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BUDGET MEMORANDUM

DATE: March 15, 2023
TO: Mayor Sheng Thao, Interim City Administrator Steve Falk, and Members of the Public
FROM: Council President Nikki Fortunato Bas, District 2
SUBJECT: District 2 and City Budget Policy Priorities for FY 2023-2025

Dear Mayor Thao, Administrator Falk, and Members of the Public,

The goal of our City's two-year budget should be to focus on delivering effective, equitable services to Oaklanders rooted in our **values of racial equity, fiscal responsibility, transparency and results**. To address the projected budget deficit and set the stage for Oakland's future where racial disparities are eliminated and all Oaklanders thrive, I am committed to working with all of you in greater unity across the branches of government as One Oakland.

To deliver core services equitably, we must ensure our current programs are effective, fill the most critical staff vacancies, and make every effort to avoid layoffs. To focus our work and follow through on the Council's past direction, we must [implement policies and directives the Council has already passed](#); carry out recommendations in performance audits including for homeless services and 911 service calls. Finally, we must take a more comprehensive approach to our work, breaking through silos by working across city departments and collaborating with other government agencies such as the County of Alameda.

In our 2021-2023 budget, we were able to make solid progress toward our goals. Below are a few accomplishments that I am proud to have led with my colleagues and our community:

- Expanding a holistic approach to community safety
 - Launching MACRO as an alternative response system for non-violent calls for service and expanding city-wide
 - Expanding violence prevention programs, with more violence interrupters and outreach workers in our most impacted neighborhoods and schools
 - Civilianizing certain police functions by moving special events and vehicle enforcement to other departments
- Raising critical new revenue for affordable housing, infrastructure and services
 - Raising millions for rental assistance focused on low income tenants at 30% AMI and below
 - Passing a new Housing & Infrastructure Bond that will provide \$350 million for 2,200 - 2,400 affordable housing units over the next 4 - 6 years, \$290 million for transportation infrastructure and safety improvements, and \$210 million for facilities upgrades.
 - Modernizing our business tax with a progressive and equitable rate structure, and raising approximately \$20 million more each year for city services

Today, we must close the projected \$369 million deficit in the General Purpose Fund and focus investments of our nearly \$4 billion two-year budget to deliver the core services Oaklanders deserve. In addition, we obviously will not be able to add to the baseline budget without either reducing expenses or identifying available revenue to program, such as fund balance in restricted funds or outside sources. As I develop the Council President's amendments to the Mayor's proposed budget, I will seek to (1) maximize our resources by focusing on the most effective services and programs that will serve all Oaklanders, especially those who are most disadvantaged in our Black, Brown, Asian and other communities of color and low income neighborhoods; and (2) collaborate with other government partners to coordinate programs and leverage resources. Working together, this focus will set up our city for a better and brighter future for all, including our unsheltered residents, essential workers, small businesses, artists, and youth.

These are my priorities for the FY 2023-2025 budget cycle.

I. Housing Security & Homelessness Solutions

A. Shelter and Serve Unhoused Oaklanders

- 1. Maintain current programs that are effectively sheltering and serving unhoused Oaklanders**, and use unexpended funds and restricted funds (such as Measure Q) to expand sanitation and trash collection.
- 2. Open the funded RV/Safe parking programs and identify additional funds to expand to more locations.**
- 3. Expand transitional housing options with more tiny home programs, modular housing, and other interventions.** Ensure programs are accessible to transitional aged youth, LGBTQ+ residents, and seniors. Provide services including: case management, health and hygiene, food programs, and housing navigation. Collaborate with County, State, Feds and private partners to expand housing options.
- 4. Prioritize these encampments in District 2 and provide alternative shelter and services to unhoused individuals here:** median along E12th Street in San Antonio and Lake Merritt encampments.
- 5. Expedite hiring of "Homeless Administrator"** and improve the effectiveness of the position and staff team, based on lessons to date, so that this person can lead a more coordinated and robust program to serve unhoused Oaklanders.

B. Produce Deeply Affordable Housing

- 1. With Measure U funds, create a spending plan for at least 2,200 affordable housing units.** Expedite deployment of funds and ensure construction with good union jobs for Oaklanders and small, local, minority contractors.
- 2. Ensure robust funding of the Affordable Housing Trust Fund (AHTF)** and expedite financing of housing production. Commit all assessed impact fees, allocate 100% of funds from public land disposition, and designate E 12th parcel lease payments to the AHTF.

C. Acquire and Preserve Affordable Housing, Prevent Displacement of Black, Brown, Asian and Other Residents of Color

- 1. With Measure U funds, recapitalize the Acquisition and Conversion to Affordable Housing Program (ACAH)** in the Department of Housing and Community Development, which my office originally established in 2019 as the Permanent Affordability Program. As the City and stakeholders have discussions about Measure U housing funding (and the City works to meet our Regional

Housing Needs Assessment goals), I hope at least one-third of the funds will be dedicated to preservation strategies via the ACAH. It is essential to keep a specific programmatic allocation for community land trusts and cooperatives to focus on smaller properties and tenant-led projects that help prevent displacement by taking housing off the speculative market and making them permanently affordable.

2. **Establish an active program of utilizing the County of Alameda's "city preference" procedure** to acquire tax-defaulted, foreclosed, and abandoned houses and buildings for use as transitional and permanent housing.

D. Protect tenants and prevent displacement and homelessness

1. **Ensure full staffing in Housing & Community Development Department's Rent Adjustment Program** to distribute remaining emergency rental assistance funds as soon as possible, implement ramp down of eviction moratorium this year, implement rental registry, and serve tenants and property owners with the goal of housing stability. *Also ensure staffing in other departments that support tenant protections, including the Office of the City Attorney and Code Enforcement in the Planning and Building Department.*
2. **Continue to ensure robust legal services, tenant counseling, and rental assistance**, including accessible Asian language resources. At minimum, maintain the baseline \$1 million in funding to Oakland Housing Secure. Identify City funds, such as Boomerang funds, and advocate that the County of Alameda resume providing legal services to County residents, including Oaklanders.

II. Community Safety, Prevention & Healing

- A. Implement the [12 prioritized recommendations of the Reimagining Public Safety Task Force](#), including:
 1. Expanding MACRO to be 24/7 citywide, take on more low-level 911 calls, and ensure cultural & linguistic competency.
 2. Investing in Community Outreach Workers/Ambassadors and Violence Interrupters in our most impacted neighborhoods.
 3. Expanding gender-based violence prevention services, including support to women and children who are victims and survivors of human trafficking.
 4. Moving most responsibilities of the OPD Internal Affairs Division to the Community Police Review Agency (CPRA).
- B. Implement past budget policy directive for City Administrator to present recommendations and a work plan for Council consideration for the additional transfer of certain categories of non-violent, non-criminal calls for service from the Police Department to alternative first responders, including the Fire Department, Department of Transportation, Violence Prevention, Public Works, etc.
- C. Implement past budget policy directive for City Administrator to analyze and present to Council civilianization of certain sworn functions.
- D. Implement and expand Crime Prevention Through Environmental Design (CEPTED) for crime prevention and traffic calming, ensuring adequate funds for the Neighborhood Enhanced Service Team (NEST) program in San Antonio and using dedicated funds such as restricted transportation funds.
- E. Reduce traffic violence, including implementing improvements on Oakland's High Injury Network and increasing capacity for rapid response. Identify staffing, policy and funding sources needed, including restricted transportation funds.
- F. Build partnership with the County for multi-racial, intergenerational violence prevention

program with public health framework. *My office is participating in initial discussions with the County and healthcare providers.*

III. Good Jobs and Vibrant Economy

A. Empower Workers

1. Fully staff the Department of Workplace and Employment Standards, including hiring Deputy Director and updating job classifications to hire staff to enforce local workplace rights laws.
2. Continue to support and partner with community-based and labor organizations who are trusted by BIPOC workers to conduct outreach and ensure that workers know their rights.
3. Enhance workforce development and training, and youth jobs programs, including identifying state and federal funding.

B. Support Small Businesses and Local Economy

1. Fill vacancies in the Planning and Building Department and improve permitting processes.
2. Prioritize and implement recommendations from past small business work groups, as described in this [2022 informational report](#).

C. Information Security

1. Build off the \$3.3 million that Council invested in the last budget cycle for information security and ensure capacity to modernize and secure IT systems.

IV. Clean, Healthy, Sustainable Neighborhoods

- A. Our City workers are our biggest asset in delivering quality services. Prioritize: filling vacant positions quickly and efficiently, hiring Oaklanders, retaining valuable City employees, and ensuring services are not privatized/contracted out.
- B. Fill vacancies in Public Works (OPW) and OakDOT to prioritize high-needs neighborhoods and improve street and sidewalk safety, reduce blight, remove illegal dumping, and remove graffiti.
- C. Increase ability to maintain city facilities, identifying dedicated funds for maintenance, repairs and staffing.

D. Support Arts, Culture, Seniors, and Youth

1. Develop programming in our public parks and facilities that supports and engages our youth, artists, culture workers and residents, in partnership with the Cultural Affairs Commission, Parks & Recreation Advisory Commission, Youth Advisory Commission, community-based organizations, business improvement districts and associations, and other partners.
2. Ensure strong programming and staffing in our parks, recreation centers, libraries, head start centers, senior centers, and arts and cultural centers.
3. Continue Parks Ambassadors Program.
4. Continue to maintain Lake Merritt, including operations while Parking Benefits District begins to generate initial revenue.

V. Capital Improvement Projects

- A. Fire Station 4/MACRO - Measure U and other public & private funds
 1. As outlined in the Council's legislative priorities for the state and federal government, development of a new Fire Station 4 (FS4) that will also co-locate the

MACRO headquarters. Co-location of FS4/MACRO in Central Oakland would enable staff to centrally deploy across the city.

- B. San Antonio Park - Measure U funds
 - 1. Support the community vision from the community-led master planning process with a feasibility study of constructing a Community Library & Resilience Center in or adjacent to San Antonio Park, with the Oakland Library serving as the anchor agency for the development of the building plan.
 - 2. Support the community's short-term priority to renovate San Antonio Park playground, which Alameda County has allocated \$100,000 towards.
- C. Lincoln Square Park - Measure U and other public & private funds
 - 1. Secure the balance of funds needed to renovate and expand Lincoln Resiliency Hub and Recreation Center
- D. Clinton Park - Measure U and other public & private funds
 - 1. Recreation Center rehabilitation and improvements
 - 2. Park improvements, including lighting and playground

VI. Increase/Create New Revenue Streams and Strategic Partnerships

- A. Conduct 5-year evaluation of impact fees and consider making fees more comparable with neighboring cities
- B. Develop new ballot measure to replace Measure Z, the Oakland Public Safety and Services Violence Prevention Act, which expires in 2024
- C. Advocate that Oakland receives our fair share of resources and services from the County of Alameda and other government agencies, given the fact that Oakland has 47% of the unhoused population in the County. This includes funds from the County's Measure W once litigation has ended.
- D. Partner with the Association of Bay Area Governments to place a regional affordable housing bond measure on the 2024 ballot.
- E. Continue to support the creation of the East Bay Public Bank and make plans to deposit revenue into the bank to allow for new investments in housing and small business development.
- F. Develop strategic partnerships with government and philanthropic institutions to increase investments in Oakland programs for affordable housing, homeless interventions and services, community safety and other priorities.

Please save the date for my budget meetings to engage in our budgeting process:

- **D2 Measure U Housing Discussion:** Wednesday, April 12th from 6 - 7:30pm via Zoom
- **D2 Budget Town Hall:** Saturday, May 20th from 10am - 12noon, location TBD

I look forward to working with you throughout our budget process to address the most pressing needs of our Oakland community and chart a longer term path towards an equitable city.

Respectfully,



Nikki Fortunato Bas
City Council President, District 2

P.S. — I invite you to read my first term impact report which describes the work we have achieved together: bit.ly/d2impactreport.