

**Zac Unger**

COUNCILMEMBER – DISTRICT ONE

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DATE: March 13, 2025

TO: Mayor Kevin Jenkins, City Administrator Jestin Johnson, and Members of the Public

FROM: Councilmember Zac Unger, District 1

SUBJECT: District 1 and City Budget Priorities for FY2025-2027

Dear Mayor Jenkins, City Administrator Johnson, and Members of the Public,

It's no secret that Oakland faces steep budget challenges in this cycle. Over the long term we need to grow our revenues by making Oakland a more business- and construction-friendly environment. But in the short term we are going to have to make some difficult reductions. This document necessarily focusses more on expenditures than on revenues because of the acute nature of our crisis, but that should not be mistaken for disinterest in growing our tax base by encouraging business and development.

Over the years and with the best of intentions we have taken on a series of roles and responsibilities as a city that we simply can't afford to perform. This is an almost philosophical moment in which we need to step back, take a deep breath, and ask ourselves: what are the key, indispensable functions of a city? My basic approach is that rather than doing everything ten percent cheaper and worse, we should focus on a few core competencies that we need to do very well, and invest the lion's share of our efforts there.

Our first budget priority must always be public safety. Everything else is directly dependent on our ability to keep residents, employees, and businesses safe. In my mind, public safety includes the police department, the fire department, and proven, effective violence reduction strategies such as Ceasefire.

The second indispensable function of a city is to maintain the public infrastructure. While we have made great strides in paving and safety improvements for cyclists and pedestrians, we risk losing that progress if we begin to disinvest. Similarly, we must continue to fund vigorous blight abatement both for the safety of our streets and because blight invites more blight and disincentivizes foot traffic, shopping, and business development and success. We also face a critical problem with aging buildings, sewers, and our vehicle fleet. These must be addressed before the liabilities compound beyond our ability to deal with them.

Third, we must incentivize businesses to relocate, expand, and remain in Oakland. This includes everything from small mom-and-pops to multinational corporations. The long-term solution for Oakland's budget problem is to raise revenue through increased business activity. Closely connected to this is the need to create new housing units at all price points and to invest smartly—ideally by leveraging money from other agencies—in transitional housing solutions like safe parking sites, Project Homekey sites, and Tiny Cabins. Both of these goals require a robust planning and permitting staff that has a culture of figuring out how to maneuver through obstacles and get to YES.

Finally, we must focus on getting our fiscal house in order. Oakland has what is essentially a kitchen-table budgeting problem: we spend more money than we bring in. While we have been able to paper that over with one-time revenues in recent years, this is not a sustainable long-term strategy. One-time revenues should be used to replenish our rainy-day funds, pay off long-term liabilities, and invest in one-time capital expenditures such as sewer repair or fleet replacement.

This is an all-hands-on-deck moment and we need to be clear-eyed and honest about the challenges we face. Our employees have done amazing work under difficult conditions, often performing the job duties of multiple people. And our business community is similarly stretched thin, beset by red tape, crime, and a customer base that has been disrupted by multiple factors. We need to do right by our employees and by our business community, because without either one we cease to be a functional city.

I meet with people multiple times every day who say “I understand that our budget is in crisis, but *my thing* is crucial and we need to protect it.” Every one of those people is correct, and that’s what makes this such a difficult time. There are many programs we all love and that provide great services for our community; the sad truth is that we will not be able to fund all of these at the levels they deserve. We have only terrible choices in front of us, and yet somehow we still have to make them.

Despite the challenges I remain truly hopeful that we can come out of this dark period as a more efficient, streamlined, and focused organization. Oakland remains a dynamic, vibrant city with huge economic opportunity. Our budget problems are real and significant, but they are by no means insurmountable. We will get through this.

Top budget priorities:

1. Fund OPD with a goal of eventually getting to 800 officers. Fully fund Ceasefire.
2. Fully fund OFD to maintain an aggressive, competent, all-risk fire department.
3. Sell bonds so that we can continue and deepen our investments in street safety, paving, and affordable housing production and preservation.
4. Ensure that we maintain safe working conditions and fair contracts for the rank-and-file workers who provide service to our citizens.

Top potential areas for savings:

1. Review high-cost CBO and other vendor contracts against metrics for effectiveness and reign in overspending. Determine if expenses we have contracted out can be brought in-house.
2. Evaluate the growth in management positions and spending relative to the shrinkage in the boots-on-the-ground workforce.
3. Implement more effective tracking, monitoring, and approval for overtime in all departments. We must ensure that overtime clearly helps each department achieve their core goals.
4. Rather than freezing every year, delete vacant non-sworn positions.

More detailed budget priorities across sectors and departments:

Public Safety

1. Fund at least two, and hopefully three police academies per fiscal year.
2. Fund our fire department at the level needed to protect lives and property.
3. Invest in proven, effective, violence-prevention programs such as Ceasefire.
4. Fund crime lab analysts and evidence technicians to increase our clearance rates for violent crime.
5. Fully fund 911 Dispatch to reduce response times.
6. Reduce unnecessary police overtime, but invest in the overtime that most effectively leads to violence reduction or case clearances.
7. Continue the process of civilianizing internal affairs in order to free up officers to be on the streets.
8. Ensure that any job that can be done by a non-sworn employee is done by a non-sworn employee, freeing our highly-trained officers to do frontline police work.
9. Fund CPRA oversight so that we can reassure the Federal Monitor that we can oversee ourselves and get out from under his expensive watch.

Business and Development

1. Invest in planning and permitting staff to help businesses seize opportunities quickly.
2. Continue to place as many simple permitting processes online, to free up staff to handle more complex issues.
3. Enhance workforce development and apprenticeship opportunities, especially in the building trades, health services industry, and industrial/manufacturing sector.
4. Explore tax abatements for businesses that relocate or expand in Oakland.
5. Incentivize residential conversions for vacant office spaces.
6. Invest in the software and personnel necessary to ensure that we are capturing all taxes, fees, and remittances due to the city.
7. Fully staff all revenue-generating positions.

Infrastructure and Public Works

1. Maintain and increase trash pickup and anti-blight crews. Aggressively go after and prosecute illegal dumping.
2. Increase funding for abandoned auto removal.
3. Sell bonds so that we can continue with paving and street safety improvements.
4. Replace police, fire, and heavy equipment fleet.
5. Maintain our parks as well as other recreational opportunities for youth and seniors.

Housing

1. Invest in transitional housing programs like safe parking sites, Project Homekey, and Tiny Cabins.
2. Continue to fund a vigorous encampment management program to transition people off the streets and into housing.
3. Sell bonds so that we can continue to partner with other agencies and investors to encourage the production of affordable housing.
4. If possible, continue to invest in programs that keep people housed.
5. Partner with the County to use their homelessness funds to augment and replace city-run programs.
6. Ensure that Oakland's share of County Measure W is fully distributed and effectively spent.
7. Invest in the creation of workforce housing as a means of keeping Oakland dollars in Oakland and providing an enticement/benefit for Oakland workers.

Miscellany

1. Ensure that restricted funds are being spent only for their intended uses.

2. Cut from the top: ensure that we don't grow our management ranks at the expense of the people doing the boots-on-the-ground work that impacts residents' daily lives.
3. Explore ballot measures for Charter reform, public safety, fleet replacement, or sewer/stormwater repair.
4. Explore Enhanced Infrastructure Financing Districts to fund infrastructure and beautification projects.
5. Fund positions in HR so that we can reduce our hiring bottlenecks.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Zac Unger', written in a cursive style.

Zac Unger
City Councilmember, District 1