



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Bradley Johnson
Finance Director

SUBJECT: Budget Advisory Commission (BAC)
Recommendation to Amend the
Consolidated Fiscal Policy (CFP) to
Redefine Excess Real Estate Transfer
Tax (RETT) Revenue

DATE: February 24, 2026

City Administrator Approval 4/9/2026
4/9/2026 (Apr 9, 2026 12:13:20 PDT)

Date: 4/9/2026
4/9/2026 (Apr 9, 2026 12:13:20 PDT)

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report From The Budget Advisory Commission (BAC) on Their Recommendation to Amend the Consolidated Fiscal Policy (CFP) to Redefine Excess Real Estate Transfer Tax (RETT) Revenues.

EXECUTIVE SUMMARY

The BAC recommends consideration of an amendment to Part C, Section 1 of the CFP to revise the definition of excess RETT revenues.

The recommendation proposes defining excess RETT revenues as all projected RETT revenues above \$70 million in FY2025 dollars, instead of the current threshold of 15 percent of General-Purpose Fund (GFP) tax revenues. The recommendation is based on historical RETT revenues volatility and its sensitivity to economic cycles.

Staff recommend that the City Council receive the BAC's Recommendation to Amend the CFP to Redefine Excess RETT revenues and determine if further analysis of the proposed policy changes is needed.

BACKGROUND / LEGISLATIVE HISTORY

In 2018, the City Council adopted Ordinance Number 13487 C.M.S., establishing the CFP, including guidance on the use of excess RETT revenues Section 1, Part C of the City's CFP Ordinance. Under Ordinance Number 13337, Section II Part A the BACs reporting includes policies related to the City's fiscal health, including those set out in the CFP. The BAC recommendations are included as ***Attachment A. Recommendation to Amend the Consolidated Fiscal Policy to Redefine "Excess" Real Estate Transfer Tax Revenues.***

ANALYSIS AND POLICY ALTERNATIVES

Receiving this report will advance the City's goal of **responsive, trustworthy government**. Under Ordinance Number 13337, Section II Part A the BACs reporting includes policies related to the City's fiscal health, including those set out in the CFP. The BAC recommendations are included as ***Attachment A. Recommendation to Amend the Consolidated Fiscal Policy to Redefine "Excess" Real Estate Transfer Tax Revenues.***

RELATED PLANNING EFFORTS

This agenda item supports [Fiscal Year 2026-30 Oakland Roadmap to Fiscal Health](#), specifically item 5. Develop long-term plans to contain rising pension and other benefit costs. By better aligning ongoing revenues toward long-term liabilities, this action supports the City's strategy to restore structural balance and improve long-term fiscal sustainability.

FISCAL IMPACT

There are no direct fiscal impacts in the acceptance of this report.

PUBLIC OUTREACH / INTEREST

No public outreach was necessary in the preparation of this staff report.

The BAC discussed their Recommendations to Amend the CFP and Redefine Excess RETT revenues at public and noticed meetings of that body prior to adoption.

COORDINATION

An ad hoc working group of the Oakland Budget Advisory Commission coordinated with the full Oakland Budget Advisory Commission, the Department of Finance's Budget Bureau, and the City Administrator's Office to produce this report and agenda item.

RACE AND EQUITY

Staff will continue working with the BAC to identify enhancements to engagement practices in future budget cycles, consistent with available resources and operational requirements.

Jestin D. Johnson, City Administrator

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ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An Informational Report From The Budget Advisory Commission (BAC) on Their Recommendation to Amend the Consolidated Fiscal Policy (CFP) to Redefine Excess Real Estate Transfer Tax (RETT) Revenues.

For questions regarding this report, please contact Tiffany Kirkpatrick. Budget & Management Analyst, at 510-238-2366.

Respectfully submitted,

Pooja Shrestha

Pooja Shrestha (Apr 1, 2026, 15:59:20 PDT)

POOJA SHRESTHA
Acting Director of Finance,
Finance Department

Prepared by:
Tiffany Kirkpatrick, Budget & Management
Analyst,
Finance Department, Budget Bureau

Attachments (1):

Attachment A - Recommendation to Amend the Consolidated Fiscal Policy to Redefine "Excess" Real Estate Transfer Tax Revenues