



CITY OF OAKLAND

MEMORANDUM

TO: Honorable Mayor & City Council

FROM: Erin Roseman
Director of Finance

SUBJECT: FY 2022-23 Proposed Midcycle Budget
Development Questions/
Responses #1

DATE: June 20, 2022

PURPOSE

The purpose of this memorandum is to transmit to the full City Council and public, responses to questions raised by City Councilmembers and the public related to the Fiscal Year (FY) 2022-23 Midcycle Budget. To the extent additional information becomes available on any of the responses below, updates will be provided.

For questions, please contact Bradley Johnson, Budget Administrator, at (510) 238-6119.

Respectfully submitted,

/s/

ERIN ROSEMAN
Director of Finance

QUESTIONS AND RESPONSES

Questions from Council President Bas:

- 1. In addition to a new housing and infrastructure bond (new Measure KK), what funding sources are available to replenish the Acquisition & Conversion to Affordable Housing (ACAH) Fund, which supports tenants to purchase their homes with land trusts and co-ops to make them permanently affordable? What is the \$12M funding source for the preservation NOFA to be released in the Summer/Fall, described at the June 7 Council meeting?**

The Affordable Housing Trust Fund would be eligible to replenish the ACAH Fund but it has used up all of its available fund balance. Staff plans on going to Council in the Fall to provide clarity on the \$12 million funding source. The funding sources for the \$12M will be Job/Housing Impact Fee, and Affordable Housing Impact Fees. (JHIF & AHIF).

- 2. What funding sources are available to implement the following 2021 budget policy directive — “4. Prioritize State Funding for Development of Housing for Transitional Aged Youth (TAY) - - In coordination with the Oakland Unified School District, direct City Administration to allocate at least \$5 million of state affordable housing funding for the development of the Career Technical Education Hub at 1025 2nd Avenue, Oakland, for TAY Housing, which is a partnership with the Oakland Unified School District and will house approximately 100-150 TAY in this safe and neutral location.” Can the \$2M HHAP 3 youth set-aside, described at the June 7 Council meeting, be allocated towards this?**

HHAP funds are only eligible for housing youth that are already homeless. If the TAY Housing meets this criteria, then HHAP funding would be eligible for this purpose. Please note, staff are scheduled to meet with the Youth Action Board on homelessness next week to identify a project for the remaining HHAP funds estimated at \$1.9 million. HHAP funds cannot be used for the development of the Career Technical Education Hub.

- 3. What are the potential funding sources for acquiring the Lake Merritt Lodge and what is the acquisition cost?**

Negotiations with the private property owner are ongoing and there is not yet an established acquisition cost for the Lake Merritt Lodge. There are various appraisals for the site, specific dollar values should be discussed confidentially so as to not bias negotiations with the property owner.

Housing Consortium of the East Bay, the City's non-profit partner that has been operating LML since it opened as an emergency shelter, are negotiating with the owner the terms of a

potential purchase by HCEB, which staff is supportive of. They are applying for grant funds from the State Community Care Expansion Program (CCE).

4. What is the current level of maintenance, management and servicing of homeless encampments for sanitation and trash collection? What expansion is possible with existing funds? What additional funds would be needed to do a good job?

Keep Oakland Clean and Beautiful (KOCB) provides a number of collection services to homeless encampment sites. KOCB provides weekly service to 29-34 encampments throughout the city. The services include scheduled container services (very much like regular container trash service). In addition, KOCB has the capacity to close out up to 400 work orders per week. Often those work orders include areas in or around homeless encampments. Within the new budget this year, KOCB will be adding additional cameras to place in and around hotspots near homeless encampments to ensure illegal dumpers/haulers are not taking advantage of homeless encampment sites. In addition, KOCB added overtime into this year's budget to conduct Neighborhood Cleanup/Bulky Item Block Parties (like our once-a-month Bulky Item Block Party) in Council Districts that have excessive illegal dumping problems near encampments. KOCB will be working with community groups to help support our neighborhood cleanup bulky item collection program by adopting the spot after KOCB's event. The midcycle budget includes funding for overtime for KOCB to complete these tasks.

5. What funds are available for MACRO in this 2 year cycle and beyond, including funding source and any restrictions? How much has been expended to date and on what? What level of program, staffing and infrastructure is possible with current funds, including the current pilots in East and West Oakland, expansion to Central Oakland, and expansion citywide? What additional funds are needed for a full citywide expansion?

a. What funds are available for MACRO in this 2 year cycle and beyond, including funding source and any restrictions?

Funding is available in fund (1010) \$5,001,457 (this is based on the adopted FY22 and proposed FY23 budget). Funding is available in fund (2159) The State Grant \$10,000,000 there are no restrictions on use of funds. Staff does not intend to use any of the State Grant for real property or property improvements because that would trigger CEQA requirements.

b. How much has been expended to date and on what?

- Personnel = \$406,857.63
- O&M = \$316,834.63
- Total = \$723,692.26

c. What level of program, staffing and infrastructure is possible with current funds, including the current pilots in East and West Oakland, expansion to Central Oakland, and expansion citywide?

To meet the operational goals of the MACRO pilot program, simultaneous coverage across impact zones (West & East Oakland) for up to 16 hours of coverage, a staff of 20 Responders is required. We currently have 16 Responders who have made it through the hiring process with 4 more coming on in June/July. For expansion into Central Oakland and City-Wide, the budget would need to be updated to reflect additional equipment and staffing needs. We project a staff increase of 6-10 additional Responders to for expansion throughout the city. Additional equipment will be required to support expansion into other zones, 2-3 extra rental vehicles will cover expansion goals.

The infrastructure needs of the MACRO program for the pilot and beyond will require an investment in the existing facilities of the Fire Training Center to better accommodate a MACRO staff of 10-30 during hours of operation. With a projected price tag of \$1.5 million, upgrades to the training division will allow for MACRO to operate independently of the Training Division activities / space and provide a home for MACRO for the next 3-5 years.

d. What additional funds are needed for a full citywide expansion?

For citywide expansion, \$3 million is needed to cover additional staff, equipment and facility upgrades at the Fire Training Center, to house MACRO for the next 3-5 years. Beyond the pilot, MACRO would require an estimated annual budget of at least \$10 million.

6. Please describe and break down the \$11M increase in the Police budget?

Approximately \$9.1M is due to the addition of academies per Reso 88942 C.M.S., continued Area 6 implementation, and changes to salaries/fringe benefits. The addition of 4 civilian positions and maintaining 1 civilian position accounts for approximately \$0.7M, the remaining increase was in Operations & Maintenance which is approximately \$1.4M.

7. **Please provide costing for salary and fringe for the Analyst position requested by the Budget Advisory Commission, and potential funding sources. *The Budget Advisory Commission strongly recommends the implementation of the recommendations below as soon as possible with any new or reallocated funding to OPD being conditional to the inclusion of, at a minimum, these two items:***

1. **Quarterly public reports on resource allocation of Patrol Time, and**
2. **Creating a “Dedicated Standard Public Analyst Position”.**

BAC believes the analyst position should save money by dedicating an FTE to regular publication of standardized raw data instead of dealing with numerous ad hoc requests. Currently, ad hoc requests are often met with varying degrees of consistency & expertise in compiling data. This, in turn, creates more work leading to follow up requests and clarification to allow transparent public analysis.

The annual burdened cost for a Data Analyst II is \$197,643.

8. **What is the total cost for salary and fringe to add 1 FTE position for the Oakland Youth Commission (Human Services) at \$75,000 FTE?**

The appropriate classification is an Administrative Assistant I which is costed at \$123,980 per year.

9. **Please confirm that the addition in Human Services “Adds \$2M in food cards for families use with small grocery stores” is an allocation to the SABA Grocers Food Card Program to continue and expand current service.**

Yes, the \$2M in food cards for families use with small grocery stores included in the proposed budget is allocated to the SABA program. The Programs request to increase the current allocation of \$1 million by an additional \$2 million (for a total of \$3 million) to provide 2,500 families with receive \$75/month for 12 months was accommodated in the proposed budget.

10. **For the newly renamed Wilma Chan Park (formerly Madison Park), are there existing funds available to place signs (in at least English, Chinese and Vietnamese) at each of the four (4) entrances to the park? If not, what is the cost and potential funding source? In addition, there are plans to remove/refurbish the gazebo on Jackson Street. Is this project funded? If not, what is the cost and potential funding source?**

Wilma Chan Park (formerly Madison Park) had measure KK funding of \$100,000 out of which \$98,823 was spent. Measure Q has funding assigned to OPW Facilities in Project 1005343 which has been used to place signs. Facilities staff would install park signage provide labor, and this usually is done at the direction from OPRYD. The gazebo structure is beyond refurbish and

would need complete removal. The unhoused would also need to be relocated before OPW could begin demolition. There is currently no funding source and project set up for this work.

11. Given that funding from a potential new Lake Merritt Parking Management Program would not be available until approximately September 2022, what operations does the Lake Merritt Working Group recommend between now and the implementation of the potential Parking Management Program, what are the costs and what are the potential funding sources?

OPW Park Maintenance additional summer crew costs at the Lake are three 8-hr shifts per normal weekend day: 6 x 8 x \$60 = \$2,880 per weekend. This cost is absorbed by the department and has the net effect of reducing service at other parks without an additional allocation. This amount can go up considerably for a holiday weekend as additional crews need to be brought in on Overtime which can reach a high end for a three-day weekend at \$7,800.

OPD Units: A scaled down presence from previous years that can provide support for other City staff, address serious safety issues during the most crowded times of the day, and maintaining a reduced presence up to 10pm into the evenings breaks down as follows:

\$100 X 1 Sergeant X 8 hours = \$800

\$94 X 2 officers X 8 hours = \$1504

\$48 X 1 PST X 8 hours = \$384

\$2,688/Day. \$5,376 for Sat/Sun for the daytime coverage

Maintaining one unit to remain from 1,700 - 2,200 would be an additional \$1000/day, bringing the total to \$7,376 for the weekend.

EWD Funding a Managed Vendor Program: \$50,000 for staffing and management of a vendor program for 21 weekends or \$2,380 per weekend.

OPW placing portable toilets and hand washing stations: \$1,500 per weekend.

Responsible Dept/Party	\$ Cost per Weekend
EWD Vendors	\$2,380.00
OPD	\$7,376.00
OPW	\$2,880.00
OPW (portable)	\$1,500.00
Total	\$14,136.00

12. With the addition of \$213,000 for meeting translation services (City Clerk), what service level can be provided, for example, would it be possible to provide interpretation in Spanish and Cantonese for all the Council meetings in FY 22-23?

Based on estimates from equal access, the \$213K will cover translation services for 1-year. The estimate is based on 3-hour committee meetings and 6-hour council meetings for the required languages Mandarin, Cantonese, and Spanish.

Questions from CM Fife:

- 1. How much funding is available for a pilot security detail for 3rd and Peralta in District 3? Staff has estimated that security could cost \$90/hour. We would like to have a security team around for 3 days, for 12 hours each. Estimated cost for 1 security officer 3 nights per week for a year: \$168,480. Do we have funds for \$200K pilot project**

OPW Facilities administers a security contract for services for City-owned facilities. The contract is on the last extension and will expire on October 30, 2022; staff in the process of issuing a new RFP. While scope could be expanded on the contract for this pilot, there is no available funding other than the Council Contingency. OPW staff recommends a broader discussion around implementation as the proposed project would service non-City-owned facilities/areas, which would likely require coordination with other City departments, such as OPD.

- 2. How much funding is available for pilot project to support 2 unhoused residents at 3rd and Peralta to participate in Oakland's CERT program and provide security equipment to prevent fires? Working with CERT staff a guestimate for 2 participants would be \$3,000 to provide stipend for training, gift cards for public transportation and breakfast and lunch, and additional safety equipment.**

There is no cost to enroll persons in the FREE CERT program. The program is sufficiently funded for the next few years to accept applicants on a rolling basis. It is just a matter of ensuring they are available to physically participate in the entire curriculum along with a designated cohort in order to graduate. OFD is currently in the planning phase of bringing a CERT curriculum to a city sanctioned safe RV lot.

OFD is able to provide smoke detectors for RV's and potentially handle the installation of such equipment.

- 3. Funding available for Affordable Housing program in District 3 Legal Services for Prisoners with Children/ Taylor Memorial United Methodist Church. \$175K.**

There is \$8 million of one-time GPF funds allocated in the proposed budget that can be invested in priorities as determined by the City Council.

4. Please provide funding availability for The Homeless Department is requesting \$100K for workflow assessment research with an outside consultant.

There is \$8 million of one-time GPF funds allocated in the proposed budget that can be invested in priorities as determined by the City Council.

5. Please provide \$205, 000 of funding availability for Youth Spirit Artworks funding request for additional pallet shelter in District 7.

There is \$8 million of one-time GPF funds allocated in the proposed budget that can be invested in priorities as determined by the City Council. Potential operational concerns should also be considered regarding pallet shelters.

6. Costing for 1 additional FTE in Housing and Community Development under the PATH program to work on affordable housing acquisition and preservation of affordable housing.

The appropriate classification is a Housing Development Coordinator IV with an annual cost of \$228,812.

7. Human Services/Measure AA - Is it feasible to set aside \$2M per year for an Emergency Fund for Early Child Care Providers starting this year either from: Human Services Department, Economic Work Force Development or Measure AA? Has the city been banking Measure AA dollars - before the court case was resolved? How much has been collected?

Measure AA has a specific allocation process mandated by the Charter amendment and is not eligible to be granted by Council directly. However per the Measure AA guidelines, funding will eventually be prioritized Public Providers or Early Childhood Education providers like the City's Head Start Program and the Oakland Unified School District. The Budget does assumes that approximately \$6.0 million of AA Funds will eventually flow this fiscal year to Offset the One-Time General Purpose Funds that were invested to maintain the operations of Head Start Slots and Sites per Council Direction.

The City has not yet collected Measure AA dollars and thus there are no banked dollar to be appropriated.