

CITY OF OAKLAND

BUDGET ADVISORY COMMISSION

Notice is hereby given that a **regular meeting** of the City of Oakland Budget Advisory Commission (BAC) is scheduled for **Wednesday, July 11, 2018** at **6:00 pm**
In the **Hearing Room 4, City Hall, 2nd Floor**, at 1 Frank Ogawa Plaza.

Commission Members:

Lori Andrus, Brandon Baranco, Jon Bauer, Ken Benson, Margurite Fuller,
Ed Gerber, Alicia John-Baptiste, Geoffrey Johnson, Darin Ranahan, Noelle Simmons,
Adam Van de Water, Danny Wan, & Jennifer West

City's Representative:

Brad Johnson – *Finance Department*

Meeting Agenda:

1. Administrative Matters
 - Welcome & Attendance
2. Discussion regarding the Adopted FY 2018-19 Midcycle Budget, see attached materials. [15 minutes]
3. Discussion regarding the Grand Jury Report regarding OPEB, see attached materials. [20 minutes]
4. Discussion and possible action regarding proposed ballot measures for the November General Election, see attached materials. [60 minutes]
 - Funding for Homelessness and Illegal Dumping
 - Charter Amendment for Job Training Set Aside
 - Revisions to Real Estate Transfer Tax
5. Open Forum
6. Adjournment



DISTRIBUTION DATE: 6/21/2018

MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Katano Kasaine
Finance Director

SUBJECT: Explanation of the Exhibits to the Resolution
Amending the FY 2018-19 Midcycle Budget

DATE: June 21, 2018

On June 19, 2018, the City Council adopted the Fiscal Year (FY) 2018-19 Midcycle Budget Amendment. This balanced amendment makes key investments in high priority areas, such as homelessness, affordable housing, and illegal dumping, and other issues important to the Oakland community. The information below highlights some of the key additional investments included in the FY 2018-19 Midcycle Budget Amendment across all funds by service area.

Affordable Housing & Homelessness

- Appropriate \$8.6 million in estimated new grants authorized in the State of California's FY 2018-19 Budget for services to homeless persons as eligible under State grant guidelines, of which \$1.0 million will be made available for sanitation services.
- Add \$300,000 for sanitation services for homeless residents.
- Add 1.0 Full-Time Equivalent (FTE) Health and Human Services Planner to the Community Housing Division in the City's Human Services Department to improve and enhance services to homeless residents (\$163,433 annually).
- Add ongoing baseline funding of \$60,000 for the Home Dues & Biennial Homeless Count, a regional survey conducted annually that is critical to understanding the City's homeless population.
- Appropriate approximately \$10.8 million in one-time project funds for Affordable Housing to expand funding through the City's recent Notice of Funding Availability for the construction and rehabilitation of affordable housing and the First-Time Home Buyer program.
- Appropriate approximately \$16.7 million in one-time project funds toward affordable housing at Brooklyn Basin that will go toward development of approximately 465 affordable housing units.
- Provide an additional \$500,000 in one-time funding for new Rapid Rehousing Center and expansion of winter shelters.

Illegal Dumping

- Add two (2) additional illegal dumping crews, consisting of 7.0 FTE (2.0 FTE Street Maintenance Leaders and 5.0 PW Maintenance Workers), one of which will allow the Public Works Department to expand the Rapid Response Illegal Dumping program in high need communities (approximately \$1.7 million).
- Restores the City's Litter Enforcement Program by adding 4.0 FTE Litter Enforcement Officers and 1.0 FTE Supervisor to improve community sustainability through enforcement.
- Add \$50,000 for educational campaign on Recycling, Illegal Dumping, and Waste Aversion to promote a healthy, sustainable community.
- Appropriates \$250,000 in funding to replace lighting fixtures, including underpass lighting, street lighting, and pedestrian overpass lighting in illegal dumping hotspots.

Animal Services

- Add 1.0 FTE Animal Care Attendant and add 1.0 FTE Public Service Representative (approximately \$167,000 annually).

Job Training, Job Preparation, and Placement

- Provide an additional \$725,000 in one-time funding for job training, job preparation, and placement services, including funding for an evaluation of the City's workforce programs.

The City began the budget process with a projected gap of about \$11 million. This gap was closed through a combination of growth in revenues and expenditure reductions. While the City is experiencing continued economic growth, expenditures continue to outpace our growth in revenues, particularly growth in personnel costs including pensions and healthcare. Importantly, despite the revenue and expenditure adjustments, a gap of approximately \$1.2 million remains in the General Purpose Fund (GPF), which is funded out of reserves in order to preserve critical services.

Retirement benefit costs continue to pressure City finances. According to CalPERS projections, the City's total pension contribution is forecast to increase 49.2 percent over the next 5-years. This is an average annual increase of 10.5 percent per year. In addition, other post-employment benefits (OPEB) obligations continue to increase. As of July 1, 2015, the Unfunded Actuarial Accrued Liability (the "UAAL"), was \$859.99 million. In 2014, the City began investing into the California Employer's Retiree Benefit Trust, with a balance of approximately \$16.1 million as of May 14, 2018. In FY 2018-19 an additional \$10 million will be deposited into the Trust; however, more must be done to address this unfunded liability. Included in the Midcycle Amendment is funding to assist the City with developing cost reduction strategies and to develop a funding policy to address OPEB obligations no later than January 2019.

Historically, periods of economic expansion are followed by contraction. Since World War II, the average expansion period has lasted approximately 5 to 6 years. The current expansion period is nearly double that timeframe, and it is critical that the City approach the next couple years with caution. Even though many baseline revenue categories are continuing to show steady growth, the City's more volatile, economically sensitive revenue categories – such as Sales Taxes and Real Estate Transfer Taxes – are showing signs of pullback, as evidenced in Exhibit 1.

The attached Resolution and Exhibits, which are described in more detail below, form the approved FY 2018-19 Midcycle Budget Amendment. The attachments are as follows:

- **Exhibit 1:** General Purpose Fund FY 2018-19 Midcycle Revenue Adjustments.
- **Exhibit 2:** General Purpose Fund FY 2018-19 Midcycle Revenue and Expenditure Adjustments.
- **Exhibit 3:** All Other Funds (Non-General Purpose Fund) FY 2018-19 Adopted and Midcycle Expenditure Adjustments.
- **Exhibit 4:** All Other Funds (Non-General Purpose Fund) FY 2018-19 Midcycle Detailed Revenue and Expenditure Adjustments.
- **Exhibit 5:** FY 2018-19 Midcycle Library Budget (General Purpose Fund and Measure D Fund) with passage of Oakland's Measure D on June 5th ballot.
- **Council Amendments:** City Council final approved budget amendments and policy directives.

For questions regarding the FY 2018-19 Midcycle Budget, please contact Adam Benson, Budget Administrator at 510-238-2026.

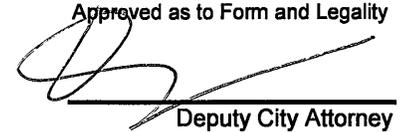
Respectfully submitted,

/s/

KATANO KASAINÉ
Director, Finance Department

Attachments (7):

- 1) FY 2018-19 Midcycle Amendment Resolution
- 2) Exhibit 1 – GPF FY 2018-19 Midcycle Revenue Adjustments
- 3) Exhibit 2 – GPF FY 2018-19 Midcycle Revenue and Expenditure Adjustments
- 4) Exhibit 3 – All Other Funds (Non-GPF) FY 2018-19 Midcycle Expenditure Adjustments
- 5) Exhibit 4 – All Other Funds (Non-GPF) FY 2018-19 Midcycle Detailed Adjustments
- 6) Exhibit 5 – FY 2018-19 Midcycle Library Budget with passage of Oakland's Measure D
- 7) City Council Amendments – Final approved budget amendments and policy directives



Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AMENDING THE CITY OF OAKLAND'S FISCAL YEAR 2017-19 BIENNIAL BUDGET, WHICH WAS ADOPTED PURSUANT TO RESOLUTION NO. 86821 C.M.S., TO MAKE ADJUSTMENTS: (1) CHANGING THE FISCAL YEAR 2018-19 REVENUE PROJECTION IN THE GENERAL PURPOSE FUND (GPF); (2) CHANGING FISCAL YEAR 2018-19 GPF EXPENDITURE APPROPRIATIONS; AND (3) CHANGING FISCAL YEAR 2018-19 REVENUES AND EXPENDITURE APPROPRIATIONS IN OTHER NON-GPF FUNDS.

WHEREAS, the City Council adopted Resolution No. 86821 C.M.S. on June 29, 2017 adopting the FY 2017-19 biennial budget, and appropriating certain funds to provide for the expenditures proposed by the said budget; and

WHEREAS, the City Council has reviewed proposed variances in FY 2018-19 revenues and expenditures as part of the midcycle budget review; and

WHEREAS, *Exhibit 1* to this Resolution sets forth General Purpose Fund revenue amendments to the FY 2017-19 Policy Budget for FY 2018-19; and

WHEREAS, *Exhibit 2* to this Resolution sets forth the General Purpose Fund expenditure amendments to the FY 2017-19 Policy Budget for FY 2018-19; and

WHEREAS, *Exhibit 3* to this Resolution sets forth the total revenues and expenditures for Non-General Purpose Funds in FY 2017-19 Policy Budget for FY 2018-19; and

WHEREAS, *Exhibit 4* to this Resolution sets forth the Non-General Purpose Fund revenue and expenditure amendments to the FY 2017-19 Policy Budget for FY 2018-19; and

WHEREAS, *Exhibit 5* to this Resolution sets forth revenue and expenditure amendments to the FY 2017-19 Policy Budget for FY 2018-19, which will be enacted if Measure D – The 2018 Oakland Public Library Preservation Act, is approved by the voters in the June 2018 Statewide Direct Primary Election; now, therefore be it

RESOLVED: That the City's FY 2018-19 Midcycle Policy Budget is hereby amended to include adjustments for the GPF as set forth in *Exhibits 1 and 2* attached to and incorporated into this Resolution; and be it

FURTHER RESOLVED: That the City's FY 2018-19 Midcycle Policy Budget is hereby further amended to include total revenues and expenditures as set forth in **Exhibit 3** and adjustments for the non-GPF funds as set forth in **Exhibit 4**, attached to and incorporated into this Resolution; and be it

FURTHER RESOLVED: That the City's FY 2018-19 Midcycle Policy Budget is hereby further amended to include adjustments for to the GPF and non-GPF funds as set forth in **Exhibit 5** attached to and incorporated into this Resolution if Measure D – The 2018 Oakland Public Library Preservation Act, is approved; and be it

FURTHER RESOLVED: That the City Council's FY 2018-19 Midcycle Amendments also include Adjustments to the GPF, other funds, and policy directives as shown in **Exhibit 6**; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to periodically transfer funds between Departments and completed Projects as needed in order to clean-up negative budget balances within the same Fund; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to transfer funds between Funds, Departments, and Projects as needed in order to clean-up and consolidate City's Gas Tax Funds as recommended by the State Controller; and be it

FURTHER RESOLVED: That the City Administrator is hereby instructed to return to the City Council by January 2019 with a holistic strategy to address the City's Other Post Employment Benefit liabilities; and be it

FURTHER RESOLVED: That should voters approve a repeal of the Statewide Gasoline Tax during the November 2018 General election, the City Administrator is hereby authorized to suspend expenditures, the hiring of staff positions, and projects in the Gas Tax Fund and related funds until a revised Transportation funding plan can be approved by the City Council; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized and directed to calculate all required set-asides and make appropriate adjustments, based on the final adopted budget amendments, as legally required, such as Kid's First! and the 7.5 percent Emergency Reserve; and be it

FURTHER RESOLVED: That all other provisions of Resolutions No. 86821 C.M.S., which adopted the FY 2017-19 biennial budget on June 29, 2017, shall remain in effect for FY 2018-19.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN,
AND COUNCIL PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

EXHIBIT 1 - MIDCYCLE REVENUE ADJUSTMENTS TO FY 2018-19 BUDGET
General Purpose Fund (GPF) 1010

	FY 2016-17 Actual	FY 2017-18 Adopted Budget	FY 2017-18 Q3 Forecast	FY 2018-19 Adopted Budget	FY 2018-19 Midcycle Proposed	FY 2018-19 Midcycle v. Adopted
Property Tax	\$ 171,475,372	\$ 182,707,896	\$ 184,440,777	\$ 190,093,739	\$ 196,467,669	\$ 6,373,930
Sales Tax	53,701,770	55,998,537	58,684,000	57,678,493	57,678,493	-
Vehicle License Fee	189,433	-	224,279	-	-	-
Business License Tax	75,840,294	79,580,950	80,962,300	81,834,879	86,622,000	4,787,121
Utility User Tax	52,618,316	50,700,000	53,144,500	50,700,000	54,207,390	3,507,390
Real Estate Transfer Tax	79,069,794	75,822,812	75,822,812	77,962,496	74,181,417	(3,781,079)
Transient Occupancy Tax	22,367,662	22,653,820	22,653,820	23,333,435	23,673,242	339,807
Parking Tax	10,636,779	11,130,600	11,130,600	11,436,700	11,436,700	-
Licenses & Permits	1,801,800	2,060,303	2,060,303	2,064,974	2,104,974	40,000
Fines & Penalties	21,687,280	22,428,254	20,968,000	22,650,000	21,231,083	(1,418,917)
Interest Income	1,207,280	740,482	1,207,280	740,482	1,210,069	469,587
Service Charges	54,612,720	59,246,455	59,246,455	61,178,431	62,083,803	905,372
Grants & Subsidies	1,520,828	119,435	953,587	119,435	119,435	-
Miscellaneous Revenue	6,525,455	2,338,857	4,863,903	5,487,531	5,487,531	-
Interfund Transfers	2,274,207	3,964,207	3,964,207	4,774,207	4,768,924	(5,283)
Sub-Total	555,528,990	569,492,608	580,326,823	590,054,802	601,272,730	11,217,928
<i>Transfers from Fund Balance</i>	<i>30,022,178</i>	<i>8,679,441</i>	<i>8,679,442</i>	<i>-</i>	<i>1,679,877</i>	<i>1,679,877</i>
Grand Total	\$ 585,551,168	\$ 578,172,049	\$ 589,006,265	\$ 590,054,802	\$ 602,952,607	\$ 12,897,805

EXHIBIT 2 - MIDCYCLE ADJUSTMENTS TO FY2018-19 BUDGET
General Purpose Fund (GPF) 1010

Item	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
FY2017-19 ADOPTED BUDGET									
A1	FY 2018-19 Adopted Budget (Includes SSBT)		\$ 581,010,090	\$ 14,944,712	\$ 595,954,802	2,434.20	\$ 582,797,395	\$ 13,157,407	\$ 595,954,802
REVENUE ADJUSTMENTS									
B1	Projected increase in Property Tax		\$ -	\$ -	\$ -	-	\$ 4,666,486	\$ -	\$ 4,666,486
B2	Projected increase in RPTTF (Property Tax)		\$ -	\$ -	\$ -	-	\$ 1,707,444	\$ -	\$ 1,707,444
B3	Projected increase in Business License Tax		\$ -	\$ -	\$ -	-	\$ 3,387,121	\$ 500,000	\$ 3,887,121
B4	Projected increase in Utility Consumption Tax		\$ -	\$ -	\$ -	-	\$ 3,507,390	\$ -	\$ 3,507,390
B5	Projected decrease in Real Estate Transfer Tax		\$ -	\$ -	\$ -	-	\$ 4,944,374	\$ (8,725,453)	\$ (3,781,079)
B6	Projected Increase in Transient Occupancy Tax		\$ -	\$ -	\$ -	-	\$ 339,807	\$ -	\$ 339,807
B7	Transfer SSBT revenues from Fund 1010 to Fund 1030 (Measure HH)		\$ -	\$ -	\$ -	-	\$ (5,900,000)	\$ -	\$ (5,900,000)
B8	Projected decrease in Fines & Penalties from parking citation reductions		\$ -	\$ -	\$ -	-	\$ (1,800,000)	\$ -	\$ (1,800,000)
B10	Projected increase in Miscellaneous Income (Interest) & Reduce Interfund Transfers		\$ -	\$ -	\$ -	-	\$ 464,304	\$ -	\$ 464,304
Sub-Total of Revenue Adjustments			\$ -	\$ -	\$ -	-	\$ 11,316,926	\$ (8,225,453)	\$ 3,091,473
EXPENDITURE ADJUSTMENTS									
C1	Personnel adjustments including COLA, equity, fringe rate adjustments, and CSO recoveries; ISF rebalancing due to personnel and O&M increases; Remove FY18-19 transfer to fund balance; Decrease VSSF contribution based on revenue adjustments and CFP	Citywide	\$ 9,745,878	\$ (3,274,102)	\$ 6,471,776	-	\$ -	\$ -	\$ -
C2	Technical adjustment to parking citation contract cost expenditures	Finance	\$ (2,662,500)	\$ -	\$ (2,662,500)	-	\$ -	\$ -	\$ -
C3	Increase and baseline in HSD CSO subsidies; Increase in HSD operating subsidies; and other one-time funding adjustments	Human Services	\$ 3,352,059	\$ (2,669,377)	\$ 682,682	-	\$ -	\$ -	\$ -
C4	KidsFirst true-up FY12-13 through FY16-17; KidsFirst FY18-19 adjustment due to revenue increase	Non-Departmental	\$ 77,515	\$ 3,135,049	\$ 3,212,564	-	\$ -	\$ -	\$ -
C5	Transfer SSBT appropriations to Fund 1030	Non-Departmental	\$ (5,900,000)	\$ -	\$ (5,900,000)	-	\$ -	\$ -	\$ -
Sub-Total of Expenditure Adjustments			\$ 4,612,952	\$ (2,808,430)	\$ 1,804,522	-	\$ -	\$ -	\$ -
FY 2018-19 ADJUSTED BASELINE BUDGET									
D1	FY 2018-19 Adjusted Baseline Budget		\$ 585,623,042	\$ 12,136,282	\$ 597,759,324	2,434.20	\$ 594,114,321	\$ 4,931,954	\$ 599,046,275
DEPARTMENTAL REQUESTS									
E1	Transfer 0.56 FTE of SAM III from Fund 1010 to Fund 2415	Mayor	\$ (181,979)	\$ -	\$ (181,979)	(0.56)	\$ -	\$ -	\$ -
E2	Add 0.60 FTE Receptionist, PPT	CAO	\$ 45,045	\$ -	\$ 45,045	0.60	\$ -	\$ -	\$ -
E3	Increase Fines & Penalties and Service Charges in Contract Compliance	CAO	\$ -	\$ -	\$ -	-	\$ 50,455	\$ -	\$ 50,455
E4	Add 1.0 FTE Animal Care Attendant in Animal Services	CAO	\$ 77,709	\$ -	\$ 77,709	1.00	\$ -	\$ -	\$ -
E5	Add 1.0 FTE Public Service Representative in Animal Services	CAO	\$ 89,787	\$ -	\$ 89,787	1.00	\$ -	\$ -	\$ -
E6	Transfer 0.33 FTE Management Assistant from Fund 1010 to Fund 1760	City Clerk	\$ (60,939)	\$ -	\$ (60,939)	(0.33)	\$ -	\$ -	\$ -
E7	Increase O&M to cover elections in FY18-19	City Clerk	\$ 250,000	\$ -	\$ 250,000	-	\$ -	\$ -	\$ -
E8	O&M for additional required public meetings and mandatory training; and contract services to facilitate requirements with the NSA	Police Commission	\$ 126,000	\$ -	\$ 126,000	-	\$ -	\$ -	\$ -
E9	Transfer Business Analyst IV to Budget Bureau; Delete City Administrator Analyst; Unfreeze Accounting Supervisor	Finance	\$ 3,012	\$ -	\$ 3,012	-	\$ -	\$ -	\$ -
E10	Purchase, implementation and maintenance of CAFR software.	Finance	\$ 30,000	\$ 50,000	\$ 80,000	-	\$ -	\$ -	\$ -
E11	Add 1.0 FTE Tax Auditor II position in the Revenue Bureau for cannabis audits (costing at 1/2 year)	Finance	\$ 65,588	\$ -	\$ 65,588	1.00	\$ 300,000	\$ -	\$ 300,000
E12	Funding for independent study of OPEB liability, benchmarking, and funding strategies/recommendations	Finance	\$ -	\$ 150,000	\$ 150,000	-	\$ -	\$ -	\$ -
E13	Add 2.0 FTE Account Clerk II to process tax assessment refunds (costing at 1/2 year) and increase audit revenues	Finance	\$ 83,582	\$ -	\$ 83,582	2.00	\$ 600,000	\$ -	\$ 600,000
E14	Increase revenue per MFS for recordation and technology fee and special event permit fees	Finance	\$ -	\$ -	\$ -	-	\$ 70,000	\$ -	\$ 70,000
E15	Transfer 0.50 FTE Executive Assistant from Fund 1010 to Fund 4200	DIT	\$ (57,707)	\$ -	\$ (57,707)	(0.50)	\$ -	\$ -	\$ -
E16	Transfer 0.75 FTE Telecom Systems from Fund 1010 to Fund 4200	DIT	\$ (134,981)	\$ -	\$ (134,981)	(0.75)	\$ -	\$ -	\$ -
E17	Add 1.0 FTE Application Developer III [Filled Position]	DIT	\$ 188,988	\$ -	\$ 188,988	1.00	\$ -	\$ -	\$ -
E18	Add 0.5 FTE Business Analyst IV/Add 0.5 FTE Project Manager II funded 50% Fund 1010 and 50% Fund 4600 (Civilianization)	DIT	\$ 242,099	\$ -	\$ 242,099	1.00	\$ -	\$ -	\$ -
E19	Add 1.0 FTE Administrative Assistant II	Race & Equity	\$ 103,229	\$ -	\$ 103,229	1.00	\$ -	\$ -	\$ -

**EXHIBIT 2 - MIDCYCLE ADJUSTMENTS TO FY2018-19 BUDGET
General Purpose Fund (GPF) 1010**

Item	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
E20	Add 1.0 FTE Administrative Assistant II (CONF) for Training	HRM	\$ 104,228	\$ -	\$ 104,228	1.00	\$ -	\$ -	\$ -
E21	Add 1.0 FTE Senior HR Analyst for Recruitment	HRM	\$ 155,451	\$ -	\$ 155,451	1.00	\$ -	\$ -	\$ -
E22	Increase O&M to purchase furniture and technology for HR training rooms	HRM	\$ -	\$ 13,500	\$ 13,500	-	\$ -	\$ -	\$ -
E23	Increase fee revenue in proportion to personnel cost increases	Police Department	\$ -	\$ -	\$ -	-	\$ 800,000	\$ -	\$ 800,000
E24	Add Cannabis Permit O&M	Police Department	\$ 50,000	\$ -	\$ 50,000	-	\$ -	\$ -	\$ -
E25	Add Fire Academy	Fire Department	\$ 1,125,000	\$ -	\$ 1,125,000	-	\$ -	\$ -	\$ -
E26	Add 1.0 FTE Budget & Grants Administrator	Fire Department	\$ 171,414	\$ -	\$ 171,414	1.00	\$ -	\$ -	\$ -
E27	Delete 1.0 FTE Assistant to the Director/Transfer 1.0 FTE Administrative Services Manager I from Fund 1820	Parks and Recreation	\$ (57,625)	\$ -	\$ (57,625)	-	\$ -	\$ -	\$ -
E28	Funding for sanitation services for the homeless	Human Services	\$ -	\$ 300,000	\$ 300,000	-	\$ -	\$ -	\$ -
E29	Add 1.00 FTE Health and Human Services Planner to Community Housing Division for homelessness services	Human Services	\$ 163,433	\$ -	\$ 163,433	1.00	\$ -	\$ -	\$ -
E30	Funding for Everyone Home Dues and Biennial Homeless Count for Oakland	Human Services	\$ 60,000	\$ -	\$ 60,000	-	\$ -	\$ -	\$ -
E31	Transfer one-time funding for New Rapid Rehousing Center from Fund 1010 to Fund 1870 and transfer to HSD	Human Services	\$ -	\$ (300,000)	\$ (300,000)	-	\$ -	\$ -	\$ -
E32	Transfer 1.00 FTE Director of Human Services from Fund 7760; Transfer 1.00 FTE Administrative Assistant I, 0.93 FTE Accountant II, 0.55 FTE Administrative Services Manager II to Fund 7760 and reduce O&M by \$3,786	Human Services	\$ -	\$ -	\$ -	(1.48)	\$ -	\$ -	\$ -
E33	Transfer CSEC funding from Fund 1010 to Fund 2252 (Measure Z)	Human Services	\$ -	\$ (110,000)	\$ (110,000)	-	\$ -	\$ -	\$ -
E34	Transfer Brown Bag program funding from Fund 1010 to Fund 1030 (Measure HH)	Human Services	\$ -	\$ (100,000)	\$ (100,000)	-	\$ -	\$ -	\$ -
E35	Freeze vacant 0.70 FTE Graphic Design Specialist	EWD	\$ (89,532)	\$ -	\$ (89,532)	(0.70)	\$ -	\$ -	\$ -
E36	Transfer to Fund 2195 to maintain and stabilize job training, job-preparation, and placement services and related programs	EWD	\$ -	\$ 275,000	\$ 275,000	-	\$ -	\$ -	\$ -
E37	Add 1.0 FTE Program Analyst III to Fund 1010; Transfer 1.0 FTE Program Analyst II from Fund 1010 to Fund 2195; Remaining Balance Offset by 1010 Carryforward	EWD	\$ 29,352	\$ (82,143)	\$ (52,791)	-	\$ -	\$ -	\$ -
E38	Delete 0.5 FTE Student Trainee, PT and reduce O&M	EWD	\$ (39,241)	\$ -	\$ (39,241)	(0.50)	\$ -	\$ -	\$ -
E39	Reduction to O&M	Planning and Building	\$ (350)	\$ -	\$ (350)	-	\$ -	\$ -	\$ -
E40	Transfer 0.27 FTE Mayor's PSE 14 to from Fund 1010 to Fund 7760 Overhead	OPW	\$ (43,786)	\$ -	\$ (43,786)	(0.27)	\$ -	\$ -	\$ -
E41	Subsidy to cover COLA and other rate increases in Fund 2310 (LLAD)	OPW	\$ 383,171	\$ -	\$ 383,171	-	\$ -	\$ -	\$ -
E42	Add 1.0 FTE Street Maintenance Leader and 2.0 FTE PW Maintenance Worker for illegal dumping (costing at 1/2 year)	OPW	\$ 172,381	\$ -	\$ 172,381	3.00	\$ -	\$ -	\$ -
E43	Add O&M for illegal dumping crew; Equipment purchase from existing appropriation in Fund 4100	OPW	\$ 57,000	\$ -	\$ 57,000	-	\$ -	\$ -	\$ -
E44	Increase Revenue for Parking Citation from Automated License Plate Recognition (ALPR) and one time purchase of equipment installation (5 year cost) and ongoing maintenance	DOT	\$ 28,000	\$ 338,000	\$ 366,000	-	\$ 366,000	\$ -	\$ 366,000
E45	Change MFS to reflect full cost to DOT for administering the Residential Parking Program	DOT	\$ -	\$ -	\$ -	-	\$ 40,000	\$ -	\$ 40,000
E46	ISF adjustment for estimated City Hall security costs	Non-Departmental	\$ 670,000	\$ -	\$ 670,000	-	\$ -	\$ -	\$ -
E47	Additional funding for FY18-19 BID assessments	Non-Departmental	\$ 75,597	\$ -	\$ 75,597	-	\$ -	\$ -	\$ -
E49	Loans for lower-income, under-served persons or entities opening and operating medical marijuana and related businesses	Non-Departmental	\$ -	\$ 275,000	\$ 275,000	-	\$ -	\$ -	\$ -
E50	Set aside for conversion of Temporary Part-Time workers to Full-Time	Non-Departmental	\$ 500,000	\$ -	\$ 500,000	-	\$ -	\$ -	\$ -
E50	Transfer from Fund Balance	Non-Departmental	\$ -	\$ -	\$ -	-	\$ -	\$ 1,679,877	\$ 1,679,877
Subtotal			\$ 4,383,926	\$ 809,357	\$ 5,193,283	10.51	\$ 2,226,455	\$ 1,679,877	\$ 3,906,332
FY 2018-19 Adjusted Budget Total			\$ 590,006,968	\$ 12,945,639	\$ 602,952,607	2,444.71	\$ 596,340,776	\$ 6,611,831	\$ 602,952,607

EXHIBIT 3 - FY 2018-19 MIDCYCLE EXPENDITURES
Other (Non-General Purpose) Fund Tables

FUND & DESCRIPTION	Adopted	Midcycle	Variance
1020 - Vital Services Stabilization Fund	2,027,733	-	(2,027,733)
1030 - Measure HH (SSBDT)	-	10,626,000	10,626,000
1100 - Self Insurance Liability	22,741,409	22,741,409	-
1200 - Pension Override Tax Revenue	109,186,052	109,186,052	-
1610 - Successor Redevelopment Agency Reimbursement Fund	5,539,556	4,173,794	(1,365,762)
1700 - Mandatory Refuse Program	2,740,000	2,740,000	-
1710 - Recycling Program	4,775,447	4,981,443	205,996
1720 - Comprehensive Clean-up	22,550,012	23,794,300	1,244,288
1750 - Multipurpose Reserve	9,481,868	9,951,868	470,000
1760 - Telecommunications Reserve	1,962,762	2,130,771	168,009
1770 - Telecommunications Land Use	692,817	635,000	(57,817)
1780 - Kid's First Oakland Children's Fund	16,715,050	19,927,614	3,212,564
1820 - OPRCA Self Sustaining Revolving Fund	7,723,104	8,002,650	279,546
1870 - Affordable Housing Trust Fund	4,099,907	6,896,035	2,796,128
1885 - 2011A-T Subordinated Housing	750,000	17,420,000	16,670,000
2102 - Department of Agriculture	1,135,682	1,021,302	(114,380)
2103 - HUD-ESG/SHP/HOPWA	8,381,545	9,337,708	956,163
2108 - HUD-CDBG	8,061,926	8,646,171	584,245
2109 - HUD-Home	2,107,060	3,042,249	935,189
2113 - Department of Justice - COPS Hiring	1,461,064	1,461,064	-
2116 - Department of Transportation	344,726	344,726	-
2120 - Federal Action Agency	405,448	410,533	5,085
2124 - Federal Emergency Management Agency (FEMA)	944,958	-	(944,958)
2128 - Department of Health and Human Services	24,096,952	25,390,921	1,293,969
2138 - California Department of Education	1,078,421	1,446,290	367,869
2148 - California Library Services	77,330	77,330	-
2152 - California Board of Corrections	550,000	3,286,720	2,736,720
2159 - State of California Other	327,178	334,422	7,244
2160 - County of Alameda: Grants	2,558,925	4,555,105	1,996,180
2163 - Metro Transportation Com: Program Grant	72,719	72,719	-
2172 - Alameda County: Vehicle Abatement Authority	537,000	537,000	-
2190 - Private Grants	25,000	25,000	-
2195 - Workforce Investment Act	4,016,853	3,715,981	(300,872)

EXHIBIT 3 - FY 2018-19 MIDCYCLE EXPENDITURES
Other (Non-General Purpose) Fund Tables

FUND & DESCRIPTION	Adopted	Midcycle	Variance
2211 - Measure B: Local Streets & Roads	11,280,621	17,687,891	6,407,270
2212 - Measure B: Bicycle/Pedestrian Pass-Thru Funds	1,386,398	1,413,196	26,798
2213 - Measure B: Paratransit - ACTIA	1,308,709	1,321,748	13,039
2215 - Measure F - Vehicle Registration Fee	1,813,031	2,546,283	733,252
2216 - Measure BB - Alameda County Transportation Commission Sales Tax	14,045,182	16,172,336	2,127,154
2217 - Measure BB - OAB Roadway Infrastructure Improvement	-	4,125,000	4,125,000
2230 - State Gas Tax	14,608,140	9,269,732	(5,338,408)
2231 - State Gas Tax-Prop 42 Replacement Funds	1,698,506	1,698,506	-
2232 - Gas Tax RMRA	-	7,167,109	7,167,109
2241 - Measure Q-Library Services Retention & Enhancement	18,033,676	16,658,260	(1,375,416)
2242 - Measure Q Reserve- Library Services Retention & Enhancement	754,121	754,329	208
2250 - Measure N: Fund	1,714,525	1,714,525	-
2252 - Measure Z - Violence Prevention and Public Safety Act of 2014	27,514,763	27,447,807	(66,956)
2310 - Lighting and Landscape Assessment District	19,939,153	20,484,388	545,235
2330 - Werner Court Vegetation Mgmt District	3,200	3,200	-
2331 - Wood Street Community Facilities District	-	61,225	61,225
2332 - OAB CFD No.2015-1- Gateway industrial Park	-	2,048,542	2,048,542
2411 - False Alarm Reduction Program	1,655,370	1,637,738	(17,632)
2412 - Alameda County: Emergency Dispatch Service Supplemental Assessments	2,345,028	2,430,234	85,206
2413 - Rent Adjustment Program Fund	4,844,848	6,795,728	1,950,880
2415 - Development Service Fund	46,571,462	49,918,236	3,346,774
2416 - Traffic Safety Fund	1,460,443	1,488,731	28,288
2417 - Excess Litter Fee Fund	416,440	416,440	-
2419 - Measure C: Transient Occupancy Tax (TOT) Surcharge	6,363,663	6,821,018	457,355
2420 - Transportation Impact Fee	-	3,193,961	3,193,961
2421 - Capital Improvements Impact Fee Fund	-	2,040,000	2,040,000
2826 - Mortgage Revenue	89,492	89,492	-
2912 - Federal Asset Forfeiture: City Share	110,000	110,000	-
2914 - State Asset Forfeiture	90,000	90,000	-
2990 - Public Works Grants	280,000	280,000	-
2995 - Police Grants	10,000	10,000	-
2996 - Parks and Recreation Grants 2001	16,847	16,847	-
2999 - Miscellaneous Grants	124,854	125,374	520

EXHIBIT 3 - FY 2018-19 MIDCYCLE EXPENDITURES
Other (Non-General Purpose) Fund Tables

FUND & DESCRIPTION	Adopted	Midcycle	Variance
3100 - Sewer Service Fund	63,527,514	66,834,716	3,307,202
3150 - Sewer Rate Stabilization Fund	500,000	500,000	-
3200 - Golf Course	862,910	862,910	-
4100 - Equipment	27,945,295	28,612,869	667,574
4200 - Radio / Telecommunications	8,747,658	8,859,354	111,696
4210 - Telephone Equipment and Software	607,850	607,850	-
4300 - Reproduction	1,278,011	1,289,025	11,014
4400 - City Facilities	38,392,258	39,141,077	748,819
4450 - City Facilities Energy Conservation Projects	185,000	300,000	115,000
4500 - Central Stores	350,210	437,990	87,780
4550 - Purchasing	1,384,625	1,420,286	35,661
4600 - Information Technology	10,344,609	10,366,810	22,201
5130 - Rockridge: Library Assessment District	135,000	135,000	-
5330 - Measure KK: Infrastructure and Affordable Housing	34,605,000	34,605,000	-
5610 - Central District Projects	200,000	200,000	-
5614 - Central District: TA Bonds Series 2006T	1,270,000	1,270,000	-
5643 - Central City East TA Bonds Series 2006A-T (Taxable)	120,000	120,000	-
5650 - Coliseum Projects	100,000	100,000	-
5671 - OBRA: Leasing & Utility	2,317,623	2,250,755	(66,868)
6013 - 2013 LED Streetlight Acquisition Lease Financing	1,634,139	1,634,139	-
6029 - Taxable Pension Obligation Bonds: 2012 Series-PFRS	18,418,959	18,418,959	-
6032 - Taxable Pension Obligation: Series 2001	47,300,501	47,300,501	-
6036 - JPFA Refunding Revenue Bonds: 2008 Series A-1 (Tax-Exempt Bonds)	1,281,277	1,281,277	-
6064 - GO Refunding Bonds, Series 2015A	14,786,425	14,786,425	-
6312 - GOB Series 2012-Refunding Bonds	6,670,725	6,670,725	-
6322 - Measure DD: 2017C Clean Water, Safe Parks & Open Space Trust for	1,453,732	1,453,732	-
6330 - Measure KK: 2017A-1 (TE) Infrastructure and Affordable Housing	-	2,246,557	2,246,557
6331 - Measure KK: 2017A-2 (Taxable) Infrastructure and Affordable Housing	-	4,137,206	4,137,206
6540 - Skyline Sewer District - Redemption	28,720	-	(28,720)
6555 - Piedmont Pines 2010 Utility Underground Phase I - Debt Service	235,168	239,818	4,650
6570 - JPFA Pooled Assessment: 1996 Revenue Bonds - Assessment	24,800	-	(24,800)
6587 - 2012 Refunding Reassessment Bonds-Debt Service	447,788	467,259	19,471
6612 - JPFA Lease Revenue Refunding Bonds (Admin Building): 2008 Series	9,065,663	9,065,663	-

EXHIBIT 3 - FY 2018-19 MIDCYCLE EXPENDITURES
Other (Non-General Purpose) Fund Tables

FUND & DESCRIPTION	Adopted	Midcycle	Variance
6999 - Miscellaneous Debt Service	25,000,000	25,000,000	-
7100 - Police and Fire Retirement System	3,338,797	3,322,600	(16,197)
7130 - Employee Deferred Compensation	242,212	142,701	(99,511)
7320 - Police and Fire Retirement System Refinancing Annuity Trust	6,306,055	6,306,055	-
7540 - Oakland Public Library Trust	103,399	103,399	-
7760 - Grant Clearing	-	-	-
7999 - Miscellaneous Trusts	368,101	407,349	39,248
	775,227,000	853,848,060	78,621,060

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
1020 - Vital Services Stabilization Fund									
1	Reduce VSSF contribution from GPF and reduce transfers to fund balance accordingly	Non-Departmental	\$ -	\$ (2,027,733)	\$ (2,027,733)	-	\$ -	\$ (2,027,733)	\$ (2,027,733)
FUND 1020 SUB-TOTAL			\$ -	\$ (2,027,733)	\$ (2,027,733)	-	\$ -	\$ (2,027,733)	\$ (2,027,733)
1030 - Sugar Sweetened Beverage Tax									
1	Funding for the administration of the SSBT for outreach, communication and management services	Finance	\$ 70,000	\$ -	\$ 70,000	-	\$ -	\$ -	\$ -
2	Transfer Brown Bag program funding from Fund 1010 to Fund 1030	Human Services	\$ 100,000	\$ -	\$ 100,000	-	\$ -	\$ -	\$ -
3	Increase contract contingencies consistent with increases in revenues	Non-Departmental	\$ 4,556,000	\$ -	\$ 4,556,000	-	\$ 4,726,000	\$ -	\$ 4,726,000
FUND 1030 SUB-TOTAL			\$ 4,726,000	\$ -	\$ 4,726,000	-	\$ 4,726,000	\$ -	\$ 4,726,000
1200 - Police & Fire Retirement System									
1	Decrease PFRS transfer out based on current actuarial valuation	Non-Departmental	\$ (1,600,000)	\$ -	\$ (1,600,000)	-	\$ -	\$ -	\$ -
2	Transfer to Fund 1200 Fund Balance	Non-Departmental	\$ 1,600,000	\$ -	\$ 1,600,000	-	\$ -	\$ -	\$ -
FUND 1200 SUB-TOTAL			\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
1610 - Successor Redevelopment Agency Reimbursement Fund									
1	Reduce ROPS approved administrative allowance & miscellaneous personnel budgets	Citywide	\$ (20,640)	\$ -	\$ (20,640)	-	\$ (8,210)	\$ -	\$ (8,210)
2	Reduction in ROPS project staffing costs/Transfer 0.80 FTE Development Program Manager/Transfer 0.80 FTE Urban Economic Analyst II/Transfer 0.32 FTE Urban Economic Coordinator to other eligible funds due to ROPS reduction	EWD	\$ (433,373)	\$ -	\$ (433,373)	(1.92)	\$ (564,822)	\$ -	\$ (564,822)
3	Due to DOF's denial of Housings portion of ROPS, transferred all staffing cost and ISF's to Funds 1870, 1885, 2108, 2109, 2413 & 5331	Housing	\$ (805,857)	\$ -	\$ (805,857)	(4.42)	\$ (792,730)	\$ -	\$ (792,730)
FUND 1610 SUB-TOTAL			\$ (1,259,870)	\$ -	\$ (1,259,870)	(6.34)	\$ (1,365,762)	\$ -	\$ (1,365,762)
1710 - Comprehensive Cleanup									
1	Freeze 0.10 FTE Graphic Design Specialist	EWD	\$ (15,289)	\$ -	\$ (15,289)	(0.10)	\$ -	\$ -	\$ -
2	Add Revenues and Expenditures from construction and demolition plan review	OPW	\$ 20,161	\$ -	\$ 20,161	-	\$ 20,161	\$ -	\$ 20,161
3	Add educational campaign on recycling, illegal dumping, and waste aversion	OPW	\$ -	\$ 50,000	\$ 50,000	-	\$ -	\$ -	\$ -
4	Transfer from Fund 1710 Fund Balance	OPW	\$ -	\$ -	\$ -	-	\$ -	\$ 185,835	\$ 185,835
FUND 1710 SUB-TOTAL			\$ 4,872	\$ 50,000	\$ 54,872	(0.10)	\$ 20,161	\$ 185,835	\$ 205,996
1720 - Comprehensive Cleanup									
1	Freeze 0.10 FTE Graphic Design Specialist	EWD	\$ (15,289)	\$ -	\$ (15,289)	(0.10)	\$ -	\$ -	\$ -
2	Add 3.0 FTE Litter/Nuisance Enforcement Officers	OPW	\$ 452,415	\$ -	\$ 452,415	3.00	\$ -	\$ -	\$ -
3	Transfer from Fund Balance	OPW	\$ -	\$ -	\$ -	-	\$ -	\$ 1,350,772	\$ 1,350,772
4	Bus shelter street furniture grant revenue reduction	DOT	\$ -	\$ -	\$ -	-	\$ (106,484)	\$ -	\$ (106,484)
FUND 1720 SUB-TOTAL			\$ 437,126	\$ -	\$ 437,126	2.90	\$ (106,484)	\$ 1,350,772	\$ 1,244,288

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
1750 - Multipurpose Reserve									
1	Appropriate Revenues for Curb Color Program	DOT	\$ -	\$ -	\$ -	-	\$ 25,000	\$ -	\$ 25,000
2	Appropriate Estimated FY18-19 Car Share revenues	DOT	\$ -	\$ -	\$ -	-	\$ 420,000	\$ -	\$ 420,000
3	Estimated revenues from dedicated-space car share permits	DOT	\$ -	\$ -	\$ -	-	\$ 25,000	\$ -	\$ 25,000
4	Add personnel allocation for Car Share Program Limited Duration Employees	DOT	\$ 345,362	\$ -	\$ 345,362	-	\$ -	\$ -	\$ -
5	Transfer 0.25 FTE Program Analyst III for Car Share from Fund 1750 out from Admin Project to Car Share Project	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
6	Add O&M for mobility programs and add O&M for Car Share Program	DOT	\$ 38,848	\$ -	\$ 38,848	-	\$ -	\$ -	\$ -
7	Add O&M for Car Share Program	DOT	\$ 13,848	\$ -	\$ 13,848	-	\$ -	\$ -	\$ -
8	Transfer to Fund 1750 Fund Balance	DOT	\$ -	\$ 73,878	\$ 73,878	-	\$ -	\$ -	\$ -
FUND 1750 SUB-TOTAL			\$ 398,058	\$ 73,878	\$ 471,936	-	\$ 470,000	\$ -	\$ 470,000
1760 - Telecommunications Reserve									
1	Transfer 0.33 FTE Management Assistant to Fund 1760	Clerk	\$ 60,938	\$ -	\$ 60,938	0.33	\$ -	\$ -	\$ -
2	Transfer from Fund Balance	Clerk	\$ -	\$ -	\$ -	-	\$ -	\$ 168,009	\$ 168,009
FUND 1760 SUB-TOTAL			\$ 60,938	\$ -	\$ 60,938	0.33	\$ -	\$ 168,009	\$ 168,009
1770 - Telecommunications Land Use									
1	Transfer Real Estate Services Manager 0.29 FTE to Fund 5610 and 0.29 FTE to 5650 from Fund 1770	EWD	\$ (201,519)	\$ -	\$ (201,519)	(0.58)	\$ -	\$ -	\$ -
2	Remove transfer from Fund 1770 Fund Balance	EWD	\$ -	\$ -	\$ -	-	\$ -	\$ (57,817)	\$ (57,817)
3	Transfer to Fund Balance	EWD	\$ -	\$ 132,436	\$ 132,436	-	\$ -	\$ -	\$ -
FUND 1770 SUB-TOTAL			\$ (201,519)	\$ 132,436	\$ (69,083)	(0.58)	\$ -	\$ (57,817)	\$ (57,817)
1780 - Kid's First Oakland Children's Fund									
1	Increase service contracts	Human Services	\$ 17,984	\$ 3,135,049	\$ 3,153,033	-	\$ -	\$ -	\$ -
FUND 1780 SUB-TOTAL			\$ 17,984	\$ 3,135,049	\$ 3,153,033	-	\$ -	\$ -	\$ -
1820 - Self-Sustaining Fund									
1	Freeze 0.10 FTE Graphic Design Specialist	EWD	\$ (12,790)	\$ -	\$ (12,790)	(0.10)	\$ -	\$ -	\$ -
2	Delete 1.0 FTE Assistant to the Director/Transfer 1.0 FTE Administrative Services Manager I from Fund 1820 to Fund 1010	OPR	\$ (188,988)	\$ -	\$ (188,988)	(1.00)	\$ -	\$ -	\$ -
3	Transfer from Fund Balance	OPR	\$ -	\$ -	\$ -	-	\$ -	\$ 279,546	\$ 279,546
FUND 1820 SUB-TOTAL			\$ (201,778)	\$ -	\$ (201,778)	(1.10)	\$ -	\$ 279,546	\$ 279,546

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
1870 - Affordable Housing Trust Fund									
1	Transfer New Rapid Rehousing Center funding from Fund 1010 to Fund 1870 / Additional one-time funding for New Rapid Rehousing Center or winter shelters	Human Services	\$ -	\$ 800,000	\$ 800,000	-	\$ -	\$ -	\$ -
2	Job/Housing Impact Fee	PBD	\$ 23,710	\$ -	\$ 23,710	-	\$ 23,710	\$ -	\$ 23,710
3	Affordable Housing Impact Fee	PBD	\$ 40,944	\$ -	\$ 40,944	-	\$ 40,944	\$ -	\$ 40,944
4	Land sale proceeds from FY 2017-18	Housing	\$ -	\$ -	\$ -	-	\$ -	\$ 2,250,673	\$ 2,250,673
5	Appropriation for Affordable Housing	Housing	\$ -	\$ 1,800,000	\$ 1,800,000	-	\$ -	\$ -	\$ -
6	Add 0.49 FTE Loan Servicing Administrator	Housing	\$ 102,805	\$ -	\$ 102,805	0.49	\$ -	\$ -	\$ -
7	Transfer 0.50 FTE Administrative Analyst I and ISF's from Fund 2105	Housing	\$ 87,743	\$ -	\$ 87,743	0.50	\$ -	\$ -	\$ -
8	Transfer 0.10 FTE Housing Development Coordinator IV from Fund 1885	Housing	\$ 24,543	\$ -	\$ 24,543	0.10	\$ -	\$ -	\$ -
9	Due to DOF's denial of Housings portion of ROPS, transferred 0.20 FTE Exec Asst to the Director & 0.65 FTE Housing Development Coord I and ISF's from Fund 1610	Housing	\$ 137,889	\$ -	\$ 137,889	0.85	\$ -	\$ -	\$ -
10	Transfer from 1610 offset by O&M reduction	Housing	\$ (137,889)	\$ -	\$ (137,889)	-	\$ -	\$ -	\$ -
11	Additional Transfer from Fund Balance	Housing	\$ -	\$ -	\$ -	-	\$ -	\$ 94,433	\$ 94,433
FUND 1870 SUB-TOTAL			\$ 279,745	\$ 2,600,000	\$ 2,879,745	1.94	\$ 64,654	\$ 2,345,106	\$ 2,409,760
1885 - 2011A-T Subordinated Housing									
1	Appropriations for Affordable Housing Projects (Brooklyn Basin)	Housing	\$ 16,676,958	\$ -	\$ 16,676,958	-	\$ 16,670,000	\$ -	\$ 16,670,000
2	Transfer 0.10 FTE Housing Development Coordinator IV to Fund 1870	Housing	\$ (24,543)	\$ -	\$ (24,543)	0.10	\$ -	\$ -	\$ -
3	Due to DOF's denial of Housings portion of ROPS, transferred 0.19 FTE Director of Housing & Comm Dev, 0.06 FTE Exec Asst to the Director to Fund 5331 and transferred 0.58 FTE Administrative Assistant I from Fund 1610	Housing	\$ (30,569)	\$ -	\$ (30,569)	0.33	\$ -	\$ -	\$ -
4	Increase in O&M due to rearrangement of staff	Housing	\$ 30,569	\$ -	\$ 30,569	-	\$ -	\$ -	\$ -
FUND 1885 SUB-TOTAL			\$ 16,652,415	\$ -	\$ 16,652,415	0.43	\$ 16,670,000	\$ -	\$ 16,670,000
2102 - Department of Agriculture									
1	Decrease CCFP grant revenues based on Head Start enrollees	Human Services	\$ -	\$ -	\$ -	-	\$ (301,368)	\$ -	\$ (301,368)
2	Transfer 3.00 FTE Food Service Workers from Fund 2128 to Fund 2102	Human Services	\$ 275,823	\$ -	\$ 275,823	3.00	\$ -	\$ -	\$ -
3	Transfer CSO Subsidy from Fund 2128 to Fund 2102	Human Services	\$ -	\$ -	\$ -	-	\$ 41,675	\$ -	\$ 41,675
4	Transfer GPF Operating Subsidy from Fund 2128 to Fund 2102	Human Services	\$ -	\$ -	\$ -	-	\$ 146,621	\$ -	\$ 146,621
5	Decrease food ingredients and preparation materials to expected services levels	Human Services	\$ (388,895)	\$ -	\$ (388,895)	-	\$ -	\$ -	\$ -
FUND 2102 SUB-TOTAL			\$ (113,072)	\$ -	\$ (113,072)	3.00	\$ (113,072)	\$ -	\$ (113,072)

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2103 - HUD-ESG/SHP/HOPWA									
1	Increase OHA OPRI Grant Revenue	Human Services	\$ -	\$ -	\$ -	-	\$ 619,344	\$ -	\$ 619,344
2	Increase OHA OPRI subrecipient contracts	Human Services	\$ 664,488	\$ -	\$ 664,488	-	\$ -	\$ -	\$ -
3	Increase Continuum of Care - Families in Transition grant revenue based on increased award	Human Services	\$ -	\$ -	\$ -	-	\$ 5,400	\$ -	\$ 5,400
4	Increase Continuum of Care - Matilda Cleveland grant revenue based on increased award	Human Services	\$ -	\$ -	\$ -	-	\$ 4,680	\$ -	\$ 4,680
5	Transfer 0.21 FTE HHS Prgm Planner to Fund 2108 (CDBG) and reduce associated CSO subsidy	Human Services	\$ (43,374)	\$ -	\$ (43,374)	(0.21)	\$ (122)	\$ -	\$ (122)
6	Transfer ISF charges to Fund 2108 (CDBG)	Human Services	\$ (2,199)	\$ -	\$ (2,199)	-	\$ -	\$ -	\$ -
7	Decrease work order expenditures and increase supplies, service contracts & misc operating expenditures	Human Services	\$ 152	\$ -	\$ 152	-	\$ -	\$ -	\$ -
FUND 2103 SUB-TOTAL			\$ 619,067	\$ -	\$ 619,067	(0.21)	\$ 629,302	\$ -	\$ 629,302
2105 - HUD-EDI Grants									
1	Delete 0.50 FTE Account Clerk II	Housing	\$ (56,376)	\$ -	\$ (56,376)	(0.50)	\$ -	\$ -	\$ -
2	Transfer 0.50 FTE Administrative Analyst I to Fund 1870	Housing	\$ (87,743)	\$ -	\$ (87,743)	(0.50)	\$ -	\$ -	\$ -
3	Removed planned Carryforwards	Housing	\$ 144,237	\$ -	\$ 144,237	-	\$ -	\$ -	\$ -
FUND 2105 SUB-TOTAL			\$ 118	\$ -	\$ 118	(1.00)	\$ -	\$ -	\$ -
2108 - HUD-CDBG									
1	Transfer 0.21 FTE HHS Prgm Planner from Fund 2103	Human Services	\$ 43,373	\$ -	\$ 43,373	0.21	\$ -	\$ -	\$ -
2	Increase various supplies and work order expenditures for CHSD Admin	Human Services	\$ 56,051	\$ -	\$ 56,051	-	\$ -	\$ -	\$ -
3	Increase contracts for PATH Set-Aside	Human Services	\$ 47,391	\$ -	\$ 47,391	-	\$ -	\$ -	\$ -
4	Increase CSO Subsidy associated with transfer of 0.21 HHS Prgm Planner from Fund 2103 partially offset by reducing operating subsidy	Human Services	\$ -	\$ -	\$ -	-	\$ 6,025	\$ -	\$ 6,025
5	Increase contracts for EOCP Homeless HSG Shelter	Human Services	\$ 158,445	\$ -	\$ 158,445	-	\$ -	\$ -	\$ -
6	Transfer ISF charges from Fund 2103	Human Services	\$ 2,199	\$ -	\$ 2,199	-	\$ -	\$ -	\$ -
7	Add 0.26 FTE Loan Servicing Administrator	Housing	\$ 54,551	\$ -	\$ 54,551	0.26	\$ -	\$ -	\$ -
8	Delete 0.50 FTE Account Clerk II	Housing	\$ (56,376)	\$ -	\$ (56,376)	(0.50)	\$ -	\$ -	\$ -
9	Annual Grant Increase	Housing	\$ -	\$ -	\$ -	-	\$ 602,315	\$ -	\$ 602,315
10	Reduce transfer from fund balance	Housing	\$ -	\$ -	\$ -	-	\$ (27,990)	\$ -	\$ (27,990)
11	Due to DOF's denial of Housings portion of ROPS, transferred 0.38 FTE Office Assistant II, 0.05 FTE Director of Housing & Comm Dev, 0.05 FTE Exec Asst to the Director and transferred, 0.62 FTE Rehabilitation Advisor III and ISF's from Fund 1610	Housing	\$ 213,498	\$ -	\$ 213,498	1.10	\$ -	\$ -	\$ -
12	Transfer from 1610 offset by carryforward	Housing	\$ -	\$ (213,498)	\$ (213,498)	-	\$ -	\$ -	\$ -
FUND 2108 SUB-TOTAL			\$ 519,132	\$ (213,498)	\$ 305,634	1.07	\$ 580,350	\$ -	\$ 580,350
2109 - HUD-Home									
1	Transfer 0.50 FTE Rehab Advisor III to Fund 2124	Housing	\$ (95,627)	\$ -	\$ (95,627)	(0.50)	\$ -	\$ -	\$ -
2	Increase Contract Contingencies	Housing	\$ 1,023,424	\$ -	\$ 1,023,424	-	\$ -	\$ -	\$ -
3	Due to DOF's denial of Housings portion of ROPS, transferred 0.05 FTE Exec Asst to the Director from Fund 1610	Housing	\$ 8,675	\$ -	\$ 8,675	0.05	\$ -	\$ -	\$ -
4	Transfer from 1610 offset by O&M	Housing	\$ (8,675)	\$ -	\$ (8,675)	-	\$ -	\$ -	\$ -
5	Annual Grant Increase	Housing	\$ -	\$ -	\$ -	-	\$ 935,189	\$ -	\$ 935,189
FUND 2109 SUB-TOTAL			\$ 927,797	\$ -	\$ 927,797	(0.45)	\$ 935,189	\$ -	\$ 935,189

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2124 - Federal Emergency Management Agency (FEMA)									
1	Add ongoing positions in Housing funded from an existing appropriation in the Seismic Retrofit Grant	Housing	\$ -	\$ -	\$ -	3.50	\$ 26,861	\$ -	\$ 26,861
2	Transfer 0.50 FTE Rehab Advisor III from Fund 2109	Housing	\$ 95,627	\$ -	\$ 95,627	0.50			
3	Remove existing budget appropriations for the Urban Search & Rescue Grant (USAR); future appropriations supporting staffing and operations & maintenance cost will be provided through separate City Council resolution and the carryforward process	OFD	\$ (944,958)	\$ -	\$ (944,958)	-	\$ (944,958)	\$ -	\$ (944,958)
FUND 2124 SUB-TOTAL			\$ (849,331)	\$ -	\$ (849,331)	4.00	\$ (918,097)	\$ -	\$ (918,097)
2128 - Department of Health and Human Services									
1	SAMHSA - Add year 3 of 5 year grant revenues	Human Services	\$ -	\$ -	\$ -	-	\$ 1,000,000	\$ -	\$ 1,000,000
2	SAMHSA - Remove CF balancer/ Add O&M for contracted mental health services	Human Services	\$ 976,676	\$ -	\$ 976,676	-	\$ -	\$ -	\$ -
3	CSBG - Reduce PEPR/CSBG - Reduce grant revenues	Human Services	\$ (11,916)	\$ -	\$ (11,916)	-	\$ (11,916)	\$ -	\$ (11,916)
4	Head Start - Increase grant revenue due to COLA increase from grantor	Human Services	\$ -	\$ -	\$ -	-	\$ 160,255	\$ -	\$ 160,255
5	Head Start - Transfer GPF Subsidies to Fund 2102 & Fund 2138	Human Services	\$ -	\$ -	\$ -	-	\$ (344,304)	\$ -	\$ (344,304)
6	Head Start - Transfer 8.50 FTE Early Childhood Center Directors to Fund 2138	Human Services	\$ (1,040,071)	\$ -	\$ (1,040,071)	(8.50)	\$ -	\$ -	\$ -
7	Head Start - Transfer 3.00 FTE Food Service Workers to Fund 2102	Human Services	\$ (275,821)	\$ -	\$ (275,821)	(3.00)	\$ -	\$ -	\$ -
8	Head Start - Add/Delete - Add 10.50 FTE Recreation Attendant I, PT (placeholders for HS/Early HS Sub Teaching Assistant, PT until classification is created) and Delete 4.00 FTE Head Start Instructors	Human Services	\$ 208,126	\$ -	\$ 208,126	6.50	\$ -	\$ -	\$ -
9	Head Start - Add/Delete - Add 1.0 FTE Accountant II and Delete 1.0 FTE Accountant I	Human Services	\$ 14,353	\$ -	\$ 14,353	-	\$ -	\$ -	\$ -
10	Head Start - Add/Delete - Add 1.00 FTE Food Service Worker, PT and Delete 1.00 FTE Food Program Driver, PT	Human Services	\$ 13,898	\$ -	\$ 13,898	-	\$ -	\$ -	\$ -
11	Head Start - Add 1.00 FTE Head Start/EHS Sub Inst, PT and Delete 1.00 FTE Food Program Driver, PT; Add/Delete - Add 1.00 FTE Head Start Coach Coordinator and Delete 1.00 FTE Head Start Nutrition Coordinator; Head Start - Add/Delete - Add 1.00 FTE Head Start Facilities Coordinator, 1.00 FTE Head Start School Readiness Coordinator, and 1.00 FTE Head Start ERSEA & Data Coordinator and Delete 3.00 FTE Headstart Program Coordinator	Human Services	\$ 1,277	\$ -	\$ 1,277	-	\$ -	\$ -	\$ -
12	Head Start - Increase 9.00 FTE Head Start Instructors to 12 months from 11 months	Human Services	\$ 77,293	\$ -	\$ 77,293	-	\$ -	\$ -	\$ -
13	Head Start - Eliminate salary offset & add funding for various O&M	Human Services	\$ 810,869	\$ -	\$ 810,869	-	\$ -	\$ -	\$ -
14	Increase CSO subsidies		\$ -	\$ -	\$ -	-	\$ 71,246	\$ -	\$ 71,246
15	Reduce operating subsidies to offset increase in CSO subsidies		\$ -	\$ -	\$ -	-	\$ (71,246)	\$ -	\$ (71,246)
FUND 2128 SUB-TOTAL			\$ 774,684	\$ -	\$ 774,684	(5.00)	\$ 804,035	\$ -	\$ 804,035

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2138 - California Department of Education									
1	Head Start CSPP - increase revenues	Human Services	\$ -	\$ -	\$ -	-	\$ 26,861	\$ -	\$ 26,861
2	Add CCTR grant revenues	Human Services	\$ -	\$ -	\$ -	-	\$ 185,000	\$ -	\$ 185,000
3	Transfer 8.50 FTE Early Childhood Center Directors from Fund 2128	Human Services	\$ 1,040,073	\$ -	\$ 1,040,073	8.50	\$ -	\$ -	\$ -
4	Transfer CSO Subsidy from Fund 2128 to CSPP grant	Human Services	\$ -	\$ -	\$ -	-	\$ 126,213	\$ -	\$ 126,213
5	Transfer CSO Subsidy from Fund 2128 to CCTR grant	Human Services	\$ -	\$ -	\$ -	-	\$ 29,795	\$ -	\$ 29,795
6	Eliminate salaries offset / reduce classroom supplies / increase rent, janitorial and special needs contracts funding	Human Services	\$ (672,204)	\$ -	\$ (672,204)	-	\$ -	\$ -	\$ -
FUND 2138 SUB-TOTAL			\$ 367,869	\$ -	\$ 367,869	8.50	\$ 367,869	\$ -	\$ 367,869
2152 - California Board of Corrections									
1	Add CDCR GSW Grant Revenue and O&M funding for sub recipient contracts	Human Services	\$ 2,736,720	\$ -	\$ 2,736,720	-	\$ 2,736,720	\$ -	\$ 2,736,720
2	Reduce CDCR GSW contract expenditures	Human Services	\$ (6,847)	\$ -	\$ (6,847)	-	\$ -	\$ -	\$ -
FUND 2152 SUB-TOTAL			\$ 2,729,873	\$ -	\$ 2,729,873	-	\$ 2,736,720	\$ -	\$ 2,736,720
2160 - County of Alameda: Grants									
1	Add grant revenue, add O&M and eliminate carryforward offset for CORE Housing Centers Grant	Human Services	\$ 4,014,935	\$ -	\$ 4,014,935	-	\$ 4,014,935	\$ -	\$ 4,014,935
2	Eliminate boomerang grant revenue & expenditures	Human Services	\$ (413,104)	\$ -	\$ (413,104)	-	\$ (413,565)	\$ -	\$ (413,565)
3	Increase grant revenue and O&M for county HFSN grant	Human Services	\$ 9,157	\$ -	\$ 9,157	-	\$ 10,675	\$ -	\$ 10,675
4	Increase grant revenue for Outreach I & A grant	Human Services	\$ -	\$ -	\$ -	-	\$ 4,846	\$ -	\$ 4,846
5	Reduce operating subsidy for Outreach I & A grant	Human Services	\$ -	\$ -	\$ -	-	\$ (5,903)	\$ -	\$ (5,903)
6	Remove First Responder Advanced Life Support (FRALS) appropriation. Services will be provided for using carryforward until available appropriation is exhausted	OFD	\$ (1,643,440)	\$ -	\$ (1,643,440)	-	\$ (1,643,440)	\$ -	\$ (1,643,440)
FUND 2160 SUB-TOTAL			\$ 1,967,548	\$ -	\$ 1,967,548	-	\$ 1,967,548	\$ -	\$ 1,967,548
2195 - Workforce Investment Act									
1	Transfer 0.54 FTE Program Analyst II from Fund 1010	EWD	\$ 86,696	\$ -	\$ 86,696	0.54	\$ -	\$ -	\$ -
2	Transfer 0.16 FTE Program Analyst II to Fund 7999	EWD	\$ (28,465)	\$ -	\$ (28,465)	(0.16)	\$ -	\$ -	\$ -
3	Transfer to Fund 2195 to maintain and stabilize job training, job-preparation, and placement services and related programs	EWD	\$ -	\$ -	\$ -	-	\$ -	\$ 275,000	\$ 275,000
4	Reduction of Third Party Grants	EWD	\$ (116,569)	\$ -	\$ (116,569)	-	\$ -	\$ -	\$ -
5	Carryforward offset & reduction in WIOA grant	EWD	\$ (203,674)	\$ -	\$ (203,674)	-	\$ (575,872)	\$ -	\$ (575,872)
FUND 2195 SUB-TOTAL			\$ (262,012)	\$ -	\$ (262,012)	0.38	\$ (575,872)	\$ 275,000	\$ (300,872)

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2211 - Measure B Local Streets and Roads									
1	Funding for eligible transportation projects for Oakland Army Base	EWD	\$ -	\$ 5,414,557	\$ 5,414,557	-	\$ -	\$ 5,414,557	\$ 5,414,557
2	Add revenue based on ACTC updated FY18 collections	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ 376,304	\$ 376,304
3	Appropriate Fund Balance for Emergency Roadway Repair	DOT	\$ -	\$ 700,000	\$ 700,000	-	\$ -	\$ 700,000	\$ 700,000
4	Add/Delete Engineer Assistant II and add Public Works Sup I and transfer to fund 2230	DOT	\$ (22,872)	\$ -	\$ (22,872)	(0.10)	\$ -	\$ -	\$ -
5	Add 0.50 Student Trainee	DOT	\$ 40,421	\$ -	\$ 40,421	0.50	\$ -	\$ -	\$ -
6	Transfer 0.10 FTE Engineer Assistant II to Fund 2212 Measure B Bicycle and Pedestrian	DOT	\$ (22,872)	\$ -	\$ (22,872)	(0.10)	\$ -	\$ -	\$ -
7	Add/Delete Engineer Assistant II to Spatial Analyst III	DOT	\$ 4,725	\$ -	\$ 4,725	-	\$ -	\$ -	\$ -
8	Upgrade Drafting Tech to Engineer Assistant II	DOT	\$ 6,803	\$ -	\$ 6,803	-	\$ -	\$ -	\$ -
9	Transfer O&M from Measure BB Fund 2216 to Measure B Fund 2211	CIP	\$ 105,824	\$ -	\$ 105,824	-	\$ -	\$ -	\$ -
FUND 2211 SUB-TOTAL			\$ 112,029	\$ 6,114,557	\$ 6,226,586	0.30	\$ -	\$ 6,490,861	\$ 6,490,861
2212 - Measure B Bicycle and Pedestrian									
1	Add revenue based on ACTC updated FY18 collections	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ 100,029	\$ 100,029
2	Add/Delete - Delete Program Analyst III in Fund 2212 and Add Assistant to the Director (0.05 FTE 2212, 0.65 FTE 2230 and 0.30 FTE 2231)	DOT	\$ (212,950)	\$ -	\$ (212,950)	(0.95)	\$ -	\$ -	\$ -
3	Transfer 0.10 FTE Assistant Engineer II from Fund 2211 and 0.75 FTE from Fund 7760 Clearing	DOT	\$ 195,378	\$ -	\$ 195,378	0.85	\$ -	\$ -	\$ -
FUND 2212 SUB-TOTAL			\$ (17,572)	\$ -	\$ (17,572)	(0.10)	\$ -	\$ 100,029	\$ 100,029
2213 - Measure B: Paratransit - ACTIA									
1	Add/Delete - Add 1.09 FTE Office Assistant I, PT and Delete 1.09 FTE Senior Aide, PT	Human Services	\$ 27,959	\$ -	\$ 27,959	-	\$ -	\$ -	\$ -
2	Reduce contracts	Human Services	\$ (27,959)	\$ -	\$ (27,959)	-	\$ -	\$ -	\$ -
FUND 2213 SUB-TOTAL			\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
2215 - Measure F Vehicle Registration Fees									
1	Purchase 2 trucks for Complete Streets Mnt. Services.	DOT	\$ -	\$ 135,000	\$ 135,000	-	\$ -	\$ -	\$ -
2	Replace various lighting with LED fixtures and may include underpass lighting, metal halide streetlighting and pedestrian overpass lighting in illegal dumping hotspots	DOT	\$ -	\$ 250,000	\$ 250,000	-	\$ -	\$ -	\$ -
3	Materials for street signs and markings	DOT	\$ -	\$ 100,000	\$ 100,000	-	\$ -	\$ -	\$ -
4	Add O&M for utility trench work	DOT	\$ -	\$ 100,000	\$ 100,000	-	\$ -	\$ -	\$ -
5	Increase asphalt budget	DOT	\$ -	\$ 150,000	\$ 150,000	-	\$ -	\$ -	\$ -
6	Transfer from Fund Balance	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ 733,252	\$ 733,252
FUND 2215 SUB-TOTAL			\$ -	\$ 735,000	\$ 735,000	-	\$ -	\$ 733,252	\$ 733,252

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2216 - Measure BB									
1	Add 6.00 FTE Crossing Guards, PT (Resolution 87124)	OPD	\$ 314,897	\$ -	\$ 314,897	6.00	\$ -	\$ -	\$ -
2	Add 1.00 FTE Administrative Assistant I	Human Services	\$ 111,199	\$ -	\$ 111,199	1.00	\$ -	\$ -	\$ -
3	Add 0.53 FTE Office Assistant I, PT	Human Services	\$ 33,873	\$ -	\$ 33,873	0.53	\$ -	\$ -	\$ -
4	Reduce Contracts	Human Services	\$ (156,217)	\$ -	\$ (156,217)	-	\$ -	\$ -	\$ -
5	Funding for eligible transpiration projects for Oakland Army Base	EWD	\$ -	\$ 1,585,443	\$ 1,585,443	-	\$ -	\$ 1,585,443	\$ 1,585,443
6	Add revenue based on ACTC updated FY18 collections	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ 731,469	\$ 731,469
7	Transfer O&M from Measure BB Fund 2216 to Measure B Fund 2211	CIP	\$ (105,824)	\$ -	\$ (105,824)	-	\$ -	\$ -	\$ -
FUND 2216 SUB-TOTAL			\$ 197,928	\$ 1,585,443	\$ 1,783,371	7.53	\$ -	\$ 2,316,912	\$ 2,316,912
2230 - State Gas Tax									
1	Transfer 1.0 FTE Public Works Supervisor II from fund 2230 to fund 3100	OPW	\$ (234,821)	\$ -	\$ (234,821)	(1.00)	\$ -	\$ -	\$ -
2	Add/Delete - Delete Program Analyst III in Fund 2212 and Add Asst to the Director (0.05 FTE 2212, 0.65 FTE 2230 and 0.30 FTE 2231)	DOT	\$ 182,363	\$ -	\$ 182,363	0.65	\$ -	\$ -	\$ -
3	Add/Delete Engineer Assistant II and Add Public Works Sup I and move to Fund 2230	DOT	\$ 209,945	\$ -	\$ 209,945	1.00	\$ -	\$ -	\$ -
4	Transfer 20.00 FTE Paving Crew and associated O&M out of 2230 to the new RMA fund 2232	DOT	\$ (5,902,025)	\$ -	\$ (5,902,025)	(20.00)	\$ -	\$ -	\$ -
5	Add allowances and premiums for entitled MOU positions	DOT	\$ 9,950	\$ -	\$ 9,950	-	\$ -	\$ -	\$ -
6	Transfer 1.60 FTE Sign Mnt. Worker, Traffic Sign Maker, Traffic Painter and Public Works Mnt. Worker from Fund 2230 to Fund 7760 project clearing	DOT	\$ (266,115)	\$ -	\$ (266,115)	(1.60)	\$ -	\$ -	\$ -
7	Transfer 0.90 FTE Spatial Analyst III to Fund 2230	DOT	\$ 224,116	\$ -	\$ 224,116	0.90	\$ -	\$ -	\$ -
8	Reduce Revenue	DOT	\$ -	\$ -	\$ -	-	\$ (1,592,440)	\$ -	\$ (1,592,440)
FUND 2230 SUB-TOTAL			\$ (5,776,587)	\$ -	\$ (5,776,587)	(20.05)	\$ (1,592,440)	\$ -	\$ (1,592,440)
2231 - State Gas Tax Prop 42									
1	Add/Delete - Delete Program Analyst III in Fund 2212 and Add Assistant to the Director (0.05 FTE 2212, 0.65 FTE 2230 and 0.30 FTE 2231)	DOT	\$ 84,167	\$ -	\$ 84,167	0.30	\$ -	\$ -	\$ -
2	Transfer O&M to Fund 2232	DOT	\$ (120,950)	\$ -	\$ (120,950)	-	\$ -	\$ -	\$ -
FUND 2231 SUB-TOTAL			\$ (36,783)	\$ -	\$ (36,783)	0.30	\$ -	\$ -	\$ -
2232 - Gas Tax RMRA									
1	Transfer 20.00 FTE Paving Crew and associated O&M out of 2230 to the new RMA fund 2232	DOT	\$ 5,902,025	\$ -	\$ 5,902,025	20.00	\$ -	\$ -	\$ -
2	Increase revenue projections	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ 91,709	\$ 91,709
3	Add Program Analyst II	DOT	\$ 196,102	\$ -	\$ 196,102	1.00	\$ -	\$ -	\$ -
4	Add O&M	DOT	\$ 43,901	\$ 100,000	\$ 143,901	-	\$ -	\$ -	\$ -
5	Increase asphalt budget	DOT	\$ -	\$ 300,000	\$ 300,000	-	\$ -	\$ -	\$ -
6	Transfer 1.0 FTE Public Works Supervisor II from fund 3100 to fund 2232	DOT	\$ 284,131	\$ -	\$ 284,131	1.00	\$ -	\$ -	\$ -
7	Add Additional funding for MOU Mandated Premiums	DOT	\$ 20,000	\$ -	\$ 20,000	-	\$ -	\$ -	\$ -
8	Transfer O&M from Fund 2231 to 2232	DOT	\$ 120,950	\$ -	\$ 120,950	-	\$ -	\$ -	\$ -
9	Add O&M for Curb Ramp	CIP	\$ 200,000	\$ -	\$ 200,000	-	\$ -	\$ -	\$ -
FUND 2232 SUB-TOTAL			\$ 6,767,109	\$ 400,000	\$ 7,167,109	22.00	\$ -	\$ 91,709	\$ 91,709

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2241 - Measure Q									
1	Freeze vacant and temp part-time positions 23.38 FTE (if Measure D does not pass)	Library	\$ (1,881,683)	\$ -	\$ (1,881,683)	(23.38)	\$ -	\$ -	\$ -
FUND 2241 SUB-TOTAL			\$ (1,881,683)	\$ -	\$ (1,881,683)	(23.38)	\$ -	\$ -	\$ -
2252 - Measure Z - Violence Prevention and Public Safety Act of 2014									
1	Increase available resources per Measure Z formula	OPD	\$ 27,828	\$ -	\$ 27,828	-	\$ -	\$ -	\$ -
2	Add 1.00 FTE Health & Human Svcs Prgm Planner (end-date 6/30/19)	Human Services	\$ -	\$ 155,451	\$ 155,451	1.00	\$ -	\$ -	\$ -
3	Add 0.99 FTE Program Analyst II, PPT (end-date 6/30/19)	Human Services	\$ -	\$ 132,963	\$ 132,963	0.99	\$ -	\$ -	\$ -
4	Transfer CSEC funding from Fund 1010 to Fund 2252 (Measure Z)	Human Services	\$ -	\$ 110,000	\$ 110,000	-	\$ -	\$ -	\$ -
5	Use carryforward to fund end-dated positions & CSEC	Human Services	\$ -	\$ (398,414)	\$ (398,414)	-	\$ -	\$ -	\$ -
6	Reduce O&M	Human Services	\$ (68,560)	\$ -	\$ (68,560)	-	\$ -	\$ -	\$ -
7	Add 1.00 FTE Case Manager I	Human Services	\$ 110,491	\$ -	\$ 110,491	1.00	\$ -	\$ -	\$ -
8	Eliminate Budgeted Use of Fund Balance	DVP	\$ -	\$ -	\$ -	-	\$ -	\$ (66,956)	\$ (66,956)
FUND 2252 SUB-TOTAL			\$ 69,759	\$ -	\$ 69,759	2.99	\$ -	\$ (66,956)	\$ (66,956)
2310 - Lighting and Landscape Assessment District									
1	Appropriate revenues from PG&E to be received for tree work	OPW	\$ -	\$ 150,000	\$ 150,000	-	\$ -	\$ 150,000	\$ 150,000
2	Subsidy to cover COLA and other rate increases in Fund 2310 (LLAD) from GPF	OPW	\$ -	\$ -	\$ -	-	\$ 395,235	\$ -	\$ 395,235
FUND 2310 SUB-TOTAL			\$ -	\$ 150,000	\$ 150,000	-	\$ 395,235	\$ 150,000	\$ 545,235
2331 - Wood street CFD									
1	CFD Assessment Revenue	OPW	\$ -	\$ -	\$ -	-	\$ 61,226	\$ -	\$ 61,226
2	Add 0.20 FTE Management Assistant	OPW	\$ 41,226	\$ -	\$ 41,226	0.20	\$ -	\$ -	\$ -
3	Add O&M	OPW	\$ 20,000	\$ -	\$ 20,000	-	\$ -	\$ -	\$ -
FUND 2331 SUB-TOTAL			\$ 61,226	\$ -	\$ 61,226	0.20	\$ 61,226	\$ -	\$ 61,226
2332 - OAB CFD Gateway Industrial Park									
1	Add CFD Assessment Revenue	OPW	\$ -	\$ -	\$ -	-	\$ 1,316,228	\$ -	\$ 1,316,228
2	Add 0.80 Management Assistant	OPW	\$ 164,906	\$ -	\$ 164,906	0.80	\$ -	\$ -	\$ -
3	Add O&M and County Admin Fee and Capital Reserve	OPW/CIP	\$ 1,151,322	\$ -	\$ 1,151,322	-	\$ -	\$ -	\$ -
4	Add CFD Assessment Revenue	DOT	\$ -	\$ -	\$ -	-	\$ 732,313	\$ -	\$ 732,313
5	Add O&M and Capital Reserve	DOT	\$ 732,313	\$ -	\$ 732,313	-	\$ -	\$ -	\$ -
FUND 2332 SUB-TOTAL			\$ 2,048,541	\$ -	\$ 2,048,541	0.80	\$ 2,048,541	\$ -	\$ 2,048,541

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2413 - Rent Adjustment Program									
1	Add 0.25 FTE Loan Servicing Administrator	Housing	\$ 52,449	\$ -	\$ 52,449	0.25	\$ -	\$ -	\$ -
2	Add revenues from increasing RAP fee	Housing	\$ -	\$ -	\$ -	-	\$ 1,950,880	\$ -	\$ 1,950,880
3	Add 3.00 FTE Hearing Officers, 1.00 FTE Program Analyst III and 1.00 FTE Accountant I	Housing	\$ 1,057,829	\$ -	\$ 1,057,829	5.00	\$ -	\$ -	\$ -
4	Add 1.00 FTE Specialty Combination Inspector	PBD	\$ 143,012	\$ -	\$ 143,012	1.00	\$ -	\$ -	\$ -
5	Add 1.00 FTE Deputy City Attorney II	City Attorney	\$ 224,413	\$ -	\$ 224,413	1.00	\$ -	\$ -	\$ -
6	Due to DOF's denial of Housings portion of ROPS, transferred 0.10 FTE Director of Housing & Comm Dev and 0.15 FTE Exec Asst to the Director from Fund 1610	Housing	\$ 70,174	\$ -	\$ 70,174	0.25	\$ -	\$ -	\$ -
7	Transfer from 1610 offset by O&M	Housing	\$ (70,174)	\$ -	\$ (70,174)	-	\$ -	\$ -	\$ -
8	Carryforward Offset to balance	Housing	\$ (16,508)	\$ -	\$ (16,508)	-	\$ -	\$ -	\$ -
FUND 2413 SUB-TOTAL			\$ 1,461,195	\$ -	\$ 1,461,195	7.50	\$ 1,950,880	\$ -	\$ 1,950,880
2415 - Development Service Fund									
1	Transfer 0.56 FTE of SAM III from Fund 1010	Mayor	\$ 181,979	\$ -	\$ 181,979	0.56	\$ -	\$ -	\$ -
2	Add 1.0 FTE Principal HR Analyst	DHRM	\$ 198,493	\$ -	\$ 198,493	1.00	\$ -	\$ -	\$ -
3	Downgrade 1.00 FTE Urban Economic Analyst III to Urban Economic Analyst II and transfer remaining funds to DOT for Broadway Shuttle job duties.	EWD	\$ (43,246)	\$ -	\$ (43,246)	-	\$ -	\$ -	\$ -
4	Reduce Contingency Reserve Budget for Asst Director position	PBD	\$ (161,056)	\$ -	\$ (161,056)	-	\$ -	\$ -	\$ -
5	Add 1.0 FTE Permit Tech II	PBD	\$ 122,777	\$ -	\$ 122,777	1.00	\$ -	\$ -	\$ -
6	Add 1.0 FTE Planner IV	PBD	\$ 199,350	\$ -	\$ 199,350	1.00	\$ -	\$ -	\$ -
7	Add 1.0 FTE Principal Inspection Supervisor	PBD	\$ 209,225	\$ -	\$ 209,225	1.00	\$ -	\$ -	\$ -
8	Add 1.0 FTE Inspection Services Manager	PBD	\$ 274,057	\$ -	\$ 274,057	1.00	\$ -	\$ -	\$ -
9	Add 2.0 FTE Specialty Combination Inspectors	PBD	\$ 316,816	\$ -	\$ 316,816	2.00	\$ -	\$ -	\$ -
10	Foreclosed registration reduction	PBD	\$ (4,392)	\$ -	\$ (4,392)	-	\$ -	\$ -	\$ -
11	Blight abatement reduction	PBD	\$ (7,943)	\$ -	\$ (7,943)	-	\$ -	\$ -	\$ -
12	General plan	PBD	\$ -	\$ -	\$ -	-	\$ 280,971	\$ -	\$ 280,971
13	Records Management and Technology	PBD	\$ -	\$ -	\$ -	-	\$ 18,537	\$ -	\$ 18,537
14	Departmental Adm Project	PBD	\$ -	\$ -	\$ -	-	\$ 1,578,646	\$ -	\$ 1,578,646
16	Reduce fund balance	PBD	\$ (1,139,224)	\$ -	\$ (1,139,224)	-	\$ -	\$ -	\$ -
17	Add/Delete 1.0 FTE Construction Inspector Supervisor I and Add 1.0 FTE Construction Inspector	OPW	\$ (61,493)	\$ -	\$ (61,493)	-	\$ -	\$ -	\$ -
18	Add 0.21 FTE Project Manager I	OPW	\$ 61,267	\$ -	\$ 61,267	0.21	\$ -	\$ -	\$ -
19	Increase O&M	OPW	\$ 250,000	\$ -	\$ 250,000	-	\$ -	\$ -	\$ -
20	Use of Rec & Tech Allocation for O&M	OPW	\$ 339,498	\$ -	\$ 339,498	-	\$ -	\$ -	\$ -
21	Appropriate Rec and Tech Revenues	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ 1,468,620	\$ 1,468,620
22	One time refund permits, CAD licensing fees and other upgrades	DOT	\$ -	\$ 1,000,000	\$ 1,000,000	-	\$ -	\$ -	\$ -
23	Credit Card Fees and Acella Maintenance	DOT	\$ 90,550	\$ -	\$ 90,550	-	\$ -	\$ -	\$ -
24	Add funds transferred from EWD for Broadway Shuttle job duties.	DOT	\$ 43,246	\$ -	\$ 43,246	-	\$ -	\$ -	\$ -
FUND 2415 SUB-TOTAL			\$ 869,904	\$ 1,000,000	\$ 1,869,904	7.77	\$ 1,878,154	\$ 1,468,620	\$ 3,346,774
2420 - Impact Fees									
1	Proposed Revenues from Impact Fees	DOT	\$ -	\$ -	\$ -	-	\$ 3,151,646	\$ -	\$ 3,151,646
2	TIF Collected - Broadway Valdez and Citywide	DOT	\$ 3,151,646	\$ -	\$ 3,151,646	-	\$ -	\$ -	\$ -
3	Capital Improvement Impact Fee	PBD	\$ 40,000	\$ -	\$ 40,000	-	\$ 40,000	\$ -	\$ 40,000
FUND 2420 SUB-TOTAL			\$ 3,191,646	\$ -	\$ 3,191,646	-	\$ 3,191,646	\$ -	\$ 3,191,646

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2421 - Capital Improvements Impact Fee									
1	Impact Fee Revenue	OPW	\$ -	\$ -	\$ -	-	\$ 2,000,000	\$ -	\$ 2,000,000
2	Add O&M for Capital Projects and 2% Admin Fee for Planning	OPW	\$ 2,000,000	\$ -	\$ 2,000,000	-	\$ -	\$ -	\$ -
3	Transportation Impact Fee	PBD	\$ 42,315		\$ 42,315	-	\$ 42,315	\$ -	\$ 42,315
FUND 2421 SUB-TOTAL			\$ 2,042,315	\$ -	\$ 2,042,315	-	\$ 2,042,315	\$ -	\$ 2,042,315
2990 - Public Works Grants									
1	Transfer 0.04 FTE Program Analyst III from 2990 to 7760 Project Clearing	OPW	\$ (8,956)	\$ -	\$ (8,956)	(0.04)	\$ -	\$ -	\$ -
FUND 2990 SUB-TOTAL			\$ (8,956)	\$ -	\$ (8,956)	(0.04)	\$ -	\$ -	\$ -
3100 - Sewer Service Charge									
1	Increase Clean Lake Contract Budget	OPW	\$ 15,000	\$ -	\$ 15,000	-	\$ -	\$ -	\$ -
2	Increase O&M for Printing, Duplicating and Utilities	OPW	\$ 95,000	\$ -	\$ 95,000	-	\$ -	\$ -	\$ -
3	Increase O&M for Sewer Mitigation and Discharge Fee Revenue (one time)	OPW	\$ -	\$ 2,519,464	\$ 2,519,464	-	\$ -	\$ -	\$ -
4	Add 2.0 FTE Student Trainee and 0.79 FTE Project Manger I	OPW	\$ 368,353	\$ -	\$ 368,353	2.79	\$ -	\$ -	\$ -
5	OFD Position premium increases	OFD	\$ 33,849	\$ -	\$ 33,849	-	\$ -	\$ -	\$ -
6	Transfer 1.0 FTE Public Works Supervisor II from fund 3100 to fund 2232	DOT	\$ (284,131)	\$ -	\$ (284,131)	(1.00)	\$ -	\$ -	\$ -
7	Transfer 1.0 FTE Public Works Supervisor II from fund 2230 to fund 3100	OPW	\$ 234,821	\$ -	\$ 234,821	1.00	\$ -	\$ -	\$ -
8	Transfer from Fund Balance to be offset by FY18 Carryforward reductions	OPW	\$ -	\$ -	\$ -	-	\$ -	\$ 3,307,202	\$ 3,307,202
FUND 3100 SUB-TOTAL			\$ 462,892	\$ 2,519,464	\$ 2,982,356	2.79	\$ -	\$ 3,307,202	\$ 3,307,202
3200 - Golf Course									
1	Reduction in budget carryforward	OPR	\$ -	\$ (88,651)	\$ (88,651)	-	\$ -	\$ -	\$ -
FUND 3200 SUB-TOTAL			\$ -	\$ (88,651)	\$ (88,651)	-	\$ -	\$ -	\$ -
4100 - Equipment									
1	Appropriate FY18 vehicle rebates for the purchase of new vehicles for Litter Enforcement Officers, Police and other City Departments	OPW	\$ -	\$ 553,000	\$ 553,000	-	\$ -	\$ 553,000	\$ 553,000
FUND 4100 SUB-TOTAL			\$ -	\$ 553,000	\$ 553,000	-	\$ -	\$ 553,000	\$ 553,000
4200 - Radio Telecommunications									
1	Transfer 0.75 FTE Telecom Systems Engineer from Fund 1010	DIT	\$ 179,975	\$ -	\$ 179,975	0.75	\$ -	\$ -	\$ -
2	Transfer 0.50 FTE Executive Assistant to the Director from Fund 1010	DIT	\$ 57,707	\$ -	\$ 57,707	0.50	\$ -	\$ -	\$ -
3	Reduce O&M to offset salary increase	DIT	\$ (192,684)		\$ (192,684)		\$ -	\$ -	\$ -
FUND 4200 SUB-TOTAL			\$ 44,998	\$ -	\$ 44,998	1.25	\$ -	\$ -	\$ -
4450 - City Facilities Energy Conservation									
1	Transfer from Fund Balance	OPW	\$ -	\$ -	\$ -	-	\$ -	\$ 115,000	\$ 115,000
2	Increase O&M for Energy and Climate Action Plan	OPW	\$ 115,000	\$ -	\$ 115,000	-	\$ -	\$ -	\$ -
FUND 4450 SUB-TOTAL			\$ 115,000	\$ -	\$ 115,000	-	\$ -	\$ 115,000	\$ 115,000

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
4600 - Information Technology									
1	Add 0.5 FTE Business Analyst IV/Add 0.5 FTE Project Manager II funded 50% Fund 1010 and 50% Fund 4600	DIT	\$ 242,099	\$ -	\$ 242,099	1.00	\$ -	\$ -	\$ -
2	Reduction in budget carryforward	DIT	\$ -	\$ (242,099)	\$ (242,099)	-	\$ -	\$ -	\$ -
FUND 4600 SUB-TOTAL			\$ 242,099	\$ (242,099)	\$ -	1.00	\$ -	\$ -	\$ -
5321 - Measure DD: 2009B									
1	Transfer 1.0 FTE Accountant III, 2.0 FTE Program Analyst III and 0.80 Project Manager II & O&M from Fund 5321 to Fund 5322	OPW	\$ (978,183)	\$ -	\$ (978,183)	(3.90)	\$ -	\$ -	\$ -
2	Carryforward Offset to balance	OPW	\$ 935,491	\$ -	\$ 935,491	-	\$ -	\$ -	\$ -
FUND 5321 SUB-TOTAL			\$ (42,692)	\$ -	\$ (42,692)	(3.90)	\$ -	\$ -	\$ -
5322 - Measure DD: 2017C									
1	Transfer 1.0 FTE Accountant III, 2.0 FTE Program Analyst III and 0.80 Project Manager II & O&M from Fund 5321 to Fund 5322	OPW	\$ 978,183	\$ -	\$ 978,183	3.90	\$ -	\$ -	\$ -
2	Carryforward Offset to balance	OPW	\$ (978,183)	\$ -	\$ (978,183)	-	\$ -	\$ -	\$ -
FUND 5322 SUB-TOTAL			\$ -	\$ -	\$ -	3.90	\$ -	\$ -	\$ -
5330 - Measure KK: Infrastructure and Affordable Housing									
1	Reallocate approximately \$4,084,784 from bicycle facilities design, safe routes to school, sidewalk repair, curb ramps project etc. to the paving project.	DOT/CIP	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
FUND 5330 SUB-TOTAL			\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
5331 - Measure KK: Affordable Housing									
1	Add 1.00 FTE Housing Development Coordinator III	Housing	\$ 181,208	\$ -	\$ 181,208	1.00	\$ -	\$ -	\$ -
2	Due to DOF's denial of Housings portion of ROPS, transferred 0.19 FTE Director of Housing & Comm Dev and 0.06 FTE Exec Asst to the Director from Fund 1885	Housing	\$ 50,149	\$ -	\$ 50,149	0.25	\$ -	\$ -	\$ -
3	Due to DOF's denial of Housings portion of ROPS, 0.01 FTE Director of Housing & Comm Dev, 0.19 FTE Exec Asst to the Director, 0.30 Administrative Assistant I, 0.22 FTE Development/Redevelopment Pgrm MGR, 0.30 FTE Rehabilitation Advisor III, 0.35 FTE Housing Development Coordinator I and 0.22 Housing Development Coordinator IV from Fund 1610	Housing	\$ 426,447	\$ -	\$ 426,447	1.84	\$ -	\$ -	\$ -
4	Carryforward offset for personnel	Housing	\$ (745,447)	\$ -	\$ (745,447)	-	\$ -	\$ -	\$ -
FUND 5331 SUB-TOTAL			\$ (87,643)	\$ -	\$ (87,643)	3.09	\$ -	\$ -	\$ -
5671 - OBRA: Leasing & Utility									
1	Decrease Revenue	EWD	\$ -	\$ -	\$ -	-	\$ -	\$ (66,868)	\$ (66,868)
2	Reduce Fund Transfer	EWD	\$ (5,283)	\$ -	\$ (5,283)	-	\$ -	\$ -	\$ -
FUND 5671 SUB-TOTAL			\$ (5,283)	\$ -	\$ (5,283)	-	\$ -	\$ (66,868)	\$ (66,868)

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
7100 - Police and Fire Retirement System									
1	Decrease Transfer from Fund Balance	Finance	\$ -	\$ -	\$ -	-	\$ -	\$ (16,197)	\$ (16,197)
2	Personnel and O&M Adjustments	Finance	\$ (44,602)	\$ -	\$ (44,602)	-	\$ -	\$ -	\$ -
FUND 7100 SUB-TOTAL			\$ (44,602)	\$ -	\$ (44,602)	-	\$ -	\$ (16,197)	\$ (16,197)
7130 - Employee Deferred Compensation									
1	Reduce O&M per Board	HRM	\$ (97,505)	\$ -	\$ (97,505)	-	\$ -	\$ -	\$ -
2	Decrease fund balance	HRM	\$ -	\$ -	\$ -	-	\$ (99,511)	\$ -	\$ (99,511)
FUND 7130 SUB-TOTAL			\$ (97,505)	\$ -	\$ (97,505)	-	\$ (99,511)	\$ -	\$ (99,511)
7640 - Oakland Public Museum Trust									
1	Adjust Expenditures to include Interest & Museum deaccession	Non-Dept	\$ 18,500	\$ -	\$ 18,500	-	\$ 9,500	\$ 9,000	\$ 18,500
FUND 7640 SUB-TOTAL			\$ 18,500	\$ -	\$ 18,500	-	\$ 9,500	\$ 9,000	\$ 18,500
7760 - Grant Clearing									
1	Add/Delete Engineer Assistant II in project clearing and add Public Works Sup I - transfer to Fund 2230	DOT	\$ (205,846)	\$ -	\$ (205,846)	(0.90)	\$ -	\$ -	\$ -
2	Transfer 1.60 FTE Sign Mnt. Worker, Traffic Sign Maker, Traffic Painter and Public Works Mnt. Worker to 7760 project clearing from fund 2230	DOT	\$ 266,115	\$ -	\$ 266,115	1.60	\$ -	\$ -	\$ -
3	Add 0.50 FTE Student Trainee	DOT	\$ 40,421	\$ -	\$ 40,421	0.50	\$ -	\$ -	\$ -
4	Transfer 0.75 Engineer Assistant II in project clearing to Fund 2212	DOT	\$ (171,538)	\$ -	\$ (171,538)	(0.75)	\$ -	\$ -	\$ -
5	Add/Delete Engineer Assistant II and add Spatial Analyst III in project clearing	DOT	\$ 42,504	\$ -	\$ 42,504	-	\$ -	\$ -	\$ -
6	Transfer 0.90 FTE Spatial Analyst III in project clearing to Fund 2230	DOT	\$ (224,116)	\$ -	\$ (224,116)	(0.90)	\$ -	\$ -	\$ -
7	Upgrade Drafting Tech to Engineer Assistant II in project clearing	DOT	\$ 61,213	\$ -	\$ 61,213	-	\$ -	\$ -	\$ -
8	Add 2.00 FTE CIP Coordinator in project clearing	OPW	\$ 515,892	\$ -	\$ 515,892	2.00	\$ -	\$ -	\$ -
9	Transfer 0.04 FTE Program Analyst III from Fund 2990 to fund 7760 project clearing	OPW	\$ 8,956	\$ -	\$ 8,956	0.04	\$ -	\$ -	\$ -
10	Add/Delete Public Service Rep and Add Snr Public Service Rep (0.5 FTE in OPW overhead and 0.5 FTE in DOT overhead)	OPW	\$ 17,818	\$ -	\$ 17,818	-	\$ -	\$ -	\$ -
11	Increase O&M - FA licensing and fleet management software (50% in OPW overhead and 50% in DOT overhead)	OPW/DOT	\$ 20,000	\$ -	\$ 20,000	-	\$ -	\$ -	\$ -
12	Transfer 0.27 FTE Mayor's PSE 14 from GPF to overhead	OPW	\$ 43,860	\$ -	\$ 43,860	0.27	\$ -	\$ -	\$ -
13	Add 1.00 FTE Snr HR Analyst (0.5 FTE in OPW overhead and 0.5 FTE in DOT overhead)	DHRM	\$ 155,451	\$ -	\$ 155,451	1.00	\$ -	\$ -	\$ -
14	Transfer 1.00 FTE Director of Human Services to Fund 1010	Human Services	\$ (379,795)	\$ -	\$ (379,795)	(1.00)	\$ -	\$ -	\$ -
15	Transfer 1.00 FTE Administrative Assistant I from Fund 1010	Human Services	\$ 94,397	\$ -	\$ 94,397	1.00	\$ -	\$ -	\$ -
16	Transfer 0.93 Accountant I from Fund 1010	Human Services	\$ 141,440	\$ -	\$ 141,440	0.93	\$ -	\$ -	\$ -
17	Transfer 0.55 FTE Administrative Services Manager II from Fund 1010	Human Services	\$ 140,173	\$ -	\$ 140,173	0.55	\$ -	\$ -	\$ -
18	Add O&M	Human Services	\$ 3,786	\$ -	\$ 3,786	-	\$ -	\$ -	\$ -
19	Reduction in overhead recoveries	Human Services	\$ 90,292	\$ -	\$ 90,292	-	\$ -	\$ -	\$ -
FUND 7760 SUB-TOTAL			\$ 661,023	\$ -	\$ 661,023	4.34	\$ -	\$ -	\$ -

**EXHIBIT 5 - MIDCYCLE DEPARTMENTAL LIBRARY PROPOSAL B FY2018-19 BUDGET
PASSAGE OF MEASURE D**

ITEM		Department	EXPENDITURES				REVENUES		
No.	Description		Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
Measure D (New Fund)		Library							
1	Restore proposed cuts to Measure Q and library services	Library	\$ 1,881,114	\$	1,881,114	23.38	\$ -		\$ -
2	Add 1.00 FTE Program Analyst III	Library	\$ 151,127	\$	151,127	1.00			
3	Add 1.00 FTE Librarian II	Library	\$ 126,012	\$	126,012	1.00			
4	Add 1.00 FTE Adm Analyst I	Library	\$ 115,021	\$	115,021	1.00			
5	Add 1.00 FTE Account Clerk III	Library	\$ 95,467	\$	95,467	1.00			
6	Add 11.40 FTE Library Aide, PPT	Library	\$ 693,861	\$	693,861	11.40			
7	Add 15.00 FTE Library Aide	Library	\$ 912,975	\$	912,975	15.00			
8	Add 2.00 FTE Librarian 1	Library	\$ 233,722	\$	233,722	2.00			
9	Add 7.00 FTE Library Assistant	Library	\$ 685,545	\$	685,545	7.00			
10	Add 4.20 FTE Librarian I, PPT	Library	\$ 490,819	\$	490,819	4.20			
11	Add 7.20 FTE Library Asst, PPT	Library	\$ 705,120	\$	705,120	7.20			
12	Add 1.00 FTE Library Asst, Senior	Library	\$ 119,149	\$	119,149	1.00			
13	Add 2.40 FTE Library Asst, Senior PPT	Library	\$ 285,960	\$	285,960	2.40			
14	Expand materials budget for E-media, materials, databases, technology improvements & enhancements	Library	\$ 2,450,000	\$	2,450,000				
15	Appropriation for services and programs for Children	Library	\$ 150,000	\$	150,000				
16	Appropriation for Teen programs	Library	\$ 60,000	\$	60,000				
17	Appropriation for Adult literacy, education, and other programing	Library	\$ 50,000	\$	50,000				
18	Appropriation for African American Museum & Library	Library	\$ 35,000	\$	35,000				
19	Expand O&M Budget	Library	\$ 1,000,000	\$	1,000,000				
Measure D (New Fund) SUB-TOTAL			\$ 10,240,892	\$ -	\$ 10,240,892	77.58	\$ -	\$ -	\$ -
GPF Fund 1010		Library							
1	Reduce 1010 subsidy Measure Q	Library	\$ -	\$ (500,000)	\$ (500,000)	-	\$ -	\$ -	\$ -
2	Reduce Proposed Use of Fund Balance		\$ -	\$ (500,000)	\$ (500,000)	-	\$ -	\$ (500,000)	\$ (500,000)
FUND 1010 SUB-TOTAL			\$ -	\$ (500,000)	\$ (500,000)	-	\$ -	\$ (500,000)	\$ (500,000)



Councilmember Abel Guillén

CITY OF OAKLAND

CITY HALL - ONE FRANK H. OGAWA PLAZA, 2ND FLOOR - OAKLAND - CALIFORNIA 94612

Date: June 19, 2018

To: Sabrina Landreth, City Administrator

From: President Pro Tem Guillén, Vice Mayor Campbell Washington, Councilmember McElhaney

Re: Mid-Cycle Budget Adjustments

Dear Madame City Administrator and Colleagues of the City Council,

This memo includes our proposal to budget for the urgent additions to address our most pressing needs of homelessness, illegal dumping, sex trafficking, jobs, and park programs and projects for our children and families.

HIGHLIGHTS

- Appropriate an additional **\$8.6 million to address homelessness crisis**
- Allocate **\$1 million for sanitation, health, and hygiene** for the unsheltered
- Over **\$1.4 million to expand proactive illegal dumping pilots** and litter enforcement
- Additional **\$450,000 for workforce development**
- Recommend **\$75,000 to address sex trafficking and CSEC**
- Investing over **\$4.4 million in playgrounds, pools, and sports facilities**

PROPOSED ADDITIONS

1. Homelessness: Appropriate new state grant funding of \$8,600,000
 - \$1,000,000 allocated to health and hygiene services as eligible under grant guidelines– as soon details come out on grants, staff to utilize funding for encampment health and hygiene services, pursuant to the grant agreement.
County match: We call on the county to match these crisis funds in the current fiscal year.
 - \$7,600,000 remainder allocated to investments identified in comprehensive homeless response strategy process
2. Illegal Dumping: Additional \$1,446,453
 - \$997,946 to expand proactive, zone-based pilot program for illegal dumping to the most impacted areas - \$547,946 for Rapid Response Illegal Dumping Crew (4.0 FTE)- 1 Street Maintenance Leader, 3 Public Works Maintenance Workers, and \$450,000 for Equipment
 - \$363,507 for 2 additional Litter Enforcement Officer crew members to complete the team - 1.0 FTE Litter Enforcement Officer & 1.0 FTE Clean Community Supervisor/O&M
 - \$85,000 in GPF allocated for a pilot workforce development program for the homeless (litter and dumping pickup crew)
3. Workforce Development: Additional \$450,000

- \$100,000 to fund a comprehensive analysis of investments in Oakland's workforce development networks, programs, and services, including public (City, OUSD, & Peralta Colleges), private, and non-profit partners.
 - \$350,000 to Workforce Investment Board: Transfer to Fund 2195 for job training, job-preparation, and placement services and related programs, to be allocated through the Workforce Investment and Opportunities Act (WIOA) to workforce providers
4. Sex trafficking and Commercial Sexual Exploitation of Children (CSEC): Recommend that SSOC allocates \$75,000 for the following, as a part of Measure Z spending plan in FY 18-19
- \$25,000 for a “John School” program grant – a sex trafficking demand reduction program grant to fund the startup of an Oakland-based diversion program for buyers as known as “Johns” and pimps (commonly known as a John School)
 - \$25,000 for a seller diversion program grant (those being trafficked)– a sex trafficking prevention program grant to fund an Oakland-based diversion program
 - \$25,000 for a Commercial Sexual Exploitation of Children (CSEC) prevention education program grant to serve Oakland Unified School District youth

PROPOSED REVENUE APPROPRIATIONS

As of June 14, 2018, the California legislature approved the FY 2018-2019 budget. As a result of the advocacy of the City of Oakland in this process, the City will receive new grant funds, including an estimated at \$8.6 million for services for homeless persons and solutions to the homelessness crisis eligible under state grant guidelines, such as improved sanitation and health measures, sheltered community pilot projects, and rapid rehousing services. We propose appropriating these dollars in the mid-cycle, to allow the City to address the pressing homelessness crisis that our City faces today.

PROPOSED USE OF REMAINING MEASURE HH BALANCE (1030)

In addition to the \$1,983,758 in projects and overhead already approved by the Sugar Sweetened Beverage Tax (SSBT) Community Advisory Board and the City Council in May 2018, the fund balance for FY 17-18 is \$8,646,242.

We propose prioritizing spending the remaining balance on a pilot of the SSBT Board’s approved funding categories and capital improvements and programs of Parks, Recreation and Youth Development (OPRYD) that have been vetted by the Department of Race and Equity and are in alignment with the intent of Measure HH, focused on neighborhoods most impacted by diet related disease and predatory marketing by soda companies.

- \$4,403,500 in one-time investments to playgrounds, tot lots, City pools, and sports facilities in the most impacted neighborhoods to match funds for Proposition 68 Bond proceeds—list of projects to be reviewed by the SSBT Board.
- \$2,042,742 Transfer General Purpose Fund (1010) expenditures for Parks, Recreation and Youth Development to the Sugar Sweetened Beverage Fund (1030).
 - Transfer \$2,042,742 from OPRYD FY 18-19 to Fund 1010 additions.
- \$2 million in one-time set aside for 1-year pilot of the SSBT Board’s recommended and approved funding categories for an allocation process to assess levels of need within each category—This will inform the next round which would be a more extensive, multi-year guided by a fully developed community planning process. Importantly, this pilot allocation does not reflect future funding levels for the Board approved priority categories.

- \$200,000 for a one-time grant to the Sugar Freedom Project to expand their community-based work to outreach to Oakland communities most impacted by sugar-sweetened drinks beyond East Oakland resulting in a report to the SSBT Board to inform their community planning process and to Life Enrichment Committee.

POLICY DIRECTIVE

We propose that the City Council requests the SSBT Community Advisory Board develop recommendations for the use of at least 50% of future Fund 1030 revenues for the purpose of preventing or reducing the health consequences of the consumption of sugar sweetened beverages in Oakland communities, through new ongoing programs in the City’s Oakland Parks Recreation and Youth Development Department. Such programs could include but are not limited to improving community nutrition, reducing childhood obesity and tooth decay, increasing physical activity and preventing diabetes in children and families, especially those most affected by health disparities.

We hope that you can join us in supporting these important budget adjustments. Thank you for your consideration.

Thank you,



Abel Guillén, City Councilmember



Annie Campbell Washington, Vice Mayor



Lynette Gibson McElhaney, Councilmember

**FY 2018-19 Midcycle Budget
City Council Amendments**

GENERAL PURPOSE FUND (1010) AMENDMENTS

EXPENDITURE REDUCTIONS (show as a negative #)

Item #	Dept.	Description	FY 2018-19 Midcycle Ongoing	FY 2018-19 Midcycle One-Time	Totals
1	Parks, Recreation, & Youth Development	Transfer General Purpose Fund (1010) funding for Dimond Aquatics, Defremery Aquatics, Fremont Aquatics, City-Wide Sports, and Girls Sports to the Sugar Sweetened Beverage Fund (1030)	\$ -	\$ (2,042,742)	\$ (2,042,742)
Subtotal of Expenditure Reductions			\$ -	\$ (2,042,742)	\$ (2,042,742)
Funds Available for Programming			\$ -	\$ 2,042,742	\$ 2,042,742

EXPENDITURE ADDITIONS (show as a positive #)

Item #	Dept.	Description	FY 2018-19 Midcycle Ongoing	FY 2018-19 Midcycle One-Time	Totals
2	Human Services, Economic & Workforce Dev.	Pilot workforce development program for the homeless (litter and dumping pickup crew)	\$ -	\$ 85,000	\$ 85,000
3	Public Works	Rapid Response Illegal Dumping Crew (4.0 FTE) - 1.0 FTE Street Maintenance Leader, 3.0 FTE Public Works Maintenance Workers, and Associated Equipment	\$ 547,946	\$ 450,000	\$ 997,946
4	Public Works	Add 1.0 FTE Litter Enforcement Officers and 1.0 FTE Clean Community Supervisor and O&M	\$ 363,507	\$ -	\$ 363,507
5	Economic & Workforce Dev.	Comprehensive analysis of investments in Oakland's workforce development networks, programs, and services; including public (City, OUSD, & Peralta Colleges), private, and non-profit partners.	\$ -	\$ 100,000	\$ 100,000
6	Economic & Workforce Dev.	Workforce Investment: Transfer to Fund 2195 to maintain and stabilize job training, job-preparation, and placement services and related programs, to be allocated through the Workforce Investment and Opputunities Act (WIOA) to workforce providers.	\$ -	\$ 350,000	\$ 350,000
7	Police Department	Add 1.0 FTE Crime Analyst for Gun Tracing Program	\$ 140,376	\$ -	\$ 140,376
Subtotal of Expenditure Additions			\$ 1,051,829	\$ 985,000	\$ 2,036,829
GPF Surplus/(Deficit) after amendments			\$ (1,051,829)	\$ 1,057,742	\$ 5,913

**FY 2018-19 Midcycle Budget
City Council Amendments**

SUGAR SWEETENED BEVERAGE TAX FUND (1030) AMENDMENTS

REVENUE (show additions as a positive # and reductions as a negative #)

Item #	Dept.	Description	FY 2018-19 Midcycle Ongoing	FY 2018-19 Midcycle One-Time	Totals
1	Non-Departmental	Use of Unallocated 1030 Fund Balance	\$ -	\$ 8,646,242	\$ 8,646,242
Subtotal of Revenue Adjustments			\$ -	\$ 8,646,242	\$ 8,646,242
Funds Available for Programming			\$ -	\$ 8,646,242	\$ 8,646,242

EXPENDITURE ADDITIONS (show as a positive #)

Item #	Dept.	Description	FY 2018-19 Midcycle Ongoing	FY 2018-19 Midcycle One-Time	Totals
2	Parks, Recreation, & Youth Development	Transfer General Purpose Fund (1010) funding for Dimond Aquatics, Defremery Aquatics, Fremont Aquatics, City-Wide Sports, and Girls Sports to the Sugar Sweetened Beverage Fun (1030).	\$ 2,042,742	\$ -	\$ 2,042,742
3	Human Services	Set aside for the Sugar Sweetened Beverage Tax Board's recommendations	\$ -	\$ 2,000,000	\$ 2,000,000
4	Human Services	Grant to the Sugar Freedom Project to expand their community-based work to outreach to Oakland communities most impacted by sugar-sweetened drinks beyond East Oakland resulting in a report to the Sugar Sweetened Beverage Tax Board to inform their community planning process and to Life Enrichment Committee	\$ -	\$ 200,000	\$ 200,000
5	Capital Improvements	Capital improvements to playgrounds and tot lots in the most impacted neighborhoods, City pools, and sports facilities; including matching funds for Proposition 68	\$ -	\$ 4,403,500	\$ 4,403,500
Subtotal of Expenditure Additions			\$ 2,042,742	\$ 6,603,500	\$ 8,646,242
Fund 1030 Surplus/(Deficit) after amendments			\$ (2,042,742)	\$ 2,042,742	\$ -

**FY 2018-19 Midcycle Budget
City Council Amendments**

STATE OF CALIFORNIA OTHER (2159) AMENDMENTS

REVENUE (show additions as a positive # and reductions as a negative #)

Item #	Dept.	Description	FY 2018-19 Midcycle Ongoing	FY 2018-19 Midcycle One-Time	Totals
1	Non-Departmental	New grant revenues from the State of California Adopted FY 2018-19 Budget, Estimated at \$8.6 Million	\$ -	\$ 8,600,000	\$ 8,600,000
Subtotal of Revenue Adjustments			\$ -	\$ 8,600,000	\$ 8,600,000
Funds Available for Programming			\$ -	\$ 8,600,000	\$ 8,600,000

EXPENDITURE ADDITIONS (show as a positive #)

Item #	Dept.	Description	FY 2018-19 Midcycle Ongoing	FY 2018-19 Midcycle One-Time	Totals
2	Non-Departmental	Funding for Services for Homeless Persons and Solutions to the Homelessness Crisis eligible under state grant guidelines, potentially including improved sanitation and health measures, sheltered community pilot projects, and rapid rehousing services	\$ -	\$ 8,600,000	\$ 8,600,000
Subtotal of Expenditure Additions			\$ -	\$ 8,600,000	\$ 8,600,000
Fund 2159 Surplus/(Deficit) after amendments			\$ -	\$ -	\$ -

2017-2018 Alameda County Grand Jury Final Report



Alameda County Board of Supervisors

District One	Scott Haggerty
District Two	Richard Valle, Vice President
District Three	Wilma Chan, President
District Four	Nate Miley
District Five	Keith Carson

Alameda County Grand Jury
1401 Lakeside Drive, Suite 1104
Oakland, California 94612
(510) 272-6259 | Email: grandjury@acgov.org
Website: www.acgov.org/grandjury



Alameda County
Grand Jury

1401 Lakeside Drive
Suite 1104
Oakland, California 94612

510.272.6259
fax 510.465.9647
www.acgov.org/grandjury

June 1, 2018

Hon. Wynne Carvill, Presiding Judge
Alameda County Superior Court
1225 Fallon Street, Department One
Oakland, California 94612

Dear Judge Carvill:

The members of the 2017-2018 Alameda County Civil Grand Jury are pleased to present our final report to the Superior Court and the people of Alameda County. We report the results of eight detailed investigations into activities of city and county governments and agencies, as well as three jail inspections.

Our report is the result of a year of hard work by 19 dedicated and passionate Alameda County citizens, each of whom who took substantial time from an already busy life to perform this essential public service. Our members applied their extensive and diverse skills and experience to investigate, analyze, understand, and write about a large variety of important county issues. It was my honor to have served as foreperson for this impressive group.

My colleagues join me in extending special thanks to Assistant District Attorney Rob Warren, who served as our legal advisor, and to Senior Program Specialist Cassie Barner, who served as both den mother and fearsome editor-in-chief. I can't imagine how this important work could be done without them. We also thank the Court for giving us the opportunity to serve. Our time with the Grand Jury has made us better, more informed citizens, and we are extremely grateful for the experience.

The 2017-2018 Alameda County Civil Grand Jury is proud of its accomplishments, and its service to the citizens of this county. We hope that our report will result in positive changes by the entities that are the subject of our investigations, and that other citizens will be encouraged to follow in our footsteps.

Sincerely,

A handwritten signature in blue ink that reads "Jane Cosgriff Sullwold".

JANE COSGRIFF SULLWOLD, Foreperson
2017-2018 Alameda County Civil Grand Jury

2017-2018 ALAMEDA COUNTY GRAND JURY MEMBER ROSTER

Name	City
Ginnon A. Cunningham	Alameda
Rod J. Gutierrez	Berkeley
Patricia Laurine	San Leandro
Robert Livsey ³	Piedmont
Joyce A. McConeghey	Alameda
Ted Normart	Oakland
Edward O'Neil	Alameda
Meredith D. Orthwein ^{**1}	Alameda
Robert M. Price	Berkeley
David R. Saenz	Piedmont
David Schwoegler	Oakland
Daryl R. Silva	Pleasanton
Gary Stower	Oakland
George A. Strait, Jr. ^{**}	San Leandro
Jane Cosgriff Sullwold ^{**}	Alameda
Melanie Sweeney-Griffith	Oakland
Mark Wasserman ²	Berkeley
Petar Zegura ^{**}	Fremont
Ann B. Zucker	Fremont

^{**} Jurors held over for a 2nd term by Presiding Judge Morris D. Jacobson

1 Resigned October 2017

2 Resigned February 2018

3 Resigned March 2018

2017-2018 ALAMEDA COUNTY GRAND JURY OFFICERS AND LEGAL STAFF



OFFICERS

Foreperson:	Jane Cosgriff Sullwold
Foreperson Pro Tem:	Robert M. Price
Secretary:	Joyce A. McConeghey
Secretary Pro Tem:	Mark Wasserman
Sergeant at Arms:	Ted Normart
Sergeant at Arms Pro Tem:	Edward O'Neil

LEGAL STAFF

Robert L. Warren, Assistant District Attorney
Cassie Barner, Senior Program Specialist

2017-2018 ALAMEDA COUNTY GRAND JURY COMMITTEE ASSIGNMENTS

GOVERNMENT

Rod J. Gutierrez – *Chair*
Patricia Laurine
Robert Livsey³
Robert M. Price – *Chair Pro Tem*
Daryl R. Silva – *Secretary Pro Tem*
Gary Stower - *Secretary*
George A. Strait, Jr.
Mark Wasserman²
Petar Zegura

LAW & JUSTICE

Petar Zegura – *Chair*
Robert Livsey³
Meredith D. Orthwein¹
Robert M. Price
David R. Saenz – *Secretary Pro Tem*
David Schwoegler – *Secretary*
Daryl R. Silva
Gary Stower
Melanie Sweeney-Griffith – *Chair Pro Tem*

HEALTH & SOCIAL SERVICES

Edward **O'Neil** – *Chair*
Ginnon A. Cunningham - *Secretary*
Rod J. Gutierrez
Joyce A. McConeghey
Ted Normart
Meredith Orthwein¹
David Schwoegler
Melanie Sweeney-Griffith
Ann B. Zucker – *Chair Pro Tem & Secretary Pro Tem*

EDUCATION & ADMINISTRATION

George A. Strait, Jr. – *Chair*
Ginnon A. Cunningham – *Chair Pro Tem*
Patricia Laurine
Joyce A. McConeghey – *Secretary*
Ted Normart
Edward **O'Neil**
David R. Saenz
Mark Wasserman²
Ann B. Zucker – *Secretary Pro Tem*

¹ Resigned October 2017

² Resigned February 2018

³ Resigned March 2018

OAKLAND'S \$860 MILLION CRISIS: UNFUNDED RETIREE HEALTHCARE

EXECUTIVE SUMMARY

Years ago, Oakland city leaders made a commitment to provide healthcare benefits to their employees after they retire. Like many other public agencies, Oakland now faces a fiscal crisis because elected officials did not understand the implications, including future costs, of the promises they were making. The cost of retiree healthcare benefits, better known as Other Post Employment Benefits (OPEB), coupled with skyrocketing pension costs, are starting to undermine the fiscal health of the city.

Instead of putting enough money away to fund future healthcare benefits for active employees, Oakland chose to pay only current costs of retiree healthcare as billed. The result is that related debt increases by more than \$40 million annually. As of fiscal year 2016, the **city's** total liability for future OPEB costs reached a staggering \$860 million. By using this deferred payment process, elected officials are leading the city toward service insolvency.

To address this problem, the city should have paid approximately \$75 million in 2017, yet the city only budgeted \$27 million to pay the benefits it owed that year, along with \$20 million to partially fund future benefits in the 2017-2019 proposed budgets. To put this in perspective, the shortfall of nearly \$40 million each year equals the total budgets for all city libraries along with parks and recreation, or the equivalent of the cost of nearly 200 police officers or firefighters. While the city established a trust in 2004 to begin to pre-fund OPEB, the trust has not been sufficiently funded (3% of total liability) and has failed to address the massive obligation.

The Grand Jury is concerned that, without radical changes, the city will never be able to pay for what it promised.

The Grand Jury is concerned that, without radical changes, the city will never be able to pay for what it promised. This dilemma is already starting to crowd out essential government services. City revenues are growing at a much slower pace (traditionally, 2% annually) than projected spending. The city has no new revenue source to keep up with the exploding annual costs of healthcare let alone to address the \$860 million unfunded liability already

accumulated. In 2007, the city spent \$10 million to pay healthcare benefits for current retirees. By 2027, the projected annual cost will be more than \$67 million, and the unfunded OPEB liability will likely have increased by another half-billion dollars.

Elected officials are leading the city toward service insolvency.

Solutions are complicated. Many cities facing similar issues, like Concord and Sausalito, have cut back on these benefits or converted their OPEB into defined contribution programs. Some like Santa Cruz have asked employees to contribute more to the costs of the programs. Public agencies like BART

and the Alameda County Water District have taken aggressive approaches to prefund healthcare benefits. Finally, in cities like Vallejo, Stockton, and San Bernardino, unfunded OPEB obligations were a significant contributing factor in their bankruptcies.

At this point, Oakland's unfunded liability of nearly one billion dollars is too large to tackle without using a combination of solutions, yet the city currently has no viable plan in place. Without leadership to address the issue, Oakland is adding \$40 million to its liability each year and will shortly face increasing cuts to essential government services. The city must immediately develop a long-term, multifaceted plan to address OPEB, or accept that municipal bankruptcy is an option in the future.

BACKGROUND

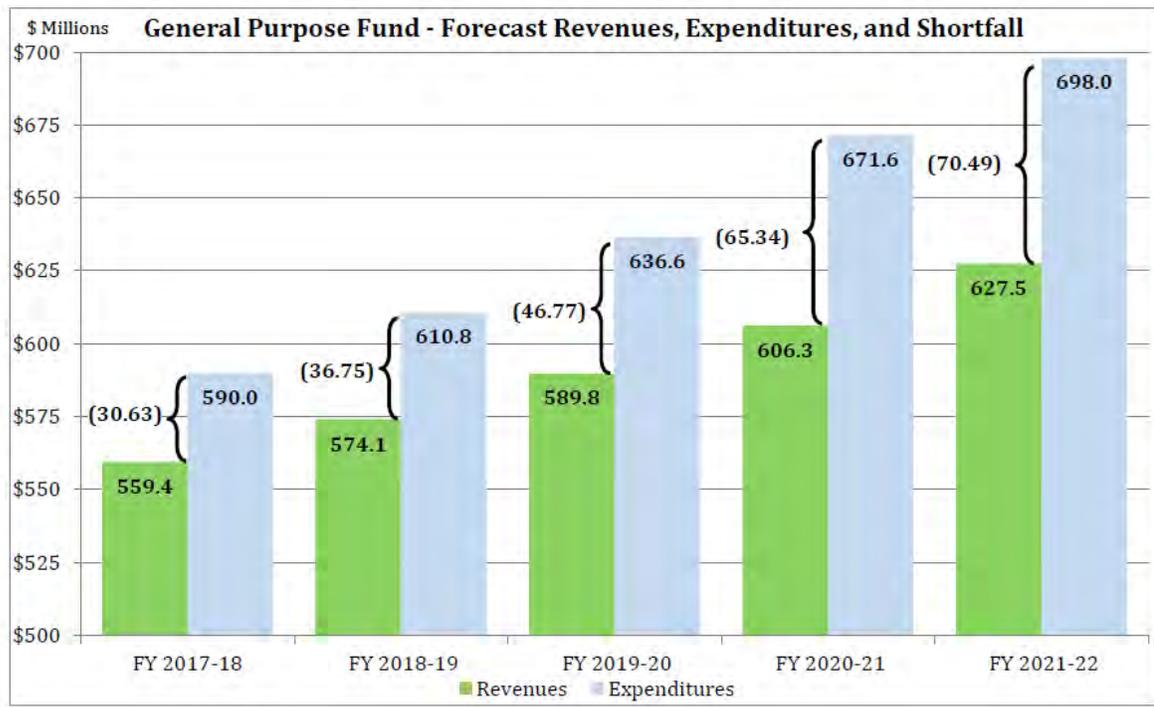
Oakland's City Budget

The city of Oakland adopts an annual budget that describes how the city will use public dollars to provide services to its residents. The budget identifies two principal types of data: projected revenues and planned expenditures. Revenues are divided into those that can be expended on general city activities and those that are restricted for specific purposes. Expenditures are classified as either restricted, meaning there is no discretion as to whether the city must pay them, or general purpose, those that are not legislatively or contractually mandated. The city council is legally required to submit a balanced budget annually: expenditures must match revenues.

Oakland's unfunded liability of nearly one billion dollars is too large to tackle without using a combination of solutions, yet the city currently has no viable plan in place.

Historically, general purpose fund revenue has grown at less than 2% annually. Consequently, to achieve a balanced budget, any expenses that grow at a faster annual compounded rate must be paid either from reserves or by reducing other general purpose fund expenses.

The chart below represents the city’s five-year financial forecast related to city general purpose fund revenues and expenditures. It shows that city revenues are not keeping up with expenditures. The difference must be made up by either cuts in programs, increased taxes, or borrowing.

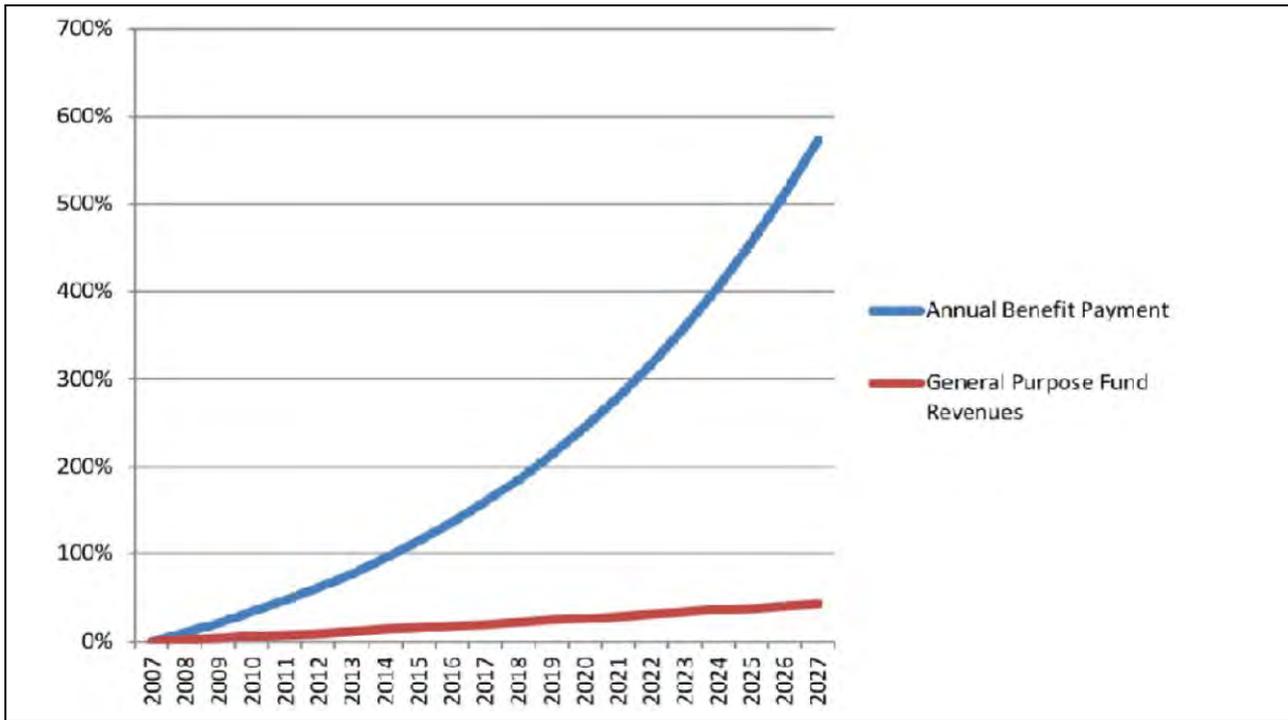


Source: City of Oakland Five-Year Financial Forecast, FY 2017-18 – FY 2021-22

The city of Oakland’s five-year forecast has already acknowledged a growing gap in general purpose revenues and expenses. One alarming example of this projected budget shortfall is the disproportionate and rapidly increasing OPEB/retiree healthcare cost.

The city spent \$10 million in FY 2006-2007, \$26 million in FY 2016-2017, and is projected to spend \$67 million in FY 2026-2027 on healthcare benefit payments for those currently retired (“pay-as-you-go”). These costs have been growing at a compounded rate of about 10% per year. This is more than five times the growth of general purpose fund revenues.

The chart below best illustrates this growing gap (shown compounded annually):



There are only two categories of general purpose fund expenses in Oakland’s budget that are large enough to cut in order to provide sources for paying the growing OPEB costs: (1) operations and maintenance, representing 17% of 2017-18 budgeted general purposes fund expenses, and (2) salaries, representing 45% of those expenses.

City Employees Entitled to Healthcare Benefits

For decades, city leaders have been negotiating agreements with labor organizations that promised to pay a portion of the cost of health insurance premiums for most classes of retired city employees. Benefits are based on age, years of service and class of employee. **Employees’** rights to these benefits are vested after five years of service, but the employee must **retire directly from the city of Oakland to be eligible.** The city’s contribution on behalf of miscellaneous employees (not police or fire) can reach a maximum of approximately \$580 per month. The cost for retired firefighters with a full-family plan can top out at about \$19,968 per year, and at \$18,996 annually for retired police officers.

The city currently has approximately 6,000 participants in the OPEB program. They include active employees who are vested to get OPEB benefits when they retire, and former employees

who are currently receiving the benefit. As of July of 2015, a total of 1,963 retirees, 399 disabled retirees, and 241 spouse survivors of retirees are collecting benefits.

INVESTIGATION

The Grand Jury began its examination of this public finance crisis after receiving a complaint that elected officials in Oakland were not taking seriously an unfunded retiree health care liability that is approaching one billion dollars and growing exponentially. The Grand Jury inquiry focused on whether the city can pay for the health care benefits it has promised its retired workers, and, ultimately, whether **the city's forecasted** long-term revenue can keep up with long-term expected health care expenditures. Unfortunately, like those who have conducted similar investigations in other cities, what we found was of great concern.

The retiree healthcare benefits promised to city employees have been chronically underfunded, and the deficit is growing annually.

During the investigation, the Grand Jury heard testimony from a number of witnesses, including current and former city of Oakland employees, elected public officials, and statewide experts in municipal finance. The Grand Jury also reviewed the city of Oakland five-year budget forecasts, **Oakland's annual budgets**, past consolidated annual financial reports, staff reports to **Oakland City Council**, **the city's bi-annual** actuarial reports, and studies from the League of California Cities and other public agencies.

Discovering the Unfunded Liability (GASB 45)

In 2004, the Government Accounting Standards Board (GASB) issued a new rule requiring government agencies to report their future OPEB liabilities every two years. The reporting requirement was a victory for transparency. It began a conversation about the looming debt created when elected leaders made generous contractual promises to pay retirees healthcare benefits without a complete understanding of the costs associated with those promises or whether the benefit packages were sustainable.

Unfortunately, while the new reporting rules required public entities to disclose their long-term unfunded liabilities/debt, those agencies were not required to change the methods used to fund the benefits.

Accounting for OPEB Costs

In June of 2006, Oakland hired an outside consultant to conduct actuarial studies relating to its OPEB obligation. Findings from the study were presented to the city council in October 2007.

The report dropped a number of fiscal bombshells. First, it let the city council and public know that the city funded OPEB differently than the way it funded its employee pensions. Rather than putting aside money to pay future retiree healthcare benefits as they were accruing, the city used the pay-as-you-go method to defer the costs until after the employees retired.

By contrast, the California **Public Employees' Retirement System (CalPERS)** requires public agencies to contribute to pensions when they are earned – while the employee is still working –

Oakland's failure to take the tough steps necessary to address the problem has pushed its budget to the straining point, even in this period of relative economic prosperity.

and Oakland makes its required payments each year. CalPERS holds the money it receives in trust, investing it until the employee retires and begins collecting the pension. The investment income helps pay for the overall cost of the benefit.

The second revelation uncovered by the 2006 actuarial report was that the city had already accrued a massive liability of \$524 million because it had not prefunded OPEB in the past. At that time, the city was paying about \$10 million annually for current retiree health benefits. The actuaries determined that the city would have to contribute an additional \$30 million every year for 20 years to pay down the unfunded portion of the benefits already earned. The extra amount the city would have to pay was nearly equivalent to the amount it was spending on the parks and recreation department and libraries combined.

With 3,640 active employees and 2,410 retirees in 2006, coupled with rapidly increasing costs of healthcare, the actuaries showed that the city's liability would grow exponentially as more retirees enter the pool if the city continued on its pay-as-you-go approach. Ultimately, however, city leaders took no action other than ordering further study of the problem and potential solutions.

The Grand Jury found no evidence that the city ever followed up with the promised study.

In short, the 2006 actuarial report showed that the city was locked into a very expensive long-term benefit for retired city workers that it ultimately could not afford if it continued down the pay-as-you-go path, but the city council chose to “kick the can” down the road rather than figuring out a responsible way to alter those benefits or to fund them sufficiently.

Establishment of Trust Fund: Oakland’s Response

In 2010, the Finance and Management Agency for the city of Oakland recommended that the city “address its OPEB liabilities by implementing a prefunding mechanism, or dedicated trust, to decrease the required funding.” Heeding that recommendation, Oakland established an irrevocable OPEB trust fund in 2014. City council put \$3.9 million into the account in November 2016, and pledged to add another \$20 million in the 2017-2019 bi-annual budget. As of September of 2017, the trust fund balance was just over \$15 million, representing just 2% of the unfunded liability.

While this was a step in the right direction, it was not nearly enough to make a meaningful dent in the unfunded OPEB liability. Anything less than a \$50 million annual contribution to the trust ends up increasing the total liability rather than amortizing it. Unfortunately, annual contributions in that amount are just not possible. Revenue forecasts indicate that Oakland’s general purpose fund revenue will increase at a far lower rate than its general purpose fund expenses, particularly as CalPERS increases Oakland’s annual required contributions for employee pensions, and increasing health care costs cause huge annual increases to the “pay-as-you-go” amounts. Oakland needs to look at other ways to address the problem.

2016 OPEB Actuarial Study

In the 2016 actuarial study, it was reported that, as of July 2015 (FY 2015-2016), the city’s unfunded OPEB liability had ballooned to \$860 million. It concluded that, instead of making pay-as-you-go payments (which by then had reached about \$26 million annually), Oakland should have been making annual payments of \$74.1 million.

Moody’s Credit Challenge

In early 2017, a credit opinion from Moody’s called Oakland’s pension-driven budget pressures “significant.” The report concluded that Oakland’s largely unfunded OPEB liability of

\$860 million constitutes an exceptionally high 238% of covered payroll. These facts could lead to a downgrade of the city's bond ratings, making it more expensive for the city to borrow money.

Oakland's OPEB Funding Structure

Many public agencies throughout the state, like Orange County, fund their healthcare using cafeteria-style plans, where the amount the employer pays for the employee's health insurance is deducted from the employee's gross income and used exclusively for that purpose. Because Oakland police and fire health plans are not funded through cafeteria plans, state law requires that active and retired health benefit packages be identical. For this reason, OPEB plans for Oakland public safety retirees are more expensive. Many of these employees – those hired before state pension reform in 2013 – can retire as early as age 50, when they may still have young families, requiring the city to make full contributions of \$1,500 to \$1,600 per month until the beneficiary enrolls in Medicare or there is a change in status of dependent or spouse. If the city establishes a cafeteria-style healthcare funding plan for all active employees, there would be no state mandate that the benefits for retirees be identical to those provided to active employees, and this issue would be a subject for negotiation with labor unions.

How Other Cities Are Responding to the Crisis

The Grand Jury heard that the city of Sausalito, admittedly a much smaller city than Oakland, addressed its OPEB problem by a dual-pronged program. It began by closing its defined benefits plan to newly hired employees and offered them instead a defined contribution plan. **“Defined benefits” is where the employer promises to provide equivalent health insurance, e.g., to a basic Kaiser plan, and is obligated to pay the increased cost to purchase that type of plan even as premiums rise. “Defined contribution” is where the employer promises to pay a fixed amount annually toward the retiree’s insurance costs, often with a cost-of-living rider.**

Sausalito also offered a “buyout” plan to new or newer employees that offered an immediate cash payment of \$1,000 per year for each year of employment in exchange for the employee waiving his or her right to post-employment health insurance. We learned that 50% of the eligible Sausalito employees took the buyout option.

Both of these changes required substantial negotiations with Sausalito’s public employee unions. We heard that the city officials needed to lay all their cards on the table during negotiations,

showing with incontrovertible evidence that the current system was not sustainable in the long run, and that Sausalito would be unable to pay its OPEB obligations in the future if changes were not made.

Some public agencies like BART and the Alameda County Water District have begun fully prefunding their OPEB costs. While this required massive investments by the organizations, they now have plans in place to erase their unfunded obligations. But, unlike Oakland, BART and the Water District do not have to go to the voters to raise revenue to pay for these initiatives – their boards can simply vote to increase rider fees and water rates.

In 2008, as a result of Grand Jury scrutiny, the city of Concord established a task force to address **OPEB. As a result of the task force’s recommendations, the city sat down with its labor organizations to craft a long-term plan that included material sharing by employees (14% at that time) of the cost of the program, and capping the benefits for existing employees.** Prior to that, employees did not contribute to the cost. The city also established a trust and began to prefund its OPEB costs.

The city of Danville does not offer a traditional OPEB program and, therefore, has no unfunded OPEB liability. Instead, the city contributes to a health savings account, which in effect amounts to a defined contribution plan.

The city of Alameda appointed a task force in 2012 consisting of city officials, labor **representatives and ordinary citizens to review Alameda’s pension and OPEB obligations.** After months of meetings, the task force submitted several recommendations regarding OPEB, none of which had unanimous support of all members:

- Modify vesting and eligibility rules for new hires beyond those made in 2011 in response **to California’s Public Employees’ Pension Reform Act (PEPRA).**
- Establish a 401(a)(h) plan in which all current employees are required to make contributions now for future health care. (New hires were already contributing to such a plan.)
- **“Buy out” the benefit with a program giving employees the option to take cash or a tax-advantaged account in exchange for their defined benefit.**
- Work with employee bargaining groups to negotiate down the liability.

In a follow-up report on OPEB liability in April 2015, Alameda staff, acknowledging that a multi-pronged approach was necessary **and had to be coordinated with the city's bargaining units**, discussed additional options to be considered along with those identified by the 2012 task force:

- Create a trust fund to pre-fund benefits.
- Budget more with existing funds to make payments above what is required under pay-as-you-go, with the excess going into the trust.
- Negotiate with labor for employees to contribute toward the cost of OPEB in exchange for the city making contributions toward pre-funding.
- Strengthen the tiered-benefit program that was created in response to PEPRA by making city contributions proportionate to the number of years of employment (so that **the benefit would increase the longer the employee's years of service**), and by lengthening the period before the benefit fully vested.
- **Cap the city's medical contribution rate by changing to a defined contribution plan** for new hires.
- Place further limits on spousal benefits. After PEPRA, spouses of employees hired after June 2011 were not eligible for OPEB. Staff suggested that it could modify OPEB benefits for spouses of pre-2011 hires by switching them to a defined contribution plan.

In September 2016, the OPEB Task Force of the League of California Cities issued a detailed report entitled "Retiree Health Care: A Cost Containment How-To Guide." After describing the OPEB problem, the task force discussed strategies California cities might employ to address it, including:

- Creating and funding an OPEB trust fund
- Changing benefits for existing employees
- Changing contributions to fixed amounts
- Limiting the duration of retiree medical benefits
- Closing the benefits to new employees
- Increasing vesting requirements
- Covering only retirees, not dependents
- Making city insurance secondary to other health insurance, such as veterans programs or coverage under a spouse's plan
- Buying down or buying out retiree benefits for current employees

- Changing health care plans
- Auditing retiree medical benefits
- Enrolling otherwise non-eligible retirees in Part A Medicare coverage
- Utilizing the federally subsidized prescription plan for Medicare retirees
- Buying down or buying out benefits for current retirees

CONCLUSION

Oakland's elected and appointed leaders are responsible for the welfare of their residents, for the stewardship of city finances, and for honoring or renegotiating the promises they and their predecessors made to public employees who serve the city.

The retiree health care benefits promised to city employees have been chronically underfunded, and the deficit is growing annually. Continuing the program of pay-as-you-go, without making a dent in the unfunded liability for future benefits, raises the prospect of massive budgetary cutbacks to programs deemed essential to the safety and welfare of its citizens.

These circumstances are not unique to Oakland, or even to the state of California, but **Oakland's** failure to take the tough steps necessary to address the problem has pushed its budget to the straining point, even in this period of relative economic prosperity. Moreover, other expensive issues, such as affordable housing, homelessness, decaying infrastructure, and more, are looming.

Inaction, or insubstantial action, on this matter is no longer tolerable. An economic downturn following years of growth will only make the problem worse. Failing to take bold action risks further cutbacks to essential and valued services like public safety, parks and libraries, and also **risks worsening Oakland's bond ratings, imperiling its borrowing power, thus making Oakland** a less desirable place to live and work. An informed community and courageous elected city officials must face this challenge head on to ensure a thriving and safe Oakland.

FINDINGS

- Finding 18-1:* **The city of Oakland’s** current method of funding OPEB benefits underfunds its annual required contribution by at least \$40 million.
- Finding 18-2:* The city of Oakland currently has no meaningful plan to address its \$860 million unfunded OPEB liability, **jeopardizing the city’s long-term financial viability.**
- Finding 18-3:* Rapidly increasing retiree health costs are squeezing city budgets and reducing funding for essential city services.
- Finding 18-4:* The city of Oakland has no revenue stream (anticipated revenue growth, new taxes or new bonds) sufficient to make payments that will amortize its unfunded OPEB liability over the next 20 or 30 years.
- Finding 18-5:* **Solving Oakland’s OPEB problem will require substantial political will and the cooperation of Oakland’s bargaining units to make complex and unpopular structural changes to Oakland’s retiree benefits program.**

RECOMMENDATIONS

- Recommendation 18-1:* The city of Oakland must develop and implement a long-term comprehensive plan to address its \$860 million unfunded OPEB liability.
- Recommendation 18-2:* Any long-term OPEB plan must include discussion of additional city funding and substantial structural change in benefits that are responsible for these growing liabilities.
- Recommendation 18-3:* The city of Oakland must develop a long-term cost-containment plan for OPEB that gives serious consideration to the options discussed by the League of California Cities and other California cities that have addressed this issue, including but not limited to:
- Capping or reducing premium contributions for current employees.
 - Replacing defined benefits OPEB plans with defined contribution plans.

- Eliminating portions of the benefits, like dental and vision care.
- Limiting the length of medical coverage (e.g., to Medicare age).
- Eliminating or reducing coverage for spouses and children.

Recommendation 18-4: The city of Oakland must consider requiring current and future employees to share in paying for the cost of OPEB benefits.

Recommendation 18-5: City of Oakland staff must provide elected leaders and the public with clear and understandable reports, including graphs and charts, illustrating the impact of current OPEB funding decisions as well as the cumulative impact of deferred costs of these programs over a 15- to 20-year period.

Recommendation 18-6: The city of Oakland must decouple or separate the benefits offered to current public safety employees from those paid to retired police and firefighters, ending the pooling of active employees with retirees for rate setting.

RESPONSES REQUIRED

Oakland City Council

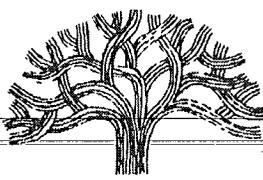
Findings 18-1 through 18-5

Recommendations 18-1 through 18-6

Mayor, City of Oakland

Findings 18-1 through 18-5

Recommendations 18-1 through 18-6



CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612
REBECCA KAPLAN (510) 238-7008
At-Large FAX: (510) 238-6910
atlarge@oaklandnet.com TDD: (510) 839-6451

Date: July 5, 2018

To: City Council

From: Councilmember Kaplan

Re: RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 6, 2018, A PROPOSED ORDINANCE TO ADOPT A SPECIAL SUPPLEMENTAL BUSINESS LICENSE TAX ON RENTAL OF PROPERTY AT A RATE OF 1% OF ANNUAL GROSS RECEIPTS IN EXCESS OF \$200,000 TO FUND SOLUTIONS FOR HOMELESSNESS, ILLEGAL DUMPING REMEDIATION, AND RELATED PROGRAMS; AND DIRECTING THE CITY CLERK TO TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE NOVEMBER 6, 2018 GENERAL MUNICIPAL ELECTION

Dear Colleagues on Oakland City Council and Members of the Public,

As many of you know, Oakland has been facing skyrocketing rates of homelessness, with the counts in our community increasing dramatically in recent years. Per the Point in Time Count from Everyone Home, those unhoused in the City of Oakland has risen from 2,191 to 2,761 from 2015 to 2017.

This situation is causing widespread suffering, as people are living in difficult situations in underpasses and sidewalks, often without access to water, bathrooms, and more. This endangers the entire community, both those with and without homes, and creates a potential for expanding blight and the spread of disease. The homeless numbers in Oakland comprise of the largest segment of those in our County. The overwhelming majority, 86%, of those living unhoused in our community are from here, and the main cause of increased homelessness are economic reasons – as members of our community face increased displacement and financial pressures with the rising cost of housing.

As homelessness is rising, the resources available to help solve it have not kept up with the increased need. In our budget deliberations, it has been difficult to dedicate adequate funds to homeless solutions when those needs compete with other community priorities. Therefore, to remedy this growing problem, we should have a dedicated funding source of additional revenue.

To address this, I am proposing a ballot Measure, to adopt a special supplemental business license tax on rental of property at a rate of 1% of annual gross receipts in excess of \$200,000, to fund solutions for homelessness, illegal dumping remediation, and related programs. The

Council would have the power to reduce the tax and make other changes to procedures as long as they do not increase the tax.

Staff has estimated that the total gross rental receipts for accounts reporting \$200,000 or more is \$1,046,945,453 (see chart below). The first \$200,000 of rental revenue would not be subject to the supplemental tax. Therefore, a supplemental business license tax on rental of property at a rate of 1% of annual gross receipts in excess of \$200,000 may raise about \$7.8 million per year. This can provide more resources for navigation centers, rapid rehousing, cleaning, sanitation, small homes, alternative housing structures, eviction prevention, rent assistance, and other vital steps to improve this crisis.

TYPE OF REAL PROPERTY RESIDENTIAL ACCOUNT	NUMBER OF REAL PROPERTY RENTAL ACCOUNTS	ANNUAL GROSS RECEIPTS
Residential Rentals	770	\$398,608,291
Commercial Rentals	633	\$648,337,162

The following will be exempt from the tax imposed by this Ordinance:

- 1) Nonprofit corporations and entities controlled by nonprofit corporations that are organized and operated primarily to provide affordable housing and that rent dwelling units that are subject to deed restrictions or other instruments that restrict rents to affordable levels and occupancy to people who qualify for affordable housing.
- 2) Any person who would otherwise be subject to the tax imposed under this Section may seek a one-year hardship exemption due to exceptional circumstances. The City Administrator may approve such applications for good cause. Such approvals shall be in writing and specifically state the factors that constitute good cause. Any hardship exemption shall be effective for one tax year only, after which it will expire. Taxpayers who seek hardship exemptions must reapply every year.

The City Council may also establish other such exemptions it determines to be appropriate.

In addition, this Measure directs the creation of a Community Commission on Homelessness to help direct the proper use of the funds, and publish an annual report regarding how and to what extent the City Council and Mayor have implemented this Ordinance.

Tax funds may be used to provide services and programs to homeless people, to reduce homelessness, and to support the provision of affordable housing. Also, 25% of the funds would be for illegal dumping and blight remediation. Examples of such uses include, but are not limited to:

-
- Job training, apprenticeship, pre-apprenticeship, drug treatment, and job readiness assistance programs for homeless people or those at risk of becoming homeless;
 - Assistance connecting homeless people or those at risk of becoming homeless with available services and resources, including assistance applying for housing or public benefit programs;
 - Housing assistance, including the provision of temporary housing or move-in expenses, such as first-month's rent and a security deposit, and emergency rental assistance;
 - Sanitation, bathroom, and cleaning services related to homeless encampments, and programs to supplement remedying and deterring blight and illegal dumping throughout the City;
 - Incentive programs to encourage property owners to make space available for low-income housing, including making funds available for physical improvements to enable a unit to be used for a voucher-based housing program;
 - Relocation assistance funding for low-income households facing displacement;
 - Financial assistance for the design, development, construction or operation of affordable housing units, including housing alternatives such as, without limitation, shipping container homes, accessory dwelling units and small homes;
 - Accessibility support to provide or maintain housing, and make needed improvements for accessibility, for seniors and persons with disabilities; and
 - Displacement prevention, tenant education and assistance, emergency rent assistance; and
 - Navigation centers to provide space for people to stay, along with on-site support services for the homeless. Funding may be used for both capital and operating costs related to navigation centers; and
 - Code enforcement and cleanup of blighted vacant properties, other blight elimination, and remedying illegal dumping, including legal action to address any of the foregoing as necessary. No less than twenty-five percent (25%) of the revenue deposited into the Fund in any single year shall be used to pay for the uses listed in this paragraph.

In addition, the costs to administer and implement the tax and the Commission and audits would be covered.

I respectfully ask for your support to put this Measure on the November 2018 ballot, to give the voters of Oakland an opportunity to decide to dedicate new funding to this large and growing problem.

Thank you very much for your consideration,



Councilmember At-Large Rebecca Kaplan

18 JUL -5 PM 3: 33

APPROVED AS TO FORM AND LEGALITY

INTRODUCED BY COUNCILMEMBER KAPLAN

CITY ATTORNEY

OAKLAND CITY COUNCIL

DRAFT

RESOLUTION NO. ____ C.M.S.

RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 6, 2018, A PROPOSED ORDINANCE TO ADOPT A SPECIAL SUPPLEMENTAL BUSINESS LICENSE TAX ON RENTAL OF PROPERTY AT A RATE OF 1% OF ANNUAL GROSS RECEIPTS IN EXCESS OF \$200,000 TO FUND SOLUTIONS FOR HOMELESSNESS, ILLEGAL DUMPING REMEDIATION, AND RELATED PROGRAMS; AND DIRECTING THE CITY CLERK TO TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE NOVEMBER 6, 2018 GENERAL MUNICIPAL ELECTION.

WHEREAS, Oakland is suffering from a serious housing crisis as housing costs in the City increase drastically, making housing at all levels of affordability and particularly affordable housing scarce and unavailable for many Oakland residents; and

WHEREAS, the lack of sufficient housing generally and affordable housing in particular in Oakland is contributing to a large and growing crisis of homelessness, which is increasing human suffering throughout the community, creating public health risks, and negatively affecting economic activity, which deprives residents of income and opportunity. The housing crisis is also causing displacement of long-term Oakland residents, diminishing the richness of the community that contributes to making the City a desirable place to live; and

WHEREAS, traditional funding sources have not kept up with the rising homeless crisis, resulting in increasing numbers of people living in problematic conditions on sidewalks and beneath underpasses; and

WHEREAS, Oakland also suffers disproportionately from blight and illegal dumping, which presents pervasive aesthetic, health, safety, and environmental problems throughout the City of Oakland; and

WHEREAS, it is important to provide a funding source to help address blight, illegal dumping, homelessness, and the lack of sufficient affordable housing throughout the City of Oakland; and

WHEREAS, the City Council desires to submit to the qualified electors of the City a proposed ordinance to adopt a special business license tax on rental of property to support affordable housing, illegal dumping remediation, and related programs. The supplemental business license tax would apply to every person engaged in the business of renting property with annual gross receipts in excess of \$200,000; and

WHEREAS, the special tax imposed by the proposed ordinance is authorized by Article XIII A of the California Constitution and section 50075 of the California Government Code; and now therefore be it

RESOLVED: That the Oakland City Council finds and determines the forgoing recitals are true and correct and hereby adopts and incorporates them into this Resolution; and be it

FURTHER RESOLVED: That the Oakland City Council does hereby submit to the voters, at the November 6, 2018, General Municipal Election, an Ordinance that reads as follows:

Be it ordained by the People of the City of Oakland:

Section 1. Title.

This Ordinance may be referred to as the "Oakland Homeless Funding Rental Property Tax Act."

Section 2. Purpose.

The taxes imposed under this Ordinance are solely for the purpose of raising revenue necessary to support and fund services for homeless people and affordable housing, blight and trash remediation, and related programs, described below. Because the proceeds of the parcel tax will be deposited into a special fund restricted for the services and programs specified in this Ordinance, the tax is a special tax. The tax imposed by this Ordinance is an excise tax on the privilege of conducting the business of renting property within the City of Oakland. It is not an income tax or any other form of tax and shall not be imposed or calculated as such. The tax is in addition to the business license tax imposed by Chapter 5.04 of the Oakland Municipal Code.

Section 3. Code Amendment.

A new Chapter is hereby added to the Oakland Municipal Code to read as follows:

Chapter 4.56 Supplemental Business License Tax on Rental of Property

Section 4.56.010 Definitions

Section 4.56.030 Imposition of Supplemental Business License Tax on Rental of Property

Section 4.56.040 Homeless Services Fund

Section 4.56.050 Use of Tax Act Revenue
Section 4.56.060 Commission on Homelessness
Section 4.56.070 Accountability

Section 4.56.010. Definitions

"Affordable housing" means housing affordable to lower income households as defined in California Health and Safety Code Section 50079.5 at an affordable housing cost or affordable rent as defined in Health and Safety Code Sections 50052.5 and 50053.

"City" means the City of Oakland.

"Commission" means the Commission on Homelessness authorized by this Ordinance.

"Gross receipts" has the same meaning as in Section 5.04.420(C) of the Oakland Municipal Code for rental of residential property; it has the same meaning as in Section 5.04.430(D) for rental of commercial/industrial property.

"Heavily Impacted Neighborhoods" means the geographic area defined by the boundaries of 2010 Census Tracts 4007, 4008, 4009, 4010, 4014, 4015, 4016, 4017, 4018, 4022, 4024, 4025, 4026, 4027, 4030, 4033, 4057, 4053.02, 4054.01, 4054.02, 4055, 4056, 4058, 4059.01, 4059.02, 4060, 4061, 4062.01, 4062.02, 4063, 4064, 4065, 4071.01, 4071.02, 4072, 4073, 4074, 4075, 4076, 4077, 4085, 4086, 4087, 4088, 4089, 4090, 4091, 4092, 4093, 4094, 4095, 4096, 4097, 4102, 4103, 4104, and 4105. See Map (Attachment A) below.

"Person" has the same meaning as in Section 5.04.030 of the Oakland Municipal Code.

"Rental of commercial/industrial property" means the same activities as described in Section 5.04.430(A) of the Oakland Municipal Code.

"Rental of property" means the rental of commercial/industrial property or the rental of residential property, or both.

"Rental of residential property" means the same activities as described in Section 5.04.420(A) of the Oakland Municipal Code.

"Tax" means the special tax authorized by this Ordinance.

Section 4.56.030. Imposition of Supplemental Business License Tax on Rental of Property

A. A special supplemental business license tax is hereby imposed on every person engaged in the business of renting property. The tax rate is as set forth below. For persons subject to this special supplemental business license tax on rental of property,

the tax shall be in addition to the tax imposed by Sections 5.04.420 or 5.04.430 of the Oakland Municipal Code.

B. The tax constitutes a debt owed to the City by the person engaged in the business of renting property .

C. Unless the City Council selects another method for collection of the tax, the City of Oakland shall collect the tax on each person engaged in the business of renting property as part of the collection of their business license tax payment to the City of Oakland, as provided for in Chapter 5.04 of the Oakland Municipal Code.

D. Tax Rate.

The maximum supplemental business license tax rate for rental of property shall be one percent (1%) of annual gross receipts in excess of \$200,000.

E. Adjustment in Tax Rate

The City Council may, by resolution, establish an annual tax rate less than the maximum rate. Following any such decrease in the annual tax rate, the City Council may, by resolution, increase the annual tax rate to the maximum , or to any other rate less than the maximum, without obtaining voter approval.

F. Exemptions

1. The following shall be exempt from the tax imposed by this Ordinance:

a. Nonprofit corporations and entities controlled by nonprofit corporations that are organized and operated primarily to provide affordable housing and that rent dwelling units that are subject to deed restrictions or other instruments that restrict rents to affordable levels and occupancy to people who qualify for affordable housing;

b. Any person who would otherwise be subject to the tax imposed under this Section may seek a one-year hardship exemption due to exceptional circumstances. The City Administrator may approve such applications for good cause. Such approvals shall be in writing and specifically state the factors that constitute good cause. Any hardship exemption shall be effective for one tax year only, after which it will expire. Taxpayers who seek hardship exemptions must reapply every year.

2. The City Council may, by ordinance, establish such other exemptions to the tax imposed by this Ordinance and the authorized methods of collection of the tax, as it determines to be appropriate.

Section 4.56.040. **Homeless Services Fund**

The "Homeless Services Fund" ("Fund") is hereby created as a special revenue fund. Proceeds from this Tax Act, including penalties and interest earned on such proceeds, shall be deposited into the Fund and used only for the purposes listed in Section 4.56.050.

Section 4.56.050. **Use of Revenue**

A. Monies deposited in the Fund shall be used solely for those purposes identified in this Section.

B. Tax funds may be used to provide services and programs to homeless people, to reduce homelessness, and to support the protection of existing and production of new housing affordable to lower income households as defined in California Health and Safety Code Section 50079.5 at an affordable housing cost or affordable rent as defined in Health and Safety Code Sections 50052.5 and 50053. Examples of such uses include, but are not limited to:

1. Job training, apprenticeship, pre-apprenticeship, drug treatment, and job readiness assistance programs for homeless people or those at risk of becoming homeless;

2. Assistance connecting homeless people or those at risk of becoming homeless with available services and resources, including assistance applying for housing or public benefit programs;

3. Housing assistance, including the provision of temporary housing or move-in expenses, such as first-month's rent and a security deposit, and emergency rental assistance;

4. Sanitation, bathroom, and cleaning services related to homeless encampments, and programs to supplement remedying and deterring blight and illegal dumping throughout the City;

5. Incentive programs to encourage property owners to make space available for low-income housing, including making funds available for physical improvements to enable a unit to be used for a voucher-based housing program;

6. Relocation assistance funding for low-income households facing displacement;

7. Financial assistance for the design, development, construction or operation of affordable housing units, including housing alternatives such as, without limitation, shipping container homes, accessory dwelling units and small homes.

8. Accessibility support to provide or maintain housing, and make needed improvements for accessibility, for seniors and persons with disabilities; and

9. Displacement prevention, tenant education and assistance, emergency rent assistance; and

10. Navigation centers to provide space for people to stay, along with on-site support services for the homeless. Funding may be used for both capital and operating costs related to navigation centers; and

11. Code enforcement and cleanup of blighted vacant properties, other blight elimination, and remedying illegal dumping, including legal action to address any of the foregoing as necessary. No less than twenty-five percent (25%) of the revenue deposited into the Fund in any single year shall be used to pay for the uses listed in this paragraph.

C. Monies in the Fund may be used to pay the costs of audits of the use of monies in the Fund.

D. Monies in the Fund may be used to pay for the City's costs of the election required to obtain voter approval of the tax authorized by this Ordinance, including City Attorney costs to prepare this Ordinance and related documents.

E. Monies in the Fund may be used to pay for the costs of administering the special tax, regardless of how or by what entity those administrative services are provided. No more than fifteen percent (15%) of the revenue deposited into the Fund in any single year may be used to pay for such administrative costs. Notwithstanding the foregoing, the City shall be reimbursed for its actual costs of establishing the program for collecting the tax, which costs shall be confirmed by the City Auditor. Administrative costs include, but are not limited to:

1. The costs to the City of determining and identifying gross receipts from the rental of property that are subject to the tax;

2. The costs to the City associated with monitoring and enforcing compliance with this Ordinance. Authorized costs include, but are not limited to, any expenses, including attorneys' fees, associated with any proceedings needed to enforce the requirements of this Ordinance;

3. The costs to the City associated with developing ordinances and regulations to implement this Ordinance;

4. The costs to the City associated with the operations of the Commission on Homelessness established by Section 4.56.060 of this Ordinance; and

F. If this Ordinance or the use of tax funds is legally challenged, tax funds may be used to reimburse the City for its costs of legal defense, including attorneys' fees and other expenses.

Section 4.56.060. **Commission on Homelessness**

A. There is hereby established a Commission on Homelessness (the "Commission").

B. The Commission shall advise the City Council regarding services and programs for homeless people, reduction of homelessness, and supporting the provision of affordable housing to households qualifying as at least low-income households, including programs and services authorized in Section 4.56.050(A).

C. The Commission shall consist of nine (9) members who are all residents of the City. No less than half of the members must be residents of Heavily Impacted Neighborhoods. No less than two members must be currently homeless, formerly homeless or low-income, as the term "low income" is defined by the United States Department of Housing and Urban Development. No less than three members who have professional expertise in, or are providers of, homeless services or housing. No less than one representative who has financial expertise. Members may fulfill more than one of these criteria for the purposes of meeting these requirements. City Councilmembers shall make recommendations for members to the Mayor. Members of the Commission shall be appointed by the Mayor and confirmed by the City Council in accordance with City Charter section 601.

D. Members shall serve three (3) year terms. No member shall serve more than two (2) consecutive three (3) year terms. The initial three (3) year term for each of the initial members shall commence as of the date that six (6) members have been appointed, which is when the Commission may begin its work. A quorum of the Commission shall be five (5) members. A member may be removed for cause pursuant to City Charter section 601. Absence from three (3) consecutive regular meetings, or four (4) regular meetings during a single fiscal year, may constitute cause for removal from the Commission, in accordance with City Charter section 601.

E. Members of the Commission shall serve without pay.

F. The City Administrator or designee shall provide clerical assistance and administrative support and technical assistance to the Commission.

G. The Commission shall meet at least four (4) times per fiscal year.

H. The Commission shall publish an annual report regarding how and to what extent the City Council and Mayor have implemented this Ordinance. Additionally, the Commission may publish reports regarding the following: 1) recommendations on how to allocate the tax funds in accordance with the requirements of this Ordinance; 2) information, if available, concerning the impact of this Ordinance on homelessness and illegal dumping in the City; and 3) any additional information that the Commission deems appropriate. The City Council may assign other duties to the Commission as provided for by Ordinance.

I. Within 15 days of receipt of a Commission report, the City Administrator or designee shall cause the report to be published on the City's Internet website and to be transmitted to the City Council. The Report and Recommendations shall be included in the published packet and provided to the City Council as part of the Agenda at the meeting(s) at which the Council allocates the tax funding.

Section 4.56.070. **Accountability**

A. In accordance with the requirements of California Government Code Sections 50075.1 and 50075.3, the following accountability measures, among others, shall apply to the tax:

1. A separate, special account, referred to as the Homeless Services Fund, shall be created, into which the proceeds of the tax must be deposited.
2. The specific purposes of the tax are for the funding of programs and services for homeless people, to reduce homelessness, and to support the provision of affordable housing and remedying blight and trash, and for as the other purposes set forth in Section 4.56.050 of this Ordinance. The proceeds of the tax shall be applied only to these specific purposes.
3. The Commission established by Section 4.56.060 shall perform the oversight functions listed in that Section to ensure that the revenue from the tax is spent solely for the purposes listed in Section 4.56.050.
4. The City Auditor shall perform regular audits to ensure accountability and proper disbursement of all revenue collected by the City from the tax imposed by this Ordinance, in accordance with the objectives stated herein and in compliance with provisions of California law.

B. During the term of the tax, the City of Oakland shall not reduce the amount of unrestricted General Fund expenditures on illegal dumping remediation below the amount expended in the 2018-2019 fiscal year. The City Auditor's reports on the uses of the Fund shall include the percentage that was spent on illegal dumping remediation and blight remediation and shall also evaluate whether the City has satisfied the requirement to maintain the level of unrestricted General Fund expenditures on illegal

dumping remediation. If the City Auditor finds that in any fiscal year the amount of unrestricted General Fund expenditures on illegal dumping remediation is less than the total amount expended in fiscal year 2018-2019, the City of Oakland shall increase unrestricted General Fund expenditures for illegal dumping remediation within the following two fiscal years so that total unrestricted General Fund expenditures on illegal dumping remediation over three fiscal years is equal to three times fiscal year 2018-19 expenditures.

Section 4. Severability.

Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance and, to that end, the provisions hereof are severable.

Section 5. California Environmental Quality Act Requirements.

The City Council hereby determines that this Ordinance is not in-and-of-itself a "project" pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq., including without limitation CEQA Guidelines 15378(b)(4) and 15061(b)(3), as it can be seen with certainty that there is no possibility that the adoption of the ordinance itself may have a significant effect on the environment. To the extent that the supplemental business license tax revenues generated by the Ordinance may in the future be used to fund the construction of capital improvements, the Ordinance may assist in the financing of future "projects" that will be subject to environmental review pursuant to CEQA at the "earliest feasible time" prior to "approval" consistent with CEQA Guidelines Sections 15004 and 15352.

Section 6. Approval; Effective Date.

This Ordinance, and all the provisions thereof, shall become effective only upon affirmative passage by a two-thirds majority vote of the voters voting on the Ordinance. This Ordinance shall be considered adopted on the date that the City Council declares the results of the election at which it was voted upon and shall be effective ten days thereafter.

Section 7. Council Amendments.

This Ordinance may only be amended by a vote of the people if the amendment would result in the special tax being imposed, extended, or increased in a manner not authorized by this Ordinance as originally approved by the voters. The City Council of the City of Oakland is hereby authorized to amend Chapter 4.56 of the Oakland Municipal Code as adopted by this Ordinance in any manner that does not increase the

tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution.

Section 8. Expiration of Tax.

This Ordinance shall expire 20 years after it is first levied. The voters of the City of Oakland may amend the term of the tax at any time prior to its expiration.

; and be it

FURTHER RESOLVED: That each ballot used at said general municipal election shall have printed therein, in addition to any other matter required by law, the following:

CITY OF OAKLAND MEASURE TO ADOPT A SPECIAL SUPPLEMENTAL BUSINESS LICENSE TAX ON RENTAL OF PROPERTY AT A RATE OF 1% OF ANNUAL GROSS RECEIPTS IN EXCESS OF \$200,000 TO FUND HOMELESS SOLUTIONS, ILLEGAL DUMPING REMEDIATION, AND RELATED PROGRAMS.

<p>Shall the Measure, to fund homeless solutions and related programs, and remedy illegal dumping, by enacting a Supplemental Business License Tax on Rental of Property at a rate of 1% of annual gross receipts in excess of \$200,000; raising about \$7,800,000 annually for 20 years; with audits, community oversight, exemptions for non-profits and affordable housing, be adopted?</p> <p>[SUBJECT TO CITY ATTORNEY APPROVAL]</p>	<p>YYes</p>	
	<p>No</p>	

; and be it

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Clerk of the City of Oakland (the "City Clerk") at least 88 days prior to November 6, 2018, to file with the Alameda County Clerk certified copies of this Resolution; and be it

FURTHER RESOLVED: That the City Council does hereby request that the Board of Supervisors of Alameda County include on the ballots and sample ballots recitals and measure language to be voted on by the voters of the qualified electors of the City of Oakland; and be it

FURTHER RESOLVED: That the City Council does hereby request that the Registrar of Voters of the County of Alameda perform necessary services in connection with said election; and be it

FURTHER RESOLVED: That the City Clerk is hereby directed to cause the posting, publication and printing of notices, pursuant to the requirements of the Charter of the City of Oakland, Chapter 3 of the Oakland Municipal Code, the Government Code and the Election Code of the State of California; and be it

FURTHER RESOLVED: That in accordance with the Elections Code and the Oakland Municipal Code, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed Ordinance and rebuttals, and said date shall be posted in the Office of the City Clerk; and be it

FURTHER RESOLVED: That the City Clerk and City Administrator are hereby authorized and directed to take any and all actions necessary under law to prepare for and conduct the 2018 general municipal election and appropriate all monies necessary for the City Administrator and City Clerk to prepare and conduct the November 6, 2018 general municipal election; and be it

FURTHER RESOLVED: That certain sections of the Ordinance submitted to the voters may be codified into the City of Oakland Municipal Code at the direction of the City Clerk upon approval by the voters; and be it

FURTHER RESOLVED: That this resolution shall be effective immediately upon approval by five members of the Council.

IN COUNCIL, OAKLAND, CALIFORNIA _____, 2018

PASSED BY THE FOLLOWING VOTE:

AYES BROOKS, CAMPBELL-WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLÉN, KALB,
 KAPLAN AND PRESIDENT REID

NOES

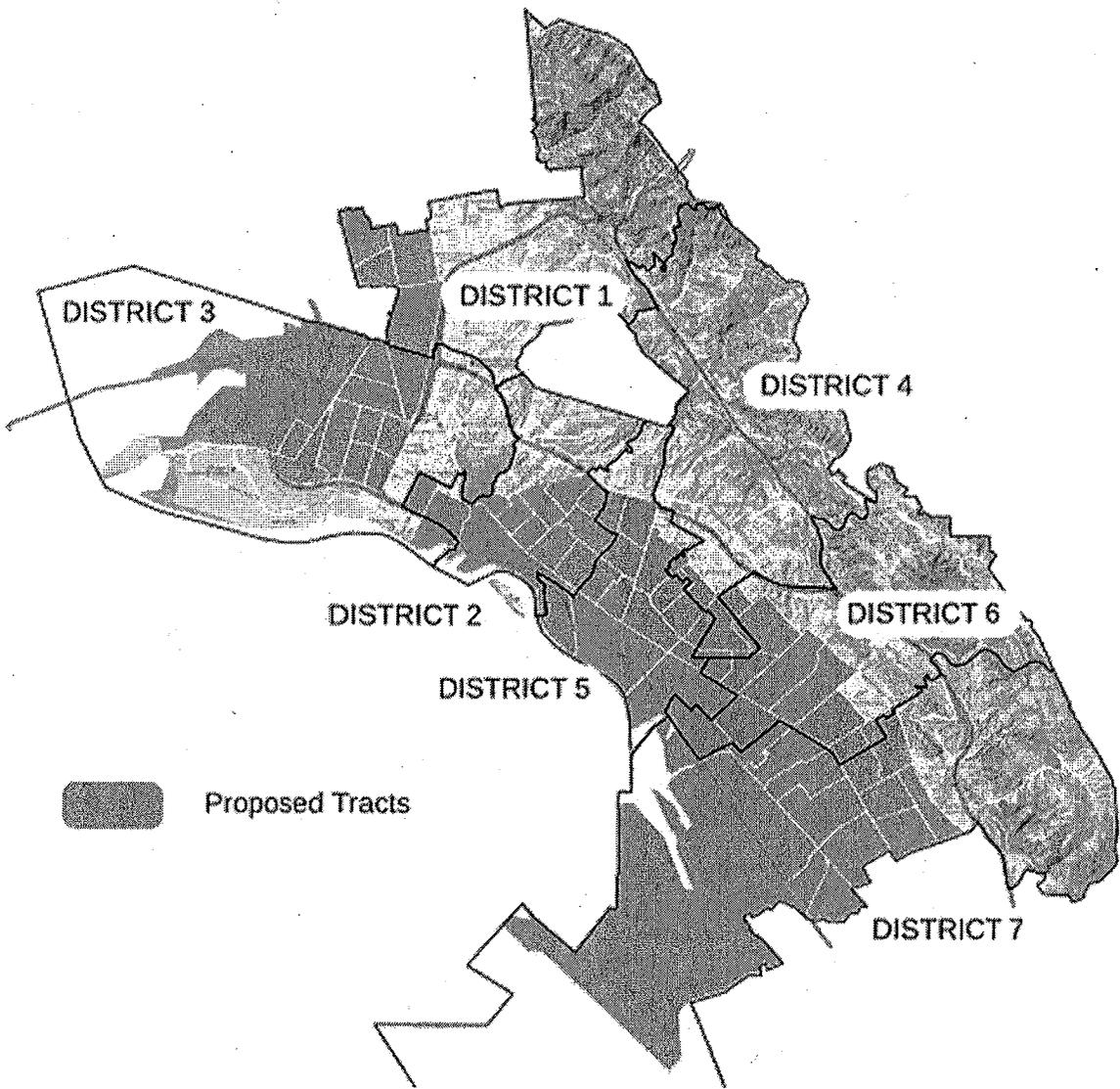
ABSENT

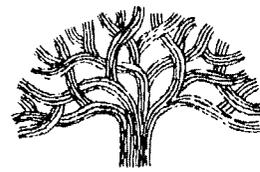
ABSTENTION

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council
Of the City of Oakland, California

ATTACHMENT A





2018 JUL -5 PM 7:20

CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Office of Desley A. Brooks
Councilmember – District 6
e-mail: dbrooks@oaklandnet.com

(510) 238-7006
FAX (510) 238-6910
TDD (510) 839-6451

July 1, 2018

To: President Reid and Council Members.

From: Council Member Desley Brooks.

RE: RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 6, 2018, A PROPOSED AMENDMENT TO THE OAKLAND CITY CHARTER TO ESTABLISH THE CAREER JOBS NOW! FUND TO PROVIDE FUNDING FOR JOB TRAINING SERVICES IN THE AMOUNT OF SEVEN PERCENT OF ANNUAL UNRESTRICTED REVENUES RECEIVED BY THE CITY FROM THE NEW CONSTRUCTION OF MARKET RATE HOUSING AND COMMERCIAL DEVELOPMENTS COMPLETED ON OR AFTER JANUARY 1, 2019; AND DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS, PROVIDE FOR NOTICE AND PUBLICATION, AND TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE NOVEMBER 6, 2018, GENERAL MUNICIPAL ELECTION

Dear President Reid and Council Members:

This memorandum is to advise you that there is a crisis in our community. Our residents are being pushed out of our city. They are being locked out of the construction boom that is taking place. The city has failed to reach our hiring goals and we know that there is skilled work that is going unfilled because we don't have a skilled labor pool. Our policies are failing our residents. We must take decisive action to ensure that there are real opportunities for all of our residents to thrive. This ballot measure moves that agenda. This is not a new tax. The measure does not take money from another program. It provides for a set aside of new money, that has yet to be allocated, from new market rate construction built or completed after January 1, 2019.

I ask that you put this matter before the voters in the November 6th election and let them decide.

Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink that reads "Desley Brooks".

Desley Brooks
Council Member, District 6



2018 JUL -5 PM 7:20

APPROVED AS TO FORM AND LEGALITY
DRAFT

CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBERS BROOKS AND GALLO

RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 6, 2018; A PROPOSED AMENDMENT TO THE OAKLAND CITY CHARTER TO ESTABLISH THE CAREER JOBS NOW! FUND TO PROVIDE FUNDING FOR JOB TRAINING SERVICES IN THE AMOUNT OF SEVEN PERCENT OF ANNUAL UNRESTRICTED REVENUES RECEIVED BY THE CITY FROM THE NEW CONSTRUCTION OF MARKET RATE HOUSING AND COMMERCIAL DEVELOPMENTS COMPLETED ON OR AFTER JANUARY 1, 2019; AND DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS, PROVIDE FOR NOTICE AND PUBLICATION, AND TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE NOVEMBER 6, 2018, GENERAL MUNICIPAL ELECTION

WHEREAS, the City of Oakland is experiencing an unprecedented increase in new employment opportunities and the city-wide unemployment rate is below five percent (5%); and

WHEREAS, the City of Oakland is also experiencing chronically high underemployment and unemployment rates that can exceed ten percent (10%) or more for Oakland's underserved, low income, people of color, youth, and under skilled residents, including the over 12,000 estimated ex-offenders who need support to reenter the workforce; and

WHEREAS, three out of every 100 Oakland residents are under criminal justice supervision, 84% are people of color, and 97% are under 50 years old; and

WHEREAS, high housing costs, employment barriers and lack of training have resulted in a disproportionately higher rate of unemployment; and

WHEREAS, in the 2014/2015 school year, Black and Latino youth made up 70% of Oakland Unified School District's student population, but only 60% and 56%, respectively, graduate, with far fewer prepared for UC and CSU admission, while an average of just over 27% dropped out of school; and

WHEREAS, a clear solution to the housing crisis is to train the majority of Oakland's growing Black homeless population, place them and support them in jobs that pay a "housing wage"; and

WHEREAS, providing opportunity to become gainfully employed and earn a living and housing wage is a strong displacement deterrent, public safety and anti-poverty solution that provides people a means by which to support their families; and

WHEREAS, the residents of Oakland find it imperative that the City create a dedicated fund for job training so that all of its residents have the opportunity to find gainful employment in the city of Oakland, which prides itself on diversity and shared prosperity for all of its residents; and

WHEREAS, the City of Oakland is approving the construction of market rate housing developments and commercial developments which generate new revenue for the City, but the City has not properly used those funds to maximize job training programs for its more vulnerable residents; and

WHEREAS, the purpose of this Charter Amendment is to provide a dedicated, reliable source of funding for the creation of critically needed job training and placement programs in the City of Oakland; now, therefore, be it

RESOLVED: That the Oakland City Council finds and determines the forgoing recitals are true and correct and hereby adopts and incorporates them into this Resolution; and be it

FURTHER RESOLVED: That the City Council does hereby submit to the voters at the November 6, 2018, general election, a proposed amendment to the Oakland City Charter to add Article XVI to reads as follows:

ARTICLE XVI. CAREER JOBS NOW! FUND

Section 1600. Title. This Article shall be known and may be cited as the Career Jobs Now! Act ("Act").

Section 1601. Findings and Purpose. The people of the City of Oakland make the following findings and declare their purpose in enacting the Act as follows:

- (a) The City of Oakland has long prided itself in its unique civic character and diverse populace, which are made possible by increased employment opportunities for all of its residents;
- (b) As the tech economy has grown in recent years, Bay Area businesses have prospered and hired tens of thousands of new employees;

- (c) The City of Oakland is experiencing a significant inflow of new businesses and new residents;
- (d) This has resulted in increased demand for new employees across the wide spectrum of jobs created to fill the needs of new businesses and residents;
- (e) The City has approved large market rate housing projects and commercial developments, including office space, which generate new revenue for the City, but City funding for job training programs, especially for low income underserved residents, reentry people (formerly incarcerated) and untrained workers has been inadequate;
- (f) It is critically important that the City maintain its diverse populace and unique character, and in order to do so the City must expand its efforts and funding in support of job training for the unemployed; and
- (g) In order to provide funding for job training, the City of Oakland shall create the Career Jobs Now! Fund and set aside seven percent (7%) of specified unrestricted revenues received by the City from the new construction of new market rate housing and commercial development into that Fund for the creation and/or maintenance of job training programs for unemployed and underemployed Oakland residents.

Section 1602. Establishment of the Fund. The Career Jobs Now Fund ("Fund") is hereby created.

Section 1603. Fund Revenues. Notwithstanding any other provision of law, effective on the first day of the year following approval of the voters of this Charter Amendment, and continuing for 35 years thereafter, the Fund shall receive monies in an amount equal to seven percent (7%) of the annual Unrestricted Revenues received by the City arising from the new construction of all new market rate housing and commercial developments under construction or completed on or after January 1, 2019, in the City of Oakland ("New Development"), as specified below, and said monies shall be appropriated as specified in this Act each year, together with any interest earned on the Fund and any amounts unspent or uncommitted by the Fund at the end of any fiscal year. The monies deposited in the Fund pursuant to this Act shall only come from Unrestricted Revenues received by the City of Oakland as specified in this Act.

"Unrestricted Revenues" received by the City arising from the New Development for the purposes of this Article shall mean all monies received by the City from the following:

- (a) Increased unrestricted real property tax revenue received under Charter, Article VIII, § 802, as a result of the New Development;
- (b) Increased unrestricted real property transfer tax revenue received under Oakland Municipal Code § 4.20.010, et seq., as a result of the New Development; and

- (c) Increased unrestricted business tax revenue received under Oakland Municipal Code § 5.04.010, et seq., as a result of the New Development.

Monies received from the aforementioned Unrestricted Revenues shall be deposited into the Fund no later than 90 days after receipt by the City.

The City Council may extend the provisions of the Act beyond 35 years without referral back to the voters, as further set forth in Section 1609 below.

Section 1604. Use of Fund.

(a) No less than 90% of the monies in the Fund shall be used to provide workforce development services and job training in the City of Oakland for low income, unemployed and underskilled Oakland residents, including persons who were previously incarcerated. Job training shall include job placement for persons who successfully complete job training programs. No more than 10% of the monies in the Fund may be used for administration, strategic planning, independent third-party evaluation, communications and outreach.

(b) Monies in the Fund shall be used exclusively to:

(i) Plan, support and/or develop job training programs in the City of Oakland, which shall include job placement by programs providing job training; or

(ii) Augment budgets of existing job training programs in the City of Oakland.

(c) Any allocation of funds from the Fund to job training programs shall be subject to the review and approval of the City Council. Monies from the Fund shall be allocated to programs through a request for proposals or other competitive basis conducted by the City subject to approval of the City Council. Alternatively, monies from the Fund may be so allocated to specific job training programs or service providers selected without competitive process: (1) for grants, subject to the approval of the City Council, or (2) for service provider agreements, upon a finding by the City Council that waiver of a competitive process is in the best interests of the City. Funds from the Fund shall be provided to selected job training programs or service providers through a grant agreement or service provider agreement between the City and the agency sponsoring the program for terms of five years, which may be extended by the City Council. Approvals for grants or service agreements awarded shall be carried out in accordance with the City's fiscal and purchasing policies and procedures. Said agreements must include a scope of services that requires that program funds be used to provide specified job training services (as defined in subsection 1604(a) above) to Oakland residents, and shall include appropriate program performance measures. Monies in the Fund shall be distributed quarterly to the providers pursuant to the terms of the grant agreement or service provider agreement.

Section 1605. Base Spending Requirement. Each year the City of Oakland shall not reduce the amount of its own expenditures for eligible job training services in any fiscal year paid from sources other than the Fund, below the Base Spending Amount as defined below.

The Base Spending Amount is the amount required to be expended by the City year-to-year on eligible job training services, derived from the application of the Base Year Percentage to total audited actual City expenditures in each fiscal year. In future years, said expenditure shall not be less than the sum expended in the 2017-2018 fiscal year.

The Base Year Percentage is defined as the ratio of actual appropriations made by the City for eligible job training services, funded from all sources, to total City actual appropriations in the 2017-2018 fiscal year. Actual appropriations shall be determined by the City Auditor.

If the City Auditor finds that in any fiscal year after the 2017-2018 fiscal year, the amount of funds expended by the City for eligible job training services is less than the Base Spending Amount, the City of Oakland shall increase expenditures for eligible job training services within the following two years so that the correct amount of funds is expended. Overspending identified by the City Auditor may be set off against a future Base Spending Amount up to a maximum of 5% each year for the following two years.

Monies from the Fund shall not be appropriated for services that substitute for or replace services included in the Base Spending Amount, except to the extent that the City of Oakland ceases to receive federal, state, county, or private foundation funds that the funding agency required to be spent only on those services.

Within 180 days following the completion of each fiscal year's external audit through 2019-2053, the City Auditor shall calculate and publish the actual amount of City of Oakland spending for job training services (exclusive of expenditures mandated by state or federal law).

Section 1606. Independent Evaluation of Performance and Results. Each job training program or service provider that is the recipient of Fund monies pursuant to this Act shall be evaluated for its performance and results by an independent third-party evaluator, who shall issue an annual public report. The evaluator shall be selected by the City Administrator. Programs that do not maintain a successful completion rate of 75% of its trainees or which do not place 75% of their trainees in jobs may have their funding removed at the discretion of the City Administrator.

Section 1607. Annual Auditor Review. The City Auditor shall annually review and report on the Fund's financial status, including that monies in the Fund are being spent in accord with the provisions of this Act.

Section 1608. Administrative Regulations. The City Administrator or his or her designee is hereby authorized to adopt rules and regulations consistent with this Article as needed to implement this Article, subject to the review of the City Attorney and approval of the City Council, to develop all related forms and/or other materials, and to take other steps as needed to implement this Article consistent with this Article and its basic purposes.

Section 1609. Reauthorization and/or Extension of the Act. This Act may be extended for an additional 15 years by a simple majority vote of the City Council. If the City Council does not itself extend this Act, then the City Council shall place the question of whether to extend this Act on the first available ballot that it qualifies for a vote of the electorate. After the initial 35-year

term, this process will be repeated every 15 years or until reauthorization is rejected by a vote of the electorate.

Section 1610. Effect of Other Measures on the Same Ballot. In approving this Charter Amendment, it is the voters' intent to establish the Career Jobs Now! Fund and a dedicated source of funding for job training programs which includes job placement. To ensure that this intent is not frustrated, this Charter Amendment is presented to the voters as an alternative to, and with the express intent that it will compete with, any and all voter initiatives or City-sponsored measures placed on the same ballot as this Amendment and which, if approved, would create a stream of funding for job training. In the event that this Charter Amendment and one or more conflicting initiatives are adopted by the voters at the same election, then it is the voters' intent that only that measure which receives the greatest number of affirmative votes shall control in its entirety and the other measure or measures shall be rendered void and without any legal effect. In no event shall this Amendment be interpreted in a manner that would permit its operation in conjunction with the non-conflicting provisions of any conflicting Initiative. If this Amendment is approved by the voters but superseded by law in whole or in part by any other conflicting initiative approved by the voters at the same election, and such conflicting initiative is later held invalid, this Amendment shall be self-executing and given full force of law.

Section 1611. Interpretation and Severability.

(a) This Charter Amendment must be interpreted so as to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Amendment is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this Amendment. The voters declare that this Amendment, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this Amendment is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Amendment that can be given effect without the invalid application.

(b) If any portion of this Amendment is held by a court of competent jurisdiction to be invalid, we, the people of the City of Oakland, indicate our strong desire that: (i) the City Council use its best efforts to sustain and re-enact that portion, and (ii) the City Council implement this Amendment by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Amendment, including adopting or reenacting any such portion in a manner consistent with the intent of this Amendment.

(c) This Amendment must be broadly construed to achieve the purposes stated above. It is the intent of the voters that the provisions of this Amendment be interpreted or implemented by the City and others in a manner that facilitates the purpose set forth in this Amendment.

Section 1612. Amendment. This Charter Amendment may only be amended by a further vote of the People of Oakland. Extensions of the Act as provided in Section 1609 are not deemed amendments for the purpose of this section.

and be it

FURTHER RESOLVED: That each ballot used at said election shall have printed therein, in addition to any other matter required by law, the following:

MEASURE _____

Measure __. Shall the measure amending the City of Oakland Charter to set-aside 7% of unrestricted real property, real estate transfer and business tax revenues from the new construction of market rate housing and commercial developments completed on or after January 1, 2019, to fund job training and placement services for 35 years, subject to 15-year extensions by Council or voter approval, and make said funding additional to the City's current spending on said services, be adopted? [FINAL BALLOT QUESTION SUBJECT TO CITY ATTORNEY APPROVAL]	Yes	
	No	

; and be it

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Clerk of the City of Oakland (the "City Clerk") at least 88 days prior to November 6, 2018, to file with the Alameda County Clerk certified copies of this Resolution; and be it

FURTHER RESOLVED: That the City Council does hereby request that the Registrar of Voters of the County of Alameda perform necessary services in connection with said election; and be it

FURTHER RESOLVED: That the City Clerk is hereby directed to cause the posting, publication and printing of notices, pursuant to the requirements of the Charter of the City of Oakland, Chapter 3 of the Oakland Municipal Code, the Government Code and the Elections Code of the State of California; and be it

FURTHER RESOLVED: That in accordance with applicable laws, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed Ordinance and rebuttals, and said date shall be posted in the Office of the City Clerk; and be it

FURTHER RESOLVED: That the City Clerk and City Administrator are hereby authorized and directed to take any and all actions necessary under law to prepare for and conduct the 2018 general municipal election and appropriate all monies necessary for the City Administrator and City Clerk to

prepare and conduct the November 6, 2018 general municipal election in a manner consistent with the laws of the City and the State of California; and be it

FURTHER RESOLVED: That this Resolution shall be effective immediately upon approval by five members of the Council.

2455493v2

IN COUNCIL, OAKLAND, CALIFORNIA

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, CAMPBELL
WASHINGTON, AND PRESIDENT REID

NOES

ABSENT

ABSTENTION

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council
Of the City of Oakland, California



FILED
OFFICE OF THE CITY CLERK
OAKLAND

18 JUL -5 PM 4:19

AGENDA REPORT

TO: City Council and members of the Public
FROM: Dan Kalb, City Councilmember
SUBJECT: Real Estate Transfer Tax Tiered Rates Ballot Measure
DATE: July 5, 2018

RECOMMENDATION

ADOPT A RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 6, 2018, A PROPOSED ORDINANCE (1) AMENDING OAKLAND MUNICIPAL CODE SECTION 4.20.020 OF THE REAL PROPERTY TRANSFER TAX TO ESTABLISH TIERED RATES BASED ON VALUE OF CONSIDERATION; (2) AMENDING SECTION 4.20.080 TO REDUCE THE REAL PROPERTY TRANSFER TAX BY .5% FOR "LOW AND MODERATE INCOME FIRST-TIME HOMEBUYERS"; (3) ADDING SECTION 4.20.220 TO REDUCE THE REAL PROPERTY TRANSFER TAX BY UP TO ONE THIRD FOR SEISMIC RETROFIT EXPENSES INCURRED BY "LOW AND MODERATE INCOME HOMEBUYERS"; AND, (4) DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS, PROVIDE FOR NOTICE AND PUBLICATION IN ACCORDANCE, AND TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE NOVEMBER 6, 2018 GENERAL MUNICIPAL ELECTION

REASON FOR SUPPLEMENTAL

This report accompanies the amended version of the legislation passed out on the dais at the June 28th Rules & Legislation Committee and forwarded to the full Council by the committee. As noted at committee, the changes that were made based on the original submission in the packet include (1) a revised effective date of January 1, 2019, (2) the provision allowing the Council to raise the \$300,000 threshold between the bottom two rate tiers based on the Consumer Price Index, (3) correction to the definition of Low & Moderate Income First-time Homebuyer, to accord with other homebuyer standards used by the City, and (4) a corresponding change to the definition of Low & Moderate Income Homebuyer.

Organizations publicly supporting placing this measure on the November 2018 ballot include SEIU Local 1021, Centro Legal, APEN, Wellstone Dem Club, Oakland Rising, and Unite Here Local 2850. Ken Lupoff of the Oakland Parks & Rec Foundation also spoke in support.

In addition, this Analysis section of the report addresses City of Berkeley data relevant to the seismic retrofit expenses exemption and questions raised on the dais at the June 28th Rules & Legislation Committee. Furthermore, this report includes a Sustainable Opportunities section.

Item: _____
City Council
July 10, 2018

ANALYSIS

City of Berkeley data relevant to the seismic retrofit expenses exemption

The City of Berkeley's Finance Department provided data on the number of tax exemptions for seismic retrofit expenses that they have issued since 2014, as follows:

Fiscal Year	# of exemptions
FY 14	42
FY 15	57
FY 16	113
FY 17	147
FY 18 (up to February)	69
Total:	428

Given that Berkeley offers the exemption for *any* homebuyer, it is anticipated that Oakland would see less seismic retrofit expenses exemptions due to limiting the exemption to Low and Moderate Income homebuyers, reducing the impact of the new exemption on City revenue.

Questions raised by Councilmember Lynette Gibson McElhaney

At the June 28th Rules & Legislation Committee, Councilmember Lynette Gibson McElhaney passed out a memo on the dais asking various questions related to this legislation, which this report addresses below. In general, the overall suggestion of potentially delaying the measure to 2020 would be a loss for low and moderate income homebuyers and likely result in a loss of prospective revenue to the City of \$15-20 million.

Tiered rates vs. marginal rates. Fewer rate tiers would result in less graduation of the tax, which is inherently less progressive, and less revenue, as eliminating any of the current tiers would depress revenue (other than the bottom tier, elimination of which would eliminate the tax savings to the public for the lowest value transfers). Marginal tax brackets increase the tax rate for only the amounts that exceed the taxable amount thresholds, which would provide savings for buyers of the highest value transfers at the cost of decreased revenue to the City. The other jurisdiction in California that has adopted a progressive real estate transfer tax (RETT) both (1) has *more* tiers than is proposed for this legislation and (2) does not use marginal rates for its RETT.

Discouraging speculators by taxing based on length of ownership. While an increased RETT on short-term ownership flipping to discourage speculation is an intriguing idea, the memo correctly notes that San Francisco voters rejected this proposal in 2014 when it was proposed. By contrast, San Francisco voters repeatedly approved progressive, graduating of the base tax rates. An anti-speculation RETT spike serves a different purpose than making the existing tax progressive.

Level of proposed discount. The existing exemption for Low & Moderate Income First-time Homebuyers helps incentivize more affordable sale and purchase of a home to low and moderate income individuals. Doubling the exemption furthers the existing objective without significant revenue loss and furthers the progressiveness of the legislation.

Cap on maximum value. Should there be a property value cap for the Low & Moderate Income First-time Homebuyer exemption? While it is true that most Low & Moderate Income First-time Homebuyers will be incapable of purchasing homes towards the upper end of the cap, the cap is necessary to ensure that rare cases, such as an individual with limited income but a sizable inheritance, does not end up qualifying for the exemption while purchasing a home in one of the two high value tax brackets. The setting of the cap was obviously done to be consistent with the cut-off for the current 1.5% rate and to prevent the exemption for being applied to transfers in the 1.75% and 2.5% rate categories.

As for the concern that inflation will eventually lead to home values for low and moderate income buyers being over \$2 million, the memo notes that such a problem is likely several decades away. Given that amount of time, the City Council will have ample time to react to any future changes that may or may not occur to limit efficacy of the Low & Moderate Income First-time Homebuyer exemption.

Seismic retrofitting exemption. The deadline has been vetted by the Finance and Planning Departments. The exemption rate mimics existing successful program in Berkeley. We understand that the Administration will be reporting that existing staff can absorb the costs of implementing this exemption. The exemption was proposed only for Low and Moderate Income Homebuyers because such individuals, not wealthy purchasers, are the ones who typically face the question of whether to either purchase a home and not retrofit or not purchase a home.

Exploring other exemptions. To ensure that this legislation remain progressive, any tax exemptions should only be low and moderate income individuals, not entities or wealthy individuals. Councilmember Kalb's office is examining the suggestion regarding an exemption for solar improvements and will report to the Council about it on July 10th.

Projected impacts. Councilmember Gibson McElhaney's memo notes that San Francisco has studied the economic impact of their proposed transfer tax reforms before submitting them to the voters. In fact, San Francisco's first major progressive RETT reform passed by the voters in 2008 was submitted without any such analysis in their legislative packet. San Francisco's subsequent reforms passed by the voters in 2010 and 2016 were accompanied by economic analyses, and the conclusions of these analyses and the popularity and success of the reforms in fact informed the development of the present legislation. In 2010, the Office of the Controller reported, "The initial impact of the legislation is positive for jobs and the economy, as the stimulus effect of increased government spending outweighs the contractionary effect of higher office rents." A subsequent more thorough analysis by San Francisco's Office of Economic Analysis in 2016 modulated concerns about reduced City GDP (approximately -.01%) and job loss (20 to 70 private sector jobs over 20 years) due to the larger anticipated growth of public sector jobs outweighing private sector loss (100 to 200 new jobs). In balance, the increased capacity of the City to provide for its residents outweighs conservative projections about the economy in one of the hottest real estate markets in the country.

Pressure on rents. This legislation will have no impact on most rents, including for the largest buildings, because it is a one-time tax only on new purchases. Existing buildings that are not sold will not be taxed.

SUSTAINABLE OPPORTUNITIES

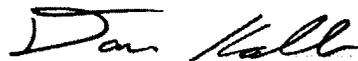
Economic: See above.

Environmental: There are no environmental opportunities associated with this report, other than increasing the City's capacity in general to address environmental issues.

Social Equity: Progressive taxes that shift the tax base away from those of less means and towards wealth are an inherently more equitable means of paying for government services than flat taxes.

For questions regarding this report, please contact Oliver Luby, Chief of Staff, at 510-238-7013.

Respectfully submitted,



Dan Kalb
Councilmember, District 1

Prepared by:
Oliver Luby, Chief of Staff
Office of Councilmember Dan Kalb

FILED
OFFICE OF THE CITY CLERK
OAKLAND

18 JUL -5 PM 4:19

APPROVED AS TO FORM AND LEGALITY

DRAFT

CITY ATTORNEY

INTRODUCED BY COUNCILMEMBER _____

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

ADOPT A RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 6, 2018, A PROPOSED ORDINANCE (1) AMENDING OAKLAND MUNICIPAL CODE SECTION 4.20.020 OF THE REAL PROPERTY TRANSFER TAX TO ESTABLISH TIERED RATES BASED ON VALUE OF CONSIDERATION; (2) AMENDING SECTION 4.20.080 TO REDUCE THE REAL PROPERTY TRANSFER TAX BY .5% FOR "LOW AND MODERATE INCOME FIRST-TIME HOMEBUYERS"; (3) ADDING SECTION 4.20.220 TO REDUCE THE REAL PROPERTY TRANSFER TAX BY UP TO ONE THIRD FOR SEISMIC RETROFIT EXPENSES INCURRED BY "LOW AND MODERATE INCOME HOMEBUYERS"; AND, (4) DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS, PROVIDE FOR NOTICE AND PUBLICATION IN ACCORDANCE, AND TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE NOVEMBER 6, 2018 GENERAL MUNICIPAL ELECTION.

WHEREAS, the City of Oakland has high public service demands relative to its revenues as well as large amounts of unfunded, necessary deferred maintenance projects, problems which are exacerbated by failed state policies such as the commercial roll related to Proposition 13, which have starved municipal governments of vitally necessary revenue to address the changing needs of our times, and Oakland's budget process routinely involves valid, important interests competing for scarce general fund dollars; and

WHEREAS, Oakland's current real estate transfer tax (RETT) rate is a flat 1.5%, regardless of the value of the property; and

WHEREAS, Oakland's current RETT ordinance provides a reduced rate of 1.25%, .25% less than the standard rate, for low and moderate income first-time homebuyers; and

WHEREAS, a progressive tax is a tax that increases the tax rate as the taxed value increases and progressive taxes directly address wealth disparity and income inequality in society, providing an equitable means to fund government and care for the public good; and

WHEREAS, San Francisco has a progressive RETT that increases the tax rate for more expensive properties and, in 2008, 2010, and 2016, voters in San Francisco approved ballot measures that further increased and graduated the tax on the most expensive real estate transfers, subsequently raising millions of dollars more for their municipal government services; and

WHEREAS, the transfer tax paid in most California cities is lower compared to what is paid in many cities in other states, with only 14 other states having a lower rate as of last year; and

WHEREAS, the state of Delaware has a 3% RETT and there many examples nationally of cities with overall, combined RETTs greater than that of the total city, county, and state transfer taxes currently paid for real estate transfers in Oakland; and

WHEREAS, if RETT for transfers done from Fiscal Year 12-13 to 17-18 (as of April) had been paid at a graduated rate instead of the flat 1.5% rate, including 1% for properties valued at \$30250,000 or less, the same 1.5% rate for properties over \$30250,000 to \$2 million, 1.75% for properties over \$2 million to \$5 million, and 2.5% for properties over \$5 million, Oakland would have raised an additional \$559 million for City services and functions, averaging over \$98 million per year; and

WHEREAS, the City of Oakland is subject to major earthquake-related hazards including very violent ground shaking, liquefaction, and landslide, and the City endeavors to maintain its housing stock and to enhance its disaster resiliency, reducing potential loss of life and property damage while accelerating economic recovery; now, therefore, be it

RESOLVED, that the Oakland City Council finds and determines the forgoing recitals are true and correct and hereby adopts and incorporates them into this Resolution; and be it

FURTHER RESOLVED, that the Oakland City Council does hereby call for a general municipal election and submit to the voters, at the November 6, 2018, Statewide General Election, an Ordinance that reads as follows:

Be it ordained by the People of the City of Oakland:

Section 1. The Oakland Municipal Code is hereby amended to add, delete, or modify sections as set forth below (section numbers and titles are indicated in **bold type**; additions are indicated by underscoring and deletions are indicated by strike-through type; portions of the regulations not cited or not shown in underscoring or strike-through type are not changed).

Section 2. Code Amendments.

That Chapter 4.20, Sections 4.20.020 and 4.20.080 of the Oakland Municipal Code are amended and Section 4.20.220 is added to read as follows:

4.20.020 - Imposition of tax.

There is imposed a tax on all transfers by deeds, instruments, writings, or any other document, or changes in control and ownership of legal entities, by which any lands, tenements or other interests in real property located in the City, are or is granted, assigned, transferred, or otherwise conveyed to or invested in a transferee, or transferees thereof, which shall be levied as a percentage of the value of consideration at the rates set forth below; ~~of one and one-half percent of the value of consideration.~~

Amount of transfer	Tax
\$30250,000 or less	1%
More than \$30250,000 up to \$2,000,000	1.5%
More than \$2,000,000 up to \$5,000,000	1.75%
More than \$5,000,000	2.5%

4.20.080 - Exemption for low and moderate income first-time homebuyers.

~~Section 4.20.020 notwithstanding,~~ ~~†~~The tax on all transfers of real property located in the city made on or after ~~August 10, 1993~~ January 1, 2019 in which the buyers are low and moderate income first-time homebuyers shall be levied at the rates of one and one-quarter (1.25) percent of the value of consideration set forth in Section 4.20.020 reduced by one-half percent (.5%). For the purpose of this section, "low and moderate income first-time homebuyers" are defined as buyers who:

- A. Earn a maximum of one hundred (100) percent of the median family income for the Oakland Primary Metropolitan Statistical Area, as defined by the U.S. Department of Housing and Urban Development; and
- B. Will occupy the property as their principal residence; and
- C. Are not purchasing the property to be held as tenants in common; and
- D. Have not owned a home in three years prior to the date of purchasing the property; and
- E. The value of consideration for the transferred property is \$2 million or less; or
- EF. Are displaced homemakers. "Displaced homemaker" is defined as an adult individual who has not worked full-time, full-year in the labor force for a number

of years but has, during such years, worked primarily without pay to care for the home and family, is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

4.20.220 - Exemption for low and moderate income homebuyers incurring seismic retrofit expenses.

Up to one-third of the tax imposed by this chapter shall be reduced, on a dollar for dollar basis, for all expenses incurred by low and moderate income homebuyers on or after July 1, 2018 to "seismically retrofit" either any structure which is used exclusively for residential purposes, subject to the following:

A. For purposes of this section, "low and moderate income homebuyers" are defined as buyers who meet the requirements of Section 4.20.080.A., B., C., and E.

B. The term "seismically retrofit" in this chapter means any of the following:

1. Strengthening in compliance with Appendix Chapter A3 of the latest edition of the California Existing Building Code;

2. Bracing, anchoring, and/or strapping of water heater tanks in compliance with the California Plumbing Code or with standards adopted or approved by the building official;

3. Removal and/or replacement of masonry chimneys in accordance with FEMA P-1024-RA1 or substantially similar standards adopted or approved by the building official;

4. Strengthening or risk reduction in unreinforced masonry bearing wall buildings in substantial compliance with Oakland Municipal Code Chapter 15.28, for buildings not already required to comply with that chapter;

5. Strengthening, stiffening, or other damage reduction measures deemed by the building official to comply with the intent of reduced seismic forces as defined by the California Existing Building Code.

C. From the date of the recordation of the transfer document, the applicant shall have one two years to complete all seismic retrofit work, if not already completed prior to the transfer of the property, and submit a seismic retrofit verification application to the Building Inspection codes and inspection Ddivision of the City of Oakland. Upon completion of such work and certification by the Bbuilding Bbureau as to the amount of the expenses of such work, the City Administrator or his/her designee shall refund such expenses not to exceed one-third of the tax imposed on and paid by the buyer.

D. The People of Oakland authorize that the City Council may establish rules that are necessary and desirable for implementation of Section 4.20.220 and may amend any aspect of this section as long as such amendment does not result in an increase in the authorized tax rate.

Section 3. Severability. Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance and, to that end, the provisions hereof are severable.

Section 4. General Tax; Majority Approval; Effective Date. This Ordinance enacts a general tax for unrestricted general revenue purposes. Tax revenue collected pursuant to the Ordinance may be used by the City for any municipal governmental purpose. This Ordinance shall be effective only if approved by a majority of the voters voting thereon and shall go into effect ten (10) days after the vote is declared by the City Council on January 1, 2019.

; and be it

FURTHER RESOLVED, that the City Council of the City of Oakland does hereby request that the Board of Supervisors of Alameda County order the consolidation of the Oakland Municipal election called for herein with the state general primary election of November 6, 2018, consistent with provisions of State Law; and be it

FURTHER RESOLVED, that each ballot used at said election shall have printed therein, in addition to any other matter required by law, the following:

MEASURE _____

<p>Measure __. Shall the Measure graduating the 1.5% real property transfer tax based on property value, including reduction to 1% for \$30250,000 or less, no change for over \$30250,000 to \$2,000,000, increase to 1.75% for over \$2,000,000 to \$5,000,000, and increase to 2.5% for over \$5,000,000, with .5% first-time and 1/3 seismic retrofit reductions for low-to-moderate income home buyers, estimated to raise \$__ million annually for unrestricted general revenue purposes unless repealed by the voters, be adopted? (75 words) [FINAL QUESTION SUBJECT TO CITY ATTORNEY APPROVAL]</p>	<p>Yes</p>	
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	No	
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; and be it

FURTHER RESOLVED, that the City Council hereby authorizes and directs the City Clerk of the City of Oakland (the "City Clerk") at least 88 days prior to November 6, 2018, to file with the Alameda County Clerk certified copies of this Resolution; and be it

FURTHER RESOLVED, that the City Council does hereby request that the Board of Supervisors of Alameda County include on the ballots and sample ballots the recitals and the measure language to be voted on by the voters of the qualified electors of the City of Oakland; and be it

FURTHER RESOLVED: That the City Council does hereby request that the Registrar of Voters of the County of Alameda perform necessary services in connection with said election; and be it

FURTHER RESOLVED, that the City Clerk is hereby directed to cause the posting, publication and printing of notices, pursuant to the requirements of the Charter of the City of Oakland, Chapter 3 of the Oakland Municipal Code, the Government Code and the Elections Code of the State of California; and be it

FURTHER RESOLVED, that in accordance with applicable laws, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed Ordinance and rebuttals, and said date shall be posted in the Office of the City Clerk; and be it

FURTHER RESOLVED: That the City Clerk and City Administrator are hereby authorized and directed to take any and all actions necessary under law to prepare for and conduct the 2018 general municipal election and appropriate all monies necessary for the City Administrator and City Clerk to prepare and conduct the November 6, 2018 general municipal election in a manner consistent with the laws of the City and the State of California; and be it

FURTHER RESOLVED, that certain sections of this Ordinance may be codified into the City of Oakland Municipal Code at the direction of the City Clerk upon approval by the voters; and be it

FURTHER RESOLVED, that this resolution shall be effective immediately upon approval by five members of the Council.

IN COUNCIL, OAKLAND, CALIFORNIA _____, 2018

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, CAMPBELL
WASHINGTON, AND PRESIDENT REID

NOES

ABSENT

ABSTENTION

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council
Of the City of Oakland, California