

CITY OF OAKLAND

BUDGET ADVISORY COMMISSION

Notice is hereby given that a meeting of the City of Oakland Budget Advisory Commission (BAC) is scheduled for **Wednesday, November 12, 2025, at 6:00 PM**

The Budget Advisory Commission will be held in City Hall Hearing Room 2.

Members of the Public have the following options to observe the meeting:

- 1. Watch the meeting on KTOP using Granicus.**
- 2. Use the Zoom link attached to this agenda to remotely observe the meeting.**

Commission Members:

Mandela Bliss, Larisa Casillas, Mike Forbes, Ben Gould, Mike Petouhoff, Karen Roye,
Neil Thapar, Jane Yang, Stephisha Ycoy-Walton

City Representative(s):

Tiffany Kirk Patrick, Walter Silva, & Asti Jenkins – Finance Department

Meeting Agenda:

1. Welcome and Administrative Matters - 5 min
2. Roll call
3. Commissioner's Protocol - 10 min
4. City Updates - 20 min
 1. Council Finance & Management Committee Updates
 2. Finance Department Updates
5. BAC letter to Council re: \$40M revenue proposals - 35 min
Possible voting item
6. BAC 2026 Strategy Discussion - 35 min
 1. Goals and targets
 2. Ad hocs
 3. Study sessions
7. Open Forum - 10 min
8. Adjournment

Attachments:

- BAC Recommendations on June 2026 \$40M Tax Measure DRAFT
- BAC Strategy 2026 DRAFT

Hello and welcome,

You are invited to a Zoom webinar.

When: November 12, 2025, 6:00 PM Pacific Time (US and Canada)

Topic: Meeting of the City of Oakland Budget Advisory Commission (BAC)

Please click the link below to join the webinar: <https://us06web.zoom.us/j/82745108829> .

Or One tap mobile :

+16694449171,,81584763954# US

+16699006833,,81584763954# US (San Jose)

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 931 3860 US

+1 689 278 1000 US

Webinar ID: 827 4510 8829

International numbers available: <https://us06web.zoom.us/j/kc4erTBb6i>



To: Honorable Members of the Oakland City Council
From: Budget Advisory Commission
Subject: Recommendations on June 2026 \$40 million Tax Measure

Recommendation

Develop a progressive parcel tax after exploring additional possible configurations. Subject to data availability, consider tiers based on parcel size (land area), improved square footage, and/or number of residential units. Consider prioritizing tiers for commercial and/or multifamily residential properties to address significant disparities between building and parcel sizes, with a goal of better supporting small businesses and individual landlords. As one example, consider commercial parcel tax tiers of less than 5,000 square feet, between 5,000 and 15,000 square feet, and greater than 15,000 square feet (in either parcel size or improved square footage); or consider multifamily parcel tax tiers of 1-4 units, 5-10 units, and 10+ units.

Background and Overview

On June 11, 2025, City Council adopted the FY 2025-27 budget, which included \$40 million in revenue in FY 2026-27 from an as-yet proposed parcel tax, to be placed on the June 2026 ballot.

On September 30, 2025, the Finance and Management Committee received a report from the City Administrator entitled "Options To Raise Additional Ongoing \$40 Million In General Purpose Fund Revenues", discussing potential funding approaches for the June 2026 ballot. This report evaluated changes to the business license tax, parking tax, transient occupancy tax, utility consumption tax, parcel tax, and real estate transfer tax as potential approaches to raise \$40 million to meet the anticipated budgetary needs. It noted that ad valorem (assessed property value) and sales taxes cannot be raised further due to restrictions in state law. The report also noted political and economic challenges with raising the business license tax, parking tax, transient occupancy tax, utility consumption tax, and real estate transfer tax, noting that the parcel tax was a "potentially more feasible approach for generating ongoing funds without disproportionately impacting economic activity." The analysis and draft language for the parcel tax includes a very-low income (60% of area median income [AMI] or lower) and low-income senior (65+ and 80% of AMI or lower) exemption, as well as a 50% reduction for affordable housing projects.



On October 16, 2025, the Finance and Management Committee received a supplemental report from the City Administrator in response to questions raised during the September 30th meeting. This supplemental report evaluated the net effect of the proposed parcel tax relative to reductions in the Police and Fire Retirement System (PFRS) levy, revised tax structures for a variety of tax options, and potential additional tax options such as a commercial vacancy tax.

The parcel tax proposal seems to be the most feasible and reliable option. In particular, the Budget Advisory Commission supports the request from Councilmember Wang to explore a progressive parcel tax. Additional structuring work could help make it more progressive, lowering the burden on small businesses and individual landlords (and potentially homeowners) while still meeting the city's revenue targets and avoiding excessive impacts to larger businesses.

Rationale for Recommendation

Applying tiered parcel tax rates should result in a more progressive apportionment of tax burden across Oakland's residents and businesses. It also lays the groundwork for potentially transitioning to a standard approach of square-footage based parcel taxes across both commercial and residential sectors. By reducing tax burden on small businesses, the city reduces risk of incentivizing them to leave the City.

Fiscal Impacts of Recommendation

Some staff time is required to evaluate additional tax options. Restructured parcel taxes should still generate the same amount of revenue, but may require some one-time technology costs to set up the data and tax levy systems.

Future Considerations

The City has two levers to increase revenue: volume (economic activity) and rates. Implementing an additional parcel tax is a rate-based measure that provides medium-term fiscal sustainability. However, there are limits to Oaklanders' appetite and capacity for new tax measures. The Budget Advisory Commission encourages the City and Council to further pursue long-term measures that combined would be more progressive, efficient, and sustaining.

Make Oakland's future revenue streams more progressive

1. Conduct a cost/benefit analysis on implementing a default tiered per-square-footage parcel tax structure that graduate rates by property size, potentially with exemptions for small properties or low-income homeowners



Make Oakland's existing funds more efficient

1. Explore ballot measure(s) to replace earmarked funds (e.g., specific parcel taxes) with general fund revenue, improving budget flexibility without net tax increases
2. Streamline procurement policies, processes, and acquisition strategies to increase competition for city contracts and reduce overall cost

Generate more revenue by growing Oakland's economic base

1. Simplify zoning regulations to lift outdated restrictions that impose unnecessary barriers to new businesses
2. Create fast-track permitting for priority business categories (e.g. life sciences, retail, food and beverage, light industrial)
3. Explore block club or economic development zone structure with residents and business owners to improve targeted strategic corridors
4. Establish robust calendar of events found "only in Oakland" to promote city vibrancy, attract more visitors, and reduce tax leakage

Alternative Actions Considered

BAC considered taking no action, but deemed the equity concern necessary to raise.

BAC considered increases to the Real Estate Transfer Tax (RETT), particularly for high-value properties, but determined RETT volatility makes it best suited for one-time expenditures. Increasing tax rates on the sale of large properties would not improve the stability of that revenue source and may adversely affect new housing construction, running contrary to other City goals.

BAC considered alternative tax structures, but concurred with the City Administrator that a parcel tax was stabler and likely to have less impact on other economic activity.

Equity Impacts

A tiered parcel tax is more progressive and improves equity outcomes for small businesses and individual landlords, by better aligning the parcel tax levy with the value of the parcel.

Contact Information

Jane Yang, Budget Advisory Commission (BAC) Chair

Ben Gould, BAC Finance & Management Committee (FMC) Liaison

Budget Advisory Commission 2026 Strategy

Oakland, CA | **DRAFT FOR DISCUSSION**



DRAFT FOR DISCUSSION

Principles for prioritizing BAC's work

INFORM council and the public

- Fill gaps in city fiscal / budgetary understanding
- Make the information accessible

STRENGTHEN recommendations

- Support Council's ability to evaluate city staff analyses and recommendations
- Incorporate voice of Oakland's residents into budgetary discussions

PROMOTE fiscal effectiveness

- Support Council, the Auditor, and the City in evaluating budgetary efficiency and effectiveness to identify opportunities for improved performance

How We Work

*Collaborative
Fact-based
Fearless
Inclusive*

*An approach of
"and" rather than
"either or"*

DRAFT FOR DISCUSSION

Vision, Goals, and Target

Vision | a trusted, respected voice of Oakland residents providing thoughtful, vetted insights, feedback, and options to solve our City's budget crisis transparently

Goal: Advance year-round community engagement in budgeting process

Goal: Propose concrete recommendations to City Council that would measurably improve Oakland's medium and long-term fiscal health

Goal: Strengthen BAC's resiliency and effectiveness

Targets

- Have a **network of partners** to share out budget updates and gather community input
- Host at least two (2) **BAC meetings in community spaces**

Target

Each topical Ad Hoc presents at least one (1) **informational report and/or set of recommendations to Council** to improve mission outcomes in a fiscally responsible manner.

Targets

- Full BAC **membership** by March 2026
- More informed ad hoc activities based on **City + Council engagement** and **BAC study sessions**

DRAFT FOR DISCUSSION

Advance year-round community engagement in the City's budgeting process

Build partnerships	Go to the community	Tell the budget story
<p><i>Such as...</i></p> <ul style="list-style-type: none">• Community organizations• Other city commissions/boards• Interested Oakland residents who sign up for BAC updates <p><i>In order to...</i></p> <ul style="list-style-type: none">• Solicit community input• Share budget-related news• Educate the BAC on programmatic matters and the public on fiscal matters	<p><i>Such as...</i></p> <ul style="list-style-type: none">• BAC meeting locations• BAC listening sessions/tabling <p><i>In order to...</i></p> <ul style="list-style-type: none">• Invite input on key BAC recommendations to Council• Explore ways Oakland could more systematically engage residents and business owners, e.g. block clubs or economic development zone• Educate public on key budget issues and BAC findings	<p><i>Such as...</i></p> <ul style="list-style-type: none">• Visualizations to illustrate how Oakland's finances relate to municipal service delivery• Analysis of Oakland's budget and revenue structures compared to other peer cities, identifying strengths/weaknesses <p><i>In order to...</i></p> <ul style="list-style-type: none">• Make city finances more understandable and relatable

DRAFT FOR DISCUSSION

Propose concrete recommendations to Council that would measurably improve Oakland’s medium and long-term fiscal health...

Ask: by November 19, each ad hoc shares with BAC leadership **1-2** concrete focus areas for the ad hoc in 2026. **We can also change / add ad hocs (to discuss as a BAC).** The purpose of the focus is to narrow scope to an achievable effort while increasing alignment. Listed below are things we have heard from ad hoc members as possibilities to consider, but are just examples and are not intended to be constraining/exhaustive. As you ideate, please factor in the need to get constituent buy-in (e.g. from city, community, etc.)

Housing	Public Safety & Economic Development	City Operations: Procurement, Technology, and Hiring
<ul style="list-style-type: none">• Strengthen Oakland’s implementation of Measure W funds?• Improve accounting and coordination of various funds dedicated to reducing child homelessness?	<ul style="list-style-type: none">• Identify and support initiatives to promote revenue growth?• Evaluate Synergies at the Nexus of Public Safety <>Economic Development• Examine long-term revenue opportunities from OFD providing ambulance service in coordination w the County?	<ul style="list-style-type: none">• Support City in responsibly leveraging data + tech to save cost and enhance revenue?• Support City in streamlining procurement policies, processes, and contract management to reduce overall cost while maintaining or enhancing quality of services?

DRAFT FOR DISCUSSION

Strengthen BAC's resiliency and effectiveness

Increase collaboration with City and Council

Via

- Regular meetings with City of Oakland finance leadership to discuss medium and long-term fiscal objectives, challenges
- Share out BAC activities and gather input from FMC at least monthly

In order to...

- Make sure our work and recommendations are relevant and timely

Clarify expectations within BAC and with Council

Such as...

- Propose adjustments to BAC charter
- Collaborate with Finance Department to strengthen Commissioner onboarding experience

In order to...

- Improve BAC membership recruiting
- Clarify BAC's role

Improve Commissioner understanding of key topics

Such as...

- Organize calendar of BAC study sessions, e.g. on long-term liabilities, Oakland parcels, rental housing
- Identify strategies and forecasts of revenue increases from sustainable economic development (e.g. \$ tax revenue per new apartment, new business new job, etc.)

In order to...

- Understand multiple angles on issues of fiscal importance
- Inform policymaking that has indirect budgetary implications