



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Adam Benson
Finance Director

SUBJECT: FY 2020-21 Midcycle Budget
Amendments

DATE: May 22, 2020

City Administrator Approval

Date: May 22, 2020

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Amending Resolution No. 87759 C.M.S., Which Adopted The City Of Oakland's Fiscal Year 2019-21 Biennial Budget, To Make Mid-cycle Budget Adjustments To: (1) Fiscal Year 2020-21 General Purpose Fund Revenue Projections; (2) Fiscal Year 2020-21 General Purpose Fund Appropriations; And (3) Fiscal Year 2020-21 Non-General Purpose Fund Revenue Projections And Appropriations.

EXECUTIVE SUMMARY

The Fiscal Year ("FY") 2020-21 Proposed Midcycle Budget ("Midcycle") is presented here for the City Council's consideration.

Along with other state and local agencies across the country, the City of Oakland ("Oakland" or "City") faces extraordinary budget challenges due to the recent public health emergency related to the coronavirus outbreak. On March 17, 2020, the County of Alameda issued a directive ordering all individuals living in the county to shelter-in-place ("SIP"), with the exception of essential activities, to help prevent the spread of COVID-19. The SIP order has since been extended, most recently on May 18, 2020, and remains in effect until rescinded, superseded, or amended. These necessary actions to curb the transmission of the virus will result in a negative impact on the City's anticipated FY 2019-20 and FY 2020-21 revenues.

The FY 2020-21 baseline budget included an all funds deficit of \$96.54 million, including a \$53.78 million projected deficit in the General Purpose Fund ("GPF") and \$42.76 million in non-GPF funds. Of note, this deficit is in addition to the projected shortfall of \$9.7 million that remains in FY 2019-20 in the GPF after use of the Vital Services Stabilization Fund ("VSSF" or "Rainy Day") reserves as authorized by the City Council on May 12, 2020 (resolution number pending). The baseline budget gap also included increased expenditures for unbudgeted wage increases and charter-mandated obligations such as KidsFirst! As a result of this projected deficit, City departments were submitted proposed reductions of vacant positions and Operations & Maintenance ("O&M") budgets with a goal of minimizing the impacts on essential

City Council
May 26, 2020

and critical city services, while adhering to the principles of equity, transparency, and fiscal responsibility.

As shown in the Table 1 below, the City's FY 2020-21 all funds budget is approximately \$1,659.46 million.

Table 1. FY 2020-21 Revenues and Expenditures (\$ in Millions)

	Total Budget
GPF	\$646.23
Non-GPF	\$1,013.23
Total	\$1,659.46

The Midcycle budget aims to preserve the most critical services and closes the deficit through a combination of one-time reductions in non-essential expenses, use of the entire Rainy Day reserve, temporary suspension of several financial policies, and transfers of eligible expenses to other funds.

Importantly, despite the revenue and expenditure adjustments, a gap of approximately \$10.5 million remains in the GPF, which is proposed to be closed through labor concessions currently being negotiated.

Substantial investments in homelessness services \$ 47.47 million are proposed and made possible by the recent passage of Measure Q (The 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act), increased state and federal funding, and new revenue from the Vacant Property Tax. Measure Q revenue also provides funding for parks and recreational facilities maintenance and water quality improvements above current-year levels.

Significant Risks Remain: Pace of Economic Recovery

The impacts of the shelter-in-place (SIP) order have resulted in significant revenue loss across many of the City's key tax categories, including sales taxes, transient occupancy taxes, business license taxes, and parking taxes. A full discussion of revenue impacts begins on page 11 of this report. The Midcycle budget assumes that economic recovery slowly begins in FY 2020-21 and continues through the end of the fourth quarter. To the extent that economic recovery is delayed, or a subsequent outbreak requires the re-imposition of the SIP order, tax revenue losses will exceed those projected in this report. To contextualize the impact of additional revenue loss on the City's budget, staff has provided the City Council with a "pessimistic" revenue forecast for the GPF (see page 14).

Beyond the pessimistic but plausible revenue forecast, Oakland remains vulnerable to other situations, such as earthquakes, wildfires, and lawsuits, that can adversely impact revenues and/or expenditures. Moreover, it is likely that economic impacts will continue into the next two-year budget cycle. A May 19, 2020 [report](#) from the non-partisan Congressional Budget Office,

for example, projects the economy still in the process of recovery at the end of calendar year 2021. The proposed budget uses all of the Rainy Day reserve, and suspends other fiscal policies, leaving the City with fewer tools to address any other sort of event with adverse fiscal impact or to help balance the next two-year budget.

The possibility of a more pessimistic revenue scenario for the upcoming fiscal year, the need to preserve funds for extraordinary events, and the likelihood of continued economic challenges in the next fiscal cycle all underscore the need to preserve the City's limited Emergency Reserve.

California State Budget: May Revision FY 2020-21

On May 14, 2020, Governor Newsom released the FY 2020-21 May Revised Budget. The proposal – which still requires approval by the State Legislature – included an allocation of \$450 million of the Coronavirus Aid, Relief, and Economic Security (CARES) Act federal funding to cities that did not receive a direct allocation from the federal government. Recipient jurisdictions are required to spend these funds consistent with federal law and the state is advising that these funds be prioritized to supplement existing efforts by counties and Continuums of Care to address the impacts of COVID-19 on people experiencing homelessness, including outreach, hygiene, shelter and housing support, public safety, and rental subsidies.

The CARES Act provides that payments may only be used to cover costs that:

1. Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. Are not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or government; and
3. Are incurred during the period that begins on March 1, 2020 and ends on December 31, 2020.

Given that this emergency funding is still pending legislative approval and considering the significant constraints on its use, staff has not programmed these revenues in the FY 2020-21 budget. Staff recommends that action be taken at a later date when more information and specific funding allocations are approved by the State Legislature. Staff will continue to analyze options to best utilize these funds to support the recovery of the City from the pandemic, and ensure the health and safety of Oakland residents.

BACKGROUND / LEGISLATIVE HISTORY

In reaction to the COVID-19 pandemic, Alameda County and the State of California issued a Shelter-in-Place/Stay-At-Home order directing individuals to stay at home except to provide or receive essential services. Non-essential businesses are closed, effectively leaving only gas stations, grocery stores, take-out/delivery restaurants, and pharmacies open, though the County is starting to expand the definitions of businesses that may open on a restricted basis. The swift action taken by the county and the state have had positive results in reducing the spread of the virus. As the Bay Area counties move toward reopening the economy in phases, it is uncertain when the City will see full economic recovery as this hinges on the development of a vaccine

and herd immunity. For the foreseeable future, economic activity will be restricted as public health officials may re-issue shelter-in-place orders at any time if they deem necessary.

Like many cities throughout the country, Oakland is projecting an unprecedented budget shortfall for FY 2020-21 due to this public health crisis. Specifically, sales taxes, transient occupancy taxes, business license taxes, and parking taxes, all of which are heavily dependent on purchases and patronage by everyday consumers and travelers alike, are seeing the most significant decrease in projected revenues.

The FY 2019-21 Biennial Budget adopted on June 24, 2019 (Resolution No. 87759 C.M.S.) authorized expenditures of \$655.13 million in FY 2019-21 and \$684.55 million in FY 2020-21 in the GPF. The Midcycle Budget Amendment proposes a \$38.32 million decrease in authorized expenditures in the GPF in order to balance. All changes to the budget were prioritized while adhering to the principles of equity, transparency, and fiscal responsibility.

ANALYSIS AND POLICY ALTERNATIVES

On June 24, 2019, the City Council adopted a two-year operating budget for FY 2019-20 and FY 2020-21. The Midcycle Budget is an amendment to the second year of the biennial budget that reflects revised revenue projections, expenditure adjustments approved by City Council during the first year of the budget, and balancing measures that aim to preserve the most critical services.

Summary of FY 2020-21 Balancing Actions

The Midcycle Budget prioritizes balancing measures with the least impact to critical services. It proposes:

- Use of all of the Vital Services Stabilization Fund (VSSF) reserves of \$14.65 million to preserve services in the GPF;
- Suspension of contributions to long term liabilities (including Other Post-Employment Benefits) yielding approximately \$10 million in savings across all funds net of other fringe rate adjustments;
- Restructuring the negative fund repayments plan saving approximately \$1.96 million in the GPF;
- Transfers eligible costs (both personnel and O&M) from funds with shortfalls to other funds with surplus resources; and,
- Temporary freeze of 89.70 Full Time Equivalents (“FTE”) (vacant positions only) and reduction of \$6.52 million in O&M (contracts, grants, equipment, supplies, etc.) with service and equity impacts described in the next section across all funds.

FY 2020-21 Proposed Midcycle Budget Service Impacts

The information below highlights the service and equity impacts included in the FY 2020-21 Proposed Midcycle Budget **across all funds** by service area.

Homelessness

The FY 2020-21 Midcycle Budget contains substantial increases to services to address the homelessness crisis due to the implementation of two new local measures; Parks Measure Q approved in March 2020, and Measure W the Vacant Property Tax approved in November 2018.

The Midcycle allocates \$6.64 million in funding from Parks Measure Q to Fund 3.83 FTE, plus 1.00 FTE funded for half-year, and related O&M to the Human Services Department to expand homelessness services. Additionally, it allocates funding to the following priorities in alignment with the PATH plan:

- Community Outreach - \$0.50 million
- Family Services/ Family Hotel Strategy - \$1.20 million
- Henry - Hotel Touraine and Holland - Grand Hotel - \$1.74 million
- Oakland Path Rehousing Initiative (OPRI) Services - \$0.50 million
- Motel Vouchers - \$0.05 million
- Hope Housing Lease - \$0.05 million

These funds allow for implementation of Council approved projects and on-going interventions to support services to unsheltered homeless residents, particularly those in our parks and open spaces. It includes sustained funding for existing shelters, transitional housing and expanded rapid rehousing support for unsheltered neighbors. It funds additional outreach focused explicitly on parks and open spaces as well as an employment program that includes beautification activities. The implementation of the Vacant Property Tax will add \$1.60 million for homeless encampment waste collection services.

The following table summarizes the total funding for homelessness services available next fiscal year through the budget and other approved resolutions. The City will continue to pursue additional resources from federal, state, county, and private sources to address this crisis.

Homelessness Services Funding Available in FY 2020-21		
Funding Source	Planned Uses	Amount
Measure Q	Outreach, Family Services, Family Hotel Strategy, Henry/Holland ongoing funding, Oakland PATH Rehousing Initiative (OPRI) Services, Motel Vouchers, and Hope Housing Lease.	\$6.64M
Vacant Property Tax	Homeless Encampment Waste Collection Services	\$1.60M
Community Housing Expenditures in GPF	Subsidies for Homelessness Related Services in Community Housing Services	\$1.69M
Community Development Block Grants (CDBG)	Homeless Services Staff and Shelter Services	\$1.33M
Continuum of Care Grants (COC)	Permanent Housing and Transitional Housing Supportive Services	\$5.40M
County Grant	Winter Shelter	\$0.13M
County Grant	Housing Fast Support Network	\$0.32M
County Grant	Coordinated Entry	\$2.50M*
Homeless Emergency Aid Program (HEAP) and Homeless Housing, Assistance, and Prevention Program (HHAP) Carry Forward	Covenant House Capital Campaign Expansion, SVdP Shelter, Family Shelter, 5 Community Cabins Sites, Safe RV Parking – 3 Sites, Mobile Showers/ Laundry/Hygiene	\$20.19.M**
Emergency Solutions Grants (ESG)	Rapid Rehousing, Street Outreach, Shelter	\$0.66M
Housing Opportunities for Persons with AIDS (HOPWA)	Housing Assistance for low income persons living with AIDS.	\$3.08M
Oakland Path Rehousing Initiative (OPRI)	Housing placement and supportive services	\$2.02M
Transitional Housing (TH) Operations - OHA	Housing Services	\$0.55M
ESG CARES Act Carry Forward	Housing Services	\$1.14M***
HOPWA CARES Act Carry Forward	Housing Assistance for low income persons living with AIDS	\$0.22M***
Total		\$47.47M

*Pending approval via future Council resolution

**Pending confirmation of HHAP and FY2019-20 year-end actuals from HEAP.

***COVID-19 related CARES Act one-time appropriation. This entry assumes a 50% carry-forward of appropriation from FY 2020 to FY 2021.

Affordable Housing

The Midcycle provides an additional \$12.30 million for Notices of Funding Availability (“NOFA”) in support of affordable housing activities. These resources derive from \$4.14 million in estimated Affordable Housing Impact Fees, \$5.27 million in estimated Jobs/Housing Impact Fees, and \$2.96 million in boomerang funding from the redevelopment dissolution. The Midcycle continues to appropriate the final \$15.00 million in Measure KK Bond proceeds for affordable housing, as approved by the City Council at the Biennial Budget Adoption.

There are no proposed reductions to the Rent Adjustment Program (“RAP”). The recent filling of vacant positions in this service area will facilitate improved active enforcement of fair housing policies for a diverse population of renters, continued enforcement of the City’s Rent Adjustment Ordinance, and elevated mediation services for rent dispute resolution. RAP services are utilized by communities of color at a very high rate thus preservation of these services will have a positive equity impact.

Park & Landscape Maintenance

The Midcycle significantly expands the City’s Parks, Tree, and Landscape Maintenance services due to the passage of Parks Measure Q in March 2020. Specifically, the Midcycle:

- Allows for the addition or unfreezing of 44.50 Full-Time Equivalent (“FTE”) for Landscape Maintenance in the City’s Landscaping and Lighting Assessment District (“LLAD”) Fund (2310) and Parks Measure Q Fund (2244); to maintain, protect, and improve parks, open space, and recreation facilities and services by performing regularly scheduled landscaping and mowing services at City parks and providing dedicated staff;
- Appropriates approximately \$1.75 million in one-time costs to procure heavy equipment such as dump trucks, mini packers, portable compactors, and a mini excavator, and additional supplies to support the newly added positions in Landscape Maintenance; and
- Adds 6.00 FTEs in Facilities: Maintenance to perform general enhancement of City parks including the regularly scheduled sanitation of restrooms, installation of non-structural improvements, and safety; and appropriates \$0.8 million in one-time costs to procure heavy equipment such as an aerial boom lift, vehicles, and additional supplies to support the newly added facilities staff.

Illegal Dumping and Keep Oakland Clean & Beautiful

The Midcycle supports the appropriation of \$1.60 million in funding for the purpose of increasing the health and safety of residents by attempting to slow the spread of COVID-19 by obtaining emergency waste collection services at homeless encampments per Resolution No. 88079 C.M.S.

The Midcycle maintains the addition of a 5.00 FTEs Illegal Dumping Crew and associated equipment utilizing the Vacant Property Tax to assist in the removal of illegal dumping, abatement of homeless encampments, and enhance the cleanliness, health, and appearance of City neighborhoods and streets.

The Midcycle reduces services for Graffiti Abatement & Rapid Response by freezing 2.00 FTEs in the Comprehensive Clean-up Fund (1720), resulting in the delay of graffiti removal within the City.

Stormwater

The Midcycle appropriates \$0.75 million in Parks Measure Q Fund (2244) and allocated additional resources in Public Works Impact Fees to the unfunded Storm Drain Master Plan to support the water quality objectives to improve, expand, and rehabilitate the City's storm water infrastructure. The Midcycle also appropriates approximately \$0.14 million in funding from Parks Measure Q Fund (2244) to acquire, install, and maintain full trash capture systems with hydrodynamic separator and connector pipe screens and funds 1.00 FTE in Watershed and Stormwater Program to support the expanded stormwater effort and implementation.

Transportation

The Midcycle reduces a net 6.70 FTEs in the Department of Transportation ("DOT") for a net reduction of \$1.41 million. These freezes are spread across several units within DOT including Complete Streets Design, Right of Way Management, Street Lighting Engineering, Major Corridor Multimodal Operations, and Parking Meter Repair. The Proposed Midcycle budget does not reduce or slow the implementation of the 3-Year paving plan. That major investment will largely continue due to Measure KK despite reductions in Measure B, Measure BB, and Gas Tax revenues.

The freezing of 1 vacant FTE in the Parking Meter Repair unit could have a negative impact on the City's ability to collect revenue if parking meter asset conditions deteriorate. Other service impacts/reductions include: maintenance of Citywide Street Lighting Database, slower lighting upgrades, delays in increasing mobility, reduced inspection services for trees, sidewalks, and excavation for utility and communication companies.

Parking Enforcement is deleting 1.70 FTEs Parking Control Technicians to accommodate a new 1.00 FTE Parking Supervisor, which was recommended by the City Auditor. The New Parking Supervisor is expected to improve the efficiency in parking operations which will in turn generate more revenue.

The Midcycle reduces DOT's O&M in the amount of \$0.73 million. The majority of the reductions were made by reducing one-time contributions to fund balance in the amount of \$1.60 million. Additional savings were achieved by transferring the cost of electricity bills from the Gas Tax Fund (2230) to the LLAD Fund (2310) in the amount of \$1.45 million. Additionally, a \$1.50 million one-time contribution from Fund Balance for grant matching purposes is being added.

Oakland Parks Recreation and Youth Development (“OPRYD”)

The Midcycle contains modest reductions to OPRYD recreations services due to revenue reductions in the Self- Sustaining Fund (1820) and reductions to Measure HH Sugar Sweetened Beverage Distribution Tax (“SSBDT”) receipts from observed reductions in sugary drink consumption. The Midcycle reduced \$1.00 million which was earmarked for expanded OPRYD services in Measure HH SSBDT Fund (1030). The Midcycle avoids deep cuts in OPRYD through the transfer of 1.50 FTEs into the GPF, and the addition of a GPF subsidy of \$1.50 million from the GPF to the Self- Sustaining Fund (1820). The Midcycle also freezes 4.75 FTEs of vacant positions in OPRYD.

Economic & Workforce Development, Planning & Building, and the Arts

The City’s Development Services Fund (2415) is expected to experience significant revenue decreases due to the COVID-19 crisis. The Midcycle will: freeze 10.00 FTEs in the Planning & Building Department, freeze 2.00 FTEs in the Department of Transportation, reduce O&M, and use fund balance in excess of \$16.3 million to balance expected revenue shortfalls.

The Midcycle reduces 3.50 FTEs in the Economic & Workforce Development department which will reduce economic development functions, implementation of Successor Redevelopment Agency projects, and substantially impact strategic planning and administrative support for all departmental units.

One area significantly impacted by the economic slowdown due to the COVID-19 pandemic is travel and hotel tax revenues. The Midcycle anticipates a 45% decline in revenues to the beneficiaries of the City’s Measure C Hotel Tax Surcharge. This will result in a nearly \$1.8 million decrease in funds to Visit Oakland and a \$0.44 million reduction each to the Chabot Space & Science Center, The Oakland Museum of California, the Oakland Zoo, and the City Cultural Art, Fairs, and Festivals Program. The Proposed Budget realigns the City’s programing to preserve Cultural Arts programs while reducing funding for Fairs and Festivals including the Art & Soul Festival as these activities may remain prohibited or unadvised for some time due to public health conditions.

The Midcycle temporarily reduces unallocated funding for workforce and vocational training (Fund 1010). As the funds have not been programmed, there is minimal impact to existing services. There is no change to programs funded with Workforce Innovation and Opportunity Act (Fund 2195).

Public Safety

The FY 2020-21 Midcycle maintains funding for sworn public safety staff, including community policing services funded by Measure Z – The Safety and Services Violence Prevention Act of 2014 (Fund 2252). The Midcycle contains reductions to public safety services.

The Midcycle freezes 15.00 FTEs in vacant civilian positions within the Oakland Police Department (“OPD”) across multiple sections. Freezing these positions will reduce OPD’s capacity for collection, examination, and analysis of evidence from crime scenes and civilian support for patrol functions. These freezes will also reduce capacity for internal financial

analysis and fiscal operations including grants reporting and reconciliation, and the operation of the neighborhood services unit.

Consistent with the City Council's direction, the Midcycle transfers Oakland Unite to the Department of Violence Prevention. In order to offset reduced revenue from Measure Z, the Midcycle reduces violence prevention and intervention services with contract organizations by roughly 5% and freezes 1.00 vacant FTE. **Measure Z service-levels were developed assuming the City Council adopts the Consumer Price Index ("CPI") adjustment for this measure, consistent with the Council's direction in adopting the second year of the biennial budget. Failure to adopt the CPI adjustment will required additional reductions in services.** The Midcycle increases the administrative capacity of the Department of Violence Prevention to facilitate its independent operation.

The Midcycle freezes 7.60 FTEs in the Oakland Fire Department ("OFD"). Of these frozen positions, 5.60 FTEs are newly added positions in the Fire Prevention Bureau that did not previously exist and have yet to be filled. Freezing these positions will reduce the speed in completing both fire inspections and fire plan check reviews. OFD will also experience reductions in administrative, financial, and payroll support due to other frozen positions.

Administrative Services

The Midcycle significantly reduces administrative services in the Finance Department by freezing 9.70 FTEs and reduces \$0.30 million in O&M. This will result in reduced capacity for financial analysis and increased risk of audit findings, reduced customer services for Oakland taxpayers and parking patrons who require staff assistance, and substantial reductions in support for City departments related to financial systems, purchasing and accounting. In addition, the Finance Department will further reduce costs in the General Purpose Fund (1010) to assist in closing the deficit by freezing and/or transferring positions in the Revenue Bureau, Controller's Bureau, and the Purchasing Bureau to result in approximately \$1.20 million in savings.

The Midcycle freezes 2.00 FTEs in the Department of Human Resources and reduces \$0.09 million in O&M. The proposed reductions will impact services by reducing the number of civil service examinations for FY 2020-21, delay the response to the subpoenas of records, process legal documents, maintain personnel files and the response to Requests for Information ("RFI") from the bargaining units and public at-large. Reduced O&M will negatively impact staff professional development and training and will reduce the City of Oakland's visibility at professional network events, job fairs, college events and community career development seminars.

The Midcycle freezes 2.0 FTEs in the Information Technology resulting in an impact to City departments providing services to the public.

General Government

The 2020-21 Midcycle contains reductions in numerous general government functions. The Mayor's Office will have reduced capacity for constituent affairs and policy development. The City Administrator's office has significant reductions in administration, communications & media functions, animal services and contract compliance operations by freezing 7.00 FTEs and

reducing O&M totaling \$1.30 million. The City Clerk’s Office preserved 2.00 FTEs in KTOP (Fund 1760) due to a transfer into the GPF, but defer the expansion of customer support capacity for room reservations by freezing 1.00 FTE vacant position. The City Council, City Attorney, City Auditor, Public Ethics Office, and Race & Equity department should experience no changes to service levels.

General Purpose Fund (GPF)

Table 2 below summarizes the recommended changes to the projected GPF revenues. Additional details are provided in **Exhibit 1** to the Resolution. Staff recommends the City Council adopt a budget for FY 2020-21 by recognizing total revenues in the GPF of approximately \$646.23 million, a decrease of \$38.32 million or 5.6% from the FY 2020-21 Adopted Budget of \$684.55 million. Importantly, this revenue includes nearly \$14.65 million in use of the entire Rainy Day reserve. Year-over-year, FY 2020-21 revenues, including use of reserves, are projected to decrease by \$8.90 million or 1.3%, down from \$655.13 million in the FY 2019-20 Adopted Budget.

Table 2. FY 2020-21 GPF Revenues (\$ in Millions)

	FY 2019-20 Adopted Budget	FY 2020-21 Adopted Budget	FY 2020-21 Midcycle Proposed	Variance over FY 2020-21 Adopted Budget
GPF	\$655.13	\$684.55	\$646.23	(\$38.32)

GPF Revenues

Prior to the COVID-19 pandemic, the City experienced healthy economic growth over the last several years. Since March of 2020, the City experienced an extreme, negative fiscal impact from COVID-19 pandemic with FY 2020-21 GPF revenues forecasted to revert to pre-FY 2018-19 levels. GPF revenues are a combination of 15 major revenue categories as outlined in Table 3 on the following page. Each revenue category is forecasted separately based upon key economic indicators and other financial information. A full breakdown of historical and projected GPF revenues are included in **Exhibit 1** to the Resolution.

The FY 2020-21 Midcycle reflects total revenues of \$646.23 million in the GPF (\$628.13 million excluding Interfund Transfers and Transfers from Fund Balance), **a net decrease of (\$38.32) million** relative to the FY 2020-21 Adopted Budget revenues of \$684.55 million.

The City is continuing to experience forecasted growth in Property Tax revenues (+\$9.5 million), the largest single revenue category in the GPF. This growth is offset by anticipated deep declines in all other forecasted GPF revenue categories relative to the FY 2019-21 Adopted Budget due to the COVID-19 pandemic and subsequent shelter-in-place orders that have brought the City’s service sector economy to a halt.

Property Tax revenues are forecasted to exceed the FY 2019-21 Adopted Budget by \$9.51 million due to the forecast receipt of additional Residual Property Tax Trust Fund (“RPTTF”) revenues and an estimated 7.55% growth in general property tax receipts based on the latest

County Assessor data. Starting in FY 2011-12, the City began receiving a portion of the RPTTF as the result of the dissolution of the Redevelopment Agency. The RPTTF is the portion of property tax increment, less Successor Agency enforceable obligations, that would have gone to redevelopment agencies if they had not been dissolved. Ongoing RPTTF revenues are anticipated to increase by approximately 42.50% (+\$8.87 million) compared to the Adopted FY 2020-21 GPF Budget due to savings from refunding Successor Agency debt obligations and continued growth in assessed values in former redevelopment project areas. Net of RPTTF, Property Tax revenues are forecasted to remain at the current FY 2020-21 budget of \$208.13 million.

In FY 2020-21, sales tax revenue is forecasted to decline to FY 2016-17 levels. Staff, in conjunction with the City's sales tax consultant, are currently estimating a decrease in FY 2020-21 of **(\$8.07) million** from the Adopted Budget forecast of \$61.64 million. Specifically, staff anticipates a decrease of sales taxes from 1) Auto & Transportation, which consists of auto sales, gas sales and jet fuel; 2) Business & Industry; and 3) Restaurants & Hotels; and a flattening in all other categories. Furthermore, Governor Newsom is allowing small businesses with taxable sales of \$5 million or less, to forgo remitting \$50,000 of sales tax over a 12-month period as an interest free loan to help these small businesses survive the economic downturn. A portion of this decrease will be offset by increases in use tax revenue derived from the County pool.

Business Licenses Tax revenue will be negatively affected by COVID-19, with revenues reverting to FY 2017-18 levels. The tax basis for most businesses required to remit Business Taxes in FY 2020-21, is calendar year 2020 gross receipts. As businesses throughout the City remain closed due to the shelter-in-place, the gross receipts tax basis will be negatively impacted. The forecast anticipates declines in 70% of the City's business tax categories. Business License Tax is forecasted to be \$88 million in the FY 2020-21 Midcycle Budget. This is **\$15.22 million lower** than the FY 2020-21 Adopted Budget of \$103.22 million for a decrease of more than 14.75%.

Transient Occupancy Tax ("TOT") revenues are forecast to decline (\$13.02) million from the Adopted Budget to \$15.91 million. This is a decline to pre-FY 2015-16 TOT levels. Revenues from Parking Taxes ("PT") are forecasted to decline (\$2.95) million from the Adopted Budget to \$8.85 million, PT revenue levels last seen in FY 2013-14.

Table 3. FY 2020-21 Proposed Midcycle Budget GPF Revenues (\$ in millions)

Revenue Category	Adopted Budget	Midcycle Proposed	Variance
PROPERTY TAX	\$228.36	\$237.86	\$9.51
SALES TAX	\$61.64	\$53.55	(\$8.09)
BUSINESS LICENSE TAX	\$103.22	\$88.00	(\$15.22)
UTILITY CONSUMPTION TAX	\$56.82	\$52.00	(\$4.82)
REAL ESTATE TRANSFER TAX	\$85.38	\$89.06	\$3.69
TRANSIENT OCCUPANCY TAX	\$28.92	\$15.91	(\$13.02)
PARKING TAX	\$11.80	\$8.85	(\$2.95)
LICENSES & PERMITS	\$2.97	\$1.68	(\$1.29)
FINES & PENALTIES	\$19.82	\$18.34	(\$1.49)
INTEREST INCOME	\$1.21	\$0.48	(\$0.73)
SERVICE CHARGES	\$69.48	\$61.47	(\$8.01)
GRANTS & SUBSIDIES	\$0.12	\$0.12	-
MISCELLANEOUS	\$0.97	\$0.80	(\$0.17)
SUB-TOTAL	\$670.71	\$628.13	(\$42.58)
*INTERFUND TRANSFERS	\$5.10	\$17.55	\$12.45
TRANSFERS FROM FUND BALANCE	\$8.74	\$0.54	(\$8.20)
TOTAL REVENUES	\$684.55	\$646.23	(\$38.32)

* Includes the use of Vital Services Stabilization Fund Reserves of \$14.6 million in FY 2020-21

The FY 2020-21 GPF revenue forecast anticipates economic recovery to begin in the fourth quarter of FY 2020-21. To the extent that the recovery occurs later or more slowly than assumed, tax revenues will experience losses that exceed those currently forecasted.

Table 4 shows the City's revenue projections for FY 2020-21 assuming a more severe, prolonged economic contraction. Under this "pessimistic" scenario, staff is projecting GPF revenues of \$602.88 million (less interfund transfers and transfer from fund balance) in FY 2020-21, \$25.25 million less than the proposed forecast of \$628.13 million. While staff is hopeful that this revenue scenario does not come to realization, it highlights the inherent risk in the City's finances, a sobering prospect that demonstrates the need to preserve reserves and develop contingencies to the greatest extent possible.

Table 4. FY 2020-21 Proposed Midcycle Budget GPF Revenues (\$ in millions)

Revenue Category	Adopted Budget	Pessimistic Forecast	Variance
PROPERTY TAX	\$228.36	\$233.20	\$4.84
SALES TAX	\$61.64	\$51.22	(\$10.42)
BUSINESS LICENSE TAX	\$103.22	\$80.97	(\$22.25)
UTILITY CONSUMPTION TAX	\$56.82	\$52.00	(\$4.82)
REAL ESTATE TRANSFER TAX	\$85.38	\$80.00	(\$5.38)
TRANSIENT OCCUPANCY TAX	\$28.92	\$15.11	(\$13.81)
PARKING TAX	\$11.80	\$8.41	(\$3.39)
LICENSES & PERMITS	\$2.97	\$1.68	(\$1.29)
FINES & PENALTIES	\$19.82	\$17.42	(\$2.40)
INTEREST INCOME	\$1.21	\$0.48	(\$0.73)
SERVICE CHARGES	\$69.48	\$61.47	(\$8.01)
GRANTS & SUBSIDIES	\$0.12	\$0.12	\$0.00
MISCELLANEOUS	\$0.97	\$0.80	(\$0.17)
SUB-TOTAL	\$670.71	\$602.88	(\$67.83)
*INTERFUND TRANSFERS	\$5.10	\$17.55	\$12.45
TRANSFERS FROM FUND BALANCE	\$8.74	\$0.54	(\$8.20)
TOTAL REVENUES	\$684.55	\$620.97	(\$63.58)

* Includes the use of Vital Services Stabilization Fund Reserves of \$14.6 million in FY 2020-21

GPF Expenditures

The FY 2020-21 Midcycle includes \$41.33 million in total reductions and transfers of expenditures into other funds. Detailed expenditure adjustments by department are provided in **Exhibit 2** to the Resolution. These adjustments fall broadly into the following four categories: 1) required & technical expenditure adjustments, 2) use of Vital Services Stabilization Fund reserves and temporary suspension of financial policies, 3) transfer of eligible expenditures into other restricted funds, and 4) one-time reductions to city services and positions.

The required and technical adjustments include negotiated wage and other employee compensation increases (cost-of-living adjustments and equity increases) and adjustments to fringe benefit rate calculations. In turn, the wage increases require adjustments to Internal Service Fund charges and Central Service Overhead recoveries. Required adjustments also include mandatory appropriations resulting from legal requirements, such as the KidsFirst! set-aside. In total, technical expenditure adjustments account for approximately \$3.01 million in net new expenditures in the GPF.

Due to the extreme and unprecedented nature of this economic crisis, staff is recommending the use of the Vital Services Stabilization Fund reserves and the temporary suspension of financial policies to minimize the impacts to critical services. Specifically, the Midcycle assumes Council authorization on the:

- Use of the Vital Services Stabilization Fund (VSSF) reserves (Resolution No. 13487 C.M.S.);

- Suspension of the Other Post-Employment Benefits (OPEB) funding policy which requires a contribution of 2.5% of payroll to the OPEB Trust Fund (Resolution No. 87551 C.M.S.);
- Temporary use of one-time revenues for ongoing costs (Resolution No. 13487 C.M.S.);
- Restructure of the negative fund repayments plan (Resolution No. 87140 C.M.S.); and
- Suspension of Maintenance of Effort for the 2018 Oakland Public Library Preservation Act (Measure D).

In total, these policy actions result in an increase of \$14.65 million in GPF revenues and \$6.01 million reduction in GPF expenditures.

The Midcycle proposal also includes transfers of eligible personnel and O&M expenditures of \$12.86 million from the GPF to other funding sources. Costs related to parks maintenance, homelessness, and illegal dumping were transferred to the new Parks Maintenance Measure Q Fund and to the Vacant Property Tax Fund. Eligible administrative costs supporting development services and grant funded programs were also transferred. In addition, GPF subsidies for grant funded programs were reduced and transferred to other eligible sources.

Finally, the Midcycle calls for freezing 47.20 vacant FTEs and reducing \$11.29 million in O&M costs in the GPF. Reductions are most notable in the administrative functions (finance, human resources, IT) across all departments, reducing capacity for financial analysis, contract compliance, hiring, and systems and process improvement. Civilian support in the Police and Fire Departments are also reduced, impacting administrative and technical operations in criminal investigation, homicide, patrol, and fire prevention. More information on the service impact across funds is provided in Service Impacts section.

There are 93.61 vacant civilian FTE in the GPF that are not proposed to be frozen, out of consideration for service impacts to the public, equity considerations, legal mandates, public health and safety considerations, and unbalanced workloads on remaining employees.

Other (Non-GPF) Funds

Exhibits 3 to the Resolution reflect the revised appropriations and significant changes to all other funds (non-GPF). All funds were impacted by the negotiated wage increases and have been rebalanced. Below are highlights of the changes.

Measure HH – Sugar Sweetened Beverage Tax (1030)

\$1.4 Million Projected Revenue Reduction

Measure HH funds support healthy food programs and staffing. Although the Midcycle projected revenue is reduced to \$9.2 million, it is important to note the intent of this tax is to promote healthy choices and discourage consumption of sugary beverages. Declining revenues are expected. The Midcycle proposes \$1.59 million in reductions to O&M and transfers out personnel to offset the impact of reduced revenue.

Self-Sustaining Fund (1820)

\$1.6 Million Projected Revenue Reduction

This is a fee-based Oakland Parks Recreation and Youth Development (“OPRYD”) fund generating most of its revenue from the summer youth programs. Due to the impact and

continued uncertainty of COVID-19, revenues are projected to decrease to \$9.7 million which is insufficient to support existing programs and activities. The Midcycle freezes 4.75 FTEs and transfers facility costs back to LLAD Fund (2310). It also includes a GPF subsidy to close the remaining gap and preserve services.

Transportation Funds (2211, 2212, 2215, 2218, 2219, 2230, 2232)

\$4.2 Million Projected Revenue Reduction

The sources of revenues for the transportation funds are sales taxes (Measure B and BB), gas taxes (“use tax”), and the vehicle registration fees (Measure F). Sales taxes (Measure B and BB) are projected to decrease by approximately \$4.2 million due to the COVID-19 crisis in Measures B and BB. Balancing these funds was accomplished through transfers, personnel reductions and O&M adjustments, including:

- Transferring the cost of electricity bills from the Gas Tax Fund (2230) back to the LLAD Fund (Fund 2310) in the amount of \$1.45 million;
- Personnel reductions: (6.70) FTEs (\$1.41) million;
- O&M adjustments: (\$0.73) million;
- Reduce one-time contributions to fund balance (\$1.60) million; and,
- Use of \$1.50 million in fund balance in Measure B (2211) for grant matching purposes.

Additionally, as part of the Midcycle, Measure BB Fund (2216) was split into three Funds - Fund 2218: Local Streets and Roads, Fund 2219 Bicycle and Pedestrian, and Fund 2220 Measure BB – Paratransit, which is allocated under Human Services Department. Creation of these new funds will allow for more efficient reconciliation and streamlined accounting of expenditures across these categories.

Measure Z - Violence Prevention and Public Safety Act of 2014 (2252)

\$3.75 Million Projected Revenue Reduction

Measure Z revenue is derived from a parcel tax and a parking tax surcharge. Funds generated by Measure Z supports community policing, emergency response, and violence prevention and intervention services. The parking tax element of Measure Z revenue is expected to decline by roughly \$3.75 million due to slower economic activity.

Vacant Property Tax (2270)

New Revenue of \$7 Million

This fund receives revenue from a special parcel tax on vacant property tax to fund solutions for homelessness and illegal dumping remediation. The Midcycle appropriates \$1.6 million in one-time proceeds to add homeless encampment waste collection services to help mitigate excessive waste build up and maintain more sanitary living conditions in homeless encampment sites. Additionally, the Midcycle Budget transfers \$1.1 million in positions and O&M from the General Purpose Fund (1010) to the Vacant Property Tax Fund (2270).

Affordable Housing Trust Fund (1870)

\$12.37 Million Projected Revenue Increase

The Affordable Housing Trust Fund (AHTF) receives 25 percent of the City’s residual RPTTF distribution, the proceeds of which can be used for purposes related to affordable housing. The Midcycle appropriates approximately \$2.96 million in additional residual RPTTF, \$5.27 million in

Job/Housing Impact Fees and \$4.14 million in Affordable Housing Impact Fees. Of these revenues \$5.7 million in one-time revenues were received in FY 2019-20 and have been committed toward existing affordable housing projects.

Development Services Fund (2415)

\$15.03 Million Projected Revenue Decrease

The source of this fund are revenues from City related development including licenses, fees, permits from housing/commercial planning and construction-related activities based on the Master Fee schedule. The fund is used for planning and zoning services, construction inspections, construction permit approval, building code enforcement, plan checks, and engineering services. The Midcycle will: freeze 10.00 FTEs in the Planning & Building Department, freeze 2.00 FTEs in the Department of Transportation, reduce O&M, and use fund balance in excess of \$16.3 million to balance expected revenue shortfalls.

Measure C Fund (2419)

\$3.55 Million Projected Revenue Decrease

Measure C is an additional Transient Occupancy Tax ("TOT") utilized to support cultural programs and institutions within the City. TOT is projected to decrease due to the decline in tourism. The funds are reduced per the allocation formula in the ballot measure, impacting Oakland Convention & Visitor's Bureau, Oakland Zoo, Chabot Space & Science Center, Oakland Museum and City programs. The reductions in City programs were mainly in Art & Soul and Fairs and Street Festivals as it will be sometime before large gatherings will be allowed. Cultural Funding Grants were for the most part preserved.

Measure Q – 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act (Parks Measure Q) (2244)

\$23.35 Million New Projected Revenue

In March 2020, Oakland voters passed the 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act (Parks Measure Q). The Parks Measure Q imposes a special parcel tax for the purpose of raising revenue necessary to fund services for parks, landscape maintenance, recreational services; services to address homelessness and enable unsheltered and unhoused residents to access temporary shelters, transitional and supportive housing, and permanent housing; and services and projects to address water quality and litter reduction, including the maintenance and cleaning of stormwater trash collection systems throughout the City of Oakland.

The revenue received from this parcel tax is allocated as follows:

- one percent (1%) allocated to auditing and evaluation of programs, strategies and services undertaken pursuant to this measure;
- five percent (5%) allocated to water quality and litter reduction including maintaining and cleaning stormwater trash collection systems;
- thirty percent (30%) allocated to homelessness to provide services to enable access to temporary shelter, transitional and supportive housing, and permanent housing for unsheltered residents; and
- sixty-four percent (64%) allocated for parks, landscape maintenance, and recreational services;
 - The 64% parks allocation is restricted to a fifty-five percent (55%) allocation to old services and forty-five percent (45%) allocation to new services.

In accordance with the ballot measure restrictions, the Midcycle Budget allocates the following funding:

- Evaluation and Auditing:
 - Add 1.00 FTE for parks analytics and approximately \$0.03 million in auditing funding;
- Water Quality and Litter Reduction:
 - Add 1.00 FTE and approximately \$0.9 million in O&M to support the Storm Drain Master Plan and device capital design and installation;
- Homelessness:
 - Add 2.00 FTEs in Community Housing Services and \$0.17 million in O&M funding for the expansion of programs and services to address homelessness by enabling unsheltered and unhoused resident to access temporary, transitional, and/or permanent housing;
 - Transfer 1.83 FTEs in Community Housing Services and funding of 1.00 FTE for ½ year from Human Services;
 - Transfer 3.00 FTE's from the Oakland Police Department Homelessness Unit from the General Purpose Fund; and
 - Appropriate approximately \$4.04 million in funding for Third Party Grant contracts for various programs dedicating approximately \$1.74 million to the Henry - Hotel Touraine and the Holland - Grand Hotel, \$1.20 million to family services and family hotel strategy, \$0.50 million in community outreach, \$0.50 million for the Oakland Path Rehousing Initiative, \$0.05 million for the Hope Housing Lease and \$0.05 million in motel vouchers.
- Parks, Landscape Maintenance, and Recreational Services:
 - Old Services:
 - Transfer 50.85 FTEs in various positions from Landscaping and Lighting Assessment District Fund (2310) totaling approximately \$6.3 million
 - Transfer 8.55 FTEs and approximately \$0.07 million in O&M from the General Purpose Fund (1010); in O&M from the General Purpose Fund (1010); and
 - Transfer 2.00 FTEs in Landscape Maintenance from Comprehensive Clean-up (1720)
 - New Services
 - Add 30.00 FTEs various Parks and Trees staff totaling approximately \$2.90 million and \$1.75 million in O&M to procure equipment to support newly added staff; and
 - Add 6.00 FTEs in Facilities staff and approximately \$0.85 million in O&M for equipment to support newly added staff.

Employee Compensation

The FY 2019-21 Adopted Policy Budget included one-time funding for employee compensation, the Midcycle baseline was revised to reflect the ongoing nature of compensation increases in approved labor agreements. Personnel costs account for a majority of the required increased

baseline expenditures in the FY 2020-21 Proposed Midcycle Budget because of new labor agreements reached during FY 2019-20 with the City's civilian bargaining units and sworn fire bargaining unit: (1) Service Employees International Union (SEIU), Local 1021, (2) International Federation of Professional & Technical Employees (IFPTE), Local 21, (3) International Brotherhood of Electrical Workers (IBEW), Local 1245, (4) Confidential & Management Employees Association (CMEA), and (5) International Associations of Fire Fighters (IAFF), Local 55.

These agreements – covering July 1, 2019 through June 30, 2021 for civilian units and November 1, 2020 through December 31, 2023 for sworn fire – provided the following wage increases that are captured in the FY 2020-21 Proposed Midcycle Budget:

SEIU Local 1021 & IFPTE Local 21

- 1.0% wage increase effective July 1, 2019;
- 1.0% wage increase effective November 1, 2019;
- 1.0% wage increase effective January 1, 2020;
- 2.0% wage increase effective July 1, 2020; and
- 1.0% wage increase effective January 1, 2021

IBEW Local 1245 & CMEA

- 2.0% wage increase effective July 1, 2019;
- 1.0% wage increase effective January 1, 2020;
- 2.0% wage increase effective July 1, 2020; and
- 1.0% wage increase effective January 1, 2021

IAFF Local 55

- 2.5% wage increase effective January 1, 2021.

Despite the significant balancing measures across all funds, there remains a \$10.50 million gap in GPF that is proposed to be addressed with employee concessions. At the direction of the City Council, the administration is currently engaged in negotiations with all bargaining units and any concessions made will be incorporated in the final budget amendment adopted by June 30, 2020.

Priority Restoration of City Services

Exhibit 4 to the Budget Resolution reflects prioritized services that would be restored if the City receives unbudgeted revenue and cost savings, provided such revenues or savings are in excess of the amount necessary to support forecast revenues and expenditures. The goal of this action is to allow for the prompt return of services and staffing if eligible resources become available to support various city services. Staff is hopeful that the Federal Government will approve additional aid to state and local governments. However such aid, if approved, may be available after the adoption of the FY 2020-21 Midcycle Budget, thus the Exhibit will allow for prompt restoration of services to the residents of Oakland. It is possible that the federal or state government provides additional resources that are restricted in their use. The exhibit also

permits the restoration of services based upon unbudgeted restricted revenues in the same manner.

The order of restoration for services is based on operational and equity considerations and maintaining the trust of residents. The list of prioritized restorations is noted below:

1. Restoration of an employee concessions both bargained and imposed;
2. Restoration of Oakland Parks Recreation and Youth Development services, programs, and frozen positions;
3. Replacement of Measure D funding with minimum GPF funding for Library Services;
4. Restoration of Frozen Positions in the Oakland Fire Department;
5. Restoration of Frozen Positions in the Department of Violence Prevention;
6. Restoration of Frozen Positions in the Community Police Review Agency;
7. Restoration of Frozen Positions in the Oakland Police Department;
8. Restoration of Frozen Positions in Oakland Animal Services;
9. Restoration of Contract Services the Department of Violence Prevention;
10. Restoration of Frozen Positions in Economic & Workforce Development;
11. Restoration of Frozen Positions in the Department of Information Technology, Human Resources, Finance Department, and City Administrators Office;
12. Restoration of Frozen Positions in the Department of Transportation;
13. Restoration of Frozen Positions in the Oakland Public Works (Graffiti Abatement);
14. Restoration of any other frozen positions or reduced O&M;
15. Restoration of OPEB contribution;
16. Restoration of fiscal policies, including Rainy Day contributions.

Conclusion

The Administration's Proposed FY 2020-21 Midcycle Budget reflects the somber reality that state and local governments are facing throughout the nation – a drastic reduction in tax revenues coupled with growing demand for services. Sound financial policies and careful management have positioned the City well to deal with the current economic contraction, but much uncertainty remains.

The possibility of a prolonged economic downturn is a threat to the City's long-term financial health and ability to deliver services to residents. The City Council must be prepared for further service reductions if current revenue and expense projections prove too optimistic. While the proposed Midcycle positions the City for a rapid recovery, policy makers and residents must be prepared to make difficult decisions if the current economic contraction persists or public health conditions worsen.

The Proposed FY 2020-21 Midcycle Budget strives to maintain the City's most critical services despite the unprecedented drop in revenues. The Proposed Midcycle Budget manages to avoid the most severe cuts to services and does not cause layoffs of permanent employees. However, despite these revenue and expenditure adjustments, a gap of approximately \$10.5 million

remains in the GPF, which is proposed to be closed through labor concessions currently being negotiated.

The Proposed Budget continues to make important investments in the City where resources are available. Over the next fiscal year there will be \$44.53 million available for homelessness services investments, to address the City's most pressing pre-COVID-19 problem, and leverage available resources that have become available due to the persistent lobbying and campaigning on the part of City leadership at the federal, state, and local level and with new Parks Measure Q and Vacant Property Tax funding generously approved by Oakland residents in March 2020 and November 2018, respectively.

The Proposed Budget continues to invest substantial resources in affordable housing construction and fair and equitable residential rental policies from restricted resources. It upholds the intent of Oakland voters in expanding parks maintenance and water quality with the use of Parks Measure Q revenues, consistent with the requirements of the ballot language.

The Proposed Midcycle budget reflects the Administration's best advice to the City Council on navigating the unprecedented economic slowdown and public health crisis that the City of Oakland is facing.

Enduring this crisis will require real reductions to important City services, and thus real impacts to Oakland residents. The Administration is hopeful that the City of Oakland's leaders, working together collaboratively, can avoid the worst outcomes from this economic contraction and position the City in the best possible manner for recovery, while staying fiscally prudent and preparing for a prolonged public health and economic crisis.

FISCAL IMPACT

See the Analysis and Policy Alternatives section above.

PUBLIC OUTREACH / INTEREST

During the two-year budget, extensive public outreach was completed including a scientific poll, informal survey, and community outreach forums. This Midcycle amendment did not require any additional public outreach.

COORDINATION

This report was prepared by the Finance Department in coordination with various City Departments.

SUSTAINABLE OPPORTUNITIES

Economic: The City's Midcycle represents over \$1 billion in expenditures into the local economy. There could be significant economic impacts depending on the decisions made by the Mayor and Council.

Environmental: The impact of the City's appropriations can have a considerable effect on the local environment impacts depending on the decisions made by the Mayor and Council.

Race & Equity: The Midcycle is a significant tool for improving race and equity. Budgetary decisions made with equity as a focus can help to mitigate the inequitable circumstances of Oakland residents. The Midcycle specifically emphasizes the area of youth, housing, and homelessness to address social equity.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Amending Resolution No. 87759 C.M.S., Which Adopted The City Of Oakland's Fiscal Year 2019-21 Biennial Budget, To Make Mid-cycle Budget Adjustments To: (1) Fiscal Year 2020-21 General Purpose Fund Revenue Projections; (2) Fiscal Year 2020-21 General Purpose Fund Appropriations; And (3) Fiscal Year 2020-21 Non-General Purpose Fund Revenue Projections And Appropriations.

For questions regarding this report, please contact Lisa Agustin, Budget Administrator at 510-238-2989.

Respectfully submitted,



ADAM BENSON
Finance Director

Prepared By:
Lisa Agustin, Budget Administrator

Margaret L. O'Brien, Revenue & Tax
Administrator

Attachments (2):

- 1) Resolution to Adopt the FY 2020-21 Midcycle Budget Amendments
 - Exhibit 1: GPF Revenue Details
 - Exhibit 2: GPF Midcycle Adjustments
 - Exhibit 3: Other (Non-GPF) Fund Midcycle Adjustments
 - Exhibit 4: Restoration Priorities
- 2) Proposed Frozen and Not Frozen Vacant Positions in the GPF