



BUDGET MEMORANDUM

DAN KALB

City Councilmember, District One
City of Oakland

To: Hon. Mayor Libby Schaaf; City Administrator Sabrina Landreth
From: Council President Pro Tem **Dan Kalb**
cc: Director of Finance Katano Kasaine
Date: *April 3, 2019*
RE: **FY 2019-21 Budget Expenditure Priorities**

Please note that, while I am submitting the following priorities pursuant to the requirements of the Consolidated Fiscal Policy Part 4 of Section 3 (Ordinance No. 13279 C.M.S.), and with the interest of assisting your offices in the preparation of the Administration's proposed budget, *I am likely to subsequently update and modify my priorities during the budget process later in May as additional information (including 3rd quarter information) becomes available.*

I look forward to working with you on our shared goals of achieving a budget that serves the needs of Oaklanders, supports the vibrant and diverse city that we are, and conforms with practical efforts to ensure our city's fiscal stability. Thank you.

EXPENDITURE PRIORITIES:

My top expenditure priorities for the FY 2019-21 Budget are as follows. Most of these would be general purpose fund expenditures.

A. Helping Our Homeless Residents:

(1) Prevention

- a. Build on the Keep Oakland Housed anti-displacement programs**

(2) Services

- a. Expand encampment clean-ups (include smaller encampments as well)**

(3) Transitional, Interim and Permanent Housing

- a. Purchase/Renovate and set aside operating funds for third rapid re-housing navigation center**
- b. Purchase Conestoga Huts or additional Tuff Shed Cabins for transitional and short-term interim housing coupled with navigation services**

- c. **Lease at least two motels (along MacArthur Blvd.) for housing the unhoused.**

(4) Hunger Program for Homeless and Others in Need

- a. **Expand Resources for City's Hunger Program to feed those in need**
(possible use of Soda Tax \$\$).

Homelessness is our most challenging and vexing problem. The funds required to bring housing solutions up to scale are enormous and will require State and County assistance and regional cooperation. I have requested a comprehensive status report on the City's efforts to address the challenges and needs of Homeless individuals residing in Oakland with options and recommendations for additional administrative, legislative and budgetary Actions. This will come to the Council in May.

I strongly urge that we *allocate additional funds (including in our CIP) for prevention, services and crisis management, and interim and long-term housing.*

B. Housing Affordability:

- (1) Capital \$\$\$ for new affordable housing projects**
- (2) RAP program enforcement**
- (3) Additional funds for tenant counseling and education.**
- (4) Additional funds for emergency housing assistance for lower income renters and homeowners at risk of foreclosure.**

The lack of affordable housing is a significant problem in Oakland and throughout the East Bay. Coming out of the recession, new housing production in Oakland was at a virtual standstill. Over the past five years, the developers have been proposing and the city has been approving market rate projects in the effort to get more housing built to meet the increased demand for housing. We have also been approving and financially supporting below-market developments but at a slower pace. With the successes in approving and constructing new housing overall, and the cost of market rate housing at what it is, our overwhelming focus now must be approving, facilitating and financially supporting new low (includes very low and extremely low) and moderate income housing. This includes small site acquisition to prevent displacement and make existing units permanently affordable. Additionally, East Bay cities and Alameda and Contra Costa counties need to engage in regional planning and cooperation to help solve this challenge.

C. Public Safety and Violence Prevention:

- (1) Violence Prevention and Rehabilitation: Additional Funding for Violence Prevention/Intervention/Reentry Programs & Services**
- (2) Improved 911 response time - Fund and install 911 technology upgrades; budget for additional 911 dispatchers to eliminate hold times when residents call 911.**

While I continue to support appropriately-designed police academies to achieve a well-staffed and well-trained police force, we know that effectively reducing violence, improving neighborhood safety and helping those in need require greater emphasis on violence prevention and intervention, including effective re-entry services. *I propose that a needs analysis be completed by the Department of Violence Prevention to determine what types of services are most in need, then selectively increase expenditures to meet the most prevalent needs. To better determine existing gaps and optimize effectiveness, I strongly recommend enhanced coordination with relevant Alameda County agencies.*

D. Fire Prevention and Disaster Preparedness/Response:

(1) Wildfire Prevention:

- a. Adopt and begin implementation of Vegetation Management Plan**
- b. Hire additional civilian vegetation management inspectors; combine fire inspector and vegetation management inspector positions into one classification to ensure adequate coverage**
- c. Funding for preparing and running an election in 2020 for a new Wildfire Prevention District**
- d. Enhanced parking enforcement in the hills to enable and safeguard emergency vehicle access. Hire additional Parking Control Technicians (which pay for themselves)**

(2) Disaster Emergency Response: Create City-wide Disaster Emergency Response Plan, including (but not limited to) elements that address:

- a. evacuation procedures**
- b. emergency shelters and access to survival resources**
- c. public safety**
- d. restoration of essential services, and**
- e. short and long-term recovery**

We must make sure we set aside funds to implement the Vegetation Management Plan in order to reduce fire risk in the city's high-risk wildfire region. The danger of wildfire in the hills is real and will get worse with climate change. We must conduct thorough inspections of properties in high fire danger areas. I support filling vacancies and funding at least one additional vegetation management inspector to help ensure we are not faced with another major fire in the hills. I support hiring additional parking control technicians to enforce our parking rules. Additionally, I recommend that we give voters in the hills an opportunity to re-establish a Wildfire Prevention District with a stable funding mechanism, which entails budgeting for the expense of preparing for and conducting that election as well potential polling. Of course, the City also should ensure the continued funding of fire preventative goat grazing.

E. Address Needs in Environmental Services and Parks:

- (1) Energy & Climate Action Plan (ECAP) Implementation (pending adoption of new ECAP in 2020)**
- (2) Illegal dumping enforcement: Fund multi-departmental enforcement program to crack down on illegal dumping**
- (3) Park Maintenance**
- (4) Regular clean ups near City waterways and fulfill related Water Board requirements**

Due to its geography and proximity to the ocean, City of Oakland is particularly vulnerable to certain effects of climate change, such as sea-level rise. With the reversal of positive climate actions at the Federal level, our City must do its part to address this problem by fulfilling the emission reduction goals of our Energy & Climate Action Plan (ECAP). Doing so will not only show Oakland as a model for climate action, but likely will produce co-benefits in localized air quality improvements. While the process to create a new ECAP is in progress, I propose that *the city set aside funds in our FY 20-21 budget for putting our plan into action* and showing a commitment to implementing our new Climate Action Plan.

We all know that Illegal Dumping is and has been a serious problem throughout much of our city. I propose that *we fund the creation of and then implement a comprehensive Illegal Dumping Enforcement plan that includes high-resolution motion sensor cameras in hot spots with necessary monitoring, increases in fines, expanded bounty program, and a commitment to enforcement through our city attorney's office.*

Our parks are used by many residents, yet the maintenance needs have not been adequately funded. I propose *we increase staff for maintenance in our parks, hire full-time gardeners, and fund repairs/replacements for playground equipment* throughout our city.

We have more to do to keep on track with our Regional Water Quality Control Board requirements to reduce and ultimately eliminate trash going into the Bay through our stormwater system. Reducing trash along our streets and in our waterways should receive increased attention in our budget. I propose that *we fund additional trash capture devices in our 2019-21 CIP.*

F. Youth and Young Adults:

- (1) Chronic Absenteeism** – I propose we *continue our partnership with OUSD to fund two FTEs to work on reducing chronic absenteeism in our district elementary schools.* We can grant these funds to OUSD with appropriate oversight and report backs. These funds must be conditional on OUSD continuing to fund at least two FTEs in *their* annual budget for the same purpose.
- (2) Vocational Training for Young Adults** – As part of our efforts to help lower income residents, I recommend we *budget some funds for effective vocational training with the funds targeted toward re-entry population and our homeless residents.*

G. Reduce Vacancy Rate and Address Employee Retention:

- (1) Increase Compensation for City Job Classifications that are significantly below market**
- (2) Additional Human Resources Analyst to address backlog of filling staff vacancies**

If Oakland's City staff compensation rates are not competitive with other Bay Area cities and jurisdictions, Oakland becomes at risk of losing existing talent and having difficulty in recruiting new talent. To help ensure that Oaklanders have access to high quality City services, *we should increase the compensation rates for City job classifications that are significantly below market. The Administration should identify and prioritize those classifications and proceed with budget adjustments accordingly.* Additionally, I propose to *add one additional Human Resources Analyst FTE to help with the hiring process to fill our many vacancies in order to increase vital services to city residents.*

REVENUES:

In addition to general purpose fund expenditure priorities, we need to take seriously the data presented in the recent Budget Priorities public opinion poll commissioned by the city administration that clearly indicated a majority of Oakland residents would prefer to raise additional revenue rather than cut vital city services. Amongst the increased revenues that Oakland should pursue are the following:

- (i) An addendum issued in January 2017 to Easy Bay Housing Organization's 2015 report on Short Term Residential Rentals (STRRs) recommends that the City not only collect the full 14% Transient Occupancy Tax (TOT) from STRR businesses but also allocate most of that additional TOT to the City's Affordable Housing Trust Fund. I endorse this approach.
- (ii) Landscape & Lighting Assessment District (LLAD) – Our LLAD helps fund, among other things, park maintenance and tree work. We need to make sure our LLAD funding stream matches the related needs in our city. Since 2006, the City's Tree Division staffing has been significantly reduced. The LLAD, which currently is *not* increased annually for inflation, is inadequate to meet our tree maintenance, street lighting, and park maintenance needs.
- (iii) Business License Tax – I plan to work on a progressive tax structure for our business gross receipts tax. This likely would reduce taxes on our smallest businesses and raise them on the very largest businesses to better fund city services.

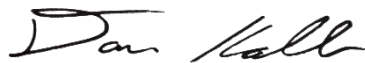
Additionally, in anticipation of legislation that I will be introducing to *lower the cannabis industry business tax rates going forward*, draft budgets should reflect revised revenue estimates to anticipate the passage of this legislation prior to the adoption of the FY 19-21 Budget.

Additional expenditure priorities:

My selected additional priorities include:

- Libraries – *Libraries are the great equalizers of our society.* I am thrilled to see the increase in hours at our branch libraries due to the passage of Measure D.
- Pedestrian Safety – Additional dedicated Transportation dollars in new CIP for pedestrian safety priorities.
- Police Commission – Sufficient funding to fully meet staffing needs.

I look forward to hearing from residents and engaging with my colleagues to craft and adopt a final FY 2019-21 budget for Oakland.



Dan Kalb
City Councilmember, District 1

| District One Budget Town Hall - Saturday, May 18th
10:00am-Noon - North Oakland Senior Center |