

CITY OF OAKLAND

BUDGET ADVISORY COMMISSION

Notice is hereby given that a meeting of the City of Oakland Budget Advisory Commission (BAC) is scheduled for **Wednesday, May 14, 2025, at 6:00 PM.**

The Budget Advisory Commission will be held in Hearing Room 2 in City Hall.

Members of the Public have the following options to observe the meeting:

- 1. Watch the meeting on KTOP using Granicus.**
- 2. Use the Zoom link attached to this agenda to remotely observe the meeting.**

Commission Members:

Mandela Bliss, Larisa Casillas, Mike Forbes, Ben Gould, Margaret Grimsley, Mike Petouhoff,
Jane Yang, Stephisha Ycoy-Walton

City's Representative(s):

Nathan Bassett & Walter Silva – *Finance Department*

Meeting Agenda:

1. Administrative Matters [5 minutes]
 - Welcome & Attendance
2. City of Oakland 2025-2028 Strategic Plan Overview [30 minutes]
 - Overview of the staff presentation presented to City Council on the City's new Strategic Plan.
3. Mayor's Commission on Aging Presentation [20 minutes]
 - Review of letter from Commissioner Lenore Gunst, of the Mayor's Commission on Aging, on Facts About Oakland Seniors and Impacts of Senior Programming
4. BAC Restricted Funds Analysis [15 minutes]
 - Review of analysis from Vice Chair Mike Forbes on the City's restricted budget funds, their uses, and fund balances as part of the FY 2025-27 Proposed Budget
5. BAC Response to Mayor's Proposed FY 2025-27 Budget [40 minutes]
 - Review and discussion of the ad hoc draft recommendations report on the Mayor's Proposed FY 2025-27 Proposed Budget.
6. Open Forum [10 minutes]
7. Adjournment

**CITY OF OAKLAND
BUDGET ADVISORY COMMISSION**

Attachments: City-of-Oakland-Strategic-Plan-2025-2028; MCOA Letter to BAC Re Oakland Seniors Facts & Impacts 05-09-2025; Oakland Restricted Funds Analysis; Oakland BAC FY 25-27 Review Report

Hi there,

You are invited to a Zoom webinar.

When: February 12, 2025 06:00 PM Pacific Time (US and Canada)

Topic: Meeting of the City of Oakland Budget Advisory Commission (BAC)

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/81584763954>

Or One tap mobile :

+16694449171,,81584763954# US

+16699006833,,81584763954# US (San Jose)

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

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Webinar ID: 815 8476 3954

International numbers available: <https://us06web.zoom.us/j/kc4erTBb6i>



OAKLAND FORWARD: Building Resilience

City of Oakland Strategic Plan 2025-2028



Developed in collaboration with Be Present Consulting LLC,
Experts in Community-Driven Solutions

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8	Developing A Collective Path		
14	Internal Engagement Findings	58	Acknowledgements



Letter from the City Administrator

Dear Oakland Community,

I am pleased to introduce our City's three-year Strategic Plan. I recognize that many of you have been asking for more transparency and responsiveness, and I acknowledge that the City's budget realities have elevated the challenges we all face as residents. Nine months ago, we embarked on a journey to deeply examine our operations and services, seeking to understand how we can best serve our residents, workforce, and visitors. Our goal was to create a Strategic Plan that not only addresses the challenges we face but also highlights the opportunities ahead for Oakland.

The City Administrator's Office is fully aware of the critical need to strengthen Oakland's internal systems and processes to deliver equitable and sustainable services for all. By enhancing these foundational structures, we aim to improve efficiency, transparency, and accountability across our departments, ensuring that resources are directed where they are most needed, especially as we navigate our financial limitations. This approach will empower us to respond more effectively to the evolving needs of our diverse community while fostering greater collaboration among City staff, community partners, and external stakeholders. I ask for your continued grace as we commit to transformation while remaining mindful of the everyday urgencies we all face.

We understand that fortifying our systems is vital for adapting to Oakland's growth and challenges. As your City Administrator, I am excited about the opportunity to address the current needs and collaboratively chart a path forward that aligns with our shared vision for Oakland.

Together, let us work toward our Strategic Plan priorities that reflect our unwavering commitment to serving every resident and maximizing our resources to build a thriving community for all.

Thank you for your continued support and engagement.

Jestin D. Johnson

Objectives

Strategic Planning Goal

To facilitate a thoughtful and responsive process for the development of a Strategic Plan that addresses Oakland’s resource & budget constraints, challenges & opportunities, ensuring short- and long-term plans for its workforce & residents.



Strategic Planning Design Team Workshop

Path to Recovery

The City of Oakland finds itself at a pivotal moment in time, where the challenges of a budget deficit must be met with thoughtful, strategic decision-making. In response to these pressing fiscal challenges, the City is committed to creating a framework that not only addresses immediate budget concerns but also sets a course for long-term growth, equity, and resilience.

Strategic Plan Overview

This Plan is designed to guide the City through the complex process of fiscal recovery while ensuring that core services and programs remain aligned with the aspirations of our community and workforce. The focus is on balancing the necessity of fiscal responsibility with the fundamental needs of Oakland residents, creating a path forward that is both responsive and inclusive.

Guiding Vision

As Oakland faces financial challenges, it is committed to fostering a thriving and equitable community. The City emphasizes transparency, accountability, and a compassionate approach to public needs. While making tough decisions, Oakland aims to balance immediate demands with future growth, prioritizing fiscal responsibility and economic development to build resilience and lasting equity for all residents.

As Oakland navigates through these turbulent financial times, this Strategic Plan will serve as a guiding document that harmonizes the need for fiscal discipline with the City’s broader goals for social, economic, and environmental sustainability. By centering the needs of residents, strengthening internal operations, and making bold, inclusive decisions, the City of Oakland will chart a course toward recovery and lasting prosperity—one that positions Oakland as a city that embraces the diversity and beauty of us all.

“
... Oakland aims to
balance immediate
demands with future
growth ...

”



Guided by Racial Equity

Vision and Definition of Equity

The City of Oakland's vision and strategic priorities are anchored in equity. In Oakland, the City defines equity as fairness. It means that identity—such as race, ethnicity, gender, age, disability, sexual orientation or expression—has no detrimental effect on the distribution of resources, opportunities and outcomes for our City's residents.

Role of the Department of Race & Equity

The role and advisement of the City of Oakland's Department of Race & Equity, which assists all City Departments and Divisions in promoting equity was integral in the development of Oakland's Strategic Plan.



Guiding Assumptions

The Department of Race & Equity operates under the following assumptions, adapted from the Annie E. Casey Race Matters Toolkit:

- Race matters: almost every indicator of well-being shows troubling disparities by race.
- Disparities are created and maintained, often inadvertently, through institutionalized policies and practices that contain barriers to opportunity.
- It's possible, and only possible, to close equity gaps by using strategies determined through an intentional focus on racial disparities and their root causes.
- If opportunities in all key areas of well-being are equitable, then equitable results will follow.
- Given the right message, analysis and tools, people will work toward racial equity.

Key Strategies & Support for Strategic Plan Implementation

The Department of Race & Equity will be needed in the implementation of the City of Oakland's Strategic Plan to ensure a focus on the root causes of racial inequities and using data-driven analysis, to center policies and interventions that target disparities directly using a multi-faceted approach, combining internal assessment, policy change, community engagement, and systemic reforms.

Developing a Collective Path

Strategic Plan Development Journey



Management-level Retreat

1.5-day retreat with Directors to build trust, encourage healthy conflict, foster commitment, and enhance citywide priorities.



Data & Document Review

A comprehensive review of 100+ data sources, including community findings, policies, budgets, and plans, to inform interviews and engagement activities.



Strategic Planning Design Team (SPDT) Application & Launch

A citywide survey selected 25 City of Oakland staff to serve as SPDT members, ensuring diverse representation based on identity, capacity, experience, collaboration, and public-facing roles.



Interviews & Focus Groups

Conducted one-on-one discussions with 15 Directors and focus groups to explore their visions for Oakland, core services, challenges, and collaboration needs.



City Data Gathering & Analysis

Interviews and research across 10 cities and counties identified best practices in strategic budgeting, crime prevention, economic development, and housing support.



SPDT Workshops

Three SPDT workshops aligned on citywide priorities, cost-saving and revenue opportunities, and co-designed an implementation plan aligned with the City's goals.



Strategic Plan

Deliver a comprehensive plan that addresses Oakland's resource & budget constraints, challenges & opportunities, ensuring short- and long-term plans for its workforce & residents.



Strategic Planning Design Team Workshop

Lessons from other Cities and Counties

To assist the City of Oakland in establishing strategic priorities for addressing key challenges faced by employees and residents, extensive research was conducted on strategies from California cities and counties (Richmond, Los Angeles County, and Los Angeles), cities in the Rockefeller Foundation’s 100 Resilient Cities cohort (Dallas, Pittsburgh, St. Louis, and Tulsa), and those working to address similar challenges (Detroit, Newark, and Athens).



Strategic Budgeting

- Enhance and Implement Debt Management & Capital Investment Strategies
- Enhance and Diversify Revenue Streams
- Establish Expenditure Controls, Strengthen Financial Oversight & Community Engagement

Crime Prevention

- Cultivate Community Partnerships and Cultural Humility in Crime Prevention
- Establish Data-Driven & Evidence-Based Crime Prevention Strategies
- Enhance Partnerships and Cross-Department Collaboration

**Please see the appendix for a detailed breakdown of the cities and counties researched.*



Economic Development

- Support Local Businesses and Infrastructure
- Attract and Retain Key Industries
- Build a Skilled Workforce and Foster Social Equity

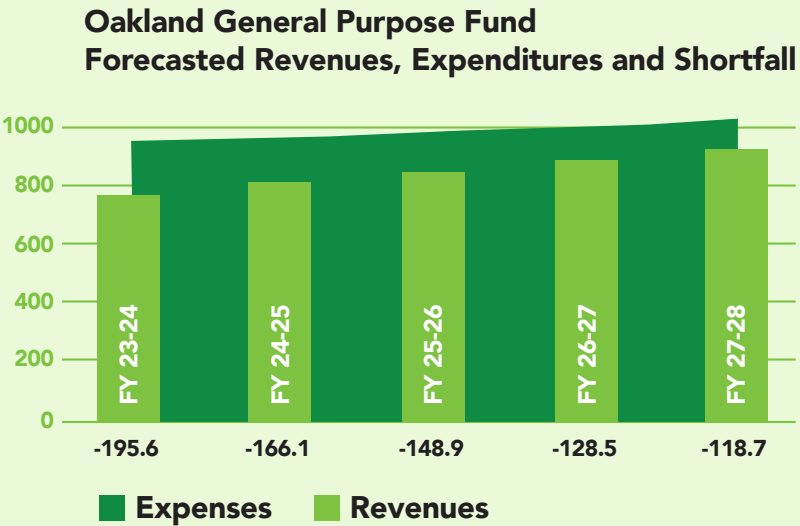
Housing & Homelessness Support

- Mobilize Emergency Housing & Encampment Relocation Efforts
- Accelerate Affordable Housing & Supportive Services
- Establish Neighborhood Revitalization & Place-Based Strategies Through a Racial Equity Lens

Oakland's Data Profile

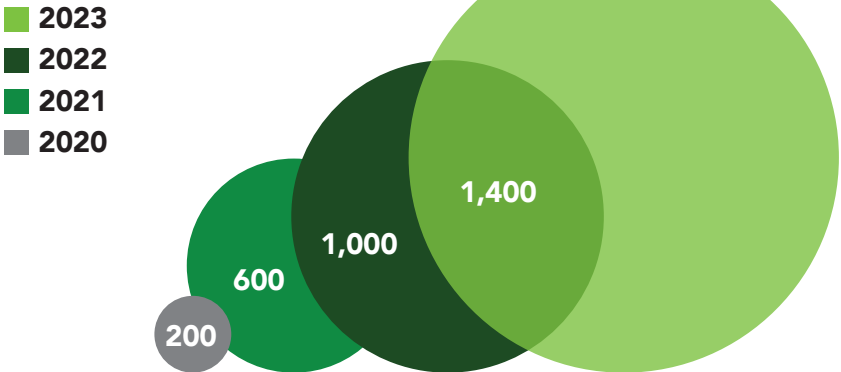
As of December 2024, the City of Oakland is facing a **\$129.8 million deficit** in its General Purpose Fund for the 2024 - 2025 fiscal year. As outlined in Figure 1, this shortfall was partially anticipated. Prior financial analysis projected the City to have had an approximately \$360 million shortfall over the next two fiscal years. This shortfall is largely a result of two factors: the loss of federal pandemic funding and a reduction in revenue generated from taxes, especially the real estate transfer tax.

In recent years, the City has faced numerous interconnected challenges, including rising homelessness encampments, growing retail vacancies, increasing felony juvenile arrests, which could indicate a higher likelihood of future crime and limited job opportunities, and persistent disparities in homeownership and wealth-building opportunities. The Strategic Plan will help address these issues by strengthening Oakland's internal systems, allowing the City to improve access to opportunities and better support its residents. Tracking key data indicators in these areas will be essential for measuring progress and guiding decision-making.



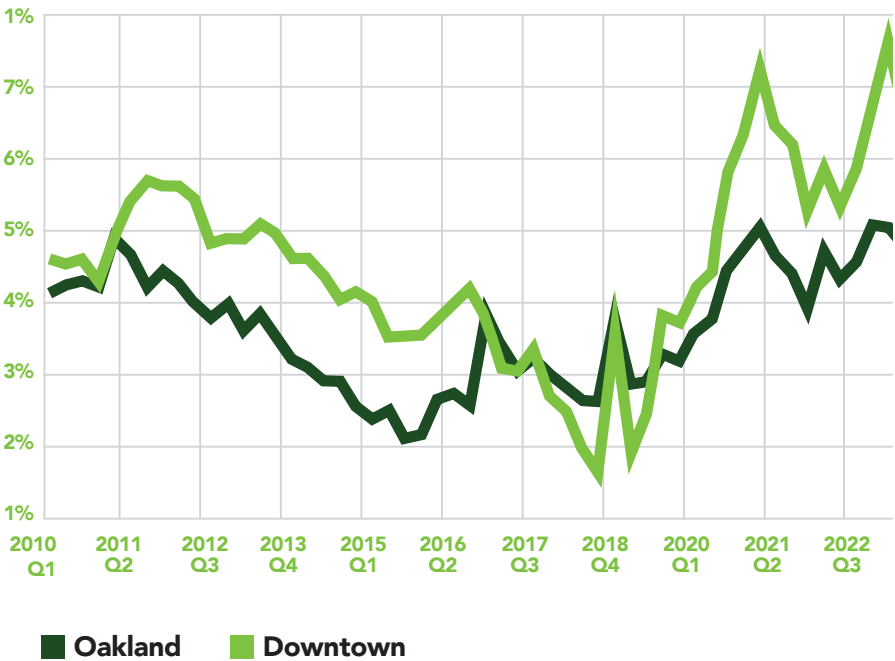
Source: City of Oakland 2024-2028 Financial Forecast

Growth of Reported Encampments



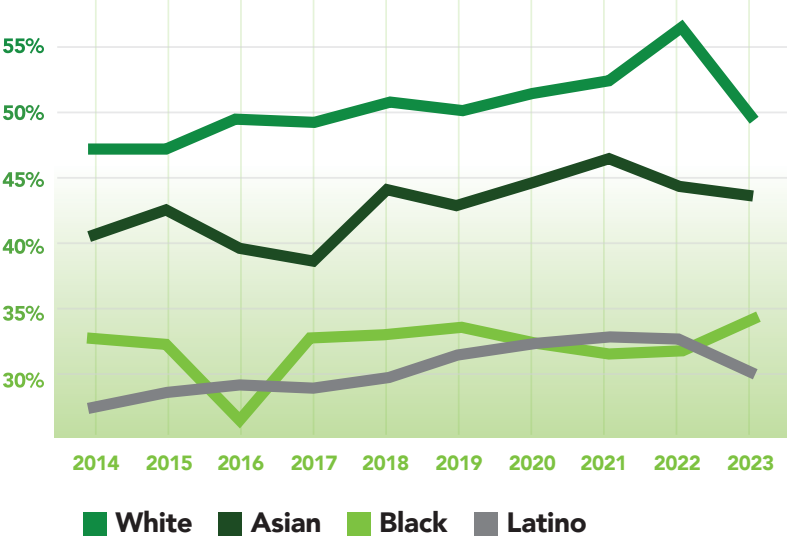
Source: Life Enrichment Committee Agenda Report. April 23, 2024

Retail Vacancies Rates (%)



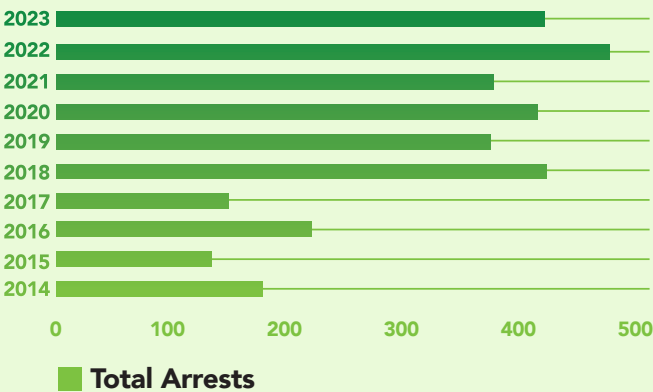
Source: EWD Commercial Property Dashboard, Costar Real Estate Data

Oakland Homeownership by Race/Ethnicity



Source: American Community Survey 1-Year Estimates

Felony Juvenile Arrests



Source: CRIMS (Alameda County)

Internal Engagement Findings

The City participated in a **comprehensive review process** involving data analysis, director-level interviews, and five focus groups with key stakeholders, revealing critical areas for improvement:



Strategic Planning Design Team Workshop

Aligning Strategic Planning with Budget Decisions

Engagements to align strategic planning objectives with budget priorities.

2024

- Need for **standardization** in policies & practices in citywide operations & policies.
- Importance of strategic cross-departmental **collaboration**.
- **Communication** gaps between the City council and executive team.
- Challenges due to **staffing including understaffing & inefficiencies** and overall **employee performance**.
- **Budget alignment** needed between department priorities and citywide goals.



Three-Year Strategic Priorities

Why is it important to focus on enhancing operations for a citywide Strategic Plan?

A key insight from the strategic planning process is the need for strong operations and consistent service delivery, even during challenging times.

As Deputy City Administrator Monica Davis states, “Our responsibility is not just to manage resources but to ensure every resident feels supported and heard,” shaping the development of an evaluation framework to assess Oakland’s ability to maintain quality services amid budget constraints, offering transparency and compassion while navigating fiscal and operational challenges.

1

Streamline Operations

Streamline and standardize citywide processes—policies, finance integration, communication, onboarding, procurement, payroll, and hiring—to enhance efficiency, transparency, and collaboration.

2

Foster Cross-Department Collaboration

Formalize cross-department collaboration through regular meetings, joint planning, and centralized project management.

3

Enhance Communication & Coordination

Enhance citywide communication to improve transparency, decision-making, and staff engagement.

4

Optimize Workforce Management

Enhance employee performance, HR coordination, and communication on equity goals through improved resources and intranet transparency.

5

Align Budget with Citywide Priorities

Leverage citywide evaluation criteria and aligned priorities to integrate into departmental work plans and streamline the budget process.

Deputy City Administrator, Monica Davis





Strategic Priority

1

Streamline Operations

- ✓ Simplify Procurement & Contracting Processes
- ✓ Centralize Payroll Policies and Practices
- ✓ Strengthen Hiring Practice Transparency
- ✓ Standardize Onboarding Experience
- ✓ Develop a Citywide Accessible Policy Archive
- ✓ Integrate Finance and Budget Process Updates into Performance Management Framework
- ✓ Enhance Communication between Finance and Other Departments

A group of Black women are dancing in a line on a city street. They are wearing black leather outfits, including jackets, skirts, and boots. The background is a historic building with large arched windows and stone masonry. The women are in various dynamic poses, suggesting a performance or protest dance.

Strategic Priority

2

Foster Cross-Department Collaboration

- ✓ Coordinate City Housing Strategic Plans
- ✓ Build a Holistic Approach to Public Safety
- ✓ Continue to Maximize Community Engagement Outreach & Data Working Groups
- ✓ Engage Middle Management in Decision Making Processes
- ✓ Strengthen Governance and Coordination for Economic and Workforce Development

A woman in traditional Native American regalia, featuring a large, elaborate feathered headdress with blue, orange, and black feathers. She is smiling and looking down at a book or document she is holding. The background is blurred, suggesting an outdoor event.

Strategic Priority

3

Enhance Communication & Coordination

- ✓ Strengthen Internal Citywide Communication Practices
- ✓ Streamline Communication Channels between CAO and City Council
- ✓ Enhance Decision Transparency and Staff Engagement

Strategic Priority

4

Optimize Workforce Management

- ✓ Strengthen Employee Performance and HR Coordination
- ✓ Increase Communication and Resources related to Equity Indicators Report and Goals
- ✓ Optimize Intranet for Enhanced Communication and Transparency

Strategic Priority

5

Align Budget with Citywide Priorities

- ✓ Launch Evaluation Criteria Citywide in Preparation for Budget Process
- ✓ Establish Aligned Priorities for Integration into Departmental Work Plans

A Three-Year Vision For Sustainable Growth and Resilient Services

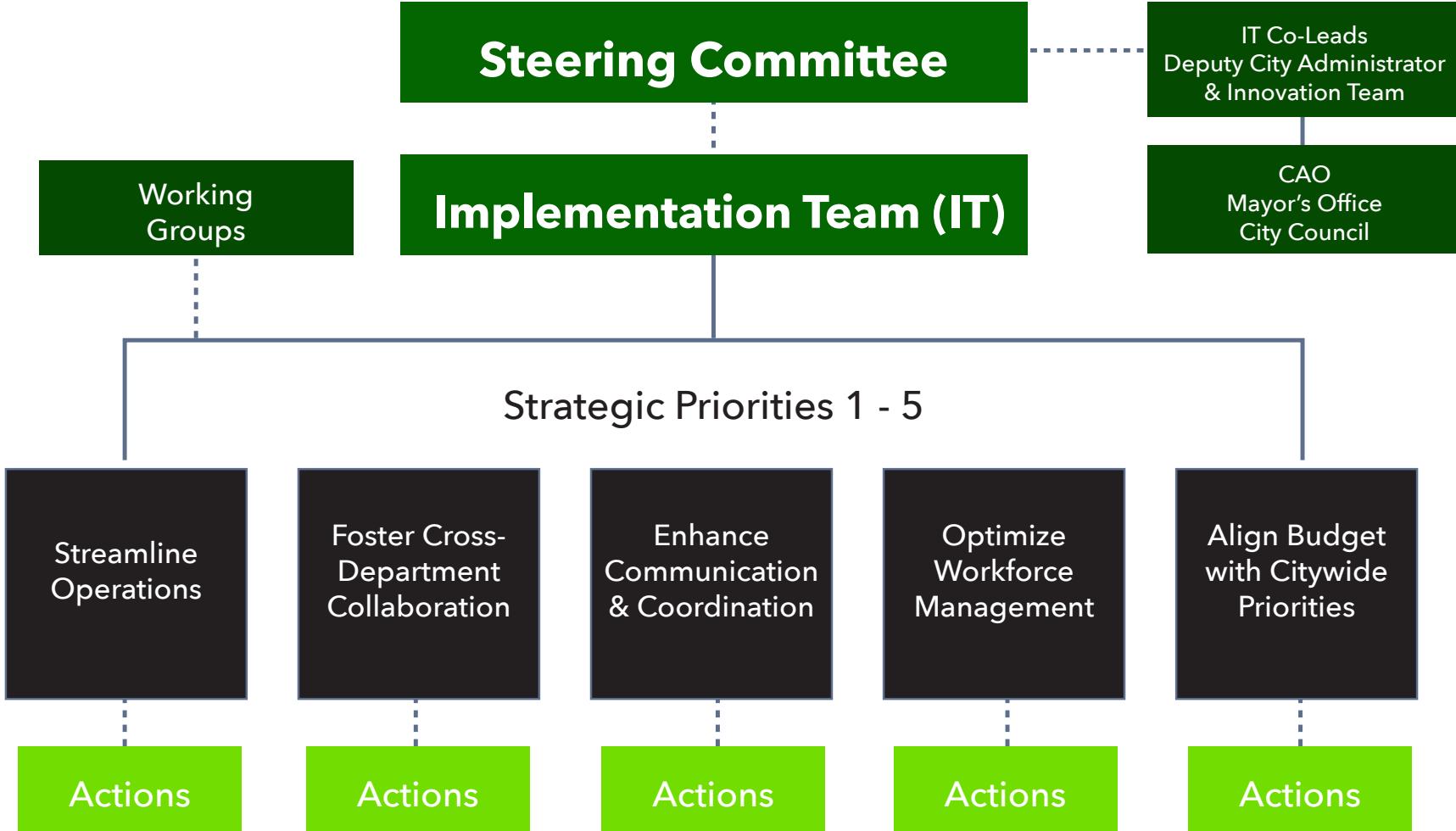




Implementation Structure

City of Oakland Strategic Plan

Proposed Implementation Structure



Implementation Team

Expectations & Responsibilities

City Administrator	Steering Committee	Implementation Team Co-leads	Implementation Team
<ul style="list-style-type: none"> Convenes all leadership bodies in support of implementation Advises the Steering Committee 	<ul style="list-style-type: none"> Develops implementation recommendations Provides strategic thinking Lends thought leadership Rotates each year - Year One, Two, and Three Actions Should represent each Evaluation Criteria category 	<ul style="list-style-type: none"> Lead the IT to accomplish its charge Manage all communication updates Coordinate between CAO, Steering Committee, and Implementation Team 	<ul style="list-style-type: none"> Joins a working group to drive Actions Meets monthly to drive Year One Actions Facilitates communication back to various internal committees Designates one person to attend meetings in their place in the event of their unavailability Supports messaging needed for press and media



Implementation Roadmap: Year One through Three



2025

- Implementation Team Recommended
- Strategic Plan Published
- Begin planning for Year One Actions

2026

- Provide biannual updates to staff for transparency and engagement

2026

- Conduct assessment of Action Items & adjust as needed
- Report on progress to measure progress and improvement areas

2027-2028

- Make short-term adjustments and establish long-term capacity by aligning departmental cycles and enhancing staff skills within budget constraints

Appendix

Appendix

Action Items

- Strategic Priorities
- Actions
- Lead Department

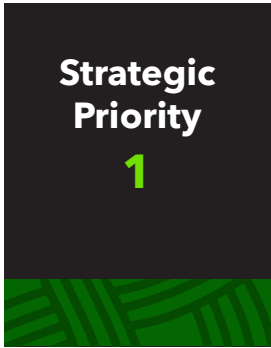
Evaluation Criteria

Lessons from Other Cities and Counties

- Strategic Budgeting
- Crime Prevention
- Economic Development
- Housing and Homelessness Support

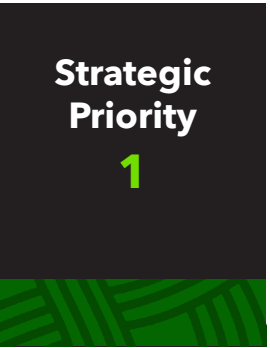
Strategic Priority Action Items

STRATEGIC PRIORITIES, ACTIONS, LEAD DEPARTMENT STREAMLINE OPERATIONS 1 of 2



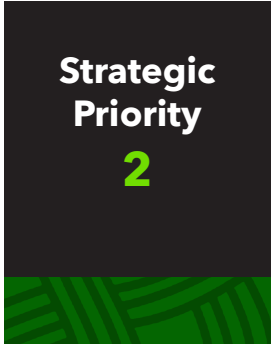
Strategic Priority (Action)	Actions (Task/Details/Process)	Year 1	Year 2	Year 3	Lead Department
Simplify Procurement & Contracting Processes	Create process, timeline, and begin to implement Priority 1 recommendations from Baker Tilly report. Evaluate and improve efficiency on the contracting process and payment schedule & timeliness.	X	X		Finance
Centralize Payroll Policies and Practices	Streamline and enhance payroll processing and systems. Create citywide policies and standardized practices with consideration for department policies and structure (e.g., overtime policies).	X	X		Finance
Strengthen Hiring Practice Transparency	Continue to regularly meet with departments to review their hiring priorities and provide timelines to achieve filling their vacancies. Human Resources to promote and encourage departments to consistently utilize and reconcile the monthly Position Control Report to provide a transparent view of all vacant and frozen positions, across all levels of City departments. Develop resources to communicate available career pathways to enable employees to explore promotional opportunities across departments.	X	X	X	Human Resources Management
Standardize Onboarding	Administer and review New Hire Experience Survey and use survey feedback to ensure the Citywide New Employee Orientation provides new employees with required and useful information. New Hire Experience Survey will be re-implemented in January 2025 after NEO and feedback will be shared with the Recruitment & Classification Division and HR SPOCS on a quarterly basis. Each City department will consult with Human Resources Management to formalize, expand, and promote its departmental onboarding program. Standardization of the onboarding process will improve the new employee experience, focusing on staff-identified priorities, including the employee's role in achieving the department's mission, workload management, and training on the use of resources and tools to perform their duties. HRM will leverage the automation and technology of NEOGOV Onboard to create consistent processes and workflows for employees and departmental partners.	X	X	X	Human Resources Management

STRATEGIC PRIORITIES, ACTIONS, LEAD DEPARTMENT STREAMLINE OPERATIONS 2 of 2



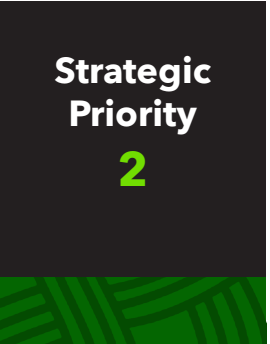
Strategic Priority (Action)	Actions (Task/Details/Process)	Year 1	Year 2	Year 3	Lead Department
Develop a Citywide Accessible Policy Archive	Create a well-organized filing system of policies and procedures with access for all City staff with sub-folders for each department.			X	City Administrator's Office
Integrate Finance and Budget Process Updates into Performance Management Framework	Align finance and budget process updates with the City's performance management framework, guided by the CAO. Continue to embed KPIs to track budget goals and build a public-facing portal for transparency, allowing residents to monitor progress and enhance accountability across departments.		X	X	City Administrator's Office
Enhance Communication between Finance and Other departments	Building upon the already established fiscal managers' budget update process, create an enhanced budget process communications strategy that includes standard practices for disseminating information from Directors to staff, regular staff wide town halls, and regular updates on budget status at Agency Directors meetings.		X	X	Finance

STRATEGIC PRIORITIES, ACTIONS, LEAD DEPARTMENT
FOSTER CROSS-DEPARTMENTAL COLLABORATION 1 of 3

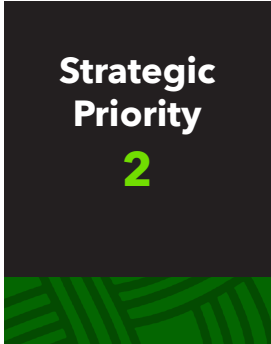


Strategic Priority (Action)	Actions (Task/Details/Process)	Year 1	Year 2	Year 3	Lead Department
Coordinate City Housing Strategic Plans	Establish a coordination strategy among departments managing the City's housing plans—capital-focused, anti-displacement, and homelessness—to align goals.	X			City Administrator's Office
	Schedule regular cross-departmental check-ins with key stakeholders and divisions to streamline communication and coordination, track initiatives, set joint decision-making protocols, prioritize county engagement, and integrate homelessness support actions into the broader housing strategy.				
	Actualize existing capital affordable housing strategic plan developed by Housing & Community Development Department Administer remaining Measure U dollars via NOFA programs (new construction, preservation, etc.).				
	Establish HCD annual reporting on affordable housing development progress to City Council to accompany the Annual Progress Report (APR).				
	Create formalized stakeholder feedback loops to inform future implementation efforts.				
	Engage Alameda County on methods to increase funding sources for capital, operating, and services dollars.				
	Continue to pursue advocacy at the State to leverage local resources and increase funding for pipeline projects.				

STRATEGIC PRIORITIES, ACTIONS, LEAD DEPARTMENT
FOSTER CROSS-DEPARTMENTAL COLLABORATION 2 of 3

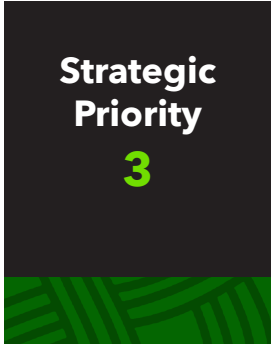


Strategic Priority (Action)	Actions (Task/Details/Process)	Year 1	Year 2	Year 3	Lead Department
Build a Holistic Approach to Public Safety Including emergency preparedness	Establish structured, regular joint meetings between Police, Fire, Department of Violence Prevention, Finance, and CAO to foster open communication and address support and resource allocation.	X			City Administrator's Office
	Create a shared action plan that outlines mutual responsibilities during emergencies, with clear expectations on how police can better support fire operations.				
	Implement cross-training opportunities to enhance understanding of each department’s roles and challenges.				
Continue to Leverage & Maximize Community Engagement Outreach & Data Working Groups	Create a cross-departmental team of Community Engagement & Digital Communications Leads to coordinate each department's engagement efforts, ensuring a unified voice in digital platforms, public engagements, and overall messaging.	X			City Administrator's Office
Engage Middle Management in Decision Making Processes	Engaging middle management in decision-making fosters a collaborative, transparent environment where leaders feel valued and connected to organizational goals. As the closest link to frontline staff, middle managers bring insights into daily operations and employee morale that inform practical, effective strategies. Use town halls or quarterly listening sessions to share context and establish feedback loops with middle managers.	X			City Administrator's Office



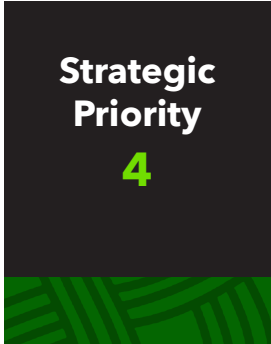
STRATEGIC PRIORITIES, ACTIONS, LEAD DEPARTMENT
FOSTER CROSS-DEPARTMENTAL COLLABORATION 3 of 3

Strategic Priority (Action)	Actions (Task/Details/Process)	Year 1	Year 2	Year 3	Lead Department
Strengthen Governance and Coordination for Economic and Workforce Development	Integrate workforce development strategies into all development plans.	X			City Administrator's Office
	Refine the governance structure for the existing development meetings to include establishing cadence, renaming these meetings to “Development Coordination” meetings, extending invitations beyond Housing & Community Development, Planning & Building, Economic and Workforce Development to also include the Communications representatives from CAO, Transportation, Human Resources, Procurement, and Finance.				
	Enhance existing shared tracking system to monitor key project progress.				
	<ul style="list-style-type: none">Consider replicating the Department of Transportation’s tracking tool to enhance efficiency, improve service delivery, and ensure alignment with citywide goals and strategic priorities.				



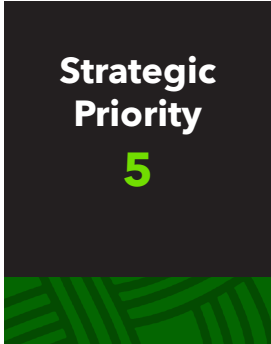
STRATEGIC PRIORITIES, ACTIONS, LEAD DEPARTMENT
ENHANCE COMMUNICATION AND COORDINATION

Strategic Priority (Action)	Actions (Task/Details/Process)	Year 1	Year 2	Year 3	Lead Department
Strengthen Internal Citywide Communication Practices	Evaluate and update policies and practices for enhancing citywide communications. Based on findings from this evaluation, implement needed improvements. These improvements could include but are not limited to: using the Intranet as a centralized communication platform, monthly interdepartmental newsletters, standardized communication templates, regular communication training, quarterly all-hands meetings, internal feedback channels, department liaisons for communications, weekly update emails on key projects and policies, and emergency communication protocol.	X			City Administrator's Office
Streamline Communication Channels between CAO and City Council	Implement an internal communication framework that ensures timely updates from City Council and the City Administrator's office are shared across all levels of staff. This can include regular bulletins, a dedicated internal newsletter, or town hall meetings to keep staff informed about major initiatives and goals.		X		City Administrator's Office
Enhancing Decision Transparency and Staff Engagement	CAO to identify potential policies and practices for sharing the impact and purpose of decisions/decision making. These could include decision rational reports, regular decision making updates, developing case studies that outline specific decisions, post-implementation reviews, and annual decision-making process training that includes the review of Evaluation Criteria. Establish a system for gathering staff input on challenges and successes in aligning with city priorities. This will include surveys, feedback sessions, and open forums to ensure a continuous loop of communication and improvement.			X	City Administrator's Office



STRATEGIC PRIORITIES, ACTIONS, LEAD DEPARTMENT
OPTIMIZE WORKFORCE MANAGEMENT

Strategic Priority (Action)	Actions (Task/Details/Process)	Year 1	Year 2	Year 3	Lead Department
Strengthening Employee Performance and HR Coordination	Department managers will collaborate to streamline workload management and training resources, aligned with budget impacts, to effectively support staff performance. Evaluate and enhance roles and responsibilities of Single Points of Contact (SPOCs) to improve coordination and support across departments. This approach promotes shared responsibility and reinforces HR's capacity to meet employee needs effectively.		X		City Administrator's Office
Increase Communication and Resources related to Equity Indicators and Goals	Promote the refreshed Equity Indicators Report citywide to enhance individual staff understanding, department-level roles, and citywide impact. Develop coordinated cross-departmental mechanism to align department-level activities/efforts to internal equity goals.			X	City Administrator's Office
Optimize Intranet for Enhanced Communication and Transparency	Optimize the centralized intranet for improved information sharing and transparency across departments. Communications CAO representatives to establish Department page templates. Each department manages and updates its page, supported by a citywide website update in the upcoming fiscal year for easy access to basic information for staff and constituents. Implement staff training on accessing and providing feedback on employee resources through the intranet.			X	City Administrator's Office



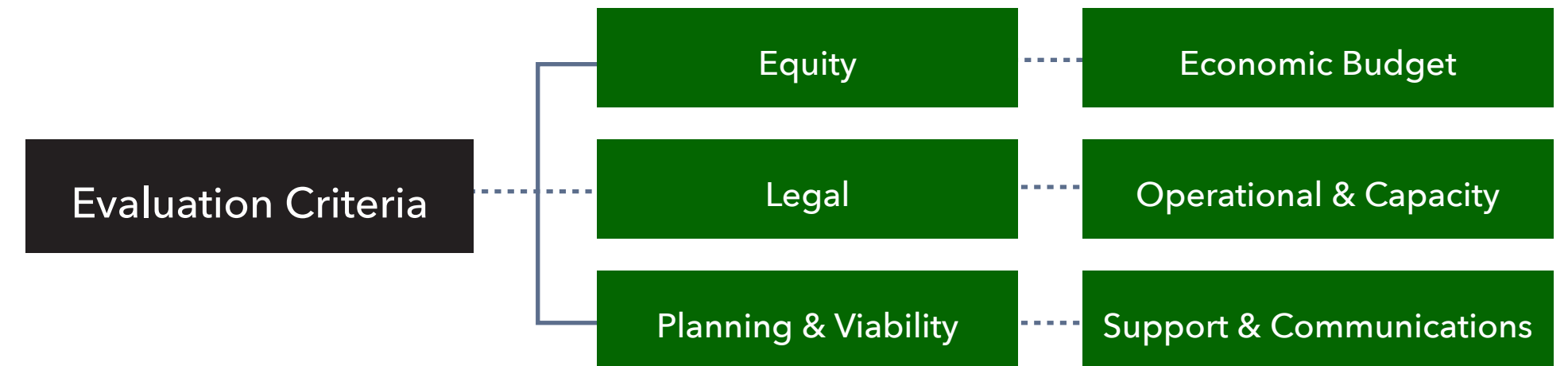
STRATEGIC PRIORITIES, ACTIONS, LEAD DEPARTMENT
ALIGN BUDGET WITH CITYWIDE PRIORITIES

Strategic Priority (Action)	Actions (Task/Details/Process)	Year 1	Year 2	Year 3	Lead Department
Launch Evaluation Criteria Citywide in Preparation for Budget Process	Implement a department-level strategy for using the Strategic Plan-developed evaluation criteria to review project and service recommendations, ensuring decisions align with budget realities while balancing racial equity in prioritization and resource allocation.		X		Finance
Establish Aligned Priorities for Integration into Departmental Work Plans	Establish a priority alignment process among the Mayor's Office, City Council, City Administrator's Office, and key leadership to set unified priorities that reflect budget realities. Ensure these priorities are consistently integrated into departmental work plans and resource allocations, providing clear directives and measurable outputs that enhance accountability and coherence across city initiatives.			X	City Administrator's Office

Evaluation Criteria

Lead with Equity while Centering Budget Considerations

The Evaluation Criteria Framework, created by the Strategic Planning Design Team (SPDT), aims to meet Oakland's immediate and long-term needs by providing a structured method to evaluate services, projects, and programs for operational excellence.



Strategic Planning Design Team Process to Evaluate Services & Projects

Strategic Planning
Design Team Workshop



Equity

Legal, Planning, & Viability

Economic Budget

Operational & Capacity

Support & Communications

Does this service/project advance the equitable distribution of resources, opportunities, & outcomes for residents/City of Oakland employees?

Does this service/project have a negative impact on the distribution of resources, opportunities, & outcomes for residents/City of Oakland employees?

Are there measures in place to ensure that benefits are distributed equitably among all residents/City of Oakland employees?

Is this a legal mandate & does this service/project support the majority of the following: Mayor's, City Council, CAO, and Internal Engagement Findings?

Is there available data/analytics that support the need/viability of this service/project?

Is there a defined outcome for the service/project that can be objectively measured (SMARTIE* Goals)?

Are we balancing proactive vs. reactive strategies and solutions?

Are there resources/funding to ensure the service/project are implemented?

Are the potential sources of funding sustainable?

Does this service/project enhance cost-savings for the City?

Does this service/project stimulate local economic development or create jobs?

Do we currently have qualified staff and resources to implement and/or are we positioned to hire/create capacity immediately?

Is there a project manager?

Are there adverse consequences of delaying or not continuing these services/projects?

Can this service/project be integrated into existing workflows without disrupting current services?

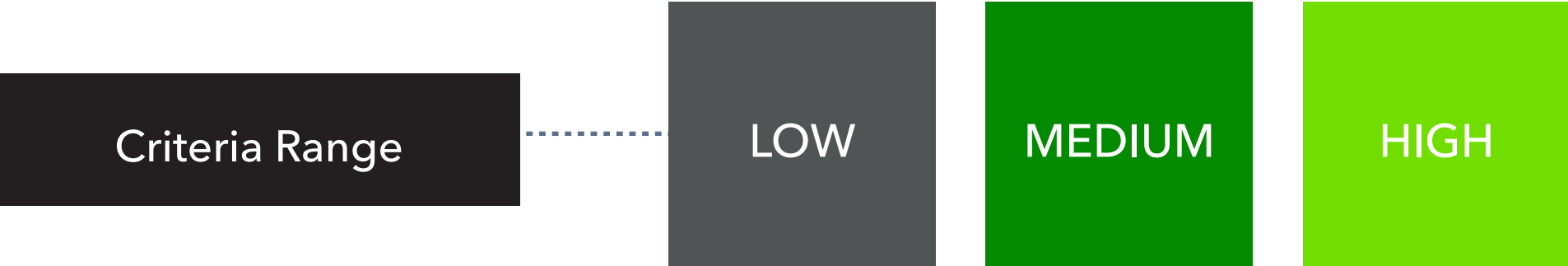
Is there a developed communication strategy for this service/project (public, internal, other)?

Are we engaging the appropriate stakeholders & resources across the City to effectively implement this service/project?

Is there strong public support for this services/project?

*Strategic, Measurable, Ambitious, Realistic, Time-bound, Inclusive, and Equitable *SMARTIE <https://www.managementcenter.org/resources/smartie-goals-worksheet/>

Evaluation Priority Score Range



Evaluation Criteria Scale

Evaluation Criteria	LOW = 0	MEDIUM = 5	HIGH = 10
Equity	Negative impact on the distribution of resources, opportunities, & outcomes	Advances the equitable distribution of resources, opportunities, & outcomes	Advances the equitable distribution of resources, opportunities, & outcomes AND measures are in place to ensure that benefits are distributed equitably
Legal Requirements	Is not a current legal mandate	Is a legal mandate that no longer serves the intended purpose and can be modified	Is a legal mandate
Planning / Viability	Little to no data to support SMARTIE goals, no need for urgent response & little to no support for top citywide priorities	Adequate data to support SMARTIE goals, some urgency for implementation & some support for top citywide priorities	Data and mechanism in place to support SMARTIE goals, urgency for implementation & support most of the top citywide priorities
Economic / Budget	No funding / resources available or does not enhance cost-savings	Potential funding / resources available or does enhance cost-savings	Funding / resources available and/or enhance cost-savings and stimulate local economy
Operational / Capacity	In the conceptual, feasibility, and planning phase	Following conceptual & feasibility phase, determines no adverse impact to service provision	No adverse impact to service provision and qualified staff are prepared to lead and implement service / project
Support / Communications	No identified stakeholders & resources, and/or no communications strategies established	Adequate identified stakeholders & resources, and communications strategies in development	Identified and confirmed stakeholders & resources, and communications strategies established



Lessons Learned From Other Cities and Counties

To assist the City of Oakland in establishing strategic priorities for addressing key challenges faced by employees and residents, extensive research was conducted on strategies from California cities and counties (Richmond, Los Angeles County, and Los Angeles), cities in the Rockefeller Foundation’s 100 Resilient Cities cohort (Dallas, Pittsburgh, St. Louis, and Tulsa), and those working to address similar challenges (Detroit, Newark, and Athens-Clarke County).

Athens-Clarke County
Dallas
Detroit
Los Angeles

Los Angeles County
Newark
Pittsburgh

Richmond
St. Louis
Tulsa

Lessons Learned From Other Cities and Counties: Strategic Budgeting

Revenue Enhancement

- Cities like Detroit and Athens-Clarke County focused on improving tax assessments, exploring new fees, and diversifying revenue streams.
- This emphasis on expanding income sources ensures greater financial resilience and stability.

Debt Management

- Detroit’s 2013 bankruptcy led to comprehensive debt restructuring and pension reforms.
- Richmond implemented early retirement incentives during a severe deficit in the early 2000s. By offering service credits and fully paid medical benefits, Richmond reduced its workforce and balanced its budget despite upfront costs and hiring restrictions.

Expenditure Controls and Community Engagement

- Effective cost control measures, such as Detroit’s streamlined operations and Athens-Clarke County’s performance-based budgeting, were crucial.
- Cities also prioritized transparency and community engagement, fostering public trust and support for budgetary decisions.

Lessons Learned From Other Cities and Counties: Crime Prevention Strategies

Community Partnerships

Cities like Richmond, Detroit, and St. Louis have successfully engaged local organizations and residents in crime prevention.

- Richmond’s Office of Neighborhood Safety collaborates with community groups to provide targeted support for at-risk individuals.
- Detroit’s One Detroit Initiative combines law enforcement with community-based solutions, focusing on reentry programs and violence intervention efforts.
- In St. Louis, the Community Violence Intervention (CVI) Strategy offers crisis response, employment assistance, harm reduction, and reentry support, creating a comprehensive violence reduction framework that complements law enforcement.

Cultural Humility

Embracing cultural humility is essential for equitable and effective crime prevention.

- Richmond’s police department emphasizes ongoing cultural humility training and outreach to build stronger relationships with the community.
- St. Louis integrates equity into its violence reduction strategies, ensuring services are culturally relevant and shaped by community input.

Data-Driven Strategies

Cities are adopting data-driven approaches to allocate resources effectively.

- Newark uses CompStat to analyze crime data, while Dallas employs hot spot policing.
- Richmond utilizes the Peregrine system and Flock cameras for targeted interventions.
- These strategies have contributed to significant crime reductions, such as St. Louis’s 21% decrease in homicides in 2023.

Cross-Department Collaboration

Holistic crime prevention involves partnerships across public health, academic, and city departments.

- Pittsburgh partners with the Allegheny County Health Department to tackle violence from a public health perspective.
- Detroit and Richmond implement Crime Prevention Through Environmental Design, involving police, city planners, and community organizations to improve public spaces and reduce crime.

Lessons Learned From Other Cities and Counties: Economic Development Strategies

Local Business

- Cities like Detroit and Newark are implementing programs to assist small businesses through grants, technical assistance, and procurement education.
- These initiatives aim to foster local entrepreneurship and economic resilience, especially in the wake of the pandemic.

Infrastructure Investment

- Infrastructure improvement is crucial for long-term growth.
- Newark’s broadband initiative and Dallas’s neighborhood revitalization projects exemplify how cities are enhancing digital connectivity and physical spaces to attract investment and improve quality of life.

High-Growth Industries

- Cities are focusing on high-growth sectors to drive innovation and job creation.
- Detroit targets digital and creative industries, while Athens-Clarke County focuses on advanced manufacturing and biotechnology. This targeted approach helps position cities as hubs for specific industries.

Lessons Learned From Other Cities and Counties:

Housing And Homelessness Support

Emergency Housing and Encampment Relocation

- Cities like Los Angeles are implementing emergency measures to address homelessness.
- In LA, initiatives such as “Inside Safe” and Pathway Home focus on relocating individuals from encampments to safer housing while providing comprehensive supportive services.
- Los Angeles County’s emergency declaration has accelerated efforts, relocating nearly 38,000 people to interim housing and preventing homelessness for over 11,000 individuals.

Affordable Housing and Supportive Services

- Cities are expanding affordable housing and pairing it with robust supportive services.
- The Los Angeles Homeless Services Authority (LAHSA) has played a crucial role in reducing street homelessness by 10% in one year.
- Los Angeles County’s 2024-25 spending plan allocates \$311.5 million to permanent housing and supportive services.
- Newark and Tulsa have prioritized mixed-income and affordable housing developments through initiatives like Black Wall Street Square and Newark’s Inclusionary Zoning Ordinance.

Neighborhood Revitalization with Racial Equity Focus

- Cities are revitalizing neighborhoods to create safe, affordable housing and stimulate local economies.
- Los Angeles integrates racial equity into their housing policies, addressing disparities that disproportionately affect communities of color.
- Newark and Tulsa emphasize place-based strategies that include infrastructure investments and community empowerment efforts, improving living conditions and creating economic opportunities.



Acknowledgements

The City of Oakland Strategic Plan is a collaborative effort that involves contributions from City Employees and findings from recent community engagement outreach. It reflects the importance of collective input in shaping the City's future. We want to call out a few of the most visible supporters and acknowledge the many people who worked behind the scenes towards the creation of this Plan.

Mayor's Office

City Council Members

City Administrator's
Office

City Agency Directors

Strategic Plan Design
Team Members

Focus Group Participants

Carina Lieu, Community
Engagement Officer

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Bradley Johnson,
Department of Finance

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Facilitator & Consultant

Inspiring Executive
Strategies LLC

BridgeGroup LLC

Josh Egel Photography



Strategic Planning Design Team

Thank You



OAKLAND FORWARD:
Building Resilience

City of Oakland Strategic Plan 2025-2028

May 9, 2025

To: Budget Advisory Commission

Subject: Facts About Oakland Seniors and Impacts of Senior Programming

Dear Commissioners,

On behalf of the thousands of older Oaklanders who we serve, we are grateful that Oakland's Interim-Mayor Jenkins has recognized the importance of supporting Oakland's older adult population in the 2025-2027 Revised Budget Proposal released on May 5, 2025.

We understand that coverage for these services and programs will be scrutinized further. The Mayor's Commission on Aging are taking this opportunity to enlighten and educate our City's leaders about Oakland's seniors and the critical nature of the support services the City provides its elder citizens. In addition, we feel the vacancy of the Human Services Director undermines the Administration's and the Council's ability to fully understand the operational requirements, value and impact of the city's services and contracted programs.

The programs provided through the City's Aging Services division, senior centers, and contracts with community-based organizations are critical to keeping Oakland's most vulnerable seniors from becoming homeless.

1. Oakland is home to over 60,000 people age 65 or older.
2. 37% of them live below 200% federal poverty level (currently \$15,650/year).
3. Over 12,000 older Oaklanders are nutrition insecure.
4. Already 19% of Oakland's homeless individuals are over the age of 60.

SENIOR CENTERS

Senior Centers are community hubs that efficiently provide multiple services that keep vulnerable older adults stable and prevent health crises, homelessness, and costly emergency response. 5,000 seniors rely on Oakland senior centers for connection to services and community engagement. Hundreds of seniors receive meals. Over 640 seniors receive free grocery bags twice a month. Senior centers perform wellness checks on their members who are no-shows.

Seniors account for over 44 percent of call outs by emergency responders in Oakland. Without the community supports that Senior Centers provide, the number of callouts

will increase,¹ compounding the out-of-control overtime expenditures challenging Oakland Fire and Police departments.

Senior Centers are key to delivering on service contracts that bring in significant federal, state and county funding. For instance, Downtown Oakland Senior Center houses the kitchen facilities for Oakland Head Start, filling a requirement that enables the City to receive federal funding to run the Head Start program. In addition, the City's contract with Alameda County to provide in-person Information & Assistance services to older Oaklanders, a priority service for seniors, is premised on the City's Senior Centers being open to the public. Closing centers will mean losing that revenue.

The City is not staffed to provide services to Oakland's monolingual seniors and thus contracts with Family Bridges and Unity Council. It is unfathomable to us that Oakland would ignore its Hispanic and Asian seniors.

- Family Bridges runs Oakland's Hong Lok Senior Center, which serves over 500 API elders who are low-income, monolingual and socially isolated and who rely on this hub to maintain their capacity to live independently.
- Unity Council operates the Fruitvale/San Antonio Senior Center, which serves almost 900 low-income Spanish-speaking seniors, providing meals, food and supportive services.

INFORMATION & ASSISTANCE

24/7 multi-language information and assistance to address crises and get connected to services and benefits is a crucial tool for maintaining the health and safety of thousands of older Oaklanders. As of last December 2024, contractor Eden I&R had responded to over 7,600 calls from older Oaklanders needing help in the preceding 16 month period.

Preliminary results from MCOA's Strategic Plan Needs Assessment in-person listening sessions indicate that in-person assistance to navigate access to information assistance is a high priority need for Oakland seniors (see separate report attached).

¹ Data supplied by Alameda County EMS: From July 1st, 2023, through June 30th, 2024, there were 46,729 Oakland incidents with a response from a transporting agency where age was captured in the report. Patients >= 60 years old: 20,744 (44.4%). Patients >= 65 years old: 16,506 (35.3%)

FOOD & NUTRITION

Almost 2 out of 5 older Oaklanders are economically insecure.² Nearly 40% are food insecure.³ The California Department of Public Health reports that mortality in California older adults from malnutrition is sharply on the rise.

Thousands of vulnerable Oakland seniors rely on senior center meals programs and food pantries in order to eat:

- **SOS Meals On Wheels** delivers nutritious meals to over 1,400 older Oaklanders who are homebound and unable to shop for food or cook meals.
- **Mercy Brown Bag** provides bags of nutritious groceries to over 6,000 low-income older Oaklanders twice a month, helping them make ends meet. 94% of Mercy fresh food recipients are people of color.
- **Spectrum** serves low-cost, hot congregate meals to Oakland seniors at senior centers.

We urge you to take steps to clearly and explicitly prevent the City Administrator from ever closing the senior centers and other senior services that are essential for the health and safety of Oakland's older residents:

1. Unfreeze and rehire a Director for Human Services.
2. Work tirelessly with Division staff to ensure that senior centers remain open and are adequately staffed to serve the needs of their communities.
3. Protect funding for Family Bridges to run the Hong Lok Senior Center to serve over 500 low-income, monolingual API elders.
4. Protect funding for Unity Council to run the senior center at Fruitvale for Hispanic seniors.
5. Protect funding for Eden I&R to provide a multi-lingual information and assistance line so that thousands of older Oaklanders will have help when they need it, 24/7.
6. Protect funding for Food and Nutrition programs.

Older adults have spent our lives working, raising children, learning, fighting for justice, and contributing to society in a million other ways. We pay taxes. We vote in greater numbers than any other age group because we care for this city and the world around us. We are an integral

² 37% of Oaklanders aged 65 and older live below 200% of Federal Poverty Level, less than the Fair Market Rent for a one-bedroom apartment. HealthyAlameda.org, 2022 US Census data.

³ UCLA Center for Health Policy Advocacy, Community Health Survey, 2019

part of the fabric of Oakland, and we deserve to have our needs addressed. Yet, year after year, these critical services are vulnerable to budget cuts, putting the lives of thousands of Oakland seniors at risk. We urge you to secure and protect the funding for Oakland's senior centers and services. We welcome the opportunity to meet you and work together to ensure the safety and well-being of Oakland older adults. Thank you.

Sincerely,

Lenore McDonald Gunst, Commissioner
Mayor's Commission on Aging

Oakland Restricted Funds Analysis

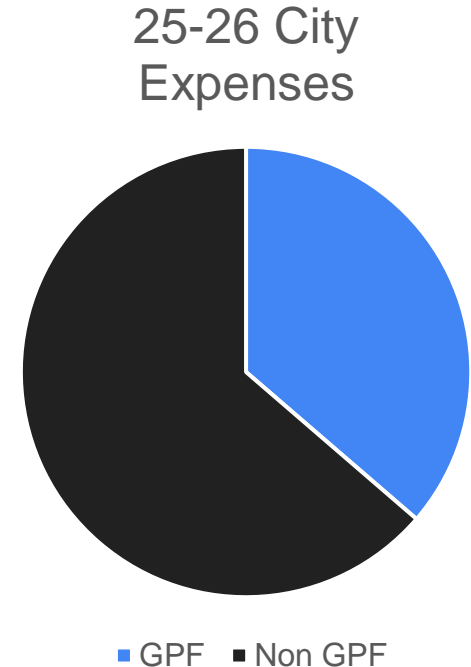
Oakland, CA | May 7, 2025

Mike Forbes, BAC Vice Chair



Background: Restricted Funds and Why They Matter

- Restricted funds = 129 funds that have ‘strings attached’. Examples include:
 - State and federal funding
 - Voter approved measures
 - Reserve / pension funds
- Most spending is ‘restricted’ - GPF is only 36% of expenditures
- Declaration of fiscal emergency gives the city more latitude to dip into restricted funds
- The City’s core reserve funds are dipped from ~\$140MM in 2022 to ~\$20MM in 2024



Checkin: 24-25 GPF Expenses Do Not Match Revenues

\$ Millions	F24-25 Adopted	F24-25 Adjusted	Year End Estimate	Difference vs Adjusted
Revenue	\$807	\$785	\$756	(-\$29)
Expenses	\$807	\$785	\$843	(-\$58)
Difference	0	0	(-\$87)	

- **GPF is not forecasted to ‘balance’ at the year end**
- **This puts restricted funds under pressure to ‘cover the gap’**

Source:

https://cao-94612.s3.us-west-2.amazonaws.com/documents/View-Report-6_2025-02-28-003957_cnav.pdf

Analysis: Source and Overview

- Analyzed Q2 R&E report extensively, Appendix covers 129 restricted funds
 - Beginning balance
 - Budgeted revenue and expenses (for some)
 - Actual estimated rev and expenses
 - Year end balance
- Shared findings with appropriate parties for additional fact finding
 - City Auditor
 - Commissions: parks, library, infrastructure
 - Finance department

Source:

https://cao-94612.s3.us-west-2.amazonaws.com/documents/View-Report-6_2025-02-28-003957_cnav.pdf

Key Findings

The city is ‘spending down’ balances in other funds to offset GPF imbalance

- Significant decline in key reserve fund balances:
 - Highlighted measures saw their balances decline by ~\$200MM
 - A few key internal / reserve funds have been drained by about \$100MM
 - That number rises by order of magnitude when all funds included
 - 93 of 129 funds have declining balances
- Key issues vary by fund, including but not limited to:
 - Revenues coming in well under budget, but expenses staying relatively close to budget
Revenue assumptions such as carryforwards didn't materialize
 - Shifting of dollars to cover other shortfalls / departmental expenses
 - In some cases expenses from other parts of the city were shifted from GPF to a restricted fund
- Good news – pension funds do not appear to be impacted

\$200MM+ Balance Decline Across Key Voter Measures

Fund Name	Beginning Audited Balance (\$ Mil)	Ending Est Fund Balance (\$ Mil)	Balance Change
BB / F (Transit Taxes)	\$57.7	\$9.1	(\$48.6)
HH (sugar sweetened bev) 1030	\$11.7	\$3.8	(\$7.8)
Q (Parks + Homeless)	\$26.6	\$4.7	(\$21.9)
Z (Violence Prevention) 2252	\$9	(\$5)	(\$14)
AA (Schools, Oak Promise)	\$34	\$11	(\$23)
DD (Parks)	\$11	\$2	(\$9)
C/D (Libraries)	\$18	\$12	(\$6)
U (Housing / Streets)	\$96	\$8	(\$88)
Total	\$263.3	\$46	(\$217)

What Happened?

- BB/F – budget had \$48MM in carryforwards, \$0 actualized
- HH – revenue is ½ of budget, almost \$3MM sent to GPF
- Q – Carryforwards not realized. \$3MM in expenses from City Amin, 10 FTEs transferred to this fund
- AA – earlier spending may have been impacted by lawsuit, following up
- U – believe bonds were not issued, following up
- C/D – city is not meeting GPF threshold, GPF library expenses moved to measures (books + salaries)
- Notes:
 - Other measures not included (e.g., Q/D Libraries) have declining balances but omitted for brevity
 - KK (Streets, \$199MM balance decline) omitted because measure ends in '25

\$110MM Balance Decline Across Other Key Funds

Fund Name	Beginning Audited Balance (\$ Mil)	Ending Est Fund Balance (\$ Mil)	Balance Change
Self Insurance Liability 1100	\$23	0	(\$23)
Affordable Housing Trust	\$37	(-\$2)	(\$39)
Internal Service Funds	\$74	\$27	(\$47)
Total	\$135	\$24	(\$110)

What Happened?

- Self Insurance - Council authorized transfer to cover GPF shortfall
- Affordable Housing – transfer to GPF as well as other housing funds. Negative balance may be a violation
- Internal Service Funds – expenses exceed revenues (IT, equipment). \$15MM transferred to GPF

Other Funds with Significant Declines

- **State of California Housing / Community Development -2144**
 - Expenses exceed revenues by \$126MM, -\$2MM balance
 - Believe this is Project Homekey
- **Low and Moderate Income Housing Asset Fund**
 - Expenses exceed revenues by \$30MM, -\$1MM balance
- **State of California – Other 2159**
 - Expenses exceed revenues by \$129MM, leaving a balance of negative \$144MM
 - What is this fund?
- **Sewer Service Fund 3100**
 - Expenses exceed revenues by \$80MM+, balance declines to \$30MM
- **Development Service Fund 2145**
 - Expenses exceed revenues by \$47MM
 - \$104MM fund balance declines to \$58MM
 - \$26MM transfer not realized, revenues well below budget (\$67MM) but expenses not cut to match

Key Questions and Action Areas

- Watchouts for next biennial:
 - How much of next biennial budget balancing is due to ‘shifting’ of expenses to different funds or inaccurate revenue assumptions?
 - How can we improve on budgeting estimates so the City doesn’t fall into a hole?
- Further data needed:
 - Can we get a full accounting of remaining reserve funds?
 - Can we get a full accounting of Voter Measure dollars that are used for things other than that measure?
- Repairing the damage:
 - When does the fiscal emergency end? Is it still in effect for the next biennial?
 - What is the ideal balance for depleted funds? How will they be replenished?
- Note: Specific exploration needs to be done on each fund



To: Members of the Oakland City Council
From: Budget Advisory Commission
Subject: Review and Recommendations on the FY 2025-27 Mayor's Proposed Budget

Statement of Purpose

The Consolidated Fiscal Policy ("CFP") (13279 C.M.S.) requests that the Budget Advisory Commission ("BAC") or "Commission") submit a published, written report on the City of Oakland's biennial budget each year, prior to June 1st. If submitted, the statement shall be published as part of the next budget report to the City Council.

This report is prepared pursuant to the CFP and was approved at the BAC meeting held on Wednesday, May 14, 2025.

Recommendation

The BAC recommends that prior to adopting the FY 2025-27 Mayor's Proposed Budget, Council request additional information and make appropriate budgetary adjustments for the following items:

- Prioritize the use of general purpose funds to comply with mandatory voter-approved measures, including funding for public libraries and the City Auditor. Use additional GPF funding to rebuild depleted reserves.
- Request additional information on the uses of proposed contracts and grants in cases where details are light or absent. Re-allocate grants and contracts proposed under the general purpose fund (GPF) to restricted funds where permissible, freeing up GPF monies for complying with mandatory voter-approved measures.
- Request additional information on the methodology behind projected revenue growth, particularly in property tax, sales tax, and the newly proposed parcel tax. Request information on the potential budgetary impacts of changes in federal trade policy or other unpredictable events that could lead to an economic downturn in the next year. Consider developing a contingency budget in case of an economic downturn, or if anticipated revenues do not materialize.
- Request additional information on proposed staffing levels and classifications where significant changes are made, including the Office of the Mayor.



Background and Overview

Oakland has faced an ongoing budget crisis since 2020. Pandemic-driven reductions in revenues (from business taxes, hotel taxes, parking taxes, etc) and increased expenses, including unbudgeted police overtime, led to a \$30.42 million deficit in the 2019-20 budget¹. While this amount was patched with about \$40 million in federal funding, the reduction in revenue continued to present persistent budget challenges, with a projected \$62.3 million deficit in the 2020-21 budget, a projected \$81.3 million deficit in the 2021-22 budget, and a projected \$68.5 million deficit in the 2022-23 budget, according to a January 2021 staff report². Half of this 2020-21 budget shortfall was closed with \$29 million in administratively ordered cuts to public safety services, hiring freezes, and reductions in senior staff pay³. The remaining 2020-21, 2021-22, and 2022-23 budget gaps were subsequently closed with one-time COVID relief funding from the American Rescue Plan Act (ARPA), including \$87 million in 2021-22⁴ and \$68 million in 2022-23⁵. While ARPA funds could continue to be used through 2024, the City used all of its available ARPA funding before June 30, 2023⁶.

Despite this ongoing reliance on one-time COVID relief funds to plug persistent and continuous revenue shortfalls, the City continued to budget as though revenues would recover in 2023-24 to levels sufficient to offset the loss of federal funds. No precautions were taken to keep expenses in check – even as revenue continued to come in under projections (by up to 16%), the City budgeted for new, ongoing, increased expenses; depleted reserve funds (from \$140 million in 2022 to \$20 million in 2024); and continued to violate its CFP (as identified in the BAC's [June 2024 Midcycle Budget Report](#)).

Between 2020-21 and 2024-25, the General Purpose Fund (GPF) revenue grew only 10%, from \$687 million to \$756 million. After accounting for inflation, this is a net *decrease* in GPF revenues, equivalent to nearly a \$100 million per year reduction. Major funding sources, including the Real Estate Transfer Tax (RETT), business license tax, transient occupancy tax, and service charges continue to come in lower than

¹<https://oaklandside.org/2020/12/07/oaklands-current-budget-crisis-called-worse-than-the-great-recession/>

²<https://oaklandside.org/2021/01/26/oaklands-budget-deficits-are-getting-worse/>

³<https://www.oaklandca.gov/news/city-administration-directs-29-million-in-immediate-cuts-to-curb-projected-62-million-deficit>

⁴<https://cao-94612.s3.us-west-2.amazonaws.com/documents/City-of-Oakland-ARPA-SLFRF-Recovery-Plan-2022-informational-memo-7-26-22-signed.pdf>

⁵<https://cao-94612.s3.us-west-2.amazonaws.com/documents/City-of-Oakland-ARPA-SLFRF-Recovery-Plan-2023-informational-memo-7-17-23.pdf>

⁶<https://cao-94612.s3.us-west-2.amazonaws.com/documents/SLFRF-Recovery-Plan-Performance-Report-City-of-Oakland-June-14-2024.pdf>



their inflation-adjusted 2019-20 levels, as well as lower than anticipated in previous budget cycles.

At the same time, GPF expenses have grown at twice the rate of revenue, increasing by 21%: from \$697 million in 2020-21 to \$843 million in 2024-25. This included additional staff for general city operations, as well as new labor contracts with higher pay and benefits. Some of these contracts were approved outside of the standard budget process and without financial analysis provided to Council, all while the City's revenues continued to come in short. This expense growth far outpaced the growth in revenues; while the gaps were filled with one-time funds, emergency reserves, and the prospect of the Coliseum sale, no significant efforts were made to reduce expenses.

The BAC has previously reported on the sources and causes of this structural deficit, including in BAC's [June 2024 Mid-Cycle Budget Report](#) and [January 2025 presentation to Council](#). Ultimately, Oakland has fewer financial resources available today, after adjusting for inflation, than it had available prior to the COVID-19 pandemic. One-time revenue sources have run out, financial reserves have run out, and revenues have not recovered. Council must budget conservatively to help rebuild the city's financial health.

Guiding Principles for BAC Recommendations

The Budget Advisory Commission has been providing support to City Council since 1999. In providing these recommendations, the BAC aims to follow consistent general guiding principles to inform fiscal priorities. A full listing of BAC findings and recommendations presented to Council in June 2024 can be found [here](#), and previous recommendations on the FY 2023-25 budget can be found [here](#). This memo restates a selection of these priorities as they apply to the FY 2025-26 Mayor's Proposed Budget.

- **Adherence to the Consolidated Fiscal Policy.** The CFP sets forth a number of budgeting practices, including: adopting a balanced budget; allocating excess RETT stabilization funds and paying off debt obligations; using one-time revenues solely for one-time expenditures, including unassigned GPF revenue; and maintaining a healthy Vital Services Stabilization Fund balance of at least 15% of GPF revenues. The adopted budget should adhere to these requirements.
- **Focus spending on community priorities.** The CFP requires a public survey to inform community priorities in the budgeting process. This year, the survey



was completed by the BAC; 2025 priorities include safety, cleanliness, and housing. The adopted budget should reflect these community priorities. For the complete survey results, [see the February 2025 presentation here](#).

- **Adherence to the requirements of voter-approved measures.** Oakland's budget is supported, and constrained, by a wide variety of voter-approved measures. Many of these measures contain "maintenance of effort" requirements, obligating the City to make particular budget decisions to continue to receive the benefits of the tax. While these measures can be suspended in times of fiscal emergency, consistent with the CFP requirements to focus spending on community priorities, the BAC believes that these voter-approved requirements reflect core community priorities, and that these legal mandates should be prioritized over other initiatives to the greatest extent feasible.
- **Following best practices and lessons learned from other cities.** Oakland is not unique in its service provided, community concerns, or its fiscal challenges. While our challenges may be of a larger scale, best practices applied in other cities are also relevant to Oakland.
- **Keep equity considerations at the forefront of decision-making.** Oakland is home to many diverse and long-underserved communities. Equitable budget practices means that after ensuring the city's long-term financial health and meeting legal obligations, additional revenue should be allocated in ways that ensure *all* members of the community access and benefit from City services equitably. Sound financial practices help ensure that lifeline programs for disadvantaged communities can be continued even in times of budget shortfalls.

Review and Findings in the FY 2025-27 Mayor's Proposed Budget

BAC has conducted a careful review of the FY 2025-27 Mayor's Proposed Budget, including reviewing the Mayor's Message, Budget Priorities, Service Impacts, Significant Budgetary Changes reports, department-level budgets and changes, and proposed contracts and grants spending. Below we present our findings and short-term recommendations for the current proposed budget. A later section discusses long-term recommendations for Council, staff, and BAC to explore further, with the potential to improve the budget in future cycles.

Positive: The Proposed Budget is a balanced budget that minimizes layoffs, preserves core city services, and generally follows the CFP.

The Proposed Budget projects \$2.161 billion in both revenues and expenses in FY 2025-26, and \$2.195 billion in 2026-27. This represents an increase from the 2023-24



actual spend of \$2.023 billion, of roughly \$138 million in 2025-26 and \$172 million in 2026-27.

Relative to 2023-24, the General Purpose Fund is proposed to *decrease*, from \$813.9 million in 2023-24 to \$787.7 million in 2025-26, before increasing to \$856.0 million in 2026-27. This increase of roughly \$69 million in general fund expenditures between 2025-26 and 2026-27 is dependent on an as-yet-proposed \$40 million per year local tax, along with expectations of significant increases in assessed property tax values (from \$299 million in 2023-24 to \$322 million in 2025-26, and \$332 million in 2026-27). Sales taxes are also projected to increase significantly, attributable to the passage of Measure A: growing from \$61.7 million in 2023-24 to \$84.1 million projected in 2025-26, followed by \$94.5 million in 2026-27, consistent with revenue projections included in the measure language.

This budget maintains conservative estimates for volatile tax revenue: RETT is projected at just \$68.3 and \$70.3 million for 2025-26 and 2026-27, respectively, in line with 2023-24 actuals of \$57.5 million. In contrast, the adopted 2023-25 budget had originally anticipated over \$110 million in RETT in 2023-24, a major contributor to the unanticipated shortfalls these past two years. This re-leveling of expected RETT revenues

Because of this anticipated additional revenue sources, the budget is able to maintain alignment with community-wide priorities around public safety, cleanliness, and housing. Staff layoffs are almost nonexistent: instead, vacant positions are frozen or eliminated, reducing the need to budget for those vacancies. Lastly, the budget also avoids the use of one-time funds for ongoing expenses, breaking with troubling past practice and better aligning with the CFP.

However, the proposed budget has structural risks in the event of an economic downturn.

Recommendation: Budget cautiously, and consider ways to further reduce spending should revenue projections be missed.

The Proposed Budget makes assumptions about future revenues that depend upon significant growth in assessed property taxes, a new voter-approved parcel tax, and sustained strength in sales tax revenue. However, changes to federal trade policy or other unpredictable events could result in an economic downturn later in 2025 or 2026, potentially causing revenue projections to be missed and resulting in a new budget deficit.



Positive: The Proposed Budget provides funding for 738 sworn officers, meeting the requirements of Measure NN, while supporting Ceasefire and other efforts.

By adding 60.0 FTE sworn positions in both fiscal years, the department's authorized sworn staffing is increased from 678 to 738 FTE⁷. Measure NN requires an *annual average* of 700 sworn police officers, *at minimum*, over the course of each fiscal year. Because the department is currently below 700 officers and will not be able to hold a police academy prior to the start of the next fiscal year, the City must budget for more than 700 officers in order to meet these annual average targets. Public safety was also the top priority in the BAC's community survey, with consistent support citywide. Budgeting for 738 sworn officers is a responsible step to meet both voter-approved mandates and address public concerns around safety.

In addition, the Proposed Budget also increases funding for the Ceasefire program, aligning with community priorities around both sworn officers and other violence prevention efforts.

Recommendation: Improve compliance with other voter-approved measures

While the steps to meet the voter-approved requirements in Measure NN is commendable, there are other voter-approved requirements that have fallen by the wayside and are not being met. These include:

- **\$2.8 million annual shortfall in library funding.** Under Measures C & D, the City is required to budget for \$14.5 million in general purpose funds for the Library Department. Under the FY 2025-26 Mayor's Proposed Budget, GPF allocations to the Library Department are \$11.7 million in each fiscal year, resulting in a \$2.8 million annual shortfall in the required appropriations.
- **2-5 FTE shortfall in the City Auditor's office (estimated \$0.4-1 million).** Under Measure X, the City Charter requires the budget for the City Auditor to be sufficient to hire at least fourteen (14) full-time equivalent ("FTE") employees of relevant classifications. The FY 2025-27 Mayor's Proposed Budget funds 9.0 FTE in 2025-26 and 12.0 FTE in 2026-27, falling short of the required 14.0 FTE in each year.
- **\$4 million annual shortfall in Democracy Dollars Fund.** Under Measure W, the City is required to allocate \$4 million annually to the Democracy Dollars Fund to support public financing of elections, increasing with inflation. This initiative aims to reduce the influence of, and dependence on, outsized independent

⁷ This increase in budgeted sworn positions was not acknowledged in the Mayor's Message on the budget, but is present in both the Significant Budgetary Changes report and proposed budget details for the Police Department.



expenditures on elections. The FY 2025-27 Mayor's Proposed Budget allocates \$0 to this fund.

- Evaluate Measure Q requirements for compliance. Measure Q includes maintenance of effort provisions around parks maintenance, homeless services, and stormwater maintenance. The Proposed Budget website states that "the FY 2024-25 Proposed Midcycle Budget" does not meet this requirement, but it is unclear whether this addresses the current FY 2025-27 Proposed Budget. As a result, it is unclear whether the Measure Q requirements are met, and if not, to what degree they are unmet.

Issue: At least \$62 million in proposed contracts and grants lack details, require oversight

The FY 2025-27 Mayor's Proposed Budget includes roughly \$230 million budgeted for contracts and grants each fiscal year, with nearly 900 independent contracts or grants proposed. Most of these contracts are well-defined, with a clear purpose, and assigned to an appropriate fund. While many have "TBD" or undefined as the vendor, this is to be expected for contracts and grants that go through competitive bidding processes, where no vendor can be identified prior to issuing the request for proposals.

However, some 77 grants and contracts were submitted without descriptions provided (either blank or "TBD"), ranging from just a few thousand dollars to as much as \$5 million each. These amount to a total of \$27 million in FY 2025-26 and \$35 million in FY 2026-27, overwhelmingly from the Human Services Department (\$26 million and \$33.9 million for each fiscal year, respectively). An uncounted number of other grants and contracts are proposed with minimal descriptions - due to time constraints, all 900 line items have not yet been reviewed. As a matter of best practice, Council should not approve millions of dollars for unspecified purposes, and should receive descriptions for each line item from Human Services and other departments prior to approving these fund allocations.

Recommendation: Review proposed contracts and grants to identify funding opportunities to meet voter-approved measures

A total of \$38.6 million in contracts and grants spending in FY 2025-26 is proposed to be met with general purpose funds. While much of this is for GPF-funded departments like police, fire, and general government departments, some of these expenditures could likely be moved to other special funds (if appropriate reductions can also be identified in those funds). Moving these GPF expenses to restricted funds can free up GPF funds to better meet the requirements of voter-approved measures.



BAC has conducted a preliminary review of these proposed GPF expenditures and already identified three potential opportunities to free up general funds that could be instead used to fulfill voter-approved obligations. Other opportunities may also present themselves with further review.

First, the Department of Violence Prevention (DVP) is proposing \$190,304 in GPF grants for “Third Party: Grant Contracts”. DVP also has \$12.8 million in Measure NN funds for “Third Party: Grant Contracts”. Measure NN contains no maintenance of effort provisions, and so it is unclear whether the supplemental \$200k from the GPF is necessary for DVP to meet its service goals.

Second, Economic & Workforce Development (EWD) is proposing \$500,000 each year in GPF grants for the Corridor Ambassador Program. This program helps support community ambassadors that help abate graffiti, improve cleanliness, de-escalate and mitigate public conflicts, deter and report crime, provide bystander assistance, and help connect unhoused residents with support and services. While EWD is proposing to fund this from the GPF, these expenditures could be funded from Measure NN, which expressly lists community ambassadors as a permissible use of funds. While the Measure NN text is not specific, a preliminary reading suggests that community ambassadors could fall under the 40% of funding allocated for Violence Prevention Services. At present, this Measure NN money appears to be primarily allocated to DVP’s \$12.8 million in “Third Party: Grant Contracts”. It may be appropriate for Council to reallocate \$500k per year from DVP’s Measure NN funding to EWD’s corridor ambassador program.

Lastly, Human Services is requesting \$5.2 million from the FY 2025-26 GPF for grants and contracts, including some \$3.0 million with no description offered. Human Services has another \$46.4 million in grants and contracts from other restricted funds - these GPF grants represent roughly 10% of Human Services’ total requested contracts and grants approvals. Some of these GPF grant requests appear designed to meet budgeting targets that could potentially come from restricted funds: for instance, Human Services is requesting approval for three grants to the Housing Consortium of the East Bay (HCEB), for \$2.037 million from FD 2244 (Measure Q), \$1.0 million from FD 2270 (Vacant Property Tax Fund), and \$914k from FD 1010 (General Purpose Fund). HCEB provides affordable housing and unhoused interventions, with a focus on individuals with developmental disabilities and other special needs. However, Human Services is also making other grants from these restricted funds, totaling \$2.6 million in non-HCEB expenditures. It may be possible to re-allocate



these grants to HCEB, freeing up nearly \$1 million in GPF. The other \$4.2 in Human Services GPF grant requests may similarly be able to be re-allocated.

This preliminary review has already identified between \$1.7 and \$6.1 million in proposed uses of the GPF that could instead potentially be fulfilled by restricted funds. By moving these uses to other restricted funds, GPF money could be freed up and instead allocated to fulfilling the obligations of voter-approved measures.

This is not free money: it requires equivalent, dollar-for-dollar cuts in other proposed uses of those restricted funds. For instance, if HCEB's \$914k general fund grant is re-allocated to FD 2244 or 2270, something else will need to be cut from those funds. However, there may be other sources of funding available: the countywide Measure W, newly unlocked after resolving legal challenges, should provide \$150 million for Alameda County to fund homeless services. Since a substantial portion of Human Services' grant requests are for homeless services, this money could help fill in the gaps generated by moving GPF expenditures into restricted funds.

A full list of all proposed grants and contracts [can be found here](#), or by navigating to the proposed budget, selecting "Contracts and Grants By Fund", selecting "View Report" beneath any table, and then clearing the filters to show all grants and contracts by fund.

Issue: Review proposed FTE allocations to ensure appropriate staff classifications and levels

In many areas of the budget, vacant positions are frozen or deleted to keep staffing costs down, and opportunities for promotions are limited. However, the FY 2025-27 Mayor's Proposed Budget breaks with this trend for the Office of the Mayor: instead of freezing or reducing vacant positions, all twelve (12) FTE staff positions reporting directly to the Mayor are promoted to Special Assistant to the Mayor III, a class specification that pays between \$149,452 and \$245,912 annually. Most of these positions are currently vacant. In the 2024-25 budget, the 11 FTE for the Mayor's office were divided across a combination of Special Assistant I (3 FTE, pay of \$91,137 to \$157,822), Special Assistant II (3.0 FTE, pay of \$111,558 - \$181,756), and Special Assistant III (5.0 FTE). While the 12.0 FTE at the Special Assistant III level could potentially be filled at a variety of lower classifications as well, no justification is offered for this increase in classification level. At the same time, the GPF allocation to the Office of the Mayor is increasing from \$4.0 million in FY 2023-24 to \$5.7 million in FY 2025-26.



This and other proposed staffing levels should be reviewed for appropriateness in classifications based on the work and responsibilities of the position, and needs of the department.

Suggested Long-Term Improvements

While our short-term recommendations focus on cost savings and reallocations, the BAC believes that long-term financial sustainability will come from a combination of new and expanded revenue streams and fiscal prudence and efficiency over the next few years. Our commission has identified the following areas for potential exploration, and looks forward to partnering with the Mayor, Council, and staff to evaluate the feasibility and impact of these strategies:

- Prepare a 5-year financial forecast and strategic plan. Oakland currently lacks a strategic plan guiding budget allocations, and simultaneously lacks long-term financial projections. Both can help stabilize decision-making year-to-year and enhance the quality of service delivery.
- Fully implement the City Auditor's recommendations in the police overtime audit. While significant improvements have been made, there remain outstanding and unresolved issues with police overtime budgeting and practices, based on the City Auditor's recommendations. Improving cost controls and ensuring efficient police operations can help to both support public safety and provide a more consistent and predictable budget.
- Explore new revenue opportunities, like the proposed parcel tax. The FY 2025-27 Mayor's Proposed Budget includes a new \$40 million new parcel tax supporting the GPF. BAC can help engage with the community to gauge support and buy-in for new tax measures. In the meantime, we urge Council to prioritize funding for existing voter-approved requirements in order to build trust and support with the public prior to proposing any new measures.
- Evaluate and benchmark pension and benefit costs, and explore cost-savings opportunities. With contract negotiations coming up, BAC can help inform Council on employee benefits in comparable and neighboring jurisdictions. In addition, while the City has large unfunded liabilities in these areas, there may be opportunities to help meet or reduce these liabilities through proposals such as refinancing the CalPERS debt, adjustment of post-employment benefits, new cost-neutral taxes to replace the expiring PFRS Override Tax, or other strategies to ensure sustainable progress in reducing the unfunded liabilities. For information, [see this 1-page summary memo](#).



- Explore the allocation of services between the City and the County. Oakland has significant expenditures associated with homeless services and affordable housing, which may fall under the County's jurisdiction. In addition, there may be opportunities for cost savings through integrating ambulance services with the Oakland Fire Department like Berkeley. Exploring potential reallocation of responsibilities could free up budgets, overhead, or other resources for core City services.
- Establish metrics and evaluate performance of grant programs. The FY 2025-27 Proposed Budget includes \$159 million in grants over the two-year period. However, the criteria for awarding these grants, and the performance metrics for the service providers, are not well-specified and tracked, even though the intention of grant programs is to generally achieve specific and measurable outcomes. Fully staffing the City Auditor's office, as required in the City Charter, could help provide additional oversight and evaluation to ensure grant monies are being spent appropriately. Developing a 5-year strategic plan can help outline goals and expectations for this grant money to enable this evaluation process.
- Improve investments in Oakland's operational infrastructure, including IT and HR. Oakland's dedicated civil servants are the backbone of the city's operations, and they all rely on modern IT solutions to do their jobs effectively and efficiently. Unfortunately, the FY 2025-27 Mayor's Proposed Budget includes slight reductions in both HR and IT staffing, resulting less capacity to recruit talented staff and fill vacancies, and equip them with the necessary technology to achieve exceptional performance. A preliminary review of other similarly sized California cities (Long Beach and Sacramento) suggests Oakland may be comparatively under-staffed in IT; additional research is needed to fully understand how Oakland's staffing levels benchmark against other cities. Effective use of modern technology is critical to improving performance and outcomes across City service delivery.
- Create an Economic Development strategy and invest in long-term efforts to attract, retain, and grow Oakland businesses. The FY 2025-27 budget for Economic & Workforce Development is reduced from \$35.2 million in 2024-5 to \$24.9 million in 2025-26, and further reduced to \$24.2 million in FY 2026-27. A long-term, consistent economic development strategy is key to growing Oakland's tax base and ensuring sustainable long-term revenue, and an



effective and well-managed department is critical for developing, implementing, and sustaining that strategy.

- Update the CFP to more accurately reflect the variability in real estate transfer tax (RETT) revenues. As evidenced over the past 15-20 years of economic cycles, the RETT is a highly volatile and unreliable source of funds. The current CFP establishes a clear requirement that no more than 15% of the GFP should be budgeted for from RETT revenue, but that level has not been updated to reflect the changing structure of the GFP over time and real-world data on RETT variability. Updating the CFP to set a dollar value threshold – rather than a percentage threshold – for RETT revenues available for GFP purposes can help smooth out the City's budget during economic downturns, and provide additional revenues during economic upcycles to help pay down long-term liabilities, invest in infrastructure, or save for a rainy day.

BAC will be working on these and other items per our workplan. Additional strategies and recommendations that have been discussed at recent BAC meetings can be found in the [March 2025](#) and [April 2025](#) BAC meetings packets.

Contact Information

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Mike Petouhoff, Budget Advisory Commission Ad-Hoc Committee

Additional References:

[2021 GPF Revenues and Expenditures](#)

[2024-25 Estimated GPF Rev and Exp - Q2 R&E](#)

[GPF Revenues vs Forecast - Presented in Oakland Report](#)

[Decline in Reserve Funds - See P12](#)