

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION:

- 1. AUTHORIZING THE USE OF ONE-TIME REVENUES TO BALANCE THE FISCAL YEAR 2026-27 MIDCYCLE BUDGET PURSUANT TO SECTION 1, PART D OF THE CITY OF OAKLAND CONSOLIDATED FISCAL POLICY**
- 2. DECLARING A STATE OF EXTREME FISCAL NECESSITY AND THE EXISTENCE OF A SEVERE AND UNANTICIPATED FINANCIAL EVENT THAT HAS ADVERSELY IMPACTED THE GENERAL PURPOSE FUND SUCH THAT THE CITY IS UNABLE TO BUDGET AT THE REQUIRED MINIMUM NUMBER OF 700 SWORN POLICE PERSONNEL PURSUANT TO “THE OAKLAND COMMUNITY VIOLENCE AND EMERGENCY RESPONSE ACT OF 2024” (MEASURE NN)**
- 3. DECLARING A STATE OF EXTREME FISCAL NECESSITY, TO PROVIDE FOR THE TEMPORARY SUSPENSION OF THE ‘PARK MAINTENANCE’ MAINTENANCE OF EFFORT REQUIREMENTS, PURSUANT TO THE 2020 OAKLAND PARKS AND RECREATION PRESERVATION, LITTER REDUCTION, AND HOMELESSNESS SUPPORT ACT (MEASURE Q)**
- 4. DECLARING A STATE OF EXTREME FISCAL NECESSITY FOR THE MIDCYCLE BUDGET, ALLOWING FOR THE MINIMUM BUDGET SET-ASIDE FOR PUBLIC CAMPAIGN FINANCING TO BE SUSPENDED, PURSUANT TO THE OAKLAND FAIR ELECTIONS ACT**
- 5. DECLARING A STATE OF EXTREME FISCAL NECESSITY FOR THE MIDCYCLE BUDGET, AND TEMPORARILY SUSPENDING 1) THE REQUIREMENT TO CONSIDER ADVISORY BOARD**

RECOMMENDATIONS PRIOR TO APPROPRIATING SUGAR-SWEETENED BEVERAGE TAX REVENUE

- 6. DECLARING A STATE OF EXTREME FISCAL NECESSITY FOR THE MIDCYCLE BUDGET, AUTHORIZING THE USE OF FUNDS DEPOSITED INTO THE AFFORDABLE HOUSING TRUST FUND (FUND 1870) TO BALANCE THE FISCAL YEARS 2026-27 MIDCYCLE BUDGET**
- 7. ESTABLISHING THE INTENTION OF THE CITY COUNCIL TO PRIORITIZE RESTORATION OF SERVICES TO MEET THE MAINTENANCE OF EFFORT REQUIREMENTS**

WHEREAS, the City's local economy and ongoing tax and fee revenues were severely and negatively impacted by the COVID-19 pandemic causing an ongoing reduction to available resources; and

WHEREAS, the current high inflation and high interest rate environment is further negatively impacting City revenues; and

WHEREAS, the City Council desires to provide to the residents the highest service level possible with existing ongoing and one-time revenues; and

WHEREAS, on May 15, 2018, the Consolidated Fiscal Policy was amended to establish and modify the financial policies and budgeting practices of the City of Oakland (Ordinance No. 13487 C.M.S.); and

WHEREAS, the Consolidated Fiscal Policy sets forth, among other things, guidelines for the use of one-time revenues; and

WHEREAS, Section 1, Part D of the Consolidated Fiscal Policy provides that the use of unrestricted one-time revenues for any purpose other than those set forth in Part D must be authorized by City Council resolution and the resolution shall explain the need for using the one-time revenues and include steps the City will take to return to using one-time revenues pursuant to the Consolidated Fiscal Policy; and

WHEREAS, it is necessary to use approximately \$13.1 million in one-time revenues to fund ongoing expenses in the General Purpose Fund and \$367.5 million in one-time revenues to fund ongoing expenses in the Non General Purpose Funds in order to balance the FY 2026-27 Midcycle Budget; and

WHEREAS, the Oakland Community Violence and Emergency Response Act of 2024 (Measure NN) requires the declaration of a state of extreme fiscal necessity and the existence of severe and unanticipated financial event that has adversely impacted the General Purpose Fund such that the City is unable to budget at the required minimum number of 700 sworn police personnel; and

WHEREAS, the City is aggressively planning for and budgeting sworn police academies to increase the count of sworn police personnel, and is developing proposals to reduce the rate of sworn police attrition in order to meet the full staffing requirements under Measure NN; and

WHEREAS, to realistically meet the sworn police officer count requirement of Measure NN the City plans to continue aggressive action to increase hiring and reduce attrition beyond the FY 2026-27 mid-cycle; and

WHEREAS, the 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act (Measure Q) passed by the voters in 2020 requires the declaration of a state of extreme fiscal necessity, to provide for the temporary suspension of the ‘Park Maintenance’ maintenance of effort requirements, pursuant to Section 4; and

WHEREAS, Resolution No. 90586 C.M.S. provides that upon a declaration of extreme fiscal necessity by the City Council, the City Council may suspend the requirement to consider the Sugar-Sweetened Beverage Distribution Tax Community Advisory Board’s recommendation prior to appropriating Sugar-Sweetened Beverage Distribution Tax general tax revenue; and

WHEREAS, Oakland Municipal Code section 15.62.040.E provides that upon a declaration of extreme fiscal necessity by the City Council, the Council may appropriate certain funds deposited into the Affordable Housing Trust Fund from the set-aside of funds distributed to the City as a taxing entity under the laws dissolving redevelopment agencies for any lawful purpose, and in any given fiscal year the amount the Council may appropriate for any purpose shall not exceed fifty percent of the estimated revenue budgeted from said fund; now therefore be it

RESOLVED: That the City Council finds and determines that the foregoing recitals are true and correct; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the use of one-time revenues in the amount of \$13.1 million to fund ongoing expenses in the General Purpose Fund and \$367.5 million to fund ongoing expenses in the Non General Purpose Funds in order to balance the FY 2026-27 Midcycle Budget; and be it

FURTHER RESOLVED: That the City plans to return to using one-time revenues for the purposes set forth in Section 1, Part D of the Consolidated Fiscal Policy once the City’s revenues have recovered and the City undertakes a concerted fiscal planning process to address long term sustainability of services; and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal necessity, and for the Fiscal Year 2026-2027 Midcycle budget, the Council hereby suspends the requirement to budget at the required minimum number of 700 sworn police personnel pursuant to Part 1 Section 6 (C)(2) of The Oakland Community Violence and Emergency Response Act of 2024 (Measure NN); and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal necessity, and for the Fiscal Year 2026-2027 Midcycle budget, the Council hereby suspends the ‘Park Maintenance’ maintenance of effort requirements, pursuant to Section 4 of “The 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act (Measure Q); and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal necessity, and for the Fiscal Year 2026-2027 Midcycle budget, the Council hereby suspends all restrictions on the appropriation of Sugar-Sweetened Beverage Tax revenue in the Sub-Fund to allow the Council to appropriate said funds for any lawful purpose; and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal necessity, and for the Fiscal Year 2026-2027 Midcycle budget, the Council hereby suspends the required restrictions on the use of certain funds in the Affordable Housing Trust Fund (1870); and be it

FURTHER RESOLVED: That the Council hereby declares that it is the priority of the City of Oakland to restore funding and services to meet the Maintenance Of Effort (MOE) Requirements of the various measures that are waived by this resolution; and be it

FURTHER RESOLVED: That in the event that any new ongoing unrestricted resources become available in the course of the mid-cycle budget that are not needed to resolve a projected deficit or preserve the planned level of service and staffing contained in the adopted budget, the Council shall consider appropriating such resources for restoring waived maintenance of effort funding requirements before the funding of new services or enhancements to existing services; and be it

FURTHER RESOLVED: That this Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, GALLO, HOUSTON, RAMACHANDRAN, UNGER, WANG, AND
PRESIDENT JENKINS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED
City Clerk and Clerk of the Council of
the City of Oakland, California