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Oakland's Mid-cycle Budget Cuts \$14.3 Million from Police Budget, Invests Additional \$50 million to Address Racial Disparities

Community investments include violence prevention, housing and homelessness, COVID economic relief, arts and culture, and bridging the digital divide

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Oakland, CA – Amidst a national conversation about racism and calls to defund the police in favor of repairing long-standing racial disparities, last Tuesday, the Oakland City Council adopted a balanced, \$1.7 billion mid-cycle budget covering fiscal year 2020-2021, the second year of the two-year budget, which begins July 1.

The “Community First Budget” put forth by the City Council’s Equity Caucus of Vice Mayor Reid and Councilmembers McElhaney, Gallo and Taylor, amended the Administration’s proposed budget—augmented by \$37 million from the CARES (Coronavirus Aid, Relief, and Economic Security) Act and \$3.6 million in anticipated FEMA reimbursement funding—to:

- Close a \$122+ million revenue shortfall caused by COVID-19;
- Redirect \$14.3 million from the Police budget to community investments;
- Prevent service cuts and pay cuts for City employees; and
- Invest an additional \$50 million to address significant racial disparities and provide relief to Oakland residents and businesses who have been financially ravaged by the COVID-19 pandemic and resulting economic recession.

“The City Council’s adopted Midcycle Budget answers the call to reimagine public safety,” said **Mayor Libby Schaaf**. “Despite devastating revenue losses due to COVID-19, it manages to invest in our community’s most pressing needs, like homelessness, affordable housing, job training, rent relief and cleaner neighborhoods, while beginning the process of replacing police response with community-led, trauma-informed care. This budget funds the implementation of MACRO, a mobile crisis-response unit that over time will begin to take 911 responses that don’t require a gun and a badge away from police. This budget begins this transformation responsibly, as Oakland already has the lowest officer-per-crime staffing level of any city in America and was recently found to have substandard 911 response levels. We are committed to an equitable future where everyone thrives, and we have replaced enforcement as much as possible with community investment, compassion and care.”

Public Safety Transformation Begins

The adopted budget reallocated \$14.3 million from the Police Department budget to alternative safety measures, and civilianized functions that had been assigned to sworn officers; specifically:

- Funds a task force and robust community engagement process for defining a transformational vision for public safety that dramatically shifts resources from enforcement and punishment to prevention and wellness for integration in the next budget cycle; goal is to reduce OPD budget by 50% by investing in crime prevention and community
- \$1.85 million to create the Mobile Assistance Community Responders of Oakland (MACRO) program in the Department of Violence Prevention; this is an alternative to OPD for 911 mental health crisis calls;
- Adds \$500,000 to restore and expand Violence Prevention and Life Coaching services;
- Adds support to the Police Commission for investigations;
- Adds staff to the Department of Race & Equity;
- Delays the start of next Police academy or converts it to a lateral academy;
- Transfers crossing guards to the Department of Transportation; and
- Moves Neighborhood Services from OPD to the City Administrator's Office.

Using COVID-Relief Funds for Community Recovery

The FY 2020-21 Midcycle Budget uses the recent pass-through of Federal CARES Act funds by the State of California to address community needs, tackling racial disparities, and addressing the economic impacts of the ongoing COVID-19 pandemic, including:

- \$7.7 million to build a citywide public Wi-Fi network to bridge the digital divide in underserved communities in East Oakland
- \$6 million to provide economic relief to small businesses and nonprofits in Oakland, \$2 million of which is dedicated to low-income, flatlands neighborhoods
- \$7 million for residential rent and mortgage relief to keep people housed
- \$1.8 million for arts and arts organizations, including community murals and beautification projects
- \$1.3 million for innovative workforce development programs to help Oaklanders access new careers
- \$500,000 to remove abandoned autos and illegal dumping

Key Investments to Critical Services

In addition to reductions to the Police Department budget and reallocation of public safety services outside OPD, the Midcycle Budget makes important equity investments through the recent passage of Measure Q, increased state and federal funding, and new revenue from the Vacant Property Tax. Specifically:

Substantial Investments in Homeless Services

- Total of \$49.4 million in homelessness prevention and services for unsheltered residents, including more than \$6.6 million in new funding from Measure Q
- Funding will support existing shelters, transitional housing, and expanded rapid rehousing support; additional outreach; an employment program focused on beautification activities; and homeless encampment waste collection services
- Additional \$10 million to buy permanent supportive housing and extremely low-income units

Affordable Housing

- Additional \$12.3 million to create affordable housing
- Appropriation of final \$15 million in Measure KK Bond proceeds
- Allocations from estimated Affordable Housing Impact Fees, estimated Jobs/Housing Impact Fees, and boomerang funding from redevelopment dissolution

Park & Landscape Maintenance

- Significantly expands the City's parks, tree, and landscape maintenance services due to the passage of Parks Measure Q in March 2020
- Adds or unfreezes the equivalent of 44.5 full-time workers to maintain, protect, and improve parks, open space, and recreation facilities, including regularly scheduled landscaping and mowing at City parks
- Funds \$1.8 million to purchase heavy equipment such as dump trucks, mini packers, portable compactors, and a mini excavator, and additional supplies to support the landscape maintenance; and
- Adds the equivalent of 6 full-time workers to better maintain City parks, including restrooms.

Illegal Dumping

- Adds an Illegal Dumping crew of 5 FTEs to remove illegal dumping, clean up homeless encampments, and enhance the cleanliness, health, and appearance of City neighborhoods and streets.

Budget-Balancing Measures

Due to the extreme and unprecedented nature of this economic crisis, the Midcycle Budget preserved critical services and closed the deficit through a combination of actions:

- One-time reductions in non-essential expenses,
- Use of the entire Rainy Day reserve of \$14.6 million,
- Temporary suspension of several financial policies and contributions to our long-term liabilities,
- Transfer of eligible expenses to other funds, and
- Temporary freeze about 50 vacant positions, most notably staff who provide administrative functions (finance, human resources, IT) across all departments