



CITY HALL ▪ 1 FRANK H. OGAWA PLAZA, 2nd Floor ▪ OAKLAND, CALIFORNIA 94612

Honorable Noel Gallo
Councilmember, District 5

510-238-7005
NGallo@Oaklandca.gov

TO: Honorable Mayor, City Administrator and Members of the City Council

SUBJECT: District 5 Fiscal Year 2025-27 Budget Priorities and Policy Directives Memorandum

During the 2025-2027 fiscal budget process, the City of Oakland must prioritize investments in key areas, ensure the maintenance of essential services, strategically leverage revenue increases, and plan for projected plateaus in revenue growth. I have given great thought and consideration to the current fiscal year's budget, as well as the budget for the next two fiscal years. As we work diligently to present a responsible and transparent financial plan to the citizens of Oakland, we have reached a critical inflection point.

Our District 5 budget priorities for the upcoming fiscal year focus on fostering safe, livable neighborhoods while sustaining a resilient and economically prosperous city. These priorities fall into the following overarching categories: housing and homelessness, public safety, infrastructure and neighborhood services, and environmental protection.

I believe it is essential for us to establish an actionable agenda to address the pressing issues facing our city. It is paramount that we work collaboratively to tackle the financial crisis at hand. As civil servants, we have a responsibility to ensure that the residents of Oakland can prosper in a safe, clean, and livable city.

With that in mind, I have the following summary of my recommendations for budget priorities. Additionally, I have also developed the attached outline that serves as a guide throughout this intricate budget process.



Outline of Budget Questions to be Addressed

1. Comprehensive Review of City Real Estate Transactions.

- a. **Oakland Coliseum Agreement – AASEG**
 - Conduct a full review of AASEG’s real estate transactions with the City, including:
 - Verification of all transactional documents
 - Detailed assessment of payment schedules and obligations
 - Compliance evaluation with previously agreed-upon terms
- b. **Housing Development Agreements Currently Pending**
 - Conduct a status review of key development projects to assess financial impact and ensure alignment with city housing goals:
 - Brooklyn Basin – Evaluate financial commitments and timeline progress
 - Oak Knoll – Review obligations and potential revenue generation
- c. **City-Owned Real Estate with Financial Obligations**
 - Identify any properties where the city is contractually or legally obligated to provide financial contributions, including maintenance and operational costs.
- d. **Legal Contracts with Non-Profit Organizations**
 - Assess financial commitments in agreements with non-profit partners, including
 - Fruitvale Library, Senior Center, and Head Start – Review funding structure and long-term sustainability.
- e. **Federally or State-Funded Contracts with Financial Commitments**
 - Catalog all contracts where the city is required to continue funding as a condition of federal or state funding.
- f. **Federal or State Contracts Requiring Matching City Funds**
 - Identify grants and programs requiring city matching funds to determine financial feasibility and potential renegotiation opportunities.

2. Evaluation of City Asset Sales and Revenue Opportunities

- a. **Potential Sale of City Assets**
 - Explore the sale of underutilized or non-essential assets to generate revenue, including:
 - City Hall Parking Garage – Conduct valuation analysis and feasibility study for potential sale or lease agreements.
- b. **Joint Venture Opportunities for Economic Development**
 - Evaluate public-private partnerships to leverage city assets for revenue generation and community benefits:
 - Union Point Park / Veterans Housing Project – Assess potential partnerships to develop veteran housing and support services.



- Additional Real Estate and Development Opportunities – Task the Office of Real Estate and Economic Development with identifying properties that could be repositioned for revenue-generating projects.

3. Budget Controls and Operational Efficiencies

a. Immediate Hiring Freeze for Leadership Offices

- Implement a hiring freeze for new positions within:
 - Mayor’s Office
 - City Council Offices
 - City Administrator’s Office
- Conduct an efficiency assessment to identify areas where existing staff can absorb responsibilities instead of creating new positions.

b. Legal Financial Obligations Assessment

- Identify and prioritize budget items that are legally mandated under the City Charter, including:
 - Essential public safety services
 - Debt obligations
 - Federally and state-mandated programs

c. Comprehensive Contract Review

- Develop a centralized database of all active contracts with expiration timelines, with a focus on:
 - Multi-Year Contracts – Identify long-term commitments and assess financial viability.
 - Union Contracts – Review labor agreements, upcoming negotiations, and potential budget impacts.

d. Employee Return-to-Work Timeline

- Maintain the established timeline for all city employees to transition back to in-person work, ensuring adherence to operational needs and budget constraints.
- Implement clear protocols and oversight measures to monitor compliance, track progress, address challenges, and ensure a smooth transition within the established deadlines.
- Effective February 18, all non-union department heads, assistant and deputy directors, managers, and supervisors must return to in-person work. By April 7, all remaining employees are required to return.

e. Prioritization of Oakland-Based Firms in Contracting

- Strengthen local business support by ensuring that Oakland-based firms are prioritized in city contracts before considering external contractors.
- Review procurement policies to establish clear guidelines for local hiring and contracting preferences.



Budget Priorities Summary FY 2025-2027

1. Public Safety

- Maintain a minimum staffing level of 750 sworn police officers annually to ensure adequate public safety coverage.
- Conduct three police academy training sessions per year to address workforce attrition, considering that 125 officers are eligible for retirement and an average of 89 officers are on leave daily.
- Sustain two dedicated police motorcycle squads (16 officers total) to enhance traffic enforcement and provide a visible safety presence in business corridors and around schools.

2. Clean & Livable City

- Enforce the Homeless Encampment Management Policy to promote compliance, improve sanitation, and enhance public spaces.
- Deploy daily clean-up crews to clear encampments and address blight in impacted areas.
- Invest in the city's vehicle fleet by hiring 10 additional mechanics to ensure timely maintenance and purchasing new service vehicles to improve operational efficiency.

3. Youth & Senior Services

- Maintain Head Start programs and public libraries open at least five days per week to provide essential educational and literacy services.
- Ensure senior centers remain open daily, offering meal services, health programs, and community engagement opportunities.
- Expand access to parks and recreation facilities with daily operations, including weekends, to foster safe, accessible spaces for youth and families.
- Allocate resources for crossing guards at elementary and middle schools to enhance pedestrian safety and protect students traveling to and from school



Budget Priorities and Policy Directives for FY 2025-2027

1. Homelessness and Housing

a. Maximizing Housing Utilization

- Ensure full utilization of available housing resources, including homeless shelters, affordable housing, and senior housing.
- Expand homelessness outreach efforts to connect individuals with critical services.
- Provide rental assistance programs to support housing stability.
- Increase funding for affordable housing initiatives.
- Strengthen eviction prevention services to reduce displacement.

b. Housing Development

- Prioritize the development of new housing units to meet the growing demand.
- Allocate budget funding to support the construction of affordable housing specifically designed for individuals experiencing homelessness, seniors, and low-to-moderate-income households.
- Implement strategies to accelerate housing development and ensure long-term affordability.
- Explore opportunities to utilize surplus land for housing development.
- Finalize adjustments to in-lieu fees to incentivize affordable housing production.
- Accelerate efforts to develop diverse housing options throughout the City of Oakland.
- Streamline and expedite the permit approval process, particularly for housing developments in East Oakland neighborhoods.
- Increase funding for the Preservation Affordability Fund and expand transitional-aged youth housing initiatives.
- Strengthen investments in eviction defense programs and legal protections for renters to promote housing stability.

c. Expanding Funding for Coordinated Street Outreach Teams

- Increase and sustain funding for holistic, street-based outreach programs that ensure continuous engagement with unhoused individuals.
- Support service workers in providing long-term, person-centered outreach to connect individuals with essential resources and pathways to stable housing.

d. Safe Villages Pilot Program

- Collaborate with Alameda County Health and Human Services to identify available county land for a designated safe camping site.
- Establish a low-barrier, non-congregate shelter alternative for individuals hesitant to engage with traditional services.
- Ensure access to sanitation, meals, and supportive services in a safer environment than street homelessness.
- Integrate on-site health services to connect individuals with broader care systems, including behavioral health, primary care, and long-term housing solutions.



e. Safe Parking Program

- Maintain and expand the Safe Parking Program to provide a secure location for individuals who live in their vehicles.
- Ensure continued funding for site operations, offering stability and a pathway to permanent housing for participants.

f. Maintaining Oakland's Youth Shelters

- Increase funding to enhance capacity and improve services for unhoused minors, ensuring safe and supportive environments for vulnerable youth.

g. Homeless Outreach Teams

- Provide ongoing and expanded funding to sustain and strengthen homeless outreach teams, ensuring effective engagement and service delivery to individuals experiencing homelessness.

2. Access to Housing

a. Transition of Properties from Commercial Use

- Conduct a study to incentivize and remove barriers for converting commercial properties into residential units in compliance with AB 2011.

b. Housing Commission Support

- Continue funding key Housing Commission programs that have successfully prevented evictions and provided rental and utility relief, including:
 - Housing First
 - Housing Stability Fund
 - Housing Instability Prevention Program

c. Increase Funding for the Housing Stability Fund

- Expand financial support to proactively prevent homelessness among families.

d. Increase Funding for the Housing Instability Prevention Program

- Strengthen assistance for seniors to ensure long-term housing stability.

e. Create a Rapid Rehousing Project

- Establish a program focused on supporting youth with rental assistance and specialized services.

3. Public Safety

a. Enhancing Public Safety & Modernizing Policing

- Establish a dedicated police unit for sidseshows to address reckless driving and street takeovers.
- Implement the MACRO system and integrate it with OPD 911 dispatchers.
- Create a motorcycle traffic enforcement unit to improve road safety.
- Strengthen recruitment and retention efforts for police officers and firefighters.

b. Community-Oriented Policing

- Restore neighborhood walking officers to build relationships and enhance safety.



- Deploy business district walking officers to deter crime and improve community engagement.
- Install security cameras in business districts and at illegal dumping sites.
- Strengthen commercial and residential code enforcement, prioritizing the hiring of building and fire code inspectors.
- c. **Coordination with Other Law Enforcement Agencies**
 - Enhance collaboration with:
 - Alameda County Sheriff's Office
 - California Highway Patrol
 - Violence Prevention Programs
 - Street Ambassadors
- d. **Oakland Police & Fire Department Recruitment Strategy**
 - Develop a college/university recruitment initiative aimed at hiring diverse graduates with associate or bachelor's degrees by FY26.

4. Clean, Safe, and Livable Neighborhoods

- a. **Street and Environmental Cleanliness**
 - Increase funding for:
 - Litter and illegal dumping removal
 - Waste management services
 - Code enforcement
 - Graffiti abatement
 - Neighborhood beautification (e.g., street and commercial district improvements)
 - Tree and plant care
 - Sidewalk and streetlight enhancements
- b. **Pedestrian & Bicycle Safety**
 - Invest in:
 - Traffic calming measures
 - Traffic signals and street signs
- c. **Road & Infrastructure Improvements**
 - Increase funding for:
 - Street and sidewalk maintenance
 - Public works projects
 - Parks and recreation facilities
- d. **Stormwater & Security Infrastructure**
 - Strengthen stormwater management and implement security-related infrastructure improvements.

5. Youth and Senior Services

- a. **Head Start Program**
 - Sustain funding for city-run Head Start programs, including:



- Staff recruitment and retention
- Professional development for childcare workers
- Maintaining program capacity for families in need
- b. **Youth Programming & Workforce Development**
 - Expand city-wide youth enrichment programs and restore the summer youth jobs program to provide career opportunities.
- c. **Preserve City Libraries, Parks & Recreation**
 - Maintain and preserve public libraries, with a focus on the César Chávez Library, to ensure access to resources and services for the community.
 - Improve parks and recreation centers to enhance quality of life, including:
 - Curt Flood Field
 - César Chávez Park
 - Josie De La Cruz Park
 - Brookdale Park
 - Union Point Park
- d. **School Safety & Crossing Guards**
 - Ensure funding for crossing guards to improve student safety near schools.

6. Economic Development & Workforce Growth

- a. **Strengthening Oakland's Business Environment**
 - Develop policies to attract and retain businesses in Oakland.
 - Improve efficiency in planning, building permits, and inspections to foster economic growth.
 - Evaluate the retail landscape and adjust policies to meet changing market demands.
- b. **Employment & Training Programs**
 - Expand the Strong Workforce Project, which provides:
 - Job placement assistance
 - Employment-related workshops
 - Access to education and social services referrals
 - Extend workforce development services to youth (16-21 years old) and adults (21+ years old) to ensure inclusive economic opportunities.
- c. **Attracting & Retaining a Competitive Workforce**
 - Improve and streamline the hiring process to fill essential vacancies.

Yours in Service,

Noel Gallo
Councilmember District 5