-238-2026.

Respectfully submitted,



KATANO KASAINÉ
Director of Finance

Attachment (1):

- Exhibit 1: FY 2019-21 Proposed Budget Errata 1

Budget Adjustments -- Errata No. 1
(\$ in million)

ALL OTHER FUNDS	FTE	FY 2019-20 Incr / (Reduc)	FY 2020-21 Incr / (Reduc)
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Significant Revenue Changes

Increase allocated funds for affordable housing projects within the Measure KK: Affordable Housing Bond Fund (5331)	\$15.00
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Significant Expenditure Changes

OAKALND PARKS, RECREATION, & YOUTH DEVELOPMENT

Delete 0.75 FTE Facility Security Assistant, PPT & 0.25 FTE Facility Security Assistant, PT and Add 1.0 FTE Facility Security Assistant in the Self Sustaining Revolving Fund 1820	-	\$0.00	\$0.00
Delete 1.0 FTE Recreation Specialist II, PPT and Add 1.0 FTE Recreation Program Director in the Self Sustaining Revolving Fund 1820	-	\$0.00	\$0.00
Delete 1.0 FTE Recreation Specialist II, PPT & O&M and Add 1.0 FTE Recreation Program Director in SBBT Fund (1030).	-	\$0.00	\$0.00

HOUSING & COMMUNITY DEVELOPMENT

Increase allocated funds for affordable housing projects within the Measure KK: Affordable Housing Bond Fund (5331)	\$15.00
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