



City of
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News from: **City of Oakland**

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Mayor Schaaf proposes \$3.85 billion “Just Recovery Budget”

Two-year plan makes unprecedented investments in homelessness and housing, supports public safety, and re-instates prudent fiscal policies

Oakland, CA – Oakland Mayor Libby Schaaf and City Administrator Ed Reiskin today released a two-year Proposed Policy Budget for fiscal years 2021-2023. The Just Recovery Budget totals more than \$3.85 billion over the next two years, as shown in the table below:

Table 1. Revenues, Expenditures & Full-Time Equivalent Positions

	Midcycle FY 2020-21	FY 2021-22	FY 2022-23
General Purpose Fund	\$644,092,166	\$775,813,222	\$726,578,328
Restricted Special Funds	\$1,069,051,241	\$1,220,599,561	\$1,133,062,330
Total – All Funds	\$1,713,143,407	\$1,996,412,783	\$1,859,640,658
Full-Time Equivalent Positions – GPF	2,410.61	2,379.87	2,364.10
Full-Time Equivalent Positions – All Funds	4,491.30	4,525.52	4,520.42

“As the City begins to recover from the devastating impact of the COVID pandemic, this Just Recovery Budget reflects our shared priorities and values,” said Mayor Libby Schaaf. “It invests in Oakland’s most pressing demands of the day: homelessness and housing, public safety, streets, and long-term fiscal health.”

For the first time, the budget is being presented in an [accessible on-line platform](#) to make it easy to dig into the details. The City also introduced a Racial Equity Analysis tool that was used to assess how any proposed service changes would either benefit or not disproportionately impact low-income Black, Indigenous, and other communities of color.

Budget Highlights

In addition to stabilizing existing service levels, the Just Recovery Budget invests in the City Council’s four priorities:

Affordable Housing & Homelessness Solutions:

- Allocates an unprecedented \$41 million to prevent homelessness, stabilize our unsheltered residents with hygiene supports and interim housing/shelter, and help move them to permanently affordable housing.

- Creates Oakland’s first dedicated Encampment Cleaning Crews with new positions, overtime funding, and equipment, which will double the number of encampments we will clean and service compared with pre-pandemic levels.
- Allocates \$32 million to preserve and produce more affordable housing through state and federal funds and anticipated developer impact fees.

Public Safety & Violence Prevention

- Strategically preserves core OPD services while accurately budgeting expenditures at levels consistent with historical community demand for police response and services. OPD’s budget is 18% of this proposed budget, lower than in the past.
- Creates a new Trust Unit in OPD, including dedicated Liaison Officers to Chinatown and Fruitvale.
- As recommended by the City Auditor, corrects the past practice of underbudgeting police overtime by accurately funding expenditures required to maintain services.
- Creates and ramps up Mobile Assistance Community Responders of Oakland “MACRO” – a non-police response to mental health emergencies -- in the Oakland Fire Department.
- Makes other operational changes recommended by the Reimagining Public Safety process: moves Special Activity Permits to the Economic & Workforce Development Department; moves certain vehicle enforcement activities to the Department of Transportation; and begins the analysis to shift officer misconduct investigations to the Police Commission.
- Expands Department of Violence Prevention coordination and case management, especially for families who are impacted by violence or sexual exploitation.

Good Jobs & Vibrant Economy

- Increases staffing to improve the efficiency and transparency of the City’s permitting services.
- Enhances staffing in the new Department of Workplace and Employment Standards to better monitor and enforce the City’s social equity policies, which benefit local workers, small local businesses, and disadvantaged businesses.
- Contributes to the newly formed Chinatown Business Improvement District and dedicates a specialist to lead economic development activities in East Oakland.

Clean, Healthy, Sustainable Neighborhoods

- Increases capacity in the Head Start program for family support systems, increases programming at Oakland’s four Senior Centers, and expands in-home support services to 50 more low-income seniors.
- Adds \$1.6 million to curtail blight and pick up illegal dumping.
- Institutionalizes Free Dump Days (formerly the Bulky Block Party pilot), that allow Oaklanders to dispose of large, unwanted items for free on the last Saturday of every month.
- Increases Department of Transportation staffing to deliver more infrastructure improvements to underserved areas and enhance traffic and pedestrian safety, especially in high-injury corridors.

Addressing our current and future needs would not have been possible this year without the one-time infusion of \$192 million Oakland was granted from the Federal American Rescue Plan Act (“ARPA”). In April, the City Council allocated \$58.5 million of these one-time funds for use in the current fiscal year. This budget allocates the remaining \$133.5 million as part of the solution to close the \$274 million baseline budget shortfall.

Development of this two-year budget began with a statistically valid [community survey](#) representing the full diversity of Oakland’s adult population. Some top findings from that poll were:

- 50% ranked homelessness or housing costs as the top issue they would like to see prioritized in the City’s budget.
- Views of funding for police are complex. While 23% ranked making cuts to police services as their first choice of 8 options for addressing budget shortfalls, 78% want the same or more police patrolling neighborhoods and responding to 911 calls. One area of agreement is 58% would prioritize police no longer having to respond to nonviolent situations with those suffering from mental illness.

Key Challenges & Risks

The ARPA funds and our Rainy Day policy have shielded Oakland from experiencing massive service cuts in order to balance its budget, however, they are stop-gap measures that require judicious investment. Even with the ARPA funds, our City financial resources may face additional challenges in the near future, given that the structural operating budget deficits Oakland has experienced in the past remain. This budget reflects Oakland values to take care of our most vulnerable residents immediately AND it builds towards a stronger future for all Oaklanders.

If there is one thing we have learned over the last year, we must be prepared for unexpected crises to arise that could put us in financially untenable positions long term. To accommodate the demand to restore services and protect City jobs, this budget does **not** replenish the City’s Rainy Day fund or fully fund basic services with on-going funds; the City therefore remains in a precarious financial position as it enters into this recovery period. Our structurally constrained resources require that we invest carefully in what we know works and what our already stretched-thin organization can reasonably absorb, while also keeping an eye on the overall spending so that the City does not endanger its own climb out of this crisis.

“We are proud of the hard work our committed, talented, and courageous public servants did this past year to respond to the extraordinary circumstances of the pandemic. We owe it to them to keep focused on the core responsibilities of city government, work within our organizational and financial capabilities, all the while safeguarding the long-term future health of the beautiful city, we are so proud to serve – Oakland, California,” said Mayor Schaaf.

This FY 2021-23 Proposed Policy Budget will be presented to the City Council on May 10, 2021, and a robust schedule of community forums and City Council hearings will be held prior to final adoption by June 30, 2021.

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