AGENDA

REGULAR JOINT MEETING OF THE OAKLEY CITY COUNCIL/OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY/OAKLEY PUBLIC FINANCING AUTHORITY

Tuesday, December 12, 2023
6:30 PM

Oakley City Council Chambers located at 3231 Main Street, Oakley, California 94561. Unless stated otherwise on the agenda, every item on the agenda is exempt from CEQA Guidelines Sections 15060(c), 15061(b)(3), 15273, 15378, 15301, 15323 and/or Public Resources Code Section 21065.

MISSION STATEMENT: The City of Oakley will create a resilient future that fosters and attracts a vibrant and evolving community that welcomes and values all people.

VISION STATEMENT: The City of Oakley celebrates our unique Delta lifestyle and small-town feel where we ***Live*** in a safe, dynamic community, ***Work*** together to build the future, and ***Play*** in our own backyard.

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A complete packet of information containing staff reports and exhibits related to each item is available for public review prior to an Oakley City Council and/or City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority meeting at Oakley City Hall, 3231 Main Street, Oakley, CA 94561. Any writings or documents provided to a majority of the Oakley City Council, Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency or Oakley Public Financing Authority regarding any item on this agenda will be made available for public inspection, during regular business hours, at the front counter in the Main Lobby of the Oakley City Hall located at 3231 Main Street, Oakley, CA 94561. Agendas may be picked up at the Oakley City Hall located at 3231 Main Street, Oakley, CA 94561 for no charge. To request information regarding placement on the City's agenda e-mail distribution list, please contact us at (925) 625-7000.

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Information Regarding Public Comment

Members of the public may address the Council on items of interest that are within the City's jurisdiction. In compliance with State law, the council may not take actionor have discussion on any item that is not specifically listed on the agenda. Public comment on items not listed on the agenda will be heard under the Public Comments section of the agenda. Public comments on items listed on the agenda will be heard as the Mayor calls the items. In compliance with State law, the Council may not take action on an item that is not specifically listed on the agenda. If you would like to speak on any agenda item, please fill out a public speaker card available in the lobby and submit it to the City Clerk seated in the Council Chamber **prior to the agenda item being called.** The Mayor will call you by name to the podium to hear your comment. PUBLIC COMMENTS ARE LIMITED TO THREE (3) MINUTES. Online public comments are accepted until 5 p.m. the day of the meeting and can be submitted at https://www.ci.oakley.ca.us/online-public-comment-card/.

1.OPENING MATTERS

Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority

1.1 Call to Order and Roll Call of the Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority

1.2 Pledge of Allegiance to the Flag (Pixel, Hadley and Sloan Williams)

2.PUBLIC COMMENTS

At this time, the public is permitted to address the Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority on non-agendized items.

3.CONSENT CALENDAR

Consent Calendar items are typically non-controversial in nature and are considered for approval by the Oakley City Council/ Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority with one single action. Members of the audience, Staff or the Oakley City Council/ Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority who would like an item removed from the Consent Calendar for purposes of public input may request the Mayor remove the item. The public may request to remove an item(s) to provide input by completing a public speaker card and submitting it to the City Clerk prior to the item(s) being called by the Mayor.

3.1 Approve Minutes from the Regular Joint City Council/City Council Acting as the Successor Agency to the Redevelopment Agency/Public Financing Authority Meeting Held November 14, 2023 (Libby Vreonis, City Clerk)

Minutes 11-14-23

3.2 Accept Report Out of Closed Session Memo (Derek Cole, City Attorney)

Memo

3.3 Approve 2024 Meeting Dates (Libby Vreonis, City Clerk)

Staff Report
1. List of Proposed 2024 Meeting Dates for the Regular Joint Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority
2. City Council Resolution Approving 2024 Meeting Dates
3. Successor Agency Resolution Approving 2024 Meeting Dates
4. Public Financing Authority Resolution Approving 2024 Meeting Dates

3.4 Consideration of a Resolution Accepting the Five-Year Development Impact Fee Report and Making Required Findings (AB 1600 Annual Report) (Jeri Tejeda, Administrative Services Director)

Staff Report
1. Resolution
2. Five-Year Report

3.5 Consideration of a Resolution Repealing Resolution 103-19 and Designating a Board Member and an Alternate Board Member to the Municipal Pooling Authority of Northern California (MPA) (Jeri Tejeda, Administrative Services Director)

Staff Report
1. Resolution

3.6 Consideration of a Resolution Approving the City's Investment Policy for Fiscal Year 2023/2024 (Jeri Tejeda, Administrative Services Director)

Staff Report
1. Resolution
2. Statement of Investment Policy

3.7 Approval of a Modified Response to Civil Grand Jury Report No. 2306, Affordable Housing, "A Plan Without a Home" (Joshua McMurray, City Manager)

Staff Report

1. September 12, 2023 Staff Report
2. November 16, 2023 Letter from the 2023-2024 Civil Grand Jury Foreperson
3. Draft Response from the City of Oakley

4.PUBLIC HEARINGS

5.REGULAR CALENDAR

5.1 Consideration of a Resolution Accepting the Annual Comprehensive Financial Report (ACFR), Memorandum on Internal Control, Required Communications and Report on Agreed Upon Procedures for Fiscal Year 2022-2023 (Jeri Tejeda, Administrative Services Director)

Staff Report
1. Resolution
2. FY 2022-2023 ACFR
3. FY 2022-2023 Memorandum on Internal Control
4. FY 2022-2023 Required Communications
5. FY 2022-2023 Gann Limit Report

5.2 Adopt a Resolution Approving the City Council Committee Appointment List for 2024 (Libby Vreonis, City Clerk)

Staff Report
1. Proposed 2024 City Council Committee Appointment List
2. Resolution

5.3 Adopt a Resolution to Extend the Affordable Housing Advisory Ad-Hoc Committee (Danielle Navarro, Assistant City Manager)

Staff Report
1. Proposed Resolution

6.REPORTS

6.1 CITY MANAGER
(a) City Manager
(b) Business License Update

November New Business Licenses

6.2 OAKLEY CITY COUNCIL/OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY

(a) Reports from Council Liaisons to Regional Committees, Commissions and

Boards AND Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency

(b) Requests for Future Agendas

7.WORK SESSIONS

8.CLOSED SESSION

9.ADJOURN

Minutes of the Regular Joint Meeting of the Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority held November 14, 2023

1) OPENING MATTERS

1.1 Call to Order and Roll Call of the Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority

Mayor Aaron Meadows called the meeting to order at 6:30 p.m. in the Oakley City Council Chambers located at 3231 Main Street, Oakley, California. Vice Mayor Anissa Williams and Councilmembers Dr. George Fuller, Hugh Henderson and Shannon Shaw were also present.

1.2 Pledge of Allegiance to the Flag (DJ Whigham, Iron House Elementary School Student)

Ironhouse Elementary School student DJ Whigham led the Pledge of Allegiance to the Flag.

1.3 Proclamation Recognizing Law Enforcement Records and Support Personnel Day (Paul Beard and PD Staff)

Mayor Meadows presented the proclamation to Chief Paul Beard and Police staff members Yvette Fagardo, Jennifer Padavana, and Chanise Alexander.

1.4 Presentation on the Marsh Creek Watershed Council (MCWC) and Friends of Marsh Creek Watershed (FoMCW) (Victoria Woolfolk, Watershed Conservation Coordinator, Contra Costa Resource Conservation District)

Victoria Woolfolk, Watershed Conservation Coordinator, Contra Costa Resource Conservation District, provided a PowerPoint presentation.

Dr. Fuller inquired how agriculture fits in within their goals and mission.

Ms. Woolfolk responded that their agriculture team works with producers, working landowners and managers to implement more sustainable practices, such as soil conservation, increasing habitat and biodiversity, and planting native plants along edges of farms and working land to help with run off. She mentioned they can also help them apply for grants.

Vice Mayor Williams inquired what they are doing to get youth more involved and suggested they engage the Oakley Youth Advisory Council.

Ms. Woolfolk responded that they want to include as many youths as possible. She shared that they have worked with Earthteam, a non-profit that works with highschoolers to provide environmental education, career building and internship opportunities. She mentioned everyone is welcome to their events of any age. She provided her contact cards on the back table of the Council Chambers.

Public Comment

Bud Chaddock provided comments on salmon spawning and poaching in Marsh Creek.

2) PUBLIC COMMENTS

Tania Babcock provided written comments and spoke regarding safety in relation to the future Amtrak station and the Vintage Parkway neighborhood 5'5" wall. She requested a future agenda item to mitigate risks.

Sharon Kuykendall provided comments regarding safety in relation to current ingress and egress on E. Cypress Road, the proposed 4 lanes on E. Cypress Road in relation to the number of new homes and future population of that area, and the emergency exit route from Summer Lake.

3) CONSENT CALENDAR

3.1 Approve Minutes from the Regular Joint City Council/City Council Acting as the Successor Agency to the Redevelopment Agency and Special Meeting of the Oakley Financing Authority Meeting Held October 24, 2023 (Libby Vreonis, City Clerk)

No public comments were submitted.

Dr. Fuller requested item 3.3 be pulled and Vice Mayor Williams requested items 3.7 and 3.8 be pulled.

It was moved by Dr. Fuller and seconded by Councilmember Shaw to approve the remainder of the Consent Calendar. Motion was unanimous and so ordered. (5-0)

Item 3.3
Dr. Fuller inquired if this is a state requirement of which the City must acquiesce.

Mr. Strelo explained that it is proposed that the City adopt the State's density bonus so when changes are made to State law, the City is in compliance and does not have to amend its ordinance each time there is a change.

Dr. Fuller mentioned he will move it because it is a requirement but expressed concern that it is one more state requirement to control how housing should be developed at the local level. He mentioned there is movement for regional government with state bonds which makes him anxious.

It was moved by Dr. Fuller and seconded by Vice Mayor Williams to waive the second reading and adopt the ordinance. Motion was unanimous and so ordered. (5-0)

Item 3.7

Vice Mayor Williams inquired what this item represents to get road widening accomplished.

Public Works Director/City Engineer Kevin Rohani indicated if approved tonight, the City will issue payment to WAPA, the pole relocation will be done fall of next year concurrently with Laurel Road improvements, and the widening project should bid early 2025 with construction starting in the Spring 2025.

Dr. Fuller inquired how he managed to get the price so low compared to the previous project.

Mr. Rohani explained that the last project with WAPA had multiple and bigger poles whereas this project is less intrusive; it has 3 poles, 2 of which will be relocated and 1 that will be removed. He mentioned WAPA can come back later and ask for more as they did with the previous project; however, they have a good relationship, and he hopes this will take care of it. He offered to include progress on the project in the CIP update in the New Year.

Dr. Fuller commented that this is a good start.

It was moved by Vice Mayor Williams and seconded by Dr. Fuller to adopt the resolution approving the Utility Relocation Agreement. Motion was unanimous and so ordered. (5-0)

Item 3.8

Dr. Fuller mentioned it is his understanding that there is 15% of affordable housing on the unit that they conditioned for sale and they will have the option to obtain 15% of the land for a developer that can bring in affordable housing.

City Manager Joshua McMurray commented that is correct and mentioned the City is subject to the Surplus Land Act of which the standard is 25%. He explained that the City provided extensive notification to over 800 entities across the state and no letter of intent was submitted, therefore the percentage dropped to 15% which equates to 17 lots. He mentioned part of this deal is that LandSea will provide finished pads that are utility stubbed, as well as curb, gutter, sidewalk and all the improvements, and the City will take those lots and find an affordable housing partner to develop the 17 lots with affordable housing.

Vice Mayor Williams commented that the sale gives the City a significant amount of money for E. Cypress. She requested staff elaborate why the sale is so important for the City.

Mr. McMurray shared that the minimum gross profit from this sale is $7.35 million. He explained the City is proactively addressing E. Cypress Road with a Capital Improvement Project (CIP) for this Burroughs property where the City will construct the frontage improvements from Knightsen Avenue eastward to the canal. He further explained that in the current budget, the City included a CIP for the first phase (second step) of E. Cypress from the canal eastward to Bethel Island Road specifically for the canal. He added that a few meetings ago, the Council approved an agreement with the developer for the Grand Cypress Preserve to acquire the right of way to construct E. Cypress Road improvements from the canal to Bethel Island Road. He mentioned they must obtain plans and approvals, but they are actively working hard to ensure that work starts as soon as possible. He also mentioned they are ready to start work in front of the Burroughs property, there is a contractor lined up, funded by $10 million of funds dedicated by the City. He shared the City has allocated approximately $9.5 million to the canal crossing project and is actively coordinating with Contra Costa Water District (CCWD) for the improvements. He added that Phase 2 of that project will be in the Fiscal Year 2024/2025 budget and upward of $10-$15 million will be dedicated for right-of-way work to complete street

improvements. He explained the City has been taking major effort and hitting major milestones to complete the work and the deal is far from done, but it represents an important step to fund the improvements for Phase 2 of the E. Cypress Road improvements from the canal to Bethel Island Road.

Mayor Meadows inquired what is holding up the road improvements from Knightsen Avenue to the canal right now.

Mr. McMurray explained that the property doesn't have water rights which involves an inclusion process to obtain water rights and CCWD is a partner to shepherd the process, but ultimately it is in the hands of the Federal Bureau of Reclamation. He mentioned they have been working on it for 2 years, they meet every two weeks to discuss the matter, and they have had federal and state representation try and move it forward.

It was moved by Vice Mayor Williams and seconded by Dr. Fuller. Motion was unanimous and so ordered (5-0).

3.2 Accept Report Out of Closed Session Memo (Derek P. Cole, City Attorney)

3.3 Waive the Second Reading and Adopt Ordinance No. 8-23 Repealing Oakley Municipal Code Section 9.1.412 and Replacing with Adoption of the State Density Bonus Law by Reference (RZ 03-23) and Finding the Action Exempt from the California Environmental Quality Act (CEQA) (Ken Strelo, Planning Manager)

3.4 Waive the Second Reading and Adopt Ordinance No. 9-23 Approving the Project Titled, Grand Cypress Preserve Development Agreements Master Amendment (DA 01-23) (Ken Strelo, Planning Manager)

3.5 City of Oakley Quarterly Investment Report (1st Quarter FY 2023/24) (Jeri Tejeda, Administrative Services Director)

3.6 City of Oakley as Successor Agency to the Oakley Redevelopment Agency Quarterly Investment Report (1st Quarter FY 2023/24) (Jeri Tejeda, Administrative Services Director)

3.7 Approval of the Utility Relocation Agreement between the City of Oakley and Western Area Power Administration (WAPA) to Relocate Electric Utility Poles to accommodate the Laurel Road Widening Project-Capital Improvement Project Number 280 (Kevin Rohani, P.E., Public Works Director/City Engineer)

3.8 Authorization to Execute a Purchase and Sale Agreement with Landsea Homes of California, LLC for the Sale of the Real Property Containing Approximately 27.0-Acres, Located at the Northeast Corner of E. Cypress Rd. and Knightsen Avenue (APN 032-081-025) (Joshua McMurray, City Manager)

3.9 Adopt a Resolution Authorizing Submittal of Individual Grant Applications for All Department of Resources Recycling and Recovery (CalRecycle) Grant Programs for which the City of Oakley is Eligible (Ken Strelo, Planning Manager)

3.10 Approval of an Agreement with NCE for Environmental Technical Studies and Permitting Services associated with Capital Improvement Project Number 189-Piper Lane Drainage Channel Trash Capture Device Project (Kevin Rohani, P.E., Public Works Director/City Engineer)

4) PUBLIC HEARINGS

4.1 2480 Oakley Road Subdivision 9537 Tentative Map Extension (TME 01-23) (Evan Gorman, Associate Planner)

Associate Planner Evan Gorman presented the staff report and provided a PowerPoint presentation.

Mayor Meadows opened the public hearing and called for public comments. There being none, he closed the public hearing.

It was moved by Councilmember Shaw and seconded by Councilmember Henderson to adopt the resolution. Motion was unanimous and so ordered. (5-0)

5) REGULAR CALENDAR

5.1 Adoption of 2023 Small Business Recovery Grant Program (Harumi Murata, Economic Development Analyst)

Economic Development Analyst Harumi Murata presented the staff report and provided a PowerPoint presentation.

Vice Mayor Williams inquired if 250 active business licenses are eligible for the grant, which Ms. Murata confirmed around 250 is correct.

Vice Mayor Williams inquired if the businesses have shown interest that they will want to apply for the grants and if they have indicated if it will benefit them.

Ms. Murata shared that she has had at least 2-3 inquiries about this type of grant funding.

Vice Mayor Williams inquired if after the first, second and third cohort funds have not been exhausted, if an item can be brought back to Council to reallocate the funds to support businesses in a way they need to be supported.

Ms. Murata explained that funds could be reallocated, and she would be happy to tailor it specific to the criteria they are asking.

Dr. Fuller inquired if it is allowed for businesses doing business as an LLC or corporation, but not for non-profits.

Ms. Murata explained that this grant is for small businesses, excluding non-profits. She mentioned the City would first ask for revenue which is hard for a non-profit to document on paper. For business retention purposes, the focus is infrastructure for those businesses that demonstrated resiliency and viability during these trying years.

Dr. Fuller requested clarification that non-profits are not included, and Ms. Murata confirmed that is correct.

Vice Mayor Williams mentioned there are specific criteria, one being it must be a brick-and-mortar location, and the City has 961 active business licenses with 60% of those being home-based. She mentioned she is not certain how many of the non-profits have a brick-and-mortar

location here. She also mentioned ARPA funding was already made available for non-profits; this is for small businesses.

City Manager Joshua McMurray explained that this focuses on small businesses, $185k of ARPA funding went to non-profits, and staff has worked over the past year to ensure that ARPA funding was dispersed to non-profits.

No public comments were submitted.

Dr. Fuller commented that every church in Oakley is brick-and-mortar and the East Contra Costa Historical Society just outside City limits is brick-and-mortar, so non-profits do exist in and around the City that are brick-and-mortar. He mentioned non-profits must incorporate to have 501(c)(3) status and in these cases if a business is doing business as (dba), an LLC, or a corporation they qualify, but non-profits get marginalized in the process. He mentioned establishments that do a lot for the community such as St Anthony's St. Vincent de Paul, wouldn't qualify because they are a 501(c)(3) non-profit.

Councilmember Shaw commented that she is excited to vote on this, funding was provided to non-profits, and she is excited to see this for small businesses.

It was moved by Councilmember Shaw and seconded by Vice Mayor Williams to adopt the resolution. Motion was unanimous and so ordered. (5-0)

5.2 City of Oakley Climate Action Plan Request for Proposals and Qualifications (RFP) for Planning Consulting Services--Request City Council approval of the RFP (Ken Strelo, Planning Manager)

Planning Manager Ken Strelo presented the staff report and provided a PowerPoint presentation.

Vice Mayor Williams inquired if it will be utilized to ensure we meet compliance with planning and zoning if adopted.

Mr. Strelo confirmed that is correct and mentioned staff will work with consultants to devise language to plug into the General Plan and look for ways for projects compliant with the Climate Action Plan to be streamlined through the California Environmental Quality Act process that can help developments that have certain GHG and emission targets get through the process quicker to help attract those kinds of businesses.

No public comments were submitted.

It was moved by Vice Mayor Williams and seconded by Dr. Fuller to adopt the resolution. AYES: Fuller, Henderson, Shaw, Williams. NOES: Meadows. (4-1)

5.3 Second Amendment to Employment Agreement between the City of Oakley and Joshua McMurray (Derek Cole, City Attorney)

City Attorney Derek Cole presented the staff report.

No public comments were submitted.

It was moved by Councilmember Henderson and seconded by Dr. Fuller to adopt the resolution. Motion was unanimous and so ordered. (5-0)

5.4 Appeal of Administrative Hearing Officer's Decision Involving Fireworks at Crockett Park, Oakley, California on July 4, 2023; Citation No.: AC-23-000767 (Libby Vreonis, City Clerk)

City Clerk Libby Vreonis presented the staff report.

Dr. Fuller requested clarification who the appellant is, and Ms. Vreonis confirmed it is Ms. Matthews.

Mayor Meadows invited Ms. Matthews to provide oral argument.

Ms. Matthews explained the firework was in the car under the seat and when the car was searched, it was found. She mentioned she had just returned from Stockton where fireworks are legal.

Mayor Meadows asked what reason(s) she is requesting the fine be dismissed.

Ms. Matthews indicated she is a college student and still paying for college.

Mayor Meadows inquired where she goes to school.

Ms. Matthews responded she goes to San Diego State online and Los Medanos College. She mentioned it was just a sparkler, they couldn't justify what it was, she admitted it was hers, and she was not lighting fireworks.

Councilmember Shaw requested clarification if the firework was outside or inside the car.

Ms. Matthews indicated it was in the car.

Vice Mayor Williams mentioned the officer on scene is not present and requested the body worn camera footage be played.

Chief of Police Paul Beard provided the footage to staff and it was played. He mentioned beforehand that the first 30 seconds is a buffering period where the video is silent. He mentioned at the point where there is sound is when the officer activated his camera.

Dr. Fuller asked which city Ms. Matthews resides in, how she managed to be in the car that night, and if she is employed now. He asked staff to confirm the amount of the fine and City Manager Joshua McMurray confirmed it is $500.

Ms. Matthews indicated she lives in Brentwood, her sister's boyfriend informed her that the fireworks were going to happen in Oakley, so she went to watch, and she is employed.

Dr. Fuller inquired if the Council can sustain the violation or reduce it which City Attorney Derek Cole confirmed is within the Council's authority and it also has the option to suspend it.

Dr. Fuller inquired where Ms. Matthews is employed and how much she makes.

Ms. Matthews responded she works for Markstein. She provided the amount she makes.

Vice Mayor Williams commented that even though she got the firework in Stockton, it is not legal in Oakley or Brentwood. She inquired if the Council upholds the fine if it has authority to divide payments into a management payment plan.

Mr. Cole explained that there have been a variety of Code Enforcement matters and the Council has always authorized staff, and staff has always worked with appellants, when instructed to develop a payment plan. He indicated that can happen here if it is the Council's pleasure.

Vice Mayor Williams explained the reason for implementing the ordinance is because there is a huge fireworks issue within the City as the video demonstrates, and as much as she understands the financial hardship, she has concern that releasing the fine would undermine the purpose of the ordinance. She shared that she experienced a fire due to fireworks. She mentioned she believes they need to enforce the ordinance because if they dismiss the little ones it makes it harder to enforce the bigger ones. She mentioned if they sustain the citation, she would like staff to work with the appellant on a management payment plan.

Councilmember Shaw commented that the fine has already been reduced from $1,000 to $500 which she thinks is reasonable, and it was mentioned that the evidence did not support whether it was a large firework or a sparkler and taking Ms. Matthews word for it that it was a sparkler, the fine has already been reduced. She agreed with Vice Mayor Williams in that the ordinance is in place to make sure that people take it seriously to not bring fireworks to Oakley to protect all of its residents, and examples must be set, and she understands people make mistakes, but in terms of it impacting her future, it is a fine and undesirable, but if they approve a manageable payment plan, it can be a lesson learned, and the Council can be sure it is not setting an example that it will not just be waived when it is trying to be very strict on getting fireworks under control within the City.

Dr. Fuller commented he views the ordinance differently; when adopting an ordinance, the City is trying to cure a deficiency or correct a danger or nuisance, and people can bring it before them for adjudication, and in adjudicating, the Council can apply reasoning with the appellant. He mentioned he finds that the appellant is taking responsibility for her actions, the fine was sustained, and people say it's just a sparker, but if anyone has stepped on a hot sparkler, it can cause injury. He suggested they cut the fine in half and allow 6 payments.

Councilmember Henderson commented that the incident is sustainable, and the hearing officer already reduced the fine by 50%, so while he cannot support reducing it below $500 and it cannot be increased, he could see extending the payments out further.

Dr. Fuller suggested if they do that to go to 12 months for payment.

It was moved by Dr. Fuller and seconded by Councilmember Henderson to sustain the fine of $500 and provide direction to staff to enter into a payment plan between the City and appellant for payment of the fine over 12 months. Motion was unanimous and so ordered. (5-0)

5.5 Hearing for Special Assessment of Costs: 1430 Carpenter Road, Oakley, California (APN 034-070-031) (Libby Vreonis, City Clerk)

City Clerk Libby Vreonis requested confirmation if a representative of the property owner is present.

Mayor Meadows asked the audience if anyone was present to represent the property owner. There being none, Ms. Vreonis proceeded with presentation of the staff report.

Dr. Fuller commented that he understands in the last two years there was a homicide at the property and an arrest was made, which City Manager Joshua McMurray confirmed is correct.

It was moved by Dr. Fuller and seconded by Vice Mayor Williams to adopt the resolution. Motion was unanimous and so ordered. (5-0)

5.6 Hearing for Special Assessment of Costs: 131 E. Ruby Street, Oakley, California (APN 035-133-012) (Libby Vreonis, City Clerk)

City Clerk Libby Vreonis requested confirmation if the property owner or a representative of the property owner is present.

Mayor Meadows mentioned she is approaching the podium.

Ms. Vreonis presented the staff report.

Vice Mayor Williams inquired if a payment plan could be set up rather than having it as an assessment on the tax roll, so it is more manageable.

Mayor Meadows commented that the property is currently for sale and there is an offer on it.

Mayor Meadows invited the property owner, Josephine Rodriguez, to provide oral argument.

Ms. Rodriguez commented that she is sorry about all of this, but it does have an offer and is due to close. She stated her age and that she is disabled.

Vice Mayor Williams inquired what happens to the amount owed if the property sells.

Mayor Meadows asked City Attorney Derek Cole to confirm if the amount would come out of the proceeds of sale by demand submitted through escrow.

Mr. Cole confirmed that they must follow the process of submitting it to the tax roll; however, because that would not occur until summer, they would immediately place the demand through escrow before the sale.

Ms. Vreonis indicated a Notice of Intent to Lien was recorded.

It was moved by Councilmember Shaw and seconded by Councilmember Henderson to adopt the resolution. Motion was unanimous and so ordered. (5-0)

6) REPORTS

6.1 CITY MANAGER

(a) City Manager

City Manager Joshua McMurray reported that the October new business license update has been provided. He announced that the Annual Tree Lighting ceremony will be held November 30 beginning at 5:30 p.m., Friday Night Bites will be held December 1, and the ribbon-cutting ceremony for the train platform will be held December 6 in the Downtown at 2 p.m. He wished everyone a Happy Thanksgiving.

(b) Business License Update

(c) City Attorney Report-Levine Act

City Attorney Derek Cole reported that he provided a *Daily Journal* article he wrote in the agenda packet regarding the Levine Act and he is available for any questions the Council may have.

Vice Mayor Williams inquired how candidates in the next election might be aware of these changes.

Mr. Cole explained that the FPPC has information on its webpage.

6.2 OAKLEY CITY COUNCIL/OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY

(a) Reports from Council Liaisons to Regional Committees, Commissions and Boards AND Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency

Dr. Fuller reported he attended the Veterans Day ceremony. He thanked Supervisor Burgis for her speech regarding Vietnam. He also reported attending the Freedom Fuel Café at Freedom High School October 27 and another will be held November 3 and in December, he attended Cal State LA for an awards ceremony November 3, and he attended the Harvest Festival where many people and their dogs attended. He reported on ABAG election results and the BAHFA committee hearing he attended. He shared that he had over 125 trick-or-treaters and was glad to see a much more inclusive community and diversity of children.

Councilmember Shaw reported she attended the Tri-Delta Transit meeting and the Affordable Housing Ad-Hoc Advisory Committee meeting. She shared that The Oaks' management team has a fully staffed maintenance crew as of 10/20, a new trash service to take out trash daily, and is working on pest control. She requested everyone provide The Oaks' staff time to make changes and show improvements. She mentioned they have 78% occupancy and need it to be 92-93% and they are trying to get a better turnover rate for work orders for 3-5 days. She mentioned they have a meeting on 11/30 at 3 p.m. to address questions that came up during this past meeting, i.e., security, cameras, entry gate, inspection results, and they discussed pest maintenance plans and preventative maintenance plans. She also reported she attended the Twin Oaks grand opening but they were running behind and she had to leave early to go back to work, she completed the DA Academy November 1st, she attended the Mayors Conference November 2nd, she and Vice Mayor Williams met with Jamboree Housing who they are hoping to link with the City for affordable housing, and she attended the Veterans Day event.

Vice Mayor Williams reported “ditto” and that she will give more detail regarding the Tri-Delta meeting during the next Council meeting. She mentioned she and Councilmember Shaw met with Jamboree Housing at CalCities which she can discuss during the next item on agenda, she attended the Veterans Day ceremony, and she attended the Chamber of Commerce meeting.

Councilmember Henderson reported he attended the Diablo Water District meeting and Friday Night Bites. He commended staff on an excellent job on the Veterans Day program.

Mayor Meadows reported he attended the Mayors Conference, the Affordable Housing Ad-Hoc Advisory Committee Meeting, the Twin Oaks meeting, Friday Night Bites, and the Veterans Day ceremony.

(b) Requests for Future Agendas

Dr. Fuller requested a work session to ascertain the safety of the rail platform in the vicinity of the Downtown and Vintage Parkway which Vice Mayor Williams supported.

7) WORK SESSIONS

7.1 Library and O’Hara Residential Projects Design and Economic Feasibility Analysis Update (Joshua McMurray, City Manager)

City Manager Joshua McMurray presented the staff report.

Urban Field Studio representative Jane Lin, Urban Designer and Architect, along with Ryan Call, Architect, and Economic Planning Systems representative Tiefion Rice-Evans, Managing Principal, and Bex Allen, Associate, provided a presentation regarding the library, housing options at the O'Hara site, and residual land value.

Mr. McMurray explained that the building presented is feasible and it is important to live within means with the many priorities of the City. He explained the City is spending tens of millions of dollars to address E. Cypress, Laurel Road is a multi-million dollar project, and the library is another major project which is very important. He further explained that the City does not have capacity for $25 million to construct what they previously spoke about this year, the current library location was temporary, and he wants to present something realistic and achievable now. He explained it will take team effort, the Council was supportive of higher density and in relation to residual land value, though it would generate substantial revenue, the City would get some of that, but not as much as thought. He mentioned they would dedicate about $2.5 mil from ARPA funding and $500k from public facilities fees established in 2004, but keeping in mind that they also have to pay off debt service with these fees for City Hall and the Recreation Center. He mentioned with city revenue and unassigned fund balance, he is confident there is about $4 mil from unassigned fund balance to dedicate, keeping 30% reserve intact. He mentioned about $9 million is available now to put into the project, providing about a 9,000 sq. ft. building (3 times the current size) and it takes the library off the high school campus and moves it to this campus. He mentioned highlights of other funding sources such as grants. He mentioned the County received a $10 million grant for the Bay Point library and another round of funding will be available, hopefully next month. He mentioned he hopes the site plan and rendering will garner excitement in the community for the Friends of the Oakley Library to fundraise.

Ms. Lin added that in looking at Contra Costa County square footage per capita, Oakley is currently the lowest and this would be tripling the size of the current building.

Mr. Call commented that if they stay within the $9-$10 million benchmark, this will provide a nice product, and they can make sure there is flexibility in the concept if additional funding is raised.

Mr. McMurray mentioned they are seeking feedback; this is an opportunity for a starting point and to build upon.

Mayor Meadows inquired if it will it get the City $1.8 million in residual value.

Mr. McMurray explained that they do not know the answer. He explained when they interviewed a builder in the area the builder was not fond of the site for the type of funding they seek, but other affordable builders who use different funding may be more competitive, and that is why they would recommend leaving it open ended to make sure if there is a better way and someone is more creative, they have the mindset to be open to that.

Public Comments

Liz Fuller commented that in her 30 years of library experience, 9,000 square feet is not big enough and when they may want to expand, it will cost more, so it is better to build big upfront.

Supervisor Diane Burgis commented that Oakley is closer to having its own library than ever before and it is disappointing to see the numbers, but she doesn't want to give up; she has more hope for a larger project. She mentioned if they are still asking questions about whether affordable housing can bring more money, she asked that they wait until February as she would like to work with representatives, the County Library Foundation, and the Friends of Oakley to see if they can get to $25 million. She mentioned there is a grant application process next month that could open up money and if they build smaller, it will cost more to build the next part. She asked that they lean in and see what they can do.

Vice Mayor Williams inquired if they would still be able to develop some kind of rendering, so they do not miss the grant opportunity next month. She mentioned if there is $10 million for Bay Point, why not for Oakley. She mentioned that with the 55-acre park they didn't get grant funding in relation to the rendering, and she doesn't want to miss out on grant funding here.

Mr. McMurray mentioned they have time, they have the bones, and direction on the rendering will help.

Councilmember Shaw mentioned if there is hope and work that they can do, she would love to see if they can reach that number with a rendering and other potential source of funds and build the best library.

Mayor Meadows inquired if pushing it out would impact the timeline with the County and Mr. McMurray indicated it would not.

Dr. Fuller inquired of the population that each of the five libraries in Berkeley serve.

Ms. Lin responded she will get a firm answer.

Mr. Call mentioned Berkeley also serves other communities such as El Cerrito as well as Oakland, so it is hard to pinpoint, but he can reach out to the Berkeley library to get foot traffic numbers.

Dr. Fuller inquired why Berkeley's construction costs are lower.

Mr. Call explained that the costs are from 10 years ago but were high when built because of green-build requirements. He mentioned the Pleasanton example is high end and if they are judicious about supplies used, they could get it down to the Mountain House price.

Dr. Fuller mentioned $1.8-$2 million is a dream.

Mr. Evans mentioned it is optimistic, a dream would be more.

Dr. Fuller mentioned he doesn't like to rely on grants and budget that way because many apply and few are approved, although Supervisor Burgis is pragmatic, and he agrees with what she has presented. He mentioned they are trying to put this together for a population of 43,000 and still growing so he would favor Supervisor Burgis getting access to more funding and connecting with other political figures. He suggested a repository library and work with federal or state government and tie the library to a project like O'Hara to go a lot further to sell the project and obtain other funding. He suggested putting it off to February. He mentioned he is not sure what other funding sources are available, but he is not big on bonds. He mentioned Oakley can't do it on its own and suggested a lobbyist for the City could help, but it is expensive and maybe the City can't afford it.

Councilmember Henderson commented that Oakley has needed a library for 20+ years and he is not sure if they can get to 24,000, but he is okay with extending to February or March and doing more work, but this team still needs to do what tasked with. He suggested splitting the difference build at 16,000, something to strive for but can live within means. He mentioned the community hasn't had something to show to see what they can do with donations and local developers and bigger businesses. He suggested they find something attainable, design bigger knowing they have a scaled-down version, and split the difference.

Mayor Meadows expressed support for going after $25 million and having a rendering at the 24,000 square foot size. He mentioned if they shoot for 16,000 square feet that is what they will get; if they are not successful, they can back it down, but he thinks they should shoot for the stars and go big.

Councilmember Shaw agreed and mentioned she does not want to take affordable housing off the table if it can potentially bring the City some profit. She mentioned she and Vice Mayor Williams met with an organization that could potentially bring ideas for it. She supported shooting for the whole thing and scale back if needed.

Vice Mayor Williams agreed to shoot for the whole thing and scale back if needed. She mentioned this discussion left out seniors and veterans on the 9,000 square foot plan, and requested, if possible, to have alternate sites. She mentioned if they only get 16,000, she wants to have a back-up plan if they need a secondary spot and asked if there is a way to do that in the rendering.

Mayor Meadows mentioned architecturally he wants it to fit in with the rest of this campus.

Vice Mayor Williams inquired what the architectural style is of this campus.

Mr. Call mentioned it is traditional conservative and they will work with something complementary to this structure.

8) CLOSED SESSION

8.1 CONFERENCE WITH LEGAL COUNSEL?ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One Potential Case (letter from ACLU/EFF dated May 25, 2023, and email dated November 2, 2023)

Mayor Meadows read the closed session items into the record. He called for a break before going into closed session.

8.2 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

City of Oakley v. Scelsi, Contra Costa Sup. Ct. Case No. MSN16-1620

City of Oakley v. Rodriguez, Contra Costa Sup. Ct. Case No. N23-1091

County of Contra Costa et al. (and City of Oakley) v. Monsanto Company et al., Contra Costa Sup. Ct. Case No. C22-02818.

Schaefers v. BNSF Railway Company et. al. (and City of Oakley), Contra Costa Sup. Ct. Case Nos. C22-01552 and C22-01555.

McCalister v. Moeckel at al. (and City of Oakley), Contra Costa Sup. Ct. Case No. C23-00834

9) ADJOURN

There being no further business, the meeting was adjourned at 10:15 p.m.

Respectively Submitted,

Libby Vreonis
City Clerk

MEMORANDUM

OAKLEY
CALIFORNIA

Date: November 15, 2023
To: Mayor and City Councilmembers
From: Derek P. Cole, City Attorney
CC: Joshua McMurray, City Manager
Subject: Closed Session Report-Out Memo

For Consideration at the City Council Meeting of December 12, 2023

Background and Analysis

The City Council considered the following closed session items during its regular meeting held November 14, 2023:

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One Potential Case (letter from ACLU/EFF dated May 25, 2023 and email dated November 2, 2023)

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

City of Oakley v. Scelsi, Contra Costa Sup. Ct. Case No. MSN16-1620

City of Oakley v. Rodriguez, Contra Costa Sup. Ct. Case No. N23-1091

County of Contra Costa et al. (and City of Oakley) v. Monsanto Company et al., Contra Costa Sup. Ct. Case No. C22-02818

Schaefers v. BNSF Railway Company et al. (and City of Oakley), Contra Costa Sup. Ct. Case Nos. C22-01552 and C22-01555

McAlister v. Moeckel et al. (and City of Oakley), Contra Costa Sup. Ct. Case No. C23-00834

Direction was provided to staff. There was no reportable action.

Fiscal Impact

None.

Recommendation

Receive and file this report.

Attachments

None.

STAFF REPORT

OAKLEY
CALIFORNIA

DATE: December 12, 2023

TO: Joshua McMurray, City Manager

FROM: Libby Vreonis, City Clerk

Approved and Forwarded to the City Council

SUBJECT: Regular Joint City Council / City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority 2024 Meeting Dates

Background and Analysis

The regular joint Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority meetings have traditionally been scheduled on the second and fourth Tuesdays of each month beginning at 6:30 p.m., and the second meetings in June, July, August, November and December have been canceled. Attached is a list of proposed meeting dates for 2024 for review and approval.

Consistency with the Oakley Strategic Plan 27+

This item is consistent with the Strategic Plan 27+ Community and Collaborative Partnerships Goals

Fiscal Impact

None

Staff Recommendation

Staff recommends that the Oakley City Council, Successor Agency and Public Financing Authority approve the attached list of proposed regular meeting dates for 2024 or approve other dates that would be more suitable.

Attachments

1. List of Proposed 2024 Meeting Dates for the Regular Joint Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority
2. City Council Resolution Approving 2024 Meeting Dates
3. Successor Agency Resolution Approving 2024 Meeting Dates
4. Public Financing Authority Resolution Approving 2024 Meeting Dates

OAKLEY
CALIFORNIA

2024 REGULAR JOINT OAKLEY CITY COUNCIL/ OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY / *PUBLIC FINANCING AUTHORITY MEETING DATES

Regular Joint Oakley City Council/Oakley City Council acting as the Successor Agency to the Redevelopment Agency meetings are held on the second and fourth Tuesdays at 6:30 pm in the Council Chambers, located at 3231 Main Street, Oakley, CA.

The meeting dates for 2024 are as follows:

January 9
January 23
February 13
February 27
March 12
March 26
April 9
April 23
May 14
May 28
June 11
July 9
August 13
September 10
September 24
October 8
October 22
November 12
December 10

No second meeting in the months of June, July, August, November and December

*Oakley Public Financing Authority meetings will be held jointly with the Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency meetings the second Tuesday of each month unless otherwise noticed.

RESOLUTION NO. XX-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY APPROVING 2024 MEETING DATES FOR THE REGULAR JOINT OAKLEY CITY COUNCIL/ OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDVELOPMENT AGENCY/OAKLEY PUBLIC FINANCING AUTHORITY

BE IT RESOLVED by the City Council of the City of Oakley that the 2024 meeting dates Attached as Exhibit A for the Regular Joint Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority are hereby approved.

PASSED AND ADOPTED by the City Council of the City of Oakley this 12th day of December, 2023 by the following vote:

AYES:
NOES:
ABSTENTION:
ABSENT:

APPROVED:

_____
, Mayor

ATTEST:

_____
Libby Vreonis, City Clerk

_____
Date

SA RESOLUTION NO. XX-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY APPROVING 2024 MEETING DATES FOR THE REGULAR JOINT OAKLEY CITY COUNCIL/ OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY/OAKLEY PUBLIC FINANCING AUTHORITY

BE IT RESOLVED by the Oakley City Council of the City of Oakley, acting as the Successor Agency to the Oakley Redevelopment Agency, that the 2024 meeting dates attached as Exhibit A for the Regular Joint Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority are hereby approved.

PASSED AND ADOPTED by the City Council of the City of Oakley this 12th day of December, 2023 by the following vote:

AYES:
NOES:
ABSTENTION:
ABSENT:

APPROVED:

_____
, Mayor

ATTEST:

_____
Libby Vreonis, City Clerk

_____
Date

RESOLUTION NO. XX-23

A RESOLUTION OF THE OAKLEY PUBLIC FINANCING AUTHORITY APPROVING 2024 MEETING DATES FOR THE REGULAR JOINT OAKLEY CITY COUNCIL/ OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY/OAKLEY PUBLIC FINANCING AUTHORITY

BE IT RESOLVED by the City Council of the City of Oakley that the 2024 meeting dates attached as Exhibit A for the Regular Joint Oakley City Council / Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority are hereby approved.

PASSED AND ADOPTED by the City Council of the City of Oakley this 12th day of December, 2023 by the following vote:

AYES:
NOES:
ABSTENTION:
ABSENT:

APPROVED:

_____
, Chair

ATTEST:

_____
Libby Vreonis, City Clerk

_____
Date

DATE: December 12, 2023
TO: Joshua McMurray, City Manager
FROM: Jeri Tejeda, Administrative Services Director
SUBJECT: Development Impact Fee Five-Year Report

Background and Analysis

State law allows the City to charge fees to offset impacts associated with new development. Along with requirements related to the amount of the fees, nexus to impacts, and specifications for use of the fees, the Law requires that the City prepare annual five year reports for each fee program. The annual report must include a fee schedule, beginning and ending fund balances, revenues, expenditures, and project information. The five-year report must include information showing the fees are being spent timely and include supporting information about each program's projects that support making a number of required findings. Once prepared and made available to the Public, it must also be presented to the City Council. The attached report is the City's Five-Year Report for the period ending June 30, 2023, containing the prescribed information for each of the City's Impact Fee Programs.

The legal requirements for enactment of a development impact fee program are set forth in the California Government Code sections 66000-66025 (the "Mitigation Fee Act"), the bulk of which was adopted as 1987's Assembly Bill (AB) 1600 and thus are commonly referred to as "AB 1600 requirements". Each fiscal year the City publishes a Development Impact Fee Report meeting the requirements of both California Government Code Section 66006(b) and 66001(d). The law also requires the report to be made available to the public within 180 days of the close of a fiscal year and that it be presented to the City Council at the next regular meeting not less than 15 days after it is made available to the public. This report was made available to the public on November 28, 2023.

Consistency with the Oakley Strategic Plan 27+

This item is consistent with our strategic plans, sustainable organization goal as we continue to strive for transparency and trust within the City.

Fiscal Impact

None

Staff Recommendation

Staff recommends that the City Council approve the Resolution accepting the attached Report and making the required findings pursuant to Government Code Sections 66000 et seq.

Attachments

1. Resolution
2. Five-Year Report

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ACCEPTING THE FIVE-YEAR DEVELOPMENT IMPACT FEE REPORT FOR THE PERIOD ENDING JUNE 30, 2023 AND MAKING REQUIRED FINDINGS AS REQUIRED BY GOVERNMENT CODE SECTIONS 66000 ET SEQ.

WHEREAS, in 1987 Assembly Bill 1600 (AB 1600) was adopted; and

WHEREAS, State Law allows Cities to establish development impact fees to mitigate the impacts of new development on growing communities; and

WHEREAS, the City of Oakley did, in 2003, adopt its existing development impact fee programs; and

WHEREAS, Sections 66000 et seq. of the California Government Code contains the provisions defining parameters of development impact fees, as well as reporting and maintenance requirements to ensure the ongoing appropriateness of the fees charged; and

WHEREAS, the attached Five-Year Report contains information that meets both the annual and five year reporting requirements described in the Code; and

WHEREAS, State Law also requires that every five years the Council make the following specific findings for each fee program related to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

a) Identify the purpose to which the fee is to be put;
b) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
c) Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements identified in the program;
d) Designate the approximate dates on which the funding referred to in c) is expected to be deposited into the appropriate account or fund; and

WHEREAS, Staff recommends the City Council accept the attached report and incorporate it herein in order to make the required findings.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Oakley accepts the attached Five-Year Report and makes the following required findings for each of the City's Development Impact Fee Programs, incorporating the information from the report into this resolution.

1. The report includes the stated purpose for each fee;

2. The report includes the amount of fees unexpended in each Fund at June 30, 2023 and sufficient detail regarding the expected use of the fees to demonstrate a reasonable relationship between the fee and the purpose for which it is charged;

3. The report includes the sources and amounts of funding anticipated to complete financing of incomplete improvements identified in each program;

4. The report was made available to the public on November 28, 2023, and within 180 day of the end of the fiscal year;

5. The report includes the approximate dates on which the funding is expected to be deposited into the appropriate account or fund to finance the incomplete improvements noted.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Oakley held on the 12th day of December 2023 and adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

APPROVED:_____
MAYOR

ATTEST:

_____
Libby Vreonis, CITY CLERK

Five Year Report
Development Impact Fees
For the City of Oakley
For Fiscal Year Ending June 30, 2023

Development Impact fees are fees, other than a tax or special assessment, which is charged by a local government agency to an applicant in connection with approval of a development project. The purpose of these fees is to defray all or a portion of the cost of public infrastructure related to the development project.

The legal requirements for enactment of a development impact program are set forth in the California Government Code sections 66000-66025 (the "Mitigation Fee Act"), the bulk of which was adopted as 1987's Assembly Bill (AB) 1600 and thus are commonly referred to as "AB 1600 requirements." The annual report must be made available to the public no later than 180 days after the end of the fiscal year, and must be presented to the City Council at least fifteen days after it is made available to the public. The five year report must be made available to the public following the fifth year the fees are collected and each five years thereafter.

This report is the City's Five-Year Report for the period ended June 30, 2023.

This report includes all of the Annual Report required data, and data that supports the findings required by the Code for the five-year period. Below, and on the following pages you will find for each fee program:

1. A brief description of the program.

2. Beginning and ending balances for the year.

3. Amount of fees collected and the interest earned during the year.

4. Total Expenditures for the year.

5. A summary of fund balances and five year test.

6. A detailed list of current year disbursements by project, including the percentages funded by fees, including operating transfers.

7. Information listing the programs' projects expected to be funded with fees that have been collected but unspent, whether committed or not yet committed, including data from the City's most current Capital Improvement Plan.

8. A current schedule of fees.

The fee programs included in this report are the following:

Section A - Traffic Impact Fee Program

Section B - Park Impact Fee Program

Section C - Public Facilities Impact Fee Program

Section D - Fire Facilities Impact Fee Program

Program Descriptions

A. Traffic Impact Fee Program

The Traffic Impact Fee Program was established by the City on incorporation in 1999, and included separate Area of Benefit and Median Island Fees. In 2003, all of these programs were rolled up into a broader Traffic Impact Fee Program. The Program's stated purpose is to finance roadway improvements to reduce the impacts caused by future development in the City. The City accounts for the program in its Traffic Impact Fee Fund.

B. Park Impact Fee Program

In 2003, the City amended its existing Park Impact Fee Program. The stated purpose for the program is to acquire property and develop city parks to reduce the impacts caused by future development in the City. The City accounts for the program in its Park Impact Fee Fund.

C. Public Facilities Impact Fee Program

The Public Facilities Impact Fee Program was established by the City in 2003 to finance the acquisition, or design, engineering, construction and other costs related to the purchase or construction of the Civic Center, Community Center, and Corporation Yard detailed in the resolution establishing the fee. These facilities were identified as necessary to reduce the impacts caused by future development in the City. The City accounts for the program in its Public Facilities Impact Fee Fund.

D. Fire Facilities Impact Fee Program

The Fire Facilities Impact Fee Program was established by the City in 2003 to finance the acquisition, design, engineering, construction, upgrade and or other costs related to the improved fire facilities in Oakley and Knightsen. Specific projects were identified in the enabling legislation, although subject to revision by the City Council.

Attached Supporting Documentation

The pages following include the supporting documentation required to meet the annual program reporting requirements and to support the Council's ability to make the findings they are required to make for each program as part of this five year report.

The City's Capital Improvement Plan (CIP) is updated annually and provides a longer-term view of the City's plan for public improvements. The Fee Program revenues are budgeted and allocated through the annual CIP and City Budget process. References to CIP project numbers in the attachments have been provided where they are part of the adopted CIP.

TRAFFIC IMPACT FEES

Section A Summary of Annual Activity

Fund Balance 06/30/22	Fee Income 22/23	Interest & Misc Inc 22/23	Expenditures 22/23	Fund Balance 06/30/23	
$ 12,299,189	1,795,783	403,707	2,243,163	$ 12,255,516	***

*** Above includes $606,402 in deferred impact fees receivable from the Successor Agency to the Oakley Redevelopment Agency for a prior housing project. The balance is due on or before December 2063 at variable interest rate.

Section B Summary of Fund Balance

Five Year Revenue Test
Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 18/19	-
Revenues Collected from FY 19/20	-
Revenues Collected from FY 20/21	5,726,622
Revenues Collected from FY 21/22	4,329,404
Revenues Collected from FY 22/23	2,199,491
Deferred Impact Fees Receivable	(606,402)
Total Ending Fund Balance	$ 11,649,114

Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 22/23	Future Traffic Fee Appropriations 23/24 - 27/28	Future Add'l Appropriations & Other Funding Sources 23/24 - 27/28	Future Funding & Construction
Administrative & Operating Expenditures			100%	$ 340,979			
Downtown Train Platform	205	33%	8%	-	596,095	4,678,868	5,274,963
E. Cypress - Knightson Av Intersection Signal	247	14%	96%	1,262,802	9,038,355	406,352	9,444,707
O'Hara AV/Carpenter RD Intersection IMP	263	2%	100%	3,690	334,620	0	334,620
Main ST/Delta Intersection IMP	268	0%	100%	-	200,000	0	200,000
Main ST/Brownstone Intersection IMP	269	0%	100%	-	200,000	0	200,000
Hall St. Expansion	270	63%	100%	-	28,000	0	28,000
Laurel RD Extension (Teton-Sellers)	273	38%	100%	86,446	224,660	0	224,660
FY22-23 Traffic Signal Modernization	278	100%	100%	200,198	-	0	0
Laurel RD Extension (Cloverbrook-O'Hara)	280	67%	100%	333,798	166,202	0	166,202
Bethel Island RD(Rock SLO Bridge-Delat)	285	100%	42%	15,250	-	0	0
				$ 2,243,163	$ 10,787,933	$ 5,085,220	$ 15,873,153

PARK IMPACT FEES

Section A Summary of Annual Activity

Fund Balance 06/30/22	Fee Income 22/23	Interest & Misc Inc 22/23	Expenditures 22/23	Fund Balance 06/30/23	
$ 5,906,365	898,632	500,961	832,807	$ 6,473,151	***

*** Above includes $449,587 in deferred impact fees receivable from the Successor Agency to the Oakley Redevelopment Agency for a prior housing project. The balance is due on or before December 2063 at variable interest rate.

Section B Summary of Fund Balance

Five Year Revenue Test
Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 18/19	-
Revenues Collected from FY 19/20	-
Revenues Collected from FY 20/21	2,485,102
Revenues Collected from FY 21/22	2,588,457
Revenues Collected from FY 22/23	1,399,593
Deferred Impact Fees Receivable	(449,587)
Total Ending Fund Balance	$ 6,023,564

Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 22/23	Future Park Fee Appropriations 23/24 - 27/28	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees & Expenses			100%	81,536	TBD		
Oakley Regional Community Park	176	17%	16%	65,209	2,889,541	17,924	2,907,465
Holly Creek Restroom Construction	248	100%	100%	273,749	-	-	-
Irrigation Well Install-Fredom Basin	265	0%	51%	-	200,000	194,984	394,984
Enrico Cinquinin Park Construction	281	2%	100%	92,553	4,107,447	-	4,107,447
Holly creek Park Playground Resurfacing	284	100%	100%	319,760	-	-	-
Koda Dog Park Shade Structure	287	0%	100%	-	150,000	-	150,000
				$ 832,807	$ 7,346,988	$ 212,907	$ 7,559,896

PUBLIC FACILITIES IMPACT FEES

Section A Summary of Annual Activity

Fund Balance 6/30/2022	Fee Income 22/23	Interest & Misc Inc 22/23	Expenditures 22/23	Fund Balance 06/30/23	
$ 3,485,873	488,170	159,089	1,096,062	$ 3,037,070	***

***

Above includes $143,904 in deferred impact fees receivable from the Successor Agency to the Oakley Redevelopment Agency for a prior housing project. The balance is due on or before December 2063 at variable interest rate.

Section B Summary of Fund Balance

Five Year Revenue Test
Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 18/19	-
Revenues Collected from FY 19/20	-
Revenues Collected from FY 20/21	747,769
Revenues Collected from FY 21/22	1,642,042
Revenues Collected from FY 22/23	647,259
Deferred Impact Fees Receivable	(143,904)
Total Ending Fund Balance	$ 2,893,167

Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 22/23	Future Public Fac. Fee Appropriations 23/24 - 27/28	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees			100%	$ 23,542	TBD		
Transfer to Fund 351 2006 COP Debt Service Fund			100%	666,769	3,355,644		
City Hall Roof Top Solar Proejct	286	54%	92%	324,259	275,241	50,000	$325,241
SR. Ctr Roof &HVAC Repair & Replacement	288	100%	100%	$81,492	0	0	0
				$ 1,096,062	$ 3,630,885	$ 50,000	$ 325,241

FIRE PROTECTION FACILITIES IMPACT FEES

Section A Summary of Annual Activity

Fund Balance 6/30/2022	Fee Income 22/23	Interest & Misc Inc 22/23	Expenditures 22/23	Fund Balance 6/30/2023	
$ -	-	617	617	$ -	*

* The conditions of approval for the Summerlake Subdivision had required the developer of the Summerlake Subdivision to construct a new Fire Station on East Cypress Road across from this subdivision. This task had been delayed for several years, and finally in 2017 a settlement was reached. A contractor and architect was hired by the City for the design and build of this new Fire Station. The project completed in FY 2020. The City entered into a Cooperative agreement with the District and impact fees will be remitted as they become available for the additional costs of Station 55 that were requested by the District. In FY 2021 an agreement was made with the Fire District that all Fire Impact Fees will be collected by the district at permit issuance. The City is no longer collecting this fee but will continue to do the reporting until the liability is paid off.

Section B Summary of Fund Balance

Five Year Revenue Test
Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 18/19	-
Revenues Collected from FY 19/20	-
Revenues Collected from FY 20/21	-
Revenues Collected from FY 21/22	-
Revenues Collected from FY 22/23	-
Total Ending Fund Balance	$ -

Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 22/23	Future Fire Fac. Fee Appropriations 23/24 - 27/28	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees			100%	$ 617	$ -		
Co-Op Agreement with District for Station 55				$201,757	$136,023		
				$ 202,374	$ 136,023		

City of Oakley Impact Fee List
FY 23-24

Should you have any questions regarding any of the impact fees, please feel free to contact the Oakley Public Works and Engineering Department or Planning Division at (925) 625-7000.

Outside Agencies' Phone Numbers:

- Ironhouse Sanitary District
  (925) 625-2279
- Diablo Water District
  (925) 625-3798
- Contra Costa County Flood Control and Water Conservation District
  (925) 313-2000
- Oakley Union Elementary School District
  (925) 625-0700
- Liberty Union High School District
  (925) 634-2166
- Antioch Unified School District
  (925) 706-4100 (generally properties west of Empire Avenue)

OAKLEY
CALIFORNIA

City of Oakley
3231 Main Street
Oakley, CA 94561
(925) 625-7000

OAKLEY
CALIFORNIA

City of Oakley Impact Fees
Fiscal Year 23-24
(Effective July 1, 2023)

This brochure provides a summary of impact fees associated with new development and issuance of building permits within the City of Oakley.

A list of other agencies' contact information is also provided. It is recommended any person engaged in new development, or that is receiving a building permit, contact applicable outside agencies for their current fees.

FY 23-24

Impact Fees by Land Use Category (fees are subject to change)
Effective July 1, 2023

Fee Type	Single Family (per unit)	Multi-Family (per unit)	Accessory Dwelling Unit*** ("ADU")	Commercial (per 1,000 sf,)	Commercial Recreation (per 1,000 sf.)	Business Park (per 1,000 sf.)	Light Industrial (per 1,000 sf.)	Utility Energy (per 1,000 sf.)	Other (as noted)
Oakley Traffic	$14,960.88	$9,126.45	$4,289.43	$6,582.79	$8,826.61	$15,109.56	$8,826.61	$8,826.61	$14,960.88 (per peak hour trip)
RTDIM (Regional Traffic)	$23,785.50	$14,601.57	$6,862.74	$2,323.00	$2,323.00	$2,020.00	$2,020.00	$2,020.00	$27,983.06 (per peak hour trip)
Park Acquisition	$1,101.47	$719.86	$338.33	$162.31	$130.09	$324.62	$137.53	$137.53	
Park Improvement	$9,571.24	$6,254.45	$2,939.59	$1,409.98	$1,126.25	$2,817.48	$1,198.11	$1,198.11	
Public Facilities	$3,974.18	$2,602.16	$1,223.02	$586.84	$469.08	$1,171.75	$498.04	$498.04	
General Plan*	See "other"	See "other"	Not charged	See "other"	See "other"	See "other"	See "other"	See "other"	$300.00 (per gross acre)
South Oakley Infrastructure Plan**	See "other"	See "other"	Not charged	See "other"	See "other"	See "other"	See "other"	See "other"	$352.00 (per gross acre)
Total	$53,393.27	$33,304.49	$15,653.11	$11,064.92	$12,875.03	$21,443.41	$12,680.29	$12,680.29	

* The General Plan fee is collected to reimburse the City for the costs associated with preparing and adopting the City's General Plan.
** The SOIMP fee is collected to reimburse the City for the costs associated with preparing and adopting the SOIMP.
*** ADU impact fees are only collected for ADUs that are 750 square feet or greater in floor area.

Additional fees may be required by outside agencies, such as sewer, water, school impact, and drainage fees. You are encouraged to contact the applicable agency to inquire about fee amounts. Some outside agency fees may be collected by the City and transferred to the applicable agency. For more information, see below:

- Contact Ironhouse Sanitary District at (925) 625-2279 for sewer connection fees.
- Contact Diablo Water District at (925) 625-3798 for water service hook-up fees.
- Contact Contra Costa County Flood Control and Water Conservation District at (925) 313-2000 for drainage impact fees.
- Contact Oakley Union Elementary School District at (925) 625-0700 for school impact fees for all parcels east of Empire Avenue.
- Contact Liberty Union High School District at (925) 634-2166 for school impact fees for all parcels east of Empire Avenue.
- Contact Antioch Unified School District at (925) 706-4100 for school impact fees for all parcels west of Empire Avenue.
- Contact Contra Costa Environmental Health at (925) 692-2500 for information on wells or septic systems.
- Contact Contra Costa County Fire Protection District at (925) 941-3300 for related impact fees.

STAFF REPORT

OAKLEY
CALIFORNIA

Approved and Forwarded to the City Council

DATE: December 12, 2023
TO: Joshua McMurray, City Manager
FROM: Jeri Tejeda, Administrative Services Director
SUBJECT: Consideration of a Resolution Repealing Resolution 103-19 and Designating a Board Member and an Alternate Board Member to the Municipal Pooling Authority of Northern California (MPA)

Background and Analysis

At a regular meeting on September 11, 2019, the City Council adopted a resolution that designated the Finance Director as the City's Board Member and the Assistant to the City Manager/Human Resources Manager as the City's Alternate Board Member to the MPA. Since the Finance Director and the Assistant to the City Manager/Human Resources Manager position are no longer positions within the City we are required to update our resolution.

Staff believes these positions should continue to be held by those that work most closely with risk management and workers compensation claims and therefore recommend designating the Human Resource Manager as the Board Member and the Administrative Services Director as the Alternate Board Member. Either or both positions can attend MPA meetings, and the Alternate Board Member can vote on behalf of the City at Board meetings when the Board Member is not present at such meetings.

Having the two positions mentioned above participate in the MPA is expected to expand their knowledge of risk management issues and provide further benefit to the City of Oakley in the form of higher awareness of safety and liability concerns and lower numbers of claims or incidents that result in harm to the City, its residents, or its employees.

Consistency with the Oakley Strategic Plan 27+

This agenda item is consistent with the Strategic Plan 27+ goal for the City of Oakley sustainable organization and fiscal and financial responsibility.

Fiscal Impact

There is no fiscal impact.

Staff Recommendation

Staff recommends the Council adopt a Resolution Repealing Resolution No. 103-19 and Designating a Board Member and an Alternate Board Member to the Municipal Pooling Authority of Northern California (MPA).

Attachments

1. Resolution

RESOLUTION NO. __-

A RESOLUTION OF THE OAKLEY CITY COUNCIL REPEALING RESOLUTION 103-19 AND DESIGNATING A BOARD MEMBER AND AN ALTERNATE BOARD MEMBER TO THE MUNICIPAL POOLING AUTHORITY OF NORTHERN CALIFORNIA

WHEREAS, the City Council of the Cit of Oakley is a member of the Municipal Pooling Authority of Northern California (MPA); and

WHERAS, the City Council previously adopted Resolution No. 103-19 designating the Finance Director as the City's Board Member and the Assistant to the City Manager/HR Manager as the City's Alternate Board member to the MPA; and

WHEREAS, the Finance Director and Assistant to the City Manager/HR Manager are no longer position titles for the City; and

WHEREAS, the Human Resources Manager and the Administrative Services Director continue to be most directly involved in risk management and worker's compensation; and

WHEREAS, the City would like to designate the Human Resources Manager as the Board Member and the Administrative Services Director as the Alternate Board Member.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Oakley does hereby repeal Resolution No. 103-19; and

BE IT FURTHER RESOLVED that the Human Resources Manager is hereby designated as the City's Board Member to the MPA, and the Administrative Services Director is hereby designated as the City's Alternate Board Member to the MPA.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 12th of December, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED: _____

MAYOR

ATTEST:

_____
Libby Vreonis, CITY CLERK

STAFF REPORT

OAKLEY
CALIFORNIA

Approved and Forwarded to the City Council

DATE: December 12, 2023
TO: Joshua McMurray, City Manager
FROM: Jeri Tejeda, Administrative Services Director
SUBJECT: Consideration of a Resolution approving the City's Investment Policy for Fiscal Year 2023/2024

Background and Analysis

California Government Code Section 53646 and good financial practice recommends that local agencies prepare a written investment policy and that the governing body review and approve the policy on an annual basis.

The Policy being presented continues to incorporate all sections and information as recommendation by the Association of Public Treasurers of the United States and Canada and the California Municipal Treasurers Association, for Fiscal Year 2023/2024. It identifies Safety, Liquidity and Return on Investment, in that order, as the City's Investment objectives; incorporates the "prudent investor" standard; and limits investments to those specifically approved by Government Code. Attached to this staff report is a red-lined copy of the proposed policy, showing the revisions that staff are recommending.

The attached proposed investment policy for Fiscal Year 2023/2024 includes changes that better align with the current practice of the City as well as updates the title of the Director, as during the reorganization of departments, the Finance Director title was eliminated.

Consistency with the Oakley Strategic Plan 27+

This agenda item is consistent with the Strategic Plan 27+ goal for the City of Oakley to leverage its financial resources for the long-term benefit of our residents and businesses while maintaining sufficient reserves to provide stability and ensure a successful future.

Fiscal Impact

There is no fiscal impact.

Staff Recommendation

Staff recommends the Council adopt the attached Resolution Approving the City's Investment Policy for Fiscal Year 2023/2024.

Attachments

1. Resolution
2. Statement of Investment Policy

RESOLUTION NO. __-

A RESOLUTION OF THE OAKLEY CITY COUNCIL APPROVING THE INVESTMENT POLICY FOR FISCAL YEAR 2023-2024

WHEREAS, the City Council has established, and each year approves an Investment Policy regarding the investment of the City's temporary idle cash; and

WHERAS, the Policy delegates authority for investing the City's funds to the Administrative Services Director; and

WHEREAS, the Policy specifies the City's investment objectives in accordance with California Law and provides a framework for managing and investing the City's funds in accordance with these objectives; and

WHEREAS, the Investment Policy itself requires the City's Investment Policy be reviewed and approved by the City Council each year; and

WHEREAS, the Administrative Services Director has reviewed the existing policy and recommends the City Council approve the attached policy for FY 2023-2024.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Oakley hereby approves the Investment Policy for FY 2023-2024 attached hereto as Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 12th of December, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED: _____
MAYOR

ATTEST:

_____
Libby Vreonis, CITY CLERK

CITY OF OAKLEY
STATEMENT OF INVESTMENT POLICY

1. Purpose:

This statement provides guidelines for the prudent investment of the temporary idle cash of the City of Oakley (hereafter referred to as City) and outlines the policies for maximizing the efficiency of the City's cash management system. The goal is to enhance the economic status of the City while protecting its pooled cash.

2. Scope:

This Investment Policy (Policy) applies to all financial assets of the City. For purposes of this Policy, the City of Oakley includes the City, as Successor Agency to the Oakley Redevelopment Agency, and the Oakley Financing Authority, which are component units of the City of Oakley, controlled by the City Council, share the same administrative services of the City, and are "related entities" of the City. These funds are accounted for in the City's Annual Comprehensive Financial Report and include:

General Fund
Special Revenue Funds
Debt Service Funds
Capital Project Funds
Internal Service Funds
Trust and Agency Funds

The investment of bond proceeds held with trustees is directed by the City, but is governed by the restrictions on permitted investments in the applicable bond indenture or similar agreements.

The City retirement plans are with the California Public Employees Retirement System, and the City has no authority or oversight over the investments in any of the plans. Further, the City administers a deferred compensation plan through the ICMA-Retirement Corporation (ICMA-RC). Assets held in the ICMA plan are held in trust for the participants and are not assets managed by the City. The City does not have any authority over the investments held in these trusts.

3. Policy:

The City's cash management system should accurately monitor and forecast expenditures and revenues and allow the City to invest funds to the fullest extent possible, subject to the City's investment objectives, as described below.

4. Objectives:

The primary objectives, in priority order, of the City's investment activities shall be:

4.1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required (as described in more detail in Sections 9 and 12 of this Policy).

4.2. Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

4.3. Return on investment: The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

5. Prudence

In accordance with California Government Code ("CGC") §53600.3, the Administrative Services Director or designee, who are authorized to make investment decisions on the City's behalf, are trustees and therefore fiduciaries subject to the "prudent investor standard":

"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

6. Delegation of Authority:

Authority to manage the City's investment program is derived from the California Government Code Sections 53600 through 53609. Management responsibility for the investment program is hereby delegated to the Administrative Services Director (Director), who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements,

collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the established procedures. The Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The Director may also delegate investment decision making and execution authority to an investment advisor. The advisor shall follow the Investment Policy and such other written instructions as are provided. Independently of the City's relationship with its investment advisor, the Director maintains the authority to purchase securities on behalf of the City, provided that they comply with the Investment Policy.

7. Ethics and Conflicts of Interest:

The investment responsibility carries with it the added duties of ensuring that investments placed are done so without the appearance of improper influence. Finance personnel involved in the investment function shall adhere to the state's Code of Economic Interest and to the following:

7.1. All persons authorized to place or approve investments shall annually submit a Statement of Economic Interest, also known as the Form 700. The Form 700 provides necessary information to the public about an official's personal financial interests to ensure that officials are making decisions in the best interest of the public and not enhancing their personal finances. Additional guidance on disclosing potential conflicts of interest is available on the California Fair Political Practices Commission website.

7.2. Maintaining the Public Trust: All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the City of Oakley's ability to govern effectively.

8. Authorized Financial Dealers and Institutions:

Should the City engage in investments outside of the use of savings, money market funds, and policy compliant investment pools (LAIF and CalTrust, etc.), the Director will establish and maintain a list of financial institutions authorized to provide investment services, and a list of approved security broker/dealers selected by credit worthiness, who maintain an office in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange

Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by State laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions on the Director's list, must supply the Director with the following: Proof of National Security Dealers certification, trading resolution, proof of State of California registration, personal resume, certification of having read the City's investment policy, and depository contracts. In addition, a current audited financial statement is required to be on file for each financial institution and broker/dealer through which the City invests.

At a minimum, the task of maintaining a list of financial institutions and approved security broker/dealers shall include the Director's annual review of the financial condition and registrations of qualified bidders.

Before engaging in investment transactions with a broker/dealer, the Director shall have received from said firm a signed letter, attesting that the individual responsible for the City's account with that firm has reviewed the City of Oakley's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the City that are appropriate under the terms and conditions of the Investment Policy.

If the City has an investment advisor, the investment advisor may use its own list of authorized broker-dealers to conduct transactions on behalf of the City.

Purchase and sale of securities will be made on the basis of competitive bids and offers with a minimum of three quotes being obtained, when practicable.

9. Authorized & Suitable Investments:

Investment of City funds is governed by the California Government Code Sections 53600 et seq. Within the investments permitted by the Government Code, the City seeks to further restrict eligible investment to the investments listed below. In the event an apparent discrepancy is found between this Policy and the Government Code, the more restrictive parameters will take precedence. The maximum allowable percentage limits and minimum credit quality requirements listed below apply at the time the security is purchased.

Credit criteria listed in this section refers to the credit quality of the issuing organization at the time the security is purchased. In the event of a downgrade below the minimum credit rating requirements listed below, the investment advisor, if so designated, must notify the Director of such downgrade within 15 days of the downgrade and will use their best professional judgment to determine the appropriate course of action.

Within the context of such limitations, the following investments are authorized, subject to the restrictions and limitations below:

Investment Type	Maximum Maturity	Maximum Allowable % of Portfolio	Minimum Credit Quality Requirements	Gov't Code Section
Medium-Term Notes	5 years	30%	"A" or equivalent by an NRSRO	53601(k)
Mutual Funds	NIA	20% (10% per fund)	"AAA" or equivalent by two NRSROs or investment advisor requirements	53601(1)(1)
Money Market Mutual Funds	NIA	20%	"AAA" or equivalent by tow NRSROs or investment advisor requirements	53601(1)(2)
Asset-backed securities	5 years	20%	"AA" or equivalent by an NRSRO	53601(0)
Local Agency Investment Fund (LAIF)	NIA	None	None	16429.1
Shares of beneficial interest in a Joint Powers Authority (e.g. Investment Trust of California (CalTRUST) or California Asset Management Program (CAMP))	NIA	None	None	53601(p)
Supranational Obligations	5 years	30%	"AA" or equivalent by an NRSRO	53601(q)
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)

State Obligations-CA and Others	5 years	None	"A" or equivalent by an NRSRO	53601(d)
CA Local Agency Obligations	5 years	None	"A" or equivalent by an NRSRO	53601(e)
U.S. Agency/Government Sponsored Enterprise Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40%	None	53601(g)
Commercial Paper-Non-Pooled Funds	270 days or less	25%	"A-1" or equivalent by an NRSRO	53601(h)
Commercial Paper-Pooled Funds	270 days or less	40%	"A-1" or equivalent by an NRSRO	53635(a)(l)
Negotiable Certificates of Deposit	5 years	30%	"A" or equivalent by an NRSRO	5360l(i)
Placement Service Certificates of Deposit	5 years	50%	FDIC or NCUA coverage	53601.8 and 53635.8
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Medium-Term Notes	5 years	30%	"A" or equivalent by an NRSRO	53601(k)
Mutual Funds	*NIA*	20% (10% per fund)	"AAA" or equivalent by two NRSROs or investment advisor requirements	53601(1)(1)
Money Market Mutual Funds	*NIA*	20%	"AAA" or equivalent by two NRSROs or investment advisor requirements	53601(1)(2)

Asset-backed securities	5 years	20%	"AA" or equivalent by an NRSRO	53601(0)
Local Agency Investment Fund (LAIF)	*NIA*	None	None	16429.1
Shares of beneficial interest in a Joint Powers Authority (e.g. Investment Trust of California (CalTRUST) or California Asset Management Program (CAMP))	*NIA*	None	None	53601(p)
Supranational Obligations	5 years	30%	"AA" or equivalent by an NRSRO	53601(q)

NRSRO = Nationally Recognized Statistical Ratings Organization

Prohibited Investments: Under the provisions of Government Code Sections 53601.6 and 53631.5, the City shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest only strips derived from mortgage pools or any investment that may result in a zero-interest accrual if held to maturity.

Notwithstanding the prohibitions in the above paragraph, the City may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. The City may hold these instruments until their maturity dates.

10. Collateralization:

Collateralization will be required on investments in certificates of deposit (excluding negotiable certificates of deposit) over $250,000. Repurchase agreements are authorized and suitable investments, per California Code. However, the City does not choose to include them in its list of authorized and suitable investments, at this time. If repurchase agreements were included in the list, they would also require collateralization. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be one hundred two percent (102%) of

market value of principal and accrued interest.

Collateral must be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained.

The right of collateral substitution is granted.

11. Safekeeping and Custody:

All security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Director and evidenced by safekeeping receipts. For the investments that are managed by PFM, the Director has designated US Bank, who is tied to CAMP investments, as the third-party custodian. All CAMP-tied IPs have US Bank as their custodian and all securities are held there with CAMP being the sweep vehicle and keeper of cash. US Bank is the custodian for the City's assets, and the City of Oakley believes that this arrangement with the City's third-party investment manager (PFM) satisfies the safekeeping and custody requirements of this policy

12. Diversification:

The City will diversify its investments by security type and institution. Except as provided below, no more than five percent (5%) of the City's portfolio may be invested in any one institution, regardless of sector. The types of investments which are excluded from this limitation are:

- United States Treasury and federal agency/government-sponsored enterprise obligations,
- Supranational obligations,
- Bank certificates of deposit,
- Other certificates of deposit, and
- Money market funds and other pooled investment vehicles, including LAIF and shares of a JPA.

13. Maximum Maturities:

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless approved by the City Council at least three months prior to investment, the City will not directly invest in securities maturing more than 5 years from the date of purchase.

14. Reporting:

The Director is charged with the responsibility of including investment activities in the City's Annual Comprehensive Financial Report. Additionally, the Director shall provide a quarterly listing of investment transactions and a quarterly investment report to the City Council.

The quarterly investment report shall include the following information for each individual investment: description of investment instrument, issuer name, maturity date, credit rating, coupon rate, yield, purchase price, par value, book value, current market value and the source of the valuation. The quarterly investment report shall also state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance and include a statement denoting the City's ability to meet its expenditure requirements for the next six months or provide an explanation as to why sufficient money may or may not be available.

15. Investment Policy Review:

The City's investment policy shall be reviewed by the Director and adopted by resolution annually by the City Council.

16. Other Constraints:

The City shall operate its investment portfolio within the many State and self-imposed constraints. It shall buy no stocks, shall not speculate, nor shall it deal in futures or options, or buy on margin. The City will not purchase inverse floaters, range notes, interest only strips or any security having an interest rate derived from an index, commodity price or other variable i.e. securities commonly known as derivatives.

17. Investment Pools/Mutual Funds

A thorough investigation of any pooled investment program and/or mutual fund is required prior to investing and on a continual basis. There shall be a questionnaire developed which will request the following information:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of how interest is calculated and distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, and what size of deposits and withdrawals are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves or retained earnings utilized?
- A fee schedule and method for assessing fee.
- Does the pool accept bond proceeds?

18. Internal Controls

The Director is responsible for establishing and maintaining a system of internal controls to ensure that City assets are protected from loss arising from fraud, employee error, imprudent actions, theft or misuse, and to ensure compliance with this Policy, City-mandated procedures and federal and state laws. An internal control structure should include written procedures that encompass the following principles:

- Segregation of duties,
- Explicit delegation of authority and responsibility,
- Timely reconciliation and balancing,
- Documentation, recording, and record keeping,
- Management control and oversight,
- Dual or secondary authorization.

The control structure should cover timely projections of cash flow and funding needs, cash collection and disbursements, wire transfers, anti-theft and anti-fraud practices, depository and custody services, collateral management, broker/dealer services, trading and confirmation, and master repurchase agreements (if appropriate).

It should be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

As part of its annual audit, the City's auditor will review compliance with statues, policies and procedures.

19. Performance Standards

The investment portfolio shall be designed with the objective of principal preservation, liquidity and obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

In evaluating the performance of the City's portfolio in compliance with this Policy, it is expected that the City shall establish an appropriate performance benchmark and compare the total return of its portfolio to the total return of the benchmark.

The policy recognizes that reporting on a market basis will periodically cause market gains or losses to be reported. In most instances, such gains or losses will

not be realized since individual securities may be held to maturity. However, it is also recognized that in the course of managing the City's investment portfolio, realized losses may be incurred from time to time as part of an actively managed portfolio strategy, if deemed appropriate and if such losses are incurred with the greater goal of purchasing new securities which are expected to produce higher earnings (net of realized losses) over time, or of improving the portfolio's overall credit quality or positioning.

Glossary of Investment Policy Terms

Amortization of Costs: Reconciliation of the purchase price of a security and par value resulting in net interest.

Bank Deposit: Deposits in banks or other depository institutions that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest

Bankers' Acceptance: A draft or bill or exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

Benchmark: A passive index used to compare the performance, relative to risk and return, of an investor's portfolio.

Book Value: The value at which an asset is carried on a balance sheet.

Broker: A person or firm that acts as an intermediary by purchasing and selling securities for others rather than for its own account.

California Asset Management Program (CAMP): A pooled asset management program (joint powers authority) for California public agencies with professional investment services provided by PFM Asset Management LLC.

Cash Flow: A comparison of cash receipts (revenues) to required payments (debt service, operating expenses, etc.).

Certificate of Deposit (CD): A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period.

CD Placement Service: A service that allows local agencies to purchase more than $250,000 in CDs from a single financial institution while still maintaining FDIC insurance coverage.

Collateral: Securities, evidence of deposit or other property, which borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Collateralization of Deposit: Process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing the repayment of deposited funds.

Commercial Paper (CP): An unsecured short-term promissory note issued by corporations or municipalities, with maturities ranging from 2 to 270 days.

Comprehensive Annual Financial Report (CAFR): The official annual report for the City. It includes combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

County Pooled Investment Funds: The aggregate of all funds from public agencies placed in the custody of the county treasurer or chief finance officer for investment and reinvestment.

Coupon: The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Rating: Various alphabetical and numerical designations used by credit rating or nationally recognized statistical rating organizations (NRSROs), institutional investors, Wall Street underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness.

Long-term Ratings

The three most commonly used NRSROs are Standard & Poor's, Fitch Ratings, and Moody's. Standard & Poor's and Fitch Ratings use the same system, starting with their highest rating, of AAA, AA, A, BBB, BB, B, CCC, CC, C, and D for default. Moody's Investors Service uses Aaa, Aa, A, Baa, Ba, B, Caa, and Ca.

The top four letter categories are considered investment grade ratings.

Each of the services use pluses (+), minuses (-), or numerical modifiers to indicate steps within each category. The S&P ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier **1** indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Short-term Ratings

Standard & Poor's short-term ratings system is A-1+, A-3, B, C, and/ for default. Fitch Ratings use Fl+, F3, B, C, and/ for default. Finally, Moody's uses Pl and P3, anything below P3 is considered not prime.

Credit Risk: The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of an issuer/borrower's credit will cause the market value of a security to fall, even if default is not expected.

Custodian: A bank or other financial institution that keeps custody of stock certificates and other assets.

Dealer: Someone who acts as a principal in all transactions, including underwriting, buying, and selling securities, including from his/her own account.

Default Risk: The risk that issuers/borrowers will be unable to make the required payments on their debt obligations.

Delivery vs. Payment: The payment of cash for securities as they are delivered and accepted for settlement.

Diversification: The allocation of different types of assets in a portfolio to mitigate risks and improve overall portfolio performance.

Duration: Indicator of the effect of an interest rate change on a bond price. The longer the duration, the greater the expected change in a portfolio's value when interest rates change.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per entity.

Financial Industry Regulatory Authority (FINRA): FINRA is the successor to the National Association of Securities Dealers (NASD) and the member regulation, enforcement and arbitration operations of the New York Stock Exchange. It is a non-governmental organization that regulates member brokerage firms and exchange markets. The government agency which acts as the ultimate regulator of the securities industry, including FINRA, is the Securities and Exchange Commission.

Government Sponsored Enterprises (GSE): Privately held corporations with public purposes created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy. Securities issued by GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries. Examples of GSEs currently include: Federal Home Loan Bank System (FHLB), Federal Farm Credit Banks Funding Corporation (FFCB), Federal Home Loan Mortgage Corporation (FHLMC), and the Federal National Mortgage Association (FNMA).

Interest: The amount a borrower pays to a lender for the use of his or her money.

Interest Rate Risk: Interest rate risk is the risk that an investment's value will change due to a change in the absolute level of interest rates, spread between two rates, shape of the yield curve, or any other interest rate relationship.

Liquidity: The measure of the ability to convert an instrument to cash on a given date at full face or par value.

Liquidity Risk: The risk that a security, sold prior to maturity, will be sold at a loss of value. For a local agency, the liquidity risk of an individual investment may not be as critical as how the overall liquidity of the portfolio allows the agency to meet its cash needs.

Local Agency Investment Fund (LAIF): A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

Market Risk: The chance that the value of a security will decline as interest rates rise. In general, as interest rates fall, prices of fixed income securities rise. Similarly, as interest rates rise, prices fall. Market risk also is referred to as systematic risk or risk that affects all securities within an asset class similarly.

Market Value: The price at which a security is trading and presumably could be purchased or sold at a particular point in time.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase/reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer/lender to liquidate the underlying securities in the event of default by the seller/borrower.

Maturity: The date on which the principal or stated value of an investment becomes due and payable.

Medium Term Note: Corporate or depository institution debt securities meeting certain minimum quality standards (as specified in the California Government Code) with a remaining maturity of five years or less.

Money Market Mutual Funds: A sub-type of mutual funds that invest exclusively in short-term money market instruments. Seek the preservation of capital as a primary goal while maintaining a high degree of liquidity and providing income representative of the market for short- term investments.

Mutual Fund: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

National Credit Union Administration (NCUA): an independent federal agency that insures deposits at federally insured credit unions, currently up to $250,000.

Nationally Recognized Statistical Rating Organization (NRSRO): A rating organization designated by the SEC as being nationally recognized.

Negotiable Certificates of Deposit: Generally, short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable CDs mature within six months while the average maturity is two weeks. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). Negotiable CDs are insured by FDIC up to $250,000, but they are not collateralized beyond that amount.

Non-Negotiable Certificates of Deposit: CDs that carry a penalty if redeemed prior to maturity. A secondary market does exist for non-negotiable CDs, but redemption includes a transaction cost that reduces returns to the investor. Non-negotiable CDs issued by banks and savings and loans are insured by the Federal Deposit Insurance Corporation up to the amount of $250,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral through an agreement between the investor and the issuer. Collateral may include other securities including Treasuries or agency securities such as those issued by the Federal National Mortgage Association.

Par Amount or Par Value: The principal amount of a note or bond which must be paid at maturity. Par, also referred to as the "face amount" of a security, is the principal value stated on the face of the security. A par bond is one sold at a price of 100 percent of its principal amount.

Portfolio: Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

Premium: Premium means the difference between the par value of a security and the cost of the security, when the cost is above par. Investors pay a premium to purchase a security when the return to the investor (yield) is lower than the stated coupon (interest rate) on the investment.

Price: Price is the amount of monetary consideration required by a willing seller and a willing buyer to sell an investment on a particular date.

Principal: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prudent Investor Standard: A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is being met is if a prudent person acting in such a situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

Public Bank: A corporation, organized as either a nonprofit mutual benefit corporation or a nonprofit public benefit corporation for the purpose of engaging in the commercial banking business or industrial banking business that is wholly owned by a local agency, as specified, local agencies, or a joint powers authority.

Qualified Public Depository: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price.

Repurchase Agreement: An agreement of one party (for example, a financial institution) to sell securities to a second party (such as a local agency) and simultaneous agreement by the first party to repurchase the securities at a specified price from the second party on demand or at a specified date.

Safekeeping: Offers storage and protection of assets provided by an institution serving as an agent.

Safety: In the context of investing public funds, safety relates to preserving the principal of an investment in an investment portfolio; local agencies address the concerns of safety by controlling exposure to risks.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Supranational Institutions: International institutions formed by two or more governments that transcend boundaries to pursue mutually beneficial economic or social goals. There are three supranational institutions that issue obligations that are eligible investments by California local agencies: the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB).

Total Return: Total return includes interest, realized gains and losses, and unrealized gains and losses over a given period of time.

U.S. Agency Obligations: Bonds issued by agencies of the Federal government set up to supply credit to various classes of institutions. Examples include the Small Business Administration (SBA) and the Government National Mortgage Association (Ginnie Mae). The timely payment of principal and interest on federal agency bonds are explicitly backed by the "full credit and faith and credit of the U.S. government," whereas government-sponsored enterprise (CSE) obligations receive the de facto backing of the federal government. Nevertheless, both U.S. agency obligations and government-sponsored enterprise obligations trade similarly and are often generally referred to collectively as "federal agency" obligations.

U.S. Treasury Obligations: Debt obligations of the U.S. Government sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

Weighted Average Maturity: The average maturity of all the securities that comprise a portfolio, typically expressed in days or years.

Yield: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

DATE: December 14, 2023
TO: City Council
FROM: Joshua McMurray, City Manager
SUBJECT: Approval of a Modified Response to Civil Grand Jury Report No. 2306, Affordable Housing, "A Plan Without a Home"

Approved and Forwarded to the City Council

Background and Analysis

The City Council approved the City's response to The Contra Costa County Civil Grandy Jury issued Civil Grand Jury Report No. 2306, Affordable Housing, "A Plan Without a Home" on September 12, 2023. That response was provided to the Civil Grand Jury on September 13, 2023. The Civil Grand Jury sent the attached letter on November 16, 2023, stating that two of the City responses needed further clarification. Specifically, the City stated two areas "requires further analysis". The response did not provide a date in which the analysis would be completed. Per Penal Code Section 933.05, the analysis needs to be completed within 6 months of the report date, which was June 14, 2023. That would require the analysis to be completed by December 14, 2023. Staff has had time to review the responses again, conduct additional analysis and has prepared the attached response which differs from the previously submitted response but captures our analysis of the two recommendations.

Consistency with the Oakley Strategic Plan 27+

These responses are consistent with the Strategic Plan 27+ Community and Economic Development goal.

Fiscal Impact

Costs include staff time to review and prepare the response to the Grand Jury Report.

Staff Recommendation

Approve the draft modified response to the Grand Jury Report and authorize the City Manager to send the response to the Civil Grand Jury.

Attachments

1. September 12, 2023 Staff Report
2. November 16, 2023 Letter from the 2023-2024 Civil Grand Jury Foreperson
3. Draft Response from the City of Oakley

DATE: August 21, 2023
TO: City Council
FROM: Joshua McMurray, City Manager
SUBJECT: Approval of Response to Civil Grand Jury Report No. 2306, Affordable Housing, "A Plan Without a Home"

Approved and Forwarded to the City Council

Background and Analysis

The California Constitution established civil grand juries in each county. The California Code includes provisions on the formation of civil grand juries and their powers and duties. With respect to public agencies, civil grand juries are authorized to "investigate and report upon the operations, accounts, and records of the officers, departments, functions, and the method or system of performing the duties of any such city or joint powers agency and make such recommendations as it may deem proper and fit" (California Penal Code section 925a). The Penal Code also stipulates that a written response will be provided by the city or joint powers agency within 90 days after the civil grand jury submits a report.

The Contra Costa County civil Grandy Jury recently issued Civil Grand Jury Report No. 2306, Affordable Housing, "A Plan Without a Home" that requires a response from the City of Oakley.

Staff has prepared the attached response.

Consistency with the Oakley Strategic Plan 27+

These responses are consistent with the Strategic Plan 27+ Community and Economic Development goal.

Fiscal Impact

Costs include staff time to review and prepare the response to the Grand Jury Report.

Staff Recommendation

Approve the draft response to the Grand Jury Report and authorize the City Manager to send the response to the Civil Grand Jury.

Attachments

1. Contra Costa Civil Grand Jury Report 2306
2. Draft Response from the City of Oakley

Grand Jury

Contra
Costa
County

725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

June 22, 2023

Oakley City Council
3231 Main Street
Oakley, CA 94561

RE: Revised due date.

Dear Oakley City Council:

Attached is a copy of Grand Jury Report No. 2306, Affordable Housing: "A Plan Without a Home" prepared by the 2022-2023 Contra Costa County Civil Grand Jury.

In accordance with California Penal Code Section 933 et seq., we are submitting this report to you as the officer, agency, or department responsible for responding to the report. Please respond to the Findings and Recommendations as they apply to your agency. Please also confirm in writing that the person responding to the report is authorized to do so. As the responding person or person responding on behalf of an entity, please indicate one of the following actions with respect to each finding:

(1) You agree with the finding.
(2) You disagree with the finding.
(3) You partially disagree with the finding.

(Pen. Code, § 933.05(a).) In the cases of both (2) and (3) above, please specify the portion of the finding that is disputed and include an explanation of the reasons therefor.

In addition, Section 933.05(b) requires you to reply to each recommendation by stating one of the following actions:

1. The recommendation has been implemented, with a summary describing the implemented action.

2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.

3. The recommendation requires further analysis. This response should explain the scope and parameters of the analysis or study, and a time frame for the matter to be prepared for discussion. This time frame shall not exceed six months from the date of the publication of the Grand Jury Report.

4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof.

The Penal Code also prescribes the obligations of a governing board or elected county official with regard to responding to the grand jury's findings and recommendations. Specifically, if the report contains one or more recommendations directed to you as an elected county official, or to the governing board of which you are a member, you must respond to these recommendations and to the supporting findings, as directed in the report.

After reviewing the response to ensure that it includes the above-noted mandated items, please send (1) a hard copy of the response to the Grand Jury at P.O. Box 431, Martinez, CA 94553; and (2) an electronic copy by e-mail to ctadmin@contracosta.courts.ca.gov. The response must be submitted to the Grand Jury no later than **September 13, 2023**.

Finally, please note that this report is provided at least two working days before it is released publicly. Section 933.05 specifies that no officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to its public release.

Please immediately confirm receipt of this letter and the attached report by responding via e-mail to ctadmin@contracosta.courts.ca.gov.

Sincerely,

Cynthia Roberts, Foreperson
2022-2023 Contra Costa County Civil Grand Jury

cc: Joshua McMurray, City Manager

Grand Jury

Contra
Costa
County

725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

June 16, 2023

Oakley City Council
3231 Main Street
Oakley, CA 94561

Dear Oakley City Council:

Attached is a copy of Grand Jury Report No. 2306, Affordable Housing: "A Plan Without a Home" prepared by the 2022-2023 Contra Costa County Civil Grand Jury.

In accordance with California Penal Code Section 933 et seq., we are submitting this report to you as the officer, agency, or department responsible for responding to the report. Please respond to the Findings and Recommendations as they apply to your agency. Please also confirm in writing that the person responding to the report is authorized to do so. As the responding person or person responding on behalf of an entity, please indicate one of the following actions with respect to each finding:

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Please immediately confirm receipt of this letter and the attached report by responding via e-mail to ctadmin@contracosta.courts.ca.gov.

Sincerely,

Cynthia Roberts, Foreperson
2022-2023 Contra Costa County Civil Grand Jury

cc: Joshua McMurray, City Manager

Affordable Housing

A Plan Without a Home

2022-2023
Contra Costa County
Civil Grand Jury
Report 2306
June 14, 2023

A REPORT BY
THE 2022-2023 CONTRA COSTA COUNTY CIVIL GRAND JURY
725 Court Street
Martinez, California 94553

Report 2306

Affordable Housing

A Plan Without a Home

APPROVED BY THE GRAND JURY

Date 6-14-2023

CYNTHIA ROBERTS
GRAND JURY FOREPERSON

ACCEPTED FOR FILING

Date 6-14-2023

Hon. JILL C. FANNIN
JUDGE OF THE SUPERIOR COURT

Contact: Cynthia Roberts
Foreperson
(925) 608-2621

Contra Costa County Grand Jury Report 2306

Affordable Housing

A Plan Without a Home

TO:
Contra Costa County Board of Supervisors
City Councils for All Cities in Contra Costa County

Affordable Housing
A Plan Without a Home

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GLOSSARY AND ABBREVIATIONS

ABAG	Association of Bay Area Governments
AH	Affordable Housing
Allocations	State-issued housing goals by income category that must be planned for and included in each County and city housing element plan
AMI	Area Median Income – Refer to Table 1
Builder's Remedy	A provision found in California's Housing Accountability Act (HAA) that allows developers of affordable housing projects to bypass the zoning code and general plan of cities that are out of compliance with the Housing Element Law.
Extremely Low Income	30% or less of area AMI
HEP	Housing Element Plans
HCD	The State Department of Housing and Community Development
Inclusionary Housing Ordinance	Regulation, when adopted by a city or the County, requires new residential developments to include a minimum percentage of very low-, low-, and moderate-income households into residential developments of five units or more (generally 15%)
Low Income (LI)	50- 80% or less of area AMI.
RDA	Redevelopment Agency - dedicated to urban renewal.
RHNA	Regional Housing Needs Allocation
Measure X Housing Fund	Contra Costa County's 20-year, $12 million annual share of Measure X ½ cent sales tax to be used for housing & services.
NIMBY	Not in my back yard
SB 35	California Senate Bill 35 streamlines the housing construction process for cities and counties that fail to build enough housing to meet state-mandated requirements for very low- and low-income households.
Very Low Income (VLI)	30-50% of area AMI. Qualifications for this designation are based on the collective income of all the persons in a household (total household income).

Affordable Housing
A Plan Without a Home

SUMMARY

The civil grand jury began this investigation to understand how Contra Costa County is addressing the need for affordable housing. We started by reviewing California Housing and Community reports titled Regional Housing Needs Allocation (RHNA) results for the County. These reports, issued at the end of each Housing Element cycle, show housing permits issued for various resident income classification groups against state mandated targets. Each city plus unincorporated County areas of responsibility results are listed. Appendix 3 comprises results for the past 3 Housing Element cycles plus targets for the latest cycle 2023-2031.

After reviewing these reports, we realized that most cities and our County were not providing the required number of housing permits primarily for very low- and low-income resident housing. Close examination of these reports reveals the scale and accelerated progression of missed targets. Additionally, these reports show that the very low- and low-income resident categories reflect the largest percentage of missed RHNA and plan targets over the past 20 years.

Based on these initial findings, we focused our efforts on housing for residents classified as very low or low income. We wanted to understand who in local government is responsible for implementation of approved housing plans and why were those plans failing to address permit targets for very low- and low-income residents. What are the drivers/obstacles behind these missed targets, and what actions were being taken to increase the availability of affordable housing for these residents throughout our County.

What we found was that although there is ownership for the creation and approval of Housing Elements that address affordable housing targets, we could not find clear assigned responsibility inside local government to implement plans after approval. This problem, combined with the myriad of challenging obstacles outlined in this report has translated into years of missed targets for residents classified as very low or low income. Without significant changes to how local governments address affordable housing, cities and the County risk the imposition of State mandated solutions that bypass local development protocols. This report is a summation of our work, findings and recommendations for improvement.

METHODOLOGY

Documents

The grand jury reviewed numerous documents from local, County, regional, and State agencies. For a comprehensive list see the References section of this document.

Interviews

The grand jury conducted interviews with city and County leaders knowledgeable about the housing development process in the west, central and east County cities. We also interviewed:

- developers that specialize in affordable housing construction projects
- leaders with experience in addressing housing development issues
- various staff members with housing responsibilities

Affordable Housing
A Plan Without a Home

BACKGROUND

The housing element cycle was introduced in 1969, when the California State Legislature passed laws requiring that all cities and counties adequately plan to meet the housing needs of people at all income levels in the community. California's local governments meet this requirement by adopting housing plans as part of their "general plan" (also required by the state).

The process involves significant planning from experts in local government, and citizens are asked proactively for input on these proposed plans before being submitted to the State for approval. The Department of Housing and Community Development (HCD) approves all HEPs. The role of the state, besides approval of each HEP, is to identify the total number of homes required by resident income classification so that cities and counties can include these numbers in their HEPs. These numbers are required to be included in each city and County HEP. Determining individual income classifications is a County-specific exercise. It starts with a determination of County Area Median Income (AMI). As noted in Table 1 below, the state defines for each County, which is then extrapolated into specific resident income classifications.

After development of housing allocation numbers by HCD, the data is passed down to the regional authority, the Association of Bay Area Governments, (ABAG), as a Regional Housing Need Determination (RHND). This is the first step in California's process to plan for the housing needs in each region of the state. It is RHND's responsibility to also track permits issued against allocation targets in each Housing Element Plan (HEP). This tracking of progress against targets is communicated through ABAG issued reports (Appendix 3).

The next step, allocation, is also the role of the regional authority, ABAG. It is their responsibility to allocate a share of the RHND housing numbers to each city and County as a Regional Housing Need Allocation (RHNA). These numbers are broken out by resident income, classified as very low income, low income, moderate income and above moderate income.

The next two tables reflect Contra Costa County's average median income, occupation, and wages of some of the County residents. We wanted to understand who in our community is part of the very low- and low-income groups. We realized that we all probably know someone who may be impacted by the shortage of affordable housing in the County.

Table 1 below, from the California Department of Housing and Community Development website, shows the state definition of income limits for residents in Contra Costa County based on the calculation of the average median income (AMI). AMI is based on the collective income of all the persons in a household (total household income).

Table 1: 2022 State Income Limits by Household

2022 State Income Limits

Contra Costa County

Income Limits by Household Size - Effective May 13, 2022

Median Family Income - $142,800

Persons per Household	Acutely Low Income 15% AMI	Extremely Low Income 30% AMI	Very Low Income 50% AMI	Low Income 80% AMI	Median Income	Moderate Income 120% AMI
1	$15,000	$30,000	$50,000	$76,750	$99,950	$119,950
2	$17,100	$34,300	$57,150	$87,700	$114,250	$137,100
3	$19,250	$38,600	$64,300	$98,650	$128,500	$154,200
4	$21,400	$42,850	$71,400	$109,600	$142,800	$171,350
5	$23,100	$46,300	$77,150	$118,400	$154,200	$185,050
6	$24,800	$49,750	$82,850	$127,150	$165,650	$198,750
7	$26,550	$53,150	$88,550	$135,950	$177,050	$212,450
8	$28,250	$56,600	$94,250	$144,700	$188,500	$226,200

For Inclusionary Housing, Density Bonus, and calculating rents and for-sale prices
Income Limits from 2022 State Income Limits from the Department of Housing and Community Development
State Income Limits apply to designated programs, are used to determine applicant eligibility (based on the level of household income) and may be used to calculate affordable housing costs for applicable housing assistance programs. Use of State Income Limits are subject to a particular program's definition of income, family, family size, effective dates and other factors. In addition, definitions applicable to income categories, criteria, and geographic areas sometimes differ depending on the funding source and program, resulting in some programs using other income limits.

Table 2 below contains data from govsalaries.com. It identifies by occupation some of the County occupations that fall into the very low- and low-income classifications as well as a few occupations that are just over the threshold, falling into the median income group.

Table 2: 2022 CCC Wages, Rent to Income, AMI Status

Occupation	Mean Annual Wage (2022)	% of Monthly Income Needed for a 2-Bedroom Unit	% of Monthly Income Needed for a 3-bedroom Unit	Income Status - % of AMI *
Food Service Worker	$36,488	87%	113%	Extremely Low (<30% AMI)
Dishwasher	$38,853	82%	107%	Extremely Low
Hairdressers	$42,203	75%	98%	Extremely Low
Retail Salespersons	$43,018	74%	97%	Very Low (50% AMI)
Security Guards	$45,998	69%	90%	Very Low
Receptionists and Information Clerks	$46,833	68%	89%	Very Low
Preschool Teachers	$46,103	69%	90%	Very Low
Medical Assistants	$59,313	54%	70%	Very Low
Education and Childcare Administrators	$66,492	48%	62%	Very Low
Licensed Practical and Licensed Vocational Nurses	$78,255	41%	53%	Low (80% AMI)
Education Teachers, Postsecondary	$91,041	34%	46%	Low
Police and Sheriff's Patrol Officers	$126,289	25%	33%	Median
Computer and Mathematical Occupations	$132,023	24%	32%	Median

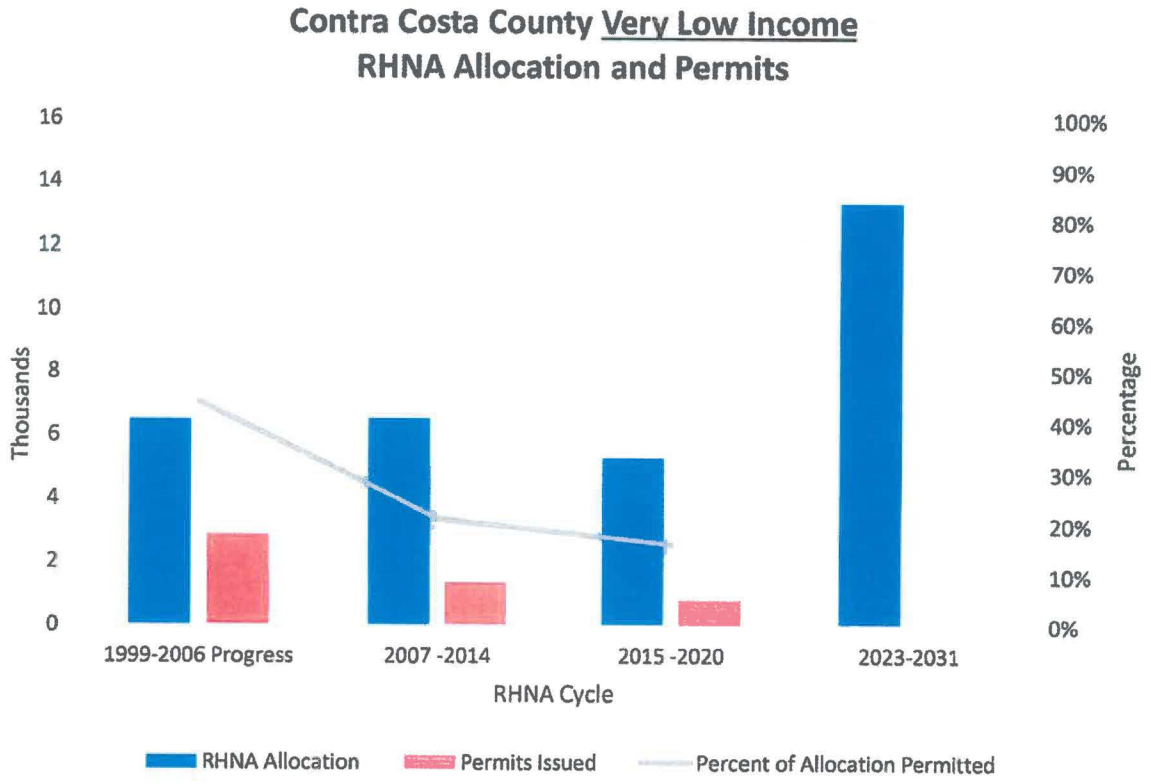
In addition to residents in these occupational categories, a lack of very low- and low-income affordable housing impacts senior County residents (over the age of 65). Seniors are one of the fastest growing population segments in the County. The most recent US Census for the County indicates that 6.7 percent of the total population, over 200,000 residents, is over the age of 65, an increase of 12.5 percent since 2010. The California Department of Aging projects that this group of residents will grow by over 150 percent by 2060.

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The next two charts contain data extracted from published ABAG housing reports (Appendix 3). They highlight the disappointing results in housing permits issued against mandated allocations for very low- and low-income residents.

Chart 1 shows a 21-year decline in the percentage of permits issued for very low-income residents, even as allocation targets stayed relatively flat. For the upcoming 2023-2031 allocation cycle for very low-income housing, allocations have tripled.

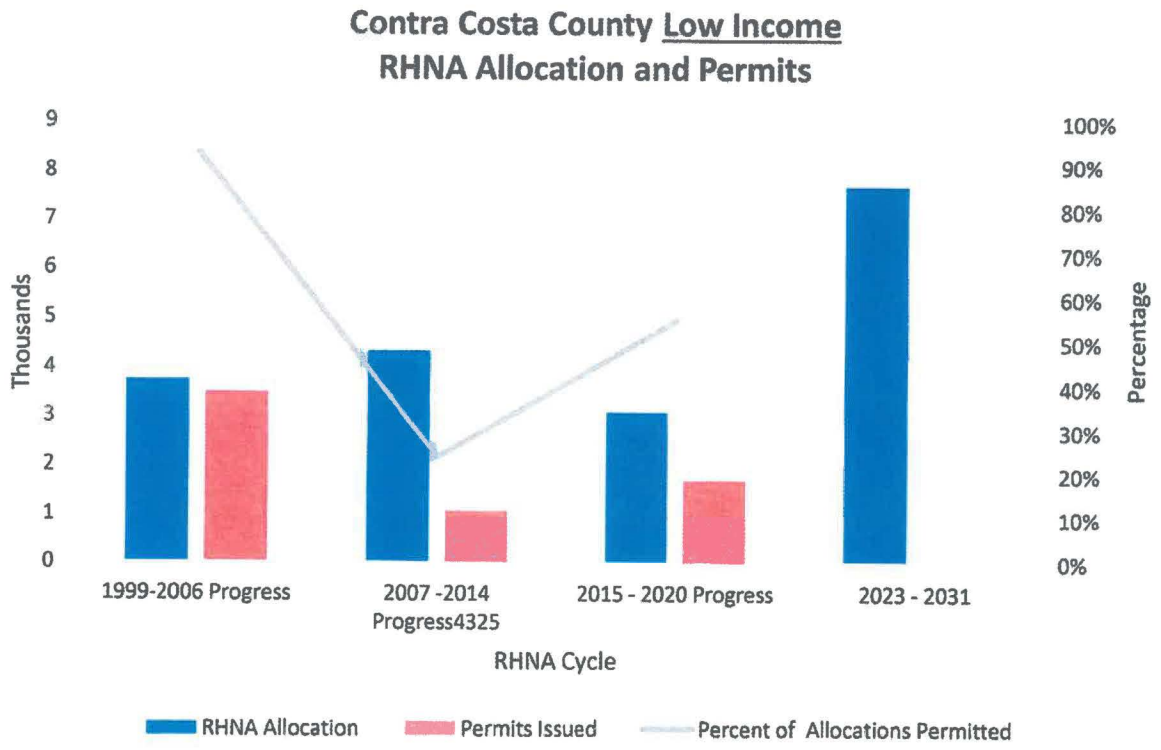
Chart 1: Very-low Income Housing Allocations and Permits for CCC



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Chart 2 shows a 15-year decline in low-income housing permits, with an uplift in the most recent allocation cycle. However, the County still only issued permits for about half of the allocations mandated by the state for this same period. And again, the upcoming allocation cycle for 2023-2031 has a significant bump in the mandated allocation for low-income housing.

Chart 2: Low Income Housing Allocations and Permits for CCC



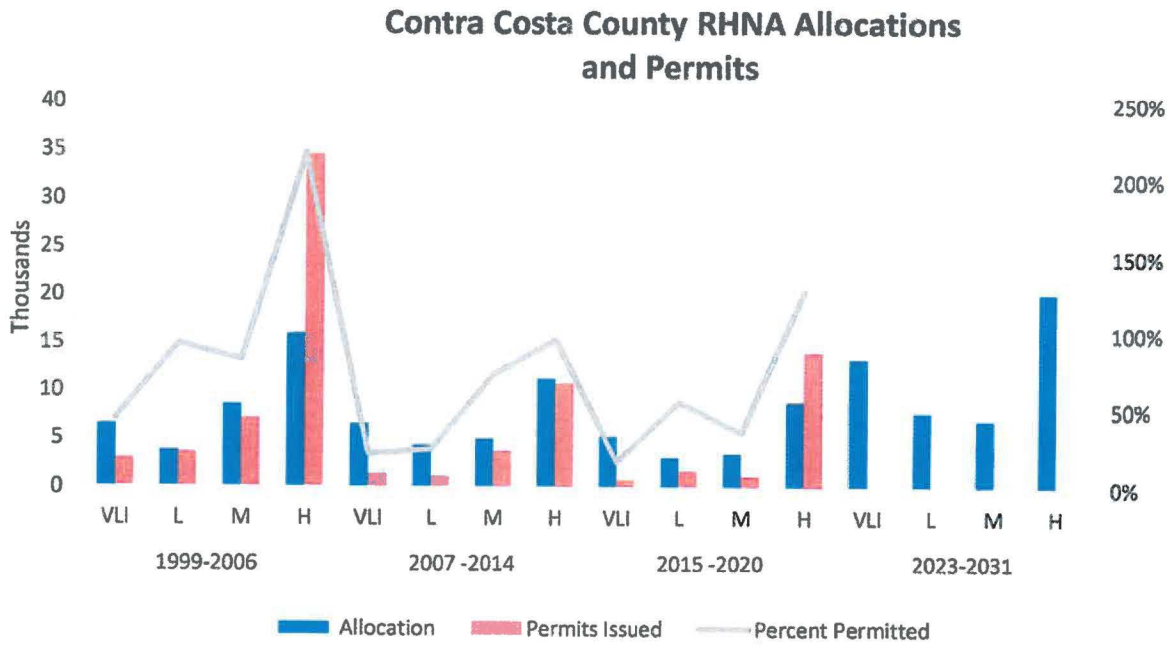
The data published in charts 1 & 2 above illustrates that over the period 1999-2020 the County has failed to provide the number of housing units mandated by the State of California and as they have planned for in their individual city and County element plans for very low- and low-income residents.

To understand the allocation targets and whether all income groups were equally impacted, the grand jury again looked at whether there had been any progress made against RHNA targets within any of the other income groups. What we found was that housing permits for high income housing had outpaced other income groups, with high income permits more than double all other income group housing permits combined. Close examination of the details published in the reports found in Appendix 3 validates this reality. The next 2 charts again use graphic descriptions of this published data to reinforce the magnitude of the problem.

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Chart 3 looks at the past three Housing Element cycles results against allocations for the four income categories measured by RHNA reports for Contra Costa County. It also identifies new allocations for the current 2023-2031 Housing Element cycle. The income categories are VLI (very low), L (low), M (moderate), and H- (above moderate), which align with income categories measured in RHNA published progress reports. This chart also shows what percentage of the planned permits (allocation) resulted in a corresponding permit (Permits Issued) being issued for each income group as a percentage (Percent Permitted).

Chart 3: Contra Costa County
RHNA Allocations and Permits by Income Group



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Chart 4 below takes a representative sample of cities in the County and shows the percentage of housing permits issued for very low- and low-income residents measured against all housing permits issued for the time period 1999-2020. Most of the cities identified fell short of their allocation goals.

Chart 4: Very Low and Low-Income Housing Permits as a % of All Permits by City

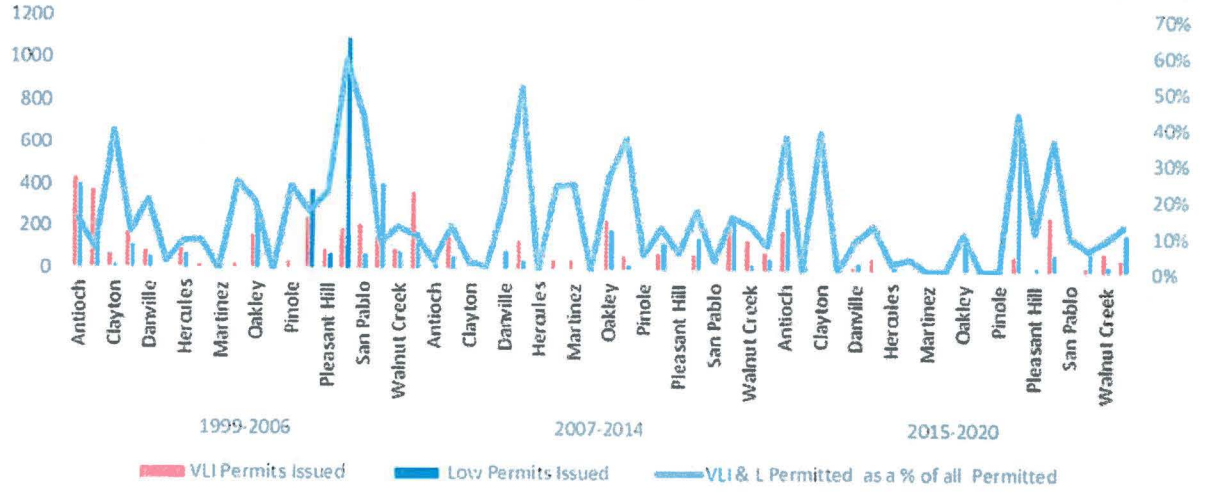
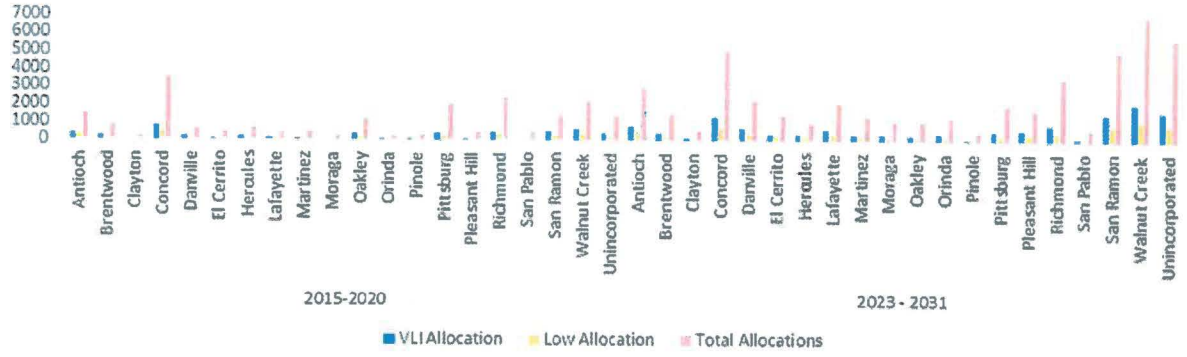


Chart 5 is a listing of all 19 cities in the County, showing how much housing was permitted for very low- and low-income residents in the last Housing Element cycle 2015-2020 and what is expected to be accomplished in 2023-2031. As the chart shows, the State of California has increased the mandatory allocation for very low- and low-income housing for many Contra Costa County cities and for the County itself.

Chart 5: Very Low and Low-Income Permit Allocations by City



Whether reviewing individual city details in Appendix 3 or reviewing the County results overall, the track record regarding very low- and low-income permitted units for affordable housing over the past 20 years is dismal. How will each city and the County meet more challenging targets (Appendix 5) for very low- and low-income housing in the next Housing Element cycle and what might enable attainment in the future?

DISCUSSION

In every interview the grand jury conducted with city and County officials, all communicated that they care deeply about the affordable housing issue in their communities. However, none of those interviewed acknowledged or identified themselves, their department or any other agency as having responsibility for the actual attainment of RHNA housing targets. Although we found the Housing Element Plans on the various city and the County entities, we did not find any language or group description that identified an owning entity that is either accountable or responsible for the execution of the Housing Element Plan, identifying and addressing obstacles, or attaining state mandated targets. The grand jury was unable to find any owner for the actual achievement of state mandated housing targets. Meaning that once a Housing Element plan containing the mandated housing targets for each income group was approved, no individual or department was responsible for implementing the approved Housing Element plan or accountable for the progress/results against the established targets within the plan.

Our investigation looked at three specific areas that should enable affordable housing. First, the RHNA targets identified in housing element plans and who in local government takes ownership to implement approved HEPs. Second, what control do our cities and the County have in the affordable housing development process? Finally, the state's relationship with our cities and the County: how decisions by the state impact affordable housing development in our County.
RHNA Targets and City and County Responsibility

Each city is required by the State of California to provide an updated housing element plan for approval every eight years. The Association of Bay Area Governments (ABAG), a Bay Area local government consortium whose mission is to strengthen cooperation and collaboration across local governments in order to build healthier and stronger communities, receives the affordable housing target data from the state. This data outlines how much housing will be needed, by income category, for the next reporting cycle. ABAG distributes the individual targets for each city and the County for the current cycle. ABAG then provides a report, before the next housing element cycle, which documents each city and the County results against targets.

Contra Costa County city and County performance in issuing housing permits for very low- and low-income residents for the last three housing element cycles, 1999-2006, 2007-2014 and 2015-2020, showed significant misses of actual permits issued against the targets.

The charts in Appendix 3 reflect the number of permits issued by city, against RHNA allocation targets for each housing element. Appendix 5 is the final RHNA allocation for 2023-2031. All data presented in appendices 3 and 5 reflect that our cities and County are permitting housing, primarily for residents in the 120 percent of median or higher income classification.

City and County officials are primarily focused on getting HCD to approve an individual housing element plan. In multiple interviews with various city officials, after HEP approval we did not find examples of consistent communication of progress to meeting targets for very low- and low-income residents. In these same interviews, RHNA targets were described as "aspirational, not

realistic, or not attainable." Interviewees used different words, but overall, RHNA targets were considered mostly an academic exercise that no one takes seriously. Furthermore, we did not find a specific owner for attainment of the housing element plan allocations, leading us to believe that this could well be one of the key reasons for our County's failure to realize (permit and build) affordable housing for very low- and low-income residents.

Additional Obstacles that Hinder the Development of AH

Six additional obstacles to the development of AH for residents identified as very low- and low-income are:

- limited availability of land;
- restrictive zoning policies specific to AH development;
- limited developer interest to bring projects forward;
- limited funding;
- lack of community support;
- NIMBY – an industry term that denotes opposition to development in a neighborhood, community, or city.

These obstacles are not uniform or constant across the County. Rather, some are more pronounced in one area or at one time.

Limited Availability of Land

Cities with less available land, but access to mass transit hubs, benefit from incentives to build AH close to transit centers. West County cities have benefitted the most from these projects. East County cities with large tracts of undeveloped land have had recent success in building AH projects for very low- and low-income residents. The Antioch Family and Senior Apartments project, completed in 2022, is an example of a successful AH project, in that it was submitted, approved, and completed in a relatively short time period with minimal roadblocks (References/ Bibliography East Bay Times October 22, 2022). Central County cities must balance extremely high land costs against AH development needs.

Restrictive Zoning Policies Specific to AH Development

City zoning ordinances vary greatly throughout the County but in many instances are not conducive to the development of AH. For instance, we conducted a limited proactive review of existing zoning policies to see if there were any subtle changes to local building codes that could be made to ease the approval of AH projects. Some cities zone land for AH development, but land that is far from basic services, in very expensive-to-develop areas, or in environmentally sensitive locations. Some cities have restrictive height zoning ordinances. Many cities do not have an inclusionary housing ordinance. (An inclusionary housing ordinance requires developers to set aside select units for very low- and low-income residents when proposing projects or to pay cities for the exclusion creating a local funding opportunity.)

Developer Interest to Bring Projects Forward

Actions by local city councils greatly influence how developers view their ability to successfully create an AH development. In our interviews with city officials and developers, it was determined that city councils that work openly to mitigate community concerns, don't flip flop after a project has been properly vetted, and are willing to team with developers as partners throughout the long approval and development process are viewed as fostering conducive and supportive environments for AH development. Failure to team with a developer or to actively address obstacles during the approval and development process often results in failing to meet AH targets.

Limited Funding

The lack of funding and the complexity associated with getting funding support for AH projects are obstacles. The state prioritizes AH projects that provide some local funding support. Developers who rely on tax incentives to help secure project funding get a better place in line to have their projects approved if there is demonstrated local funding support. City officials attribute the elimination of redevelopment agencies as a local funding source in 2012 as a key reason local funding has been so difficult to obtain. The County has been slow to provide alternative funding sources. Voters passed Measure X in 2020, and housing funds will finally be available in 2023. Other Bay Area counties took a more assertive role in providing alternative funding support for their cities.

In 2016, Alameda County passed measure A1, which dedicated $580 million for AH. In 2016, Santa Clara County passed Measure A, which allocated $950 million for AH. In Contra Costa County, Measure X carved out $240 million as a dedicated housing fund, with a stipulation that only $12 million annually for 20 years will be allocated to support housing. No funds are dedicated specifically to building housing for very low- and low-income residents, and there is no direct link of fund requests to achieving RHNA targets.

Lack of Community Support

Cities across the County have a wide range of policies around outreach and education about AH. The effort to educate communities as to why this housing issue is so important is broadly different across the County. In reviewing successful AH projects completed in the County citizen involvement and participation has shown to lessen local opposition to AH.

NIMBY Opposition and City Council response to NIMBY Opposition

NIMBY opposition was frequently cited by the developers that we interviewed as a primary cause of wasted resources and unnecessary project delays. Communities where projects get tied up in extensive local battles with non-supportive citizens or with city councils that reverse earlier decisions made through the normal local development process were cited by developers as influencing whether they would consider proposing AH projects in these communities.

Cities and Their Relationship with the State of California

The state grants cities and counties broad independence to do what is best for their community regarding housing development. But the state retains the ability to override local city jurisdiction.

The Builder's Remedy provision in California's Housing Accountability Act has been in place since 1990. It grants developers the authority to bypass any local zoning or approval process and move projects forward if a local government entity is not in compliance with its current Housing Element plans. Compliance has meant meeting the requirement to have an approved HEP. While in place for many years, the state, until recently, has rarely enforced this provision. City and County officials who were interviewed recognize that there is now a more intense state oversight process to plan submissions, and there are potential penalties for poor content plans or plans that do not get approved by state deadlines. This renewed intensity of focus has forced cities and counties to improve the quality of their Housing Element plans. The Builder's Remedy is the draconian solution that the state may enforce if cities insist on proposing Housing Element plans that are not implementable. The city and County officials interviewed for this investigation expect to get their housing element plans approved. But again, plan approval does not equal plan implementation.

Senate Bill 35 allows qualifying development projects with certain minimum affordable housing guarantees to move more quickly through the local government review process. The bill amended the Government Code to restrict the ability of local governments to reject these projects. A project approved under SB 35 cannot be challenged under the California Environmental Quality Act (CEQA). This is an important feature of projects developed under SB35 as much has been discussed publicly about how CEQA lawsuits have been used to slow or stop the development of AH projects. Appendix 4 identifies individual cities and counties that have met their prorated very low- and low-income RHNA goals for the latest reporting period. It's a small list. In this County, only El Cerrito qualified for exemption from SB 35. We did not find examples of projects being developed in this County that have been or could be streamlined under SB 35.

Cities in this County that propose Housing Element plans, implement their approved plans, and meet RHNA targets for very low- and low-income residents will not run the risk of losing local development control through either Builder's Remedy or SB35.

Findings and Recommendations

Findings:

F1. Within existing city or County infrastructure there is no clear owner who is responsible for achieving RHNA permitting targets.

F2. City and County officials see no direct path to meet state-mandated regional housing (RHNA) targets.

F3. There are currently no measurable penalties if a city or a County does not achieve RHNA targets in an approved housing element plan.

F4. Data published by ABAG shows that Contra Costa County and most of its cities have missed their current RHNA targets for very low- and low-income housing allocations. The allocation requirements continue to increase (16x for very low-income and 4x for low-income residents).

F5. Many obstacles hinder the development of AH at the local level, specifically for very low- and low-income housing, including:
   a. Limited availability of land;
   b. Restrictive zoning policies specific to AH development;
   c. Limited developer interest to bring projects forward;
   d. Limited available funding;
   e. Lack of community support;
   f. NIMBY opposition & city council response to NIMBY opposition.

F6. Zoning changes are generally addressed only when a project is presented for development. Zoning obstacles include:
   a. Housing element plans that offer poor land choices for AH development;
   b. Restrictive height and high-density zoning policies;
   c. Lack of inclusionary housing ordinance(s) in many cities.

F7. Penalties directed at cities and the County (financial, loss of control over local planning) are tied to not meeting state deadlines for Housing Element plan approval

F8. Builder's Remedy and SB35 projects do not address ingrained local obstacles identified in this report that prevent the completion of approved AH projects.

F9. When local Redevelopment Agencies (RDA's) were discontinued by the state in 2012, the County and cities did not address the loss of funding for affordable housing or find alternative funding to support affordable housing projects until voters passed Measure X in November 2020. Projects that target very low- and low-income residents were particularly impacted.

F10. Measure X housing funds are not fully dedicated to building AH for very low- and low-income residents.

F11. Local funding provided by bonds like Measure X Housing Fund is a critical component of a developer's overall ability to raise funds for an AH development.

F12. Cities that proactively engage citizens, address zoning obstacles, make reasonable zoning concessions, work collaboratively with developers, provide local funding support, and are united in addressing NIMBY opposition, have been successful in attracting AH projects.

F13. The latest RHNA targets for cities and unincorporated Contra Costa County show a significant increase in the number of units that are expected to be permitted for very low- and low-income housing.

Recommendations:

R1. Each city and the County should consider assigning a staff position with clear leadership, ownership and accountability to achieve allocated RHNA targets. The individual in this position would be responsible for establishing and promoting an operational plan to achieve the RHNA goals set forth in the housing element plan.

R2. Each city and the County should report AH progress and lack of progress using data across all four measured income groups. Special attention should be paid to tracking the housing needs of residents categorized as very low- and low-income. Cities and the County should communicate their progress, biannually, against RHNA targets at council and supervisor meetings.

R3. Each city and the County should consider creating a dedicated AH commission comprised of a multi-disciplinary team of diverse citizens and led by a current, nonelected, city expert in planning. Each commission would be charged with providing a community voice in the process and helping to identify and address obstacles that hinder the development of affordable housing projects in their community.

R4. Each city and the County should consider reviewing existing processes and identifying changes that would address or resolve the specific obstacles identified in this report that hinder achieving RHNA allocation targets for very low- and low-income housing in their community.

R5. Each city and the County should consider developing a public dashboard to report progress against RHNA targets.

R6. Each city and the County should consider, in their individual Housing Element plans, putting forth land zoned "suitable for residential use," without development obstacles, and located strategically close to existing services, for AH purposes.

R7. Each city and the County should consider reviewing their zoning policies to identify restrictive zoning policies unique to their jurisdiction that impede AH projects and consider making zoning changes in light of that review that will support AH in their community.

R8. Cities should consider adopting an inclusionary housing ordinance as part of their standard development policy by the end of 2023 (if not already in place).

R9. Each city and the County should consider how to prioritize the implementation of housing projects that promote development of very low- and low-income housing.

R10. Each city and the County should consider prioritizing Measure X funding requests that support projects that address RHNA targets for very low- and low-income residents. Each city and County should consider reporting regularly to their residents on the use of Measure X funds for such purposes.

REQUIRED RESPONSES

As required by California Penal Code sections 933(b) and 933.05, the 2022-2023 Contra Costa County civil grand jury requires responses from the following governing bodies:

Responding Agency	Findings	Recommendations
Contra Costa County Board of Supervisors	F1--F13	R1-R7 & R9-R10
Antioch City Council	F1-F13	R1-R10
Brentwood City Council	F1-F13	R1-R10
Clayton City Council	F1-F13	R1-R10
Concord City Council	F1-F13	R1-R10
Danville City Council	F1-F13	R1-R10
El Cerrito City Council	F1-F13	R1-R10
Hercules City Council	F1-F13	R1-R10
Lafayette City Council	F1-F13	R1-R10
Martinez City Council	F1-F13	R1-R10
Moraga City Council	F1-F13	R1-R10
Oakley City Council	F1-F13	R1-R10
Orinda City Council	F1-F13	R1-R10
Pinole City Council	F1-F13	R1-R10
Pittsburg City Council	F1-F13	R1-R10
Pleasant Hill City Council	F1-F13	R1-R10
Richmond City Council	F1-F13	R1-R10
San Pablo City Council	F1-F13	R1-R10
San Ramon City Council	F1-F13	R1-R10
Walnut Creek City Council	F1-F13	R1-R10

These responses must be provided in the format and by the date set forth in the cover letter that accompanies this report. An electronic copy of these responses in the form of a Word document should be sent by e-mail to ctadmin@contracosta.courts.ca.gov and a hard (paper) copy should be sent to:

Civil Grand Jury – Foreperson
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

REFERENCES:

Bibliography:

- Association of Bay Area Governments:
  - RHNA 1999-2006 Final Report
  - RHNA San Francisco Bay Area Progress in Meeting 2007-2014
  - RHNA 2015 - 2020 Bay Area Building Permit Activity Report
  - RHNA Final Regional Housing Needs Allocation Plan: San Francisco Bay Area, 2023-2031
  - RHNA - Regional Housing Needs Allocation
  - RHNA: Housing Element Law Changes from 1969 to 2020
- U.S. Census Quick Facts / Contra Costa County, CA
- Fannie Mae Area Median Income Lookup Tool / Contra Costa County, CA
- CEQA: The California Environmental Quality Act
- SB35 Affordable Housing: Streamlined Approval Process
- Housing Accountability Act (Government Code Section 65589.51): Builder's Remedy and Housing Elements
- Mercury News, February 13, 2023: New bill would extend controversial California housing law
- Mercury News, October 20, 2022: Antioch unveils its newest and largest affordable income apartment complex
- Contra Costa County Civil Grand Jury, 2015-2016, Report 1614: Where Will We Live? The Affordable Housing Waiting List is Closed
- Contra Costa Conservation and Development: Measure X Housing Fund
- Santa Clara County Office of Supportive Housing: 2016 Measure A - Affordable Housing Bond
- Alameda County HCD: Measure A1 Implementation Policies - Rental Housing Development Fund & Innovation and Opportunity Fund

Appendices

A-1. Contra Costa County Average Median Income 2022

2022 State Income Limits

Contra Costa County

Income Limits by Household Size - Effective May 13, 2022

Median Family Income - $142,800

Persons per Household	Acutely Low Income 15% AMI	Extremely Low Income 30% AMI	Very Low Income 50% AMI	Low Income 80% AMI	Median Income	Moderate Income 120% AMI
1	$15,000	$30,000	$50,000	$76,750	$99,950	$119,950
2	$17,100	$34,300	$57,150	$87,700	$114,250	$137,100
3	$19,250	$38,600	$64,300	$98,650	$128,500	$154,200
4	$21,400	$42,850	$71,400	$109,600	$142,800	$171,350
5	$23,100	$46,300	$77,150	$118,400	$154,200	$185,050
6	$24,800	$49,750	$82,850	$127,150	$165,650	$198,750
7	$26,550	$53,150	$88,550	$135,950	$177,050	$212,450
8	$28,250	$56,600	$94,250	$144,700	$188,500	$226,200

For Inclusionary Housing, Density Bonus, and calculating rents and for-sale prices
Income Limits from 2022 State Income Limits from the Department of Housing and Community Development

State Income Limits apply to designated programs, are used to determine applicant eligibility (based on the level of household income) and may be used to calculate affordable housing costs for applicable housing assistance programs. Use of State Income Limits are subject to a particular program's definition of income, family, family size, effective dates and other factors. In addition, definitions applicable to income categories, criteria, and geographic areas sometimes differ depending on the funding source and program, resulting in some programs using other income limits.

A-2. 2022 CCC Wages, Rent to Income, AMI Status

Occupation	Mean Annual Wage (2022)	% of Monthly Income Needed for a 2-Bedroom Unit	% of Monthly Income Needed for a 3-bedroom Unit	Income Status - % of AMI *
Food Service Worker	$36,488	87%	113%	Extremely Low (<30% AMI)
Dishwasher	$38,853	82%	107%	Extremely Low
Hairdressers	$42,203	75%	98%	Extremely Low
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Licensed Practical and Licensed Vocational Nurses	$78,255	41%	53%	Low (80% AMI)
Education Teachers, Postsecondary	$91,041	34%	46%	Low
Police and Sheriff's Patrol Officers	$126,289	25%	33%	Median
Computer and Mathematical Occupations	$132,023	24%	32%	Median

A-3. Bay Area RHNA Allocations and Progress

CCC Progress in Meeting 1999-2006 Regional Housing Need Allocation

	Very Low			Low			Moderate			Above Moderate			
	RHNA Allocation	Permits Issued	Percent of Allocation Permitted	RHNA Allocation	Permits Issued	Percent of Allocation Permitted	RHNA Allocation	Permits Issued	Percent of Allocation Permitted	RHNA Allocation	Permits Issued	Percent of Allocation Permitted	Total Permits Issued
Contra Costa County													
Antioch[a]	921	435	47%	509	403	79%	1,156	1,923	166%	1,873	3,213	172%	5,974
Brentwood[a]	906	376	42%	476	238	50%	958	2,166	226%	1,733	7,687	444%	10,467
Clayton[a]	55	67	122%	33	17	52%	84	16	19%	274	119	43%	219
Concord[a]	453	171	38%	273	115	42%	606	76	13%	987	2,411	244%	2,773
Danville[c]	140	85	61%	88	56	64%	216	84	39%	666	496	74%	721
El Cerrito[a]	37	0	0%	23	5	22%	48	19	40%	77	210	273%	234
Hercules[a]	101	96	95%	62	68	110%	195	93	48%	434	1,818	419%	2,075
Lafayette[a]	30	15	50%	17	2	12%	42	0	0%	105	186	177%	203
Martinez[b]	248	0	0%	139	0	0%	341	0	0%	613	424	69%	424
Moraga[a]	32	21	66%	17	0	0%	45	0	0%	120	65	54%	86
Oakley[a]	209	168	80%	125	293	234%	321	51	16%	553	1,888	341%	2,400
Orinda[b]	31	0	0%	18	0	0%	43	0	0%	129	157	122%	157
Pinole[a]	48	34	71%	35	6	17%	74	80	108%	131	52	40%	172
Pittsburg[a]	534	247	46%	296	381	129%	696	800	115%	987	2,477	251%	3,905
Pleasant Hill[a]	129	95	74%	79	69	87%	175	226	129%	331	362	109%	752
Richmond[a]	471	200	42%	273	1,093	400%	625	131	21%	1,234	805	65%	2,229
San Pablo[a]	147	214	146%	69	70	101%	123	16	13%	155	366	236%	666
San Ramon[a]	599	157	26%	372	407	109%	984	1,143	116%	2,492	5,538	222%	7,245
Walnut Creek[a]	289	99	34%	195	80	41%	418	175	42%	751	1,123	150%	1,477
Unincorporated[a]	1,101	372	34%	642	177	28%	1,401	77	5%	2,292	5,151	225%	5,777
Total	6,481	2,852	44%	3,741	3,480	93%	8,551	7,076	83%	15,937	34,548	217%	47,956

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CCC Progress in Meeting 2007-2014 Regional Housing Need Allocation

CONTRA COSTA COUNTY	Very Low (0-50% AMI)			Low (50-80% AMI)			Moderate (80-120% AMI)			Above Moderate (120%+ AMI)			Total		
	RHNA	Permits Issued	Percent of RHNA Met	RHNA	Permits Issued	Percent of RHNA Met	RHNA	Permits Issued	Percent of RHNA Met	RHNA	Permits Issued	Percent of RHNA Met	RHNA	Permits Issued	Percent of RHNA Met
Antioch	516	8	2%	339	20	6%	381	834	219%	1,046	381	36%	2,282	1,243	54%
Brentwood	717	192	27%	435	58	13%	480	175	36%	1,073	1,608	150%	2,705	2,033	75%
Clayton	49	-	0%	35	1	3%	33	2	6%	34	46	135%	151	49	32%
Concord*	639	2	0%	426	-	0%	498	8	2%	1,480	216	15%	3,043	226	7%
Danville[3]	196	2	1%	130	84	65%	146	101	69%	111	287	259%	583	474	81%
El Cerrito	93	142	153%	59	38	64%	80	13	16%	199	163	82%	431	356	83%
Hercules[1]	143	-	0%	74	-	0%	73	-	0%	163	153	94%	453	153	34%
Lafayette[2]	113	47	42%	77	8	10%	80	8	10%	91	170	187%	361	233	65%
Martinez	261	48	18%	166	-	0%	179	4	2%	454	148	33%	1,060	200	19%
Moraga	73	-	0%	47	-	0%	52	-	0%	62	9	15%	234	9	4%
Oakley*	219	242	111%	120	191	159%	88	874	993%	348	331	95%	775	1,638	211%
Orinda	70	72	103%	48	20	42%	55	22	40%	45	137	304%	218	251	115%
Pinole	83	2	2%	49	1	2%	48	10	21%	143	59	41%	323	72	22%
Pittsburg	322	79	25%	223	126	57%	296	666	225%	931	839	90%	1,772	1,710	97%
Pleasant Hill	160	9	6%	105	1	1%	106	8	8%	257	194	75%	628	212	34%
Richmond	391	74	19%	339	153	45%	540	243	45%	1,556	892	57%	2,826	1,362	48%
San Pablo	22	-	0%	38	1	3%	60	35	58%	178	-	0%	298	36	12%
San Ramon	1,174	196	17%	715	255	36%	740	302	41%	834	2,247	269%	3,463	3,000	87%
Walnut Creek	456	150	33%	302	25	8%	374	19	5%	826	1,206	146%	1,958	1,400	72%
Contra Costa County*	815	88	11%	598	53	9%	687	330	48%	1,408	1,672	119%	3,508	2,143	61%
County Totals	**6,512**	**1,353**	**21%**	**4,325**	**1,035**	**24%**	**4,996**	**3,654**	**73%**	**11,239**	**10,758**	**96%**	**27,072**	**16,800**	**62%**

CCC Progress in Meeting 2015 - 2020 Regional Housing Need Allocation

Jurisdiction	RHNA	Permits Issued			% RHNA Met	RHNA	Permits Issued			% RHNA Met	RHNA	Permits Issued			% RHNA Met	RHNA	permits issued	% RHNA Met
		Deed-Restricted	Non-Deed-Restricted	Total			Deed-Restricted	Non-Deed-Restricted	Total			Deed-Restricted	Non-Deed-Restricted	Total				
Contra Costa County	**1,264**	**798**	**19**	**817**	**65%**	**1,086**	**1,580**	**116**	**1,696**	**156%**	**1,496**	**260**	**953**	**1,213**	**81%**	**4,784**	**14,020**	**293%**
Antioch	349	175	18	193	55%	205	299	1	300	146%	214	0	34	34	16%	680	795	117%
Brentwood	234	2	0	2	1%	124	6	10	16	13%	123	0	85	85	69%	279	3,392	1216%
Clayton	51	0	0	0	0%	25	0	5	5	20%	31	0	0	0	0%	34	8	24%
Concord	798	0	0	0	0%	444	0	0	0	0%	559	5	5	10	2%	1,877	581	31%
Danville	196	20	0	20	10%	111	3	27	30	27%	124	2	38	40	32%	126	484	384%
El Cerrito	100	62	0	62	62%	63	6	0	6	10%	68	0	13	13	19%	166	459	277%
Hercules	220	0	0	0	0%	118	0	16	16	14%	102	0	217	217	213%	244	509	209%
Lafayette	138	7	0	7	5%	78	6	0	6	8%	85	24	40	64	75%	99	319	322%
Martinez	126	0	0	0	0%	72	0	0	0	0%	78	0	0	0	0%	195	88	45%
Moraga	75	0	0	0	0%	48	0	0	0	0%	50	0	6	6	12%	60	86	143%
Oakley	317	8	0	8	3%	174	170	0	170	98%	175	26	208	234	134%	502	1,273	254%
Orinda	86	0	0	0	0%	47	0	0	0	0%	54	0	30	30	56%	42	254	605%
Pinole	80	0	0	0	0%	48	0	0	0	0%	43	0	1	1	2%	126	25	20%
Pittsburg	392	75	0	75	19%	254	708	34	742	292%	316	0	71	71	22%	1,063	976	92%
Pleasant Hill	116	0	0	0	0%	69	19	0	19	28%	84	0	41	41	49%	177	112	63%
Richmond	438	266	0	266	61%	305	81	0	81	27%	410	0	0	0	0%	1,282	612	48%
San Pablo	56	0	0	0	0%	53	3	4	7	13%	75	8	21	29	39%	205	36	18%
San Ramon	516	25	0	25	5%	279	87	0	87	31%	283	164	0	164	58%	340	1,547	455%
Walnut Creek	606	96	0	96	16%	355	18	10	28	8%	381	0	44	44	12%	895	1,210	135%
Contra Costa Unincorporated	374	62	1	63	17%	218	174	0	183	84%	241	81	99	180	53%	532	1,534	288%

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	Very Low Income					Low Income					Moderate Income					Above Moderate Income		
Jurisdiction	RHNA	Permits Issued			RHNA Met	RHNA	Permits Issued			RHNA Met	RHNA	Permits Issued			RHNA Met	RHNA	Permits Issued	RHNA Met
		Deed Restricted	Non-Deed Restricted	Total			Deed Restricted	Non-Deed Restricted	Total			Deed Restricted	Non-Deed Restricted	Total				
Contra Costa County	3,264	98	18	116	4%	2,005	1,380	146	1,526	55%	2,486	580	953	1,533	38%	6,764	14,630	128%
Antioch	349	175	18	193	55%	205	299	1	300	146%	214	0	34	34	16%	680	795	117%
Brentwood	234	2	0	2	1%	124	6	10	16	13%	123	0	85	85	69%	279	3,192	1144%
Clayton	51	0	0	0	0%	25	0	5	5	20%	31	0	0	0	0%	34	8	24%
Concord	798	0	0	0	0%	444	0	0	0	0%	559	5	5	10	2%	1,877	501	30%
Danville	196	20	0	20	10%	111	3	27	30	27%	124	2	38	40	32%	128	494	384%
El Cerrito	100	62	0	62	62%	53	6	0	6	10%	69	0	13	13	19%	166	459	277%
Hercules	220	0	0	0	0%	118	0	16	16	14%	100	0	217	217	217%	244	509	209%
Lafayette	138	7	0	7	5%	78	6	0	6	8%	85	24	40	64	75%	99	319	322%
Martinez	124	0	0	0	0%	72	0	0	0	0%	78	0	0	0	0%	195	88	45%
Moraga	75	0	0	0	0%	44	0	0	0	0%	50	0	6	6	12%	60	86	143%
Oakley	317	8	0	8	3%	174	170	0	170	98%	175	29	208	234	134%	502	1,273	254%
Orinda	84	0	0	0	0%	47	0	0	0	0%	54	0	30	30	56%	42	254	605%
Pinole	80	0	0	0	0%	46	0	0	0	0%	43	0	1	1	2%	126	25	20%
Pittsburg	392	75	0	75	19%	254	708	34	742	292%	316	0	71	71	22%	1,083	976	92%
Pleasant Hill	118	0	0	0	0%	69	19	0	19	28%	84	0	41	41	49%	127	112	83%
Richmond	438	266	0	266	61%	305	81	0	81	27%	410	0	0	0	0%	1,282	612	48%
San Pablo	56	0	0	0	0%	53	3	4	7	13%	75	8	21	29	39%	285	36	14%
San Ramon	516	25	0	25	5%	279	87	0	87	31%	282	184	0	184	65%	340	1,547	455%
Walnut Creek	604	96	0	96	16%	355	18	10	28	8%	381	0	44	44	12%	695	1,219	175%
Contra Costa Unincorporated	374	62	1	63	17%	218	174	9	183	84%	243	31	99	130	53%	552	1,534	278%

RHNA: Regional Housing Needs Allocation
%RHMA Met >100
75> %RHNA Met >100
%RHN Met <75

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Final RHNA Allocations for 2023-2031

Jurisdiction	VERY LOW INCOME (<50% of Area Median Income)	LOW INCOME (50-80% of Area Median Income)	MODERATE INCOME (80-120% of Area Median Income)	ABOVE MODERATE INCOME (>120% of Area Median Income)	TOTAL
CONTRA COSTA COUNTY					
Antioch	792	456	493	1,275	3,016
Brentwood	402	232	247	641	1,522
Clayton	170	97	84	219	570
Concord	1,292	744	847	2,190	5,073
Danville	652	376	338	875	2,241
El Cerrito	334	192	241	624	1,391
Hercules	344	198	126	327	995
Lafayette	599	344	326	845	2,114
Martinez	350	201	221	573	1,345
Moraga	318	183	172	445	1,118
Oakley	279	161	172	446	1,058
Orinda	372	215	215	557	1,359
Pinole	121	69	87	223	500
Pittsburg	516	296	346	894	2,052
Pleasant Hill	566	326	254	657	1,803
Richmond	840	485	638	1,651	3,614
San Pablo	173	100	132	341	746
San Ramon	1,497	862	767	1,985	5,111
Unincorporated Contra Costa	2,072	1,194	1,211	3,133	7,610
Walnut Creek	1,657	954	890	2,304	5,805

A-4. SB 35 Very Low Income and Low-Income Determination Summaries

Cities and Counties Not Currently Subject to SB 35 Streamlining Provisions

This determination represents Housing Element Annual Progress Report (APR) data received as of June 1, 2022. **The following 38 jurisdictions have met their prorated Lower (Very-Low and Low) and Above-Moderate Income Regional Housing Needs Assessment (RHNA)** for the Reporting Period and submitted their latest APR (2021).

These jurisdictions are not currently subject to the streamlined ministerial approval process (SB 35 (Chapter 366, Statutes of 2017) streamlining), but the jurisdictions are still encouraged to promote streamlining. All other cities and counties beyond these 38 are subject to at least some form of SB 35 streamlining, as indicated on the following pages.

For more detail on the proration methodology or background data see the SB 35 Determination Methodology.

JURISDICTION	JURISDICTION
1 ATHERTON	20 MILL VALLEY
2 BELL	21 MONTE SERENO
3 BELLFLOWER	22 NEWPORT BEACH
4 BEVERLY HILLS	23 NORWALK
5 BUENA PARK	24 PLUMAS CO.
6 CALISTOGA	25 ROHNERT PARK
7 CARPINTERIA	26 ROLLING HILLS ESTATES
8 CORTE MADERA	27 SAINT HELENA
9 EL CERRITO	28 SAN BERNARDINO CO.
10 FOSTER CITY	29 SANTA ANA
11 FOUNTAIN VALLEY	30 SANTA CLARA CO.
12 GUADALUPE	31 SANTA MONICA
13 HILLSBOROUGH	32 SIERRA CO.
14 INDUSTRY	33 SOLVANG
15 LA HABRA	34 SONOMA CO.
16 LA QUINTA	35 UKIAH
17 LAGUNA NIGUEL	36 VILLA PARK
18 MENDOCINO CO.	37 WESTMINSTER
19 MENLO PARK	38 WOODSIDE

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Cities and Counties Subject to SB 35 Streamlining Provisions When Proposed Developments Include ≥10% Affordability

These 263 jurisdictions have insufficient progress toward their Above Moderate income RHNA and/or have not submitted the latest Housing Element Annual Progress Report (APR) (2021) and therefore **are subject to the streamlined ministerial approval process** (SB 35 (Chapter 366, Statutes of 2017) streamlining) **for proposed developments with at least 10% affordability.**

JURISDICTION	JURISDICTION	JURISDICTION
1 ADELANTO	28 BURBANK	55 DEL REY OAKS
2 ALAMEDA CO.	29 BUTTE CO.	56 DELANO
3 ALISO VIEJO	30 CALAVERAS CO.	57 DESERT HOT SPRINGS
4 ALTURAS	31 CALEXICO	58 DIAMOND BAR
5 AMADOR	32 CALIFORNIA CITY	59 DORRIS
6 AMADOR CO.	33 CALIPATRIA	60 DOS PALOS
7 APPLE VALLEY	34 CARSON	61 DUNSMUIR
8 ARCADIA	35 CERES	62 EAST PALO ALTO
9 ARCATA	36 CHOWCHILLA	63 EL CAJON
10 ARROYO GRANDE	37 CITRUS HEIGHTS	64 EL CENTRO
11 ARVIN 47	38 CLAYTON	65 EL MONTE
12 AUBURN	39 CLEARLAKE	66 ESCALON
13 AVALON	40 CLOVERDALE	67 ESCONDIDO
14 AVENAL	41 COACHELLA	68 ETNA
15 AZUSA	42 COLMA	69 EUREKA
16 BAKERSFIELD	43 COLTON	70 EXETER
17 BANNING	44 COLUSA	71 FAIRFAX 107
18 BARSTOW	45 COLUSA CO.	72 FARMERSVILLE
19 BEAUMONT	46 COMMERCE	73 FERNDALE
20 BELVEDERE	47 COMPTON	74 FILLMORE
21 BENICIA	48 CONCORD	75 FIREBAUGH
22 BIGGS	49 CORCORAN	76 FORT JONES
23 BISHOP	50 CORNING	77 FORTUNA
24 BLUE LAKE	51 COSTA MESA	78 FRESNO CO.
25 BLYTHE	52 CRESCENT CITY	79 GLENN CO.
26 BRADBURY	53 CUDAHY	80 GONZALES
27 BRAWLEY	54 DEL NORTE CO.	81 GRASS VALLEY

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JURISDICTION	JURISDICTION	JURISDICTION
82 GREENFIELD	117 LEMON GROVE	152 NOVATO
83 GRIDLEY	118 LEMOORE	153 OCEANSIDE
84 GUSTINE	119 LINCOLN	154 OJAI
85 HALF MOON BAY	120 LINDSAY	155 ORANGE COVE
86 HANFORD	121 LIVINGSTON	156 ORLAND
87 HAWAIIAN GARDENS	122 LOMA LINDA	157 OROVILLE
88 HAYWARD	123 LOMPOC	158 OXNARD
89 HESPERIA	124 LOOMIS	159 PACIFICA
90 HIGHLAND	125 LOS ANGELES CO.	160 PALMDALE
91 HOLTVILLE	126 LOS GATOS	161 PARLIER
92 HUGHSON	127 LYNWOOD	162 PASO ROBLES
93 HUMBOLDT CO.	128 MADERA	163 PATTERSON
94 HUNTINGTON BEACH	129 MADERA CO.	164 PERRIS
95 HUNTINGTON PARK	130 MARICOPA	165 PICO RIVERA
96 HURON	131 MARTINEZ	166 PINOLE
97 IMPERIAL	132 MARYSVILLE	167 PLACERVILLE
98 IMPERIAL CO.	133 MAYWOOD	168 PLEASANT HILL
99 INGLEWOOD	134 MCFARLAND	169 POMONA
100 INYO CO.	135 MENDOTA	170 PORTERVILLE
101 IRWINDALE	136 MERCED CO.	171 PORTOLA
102 ISLETON	137 MILLBRAE	172 POWAY
103 KERMAN	138 MODESTO	173 RANCHO CORDOVA
104 KERN CO.	139 MONTAGUE	174 RED BLUFF
105 KINGS CO.	140 MONTEBELLO	175 REDLANDS
106 KINGSBURG	141 MONTEREY	176 REDONDO BEACH
107 LA HABRA HEIGHTS	142 MONTEREY PARK	177 REEDLEY
108 LA MIRADA	143 MORENO VALLEY	178 RIALTO
109 LA PUENTE	144 MORRO BAY	179 RICHMOND
110 LAKE CO.	145 MOUNT SHASTA	180 RIDGECREST
111 LAKE ELSINORE	146 NATIONAL CITY	181 RIO DELL
112 LAKEPORT	147 NEEDLES	182 RIPON
113 LAKEWOOD	148 NEVADA CITY	183 RIVERBANK
114 LANCASTER	149 NEVADA CO.	184 RIVERSIDE

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JURISDICTION	JURISDICTION	JURISDICTION
115 LASSEN CO.	150 NEWMAN	185 RIVERSIDE CO.
116 LAWNDALE	151 NORCO	186 ROLLING HILLS
187 ROSS	213 SANTEE	239 TUOLUMNE CO.
188 SACRAMENTO	214 SARATOGA	240 TURLOCK
189 SACRAMENTO CO.	215 SAUSALITO	241 TWENTYNINE PALMS
190 SALINAS	216 SEASIDE	242 VALLEJO
191 SAN BERNARDINO	217 SEBASTOPOL	243 VENTURA CO.
192 SAN BRUNO	218 SELMA	244 VICTORVILLE
193 SAN DIEGO CO.	219 SHAFTER	245 VISALIA
194 SAN DIMAS	220 SHASTA CO.	246 WATERFORD
195 SAN FERNANDO	221 SHASTA LAKE	247 WEED
196 SAN GABRIEL	222 SIGNAL HILL	248 WEST HOLLYWOOD
197 SAN JACINTO	223 SISKIYOU CO.	249 WEST SACRAMENTO
198 SAN JOAQUIN	224 SOLANA BEACH	250 WESTLAKE VILLAGE
199 SAN JOAQUIN CO.	225 SONORA 260	251 WESTMORLAND
200 SAN JUAN BAUTISTA	226 SOUTH GATE	252 WHEATLAND
201 SAN LEANDRO	227 SOUTH LAKE TAHOE	253 WILDOMAR
202 SAN MARINO	228 STANISLAUS CO.	254 WILLIAMS
203 SAN MATEO CO.	229 STOCKTON	255 WILLITS
204 SAN PABLO	230 SUISUN CITY	256 WILLOWS
205 SAN RAFAEL	231 SUTTER CO.	257 WINDSOR
206 SAND CITY	232 TAFT	258 WOODLAKE
207 SANGER	233 TEHACHAPI	259 YOLO CO.
208 SANTA CLARITA	234 TEHAMA	260 YREKA
209 SANTA CRUZ CO.	235 TEHAMA CO.	261 YUBA CITY
210 SANTA MARIA	236 TORRANCE	262 YUCAIPA
211 SANTA PAULA	237 TULARE CO.	263 YUCCA VALLEY
212 SANTA ROSA	238 TULELAKE	

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Cities and Counties Subject to SB 35 Streamlining Provisions When Proposed Developments Include ≥ 50 Percent Affordability

These 238 jurisdictions have insufficient progress toward their Lower income RHNA (Very low- and low-income) and **are** therefore **subject to the streamlined ministerial approval process** (SB 35 (Chapter 366, Statutes of 2017) streamlining) **for proposed developments with at least 50% affordability. If the jurisdiction also has insufficient progress toward their Above Moderate income RHNA, then they are subject to the more inclusive streamlining for developments with at least 50% affordability.**

JURISDICTION	JURISDICTION	JURISDICTION
1 AGOURA HILLS	28 CANYON LAKE	55 DINUBA
2 ALAMEDA	29 CAPITOLA	56 DIXON
3 ALBANY	30 CARLSBAD	57 DOWNEY
4 ALHAMBRA	31 CARMEL	58 DUARTE
5 ALPINE CO.	32 CATHEDRAL	59 DUBLIN
6 AMERICAN CANYON	33 CERRITOS	60 EASTVALE
7 ANAHEIM	34 CHICO	61 EL DORADO CO.
8 ANDERSON	35 CHINO	62 EL SEGUNDO
9 ANGELS CAMP	36 CHINO HILLS	63 ELK GROVE
10 ANTIOCH	37 CHULA VISTA	64 EMERYVILLE
11 ARTESIA	38 CLAREMONT	65 ENCINITAS
12 ATASCADERO	39 CLOVIS	66 FAIRFIELD
13 ATWATER	40 COALINGA	67 FOLSOM
14 BALDWIN PARK	41 COLFAX	68 FONTANA
15 BELL GARDENS	42 CONTRA COSTA CO.	69 FORT BRAGG
16 BELMONT	43 CORONA	70 FOWLER
17 BERKELEY	44 CORONADO	71 FREMONT
18 BIG BEAR LAKE	45 COTATI	72 FRESNO
19 BREA	46 COVINA	73 FULLERTON
20 BRENTWOOD	47 CULVER CITY	74 GALT
21 BRISBANE	48 CUPERTINO	75 GARDEN GROVE
22 BUELLTON	49 CYPRESS	76 GARDENA
23 BURLINGAME	50 DALY CITY	77 GILROY
24 CALABASAS	51 DANA POINT	78 GLENDALE
25 CALIMESA	52 DANVILLE	79 GLENDORA
26 CAMARILLO	53 DAVIS	80 GOLETA
27 CAMPBELL	54 DEL MAR	81 GRAND TERRACE
82 GROVER BEACH	114 LOS ALAMITOS	146 OAKLEY

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JURISDICTION	JURISDICTION	JURISDICTION
83 HAWTHORNE	115 LOS ALTOS	147 ONTARIO
84 HEALDSBURG	116 LOS ALTOS HILLS	148 ORANGE
85 HEMET	117 LOS ANGELES	149 ORANGE CO.
86 HERCULES	118 LOS BANOS	150 ORINDA
87 HERMOSA BEACH	119 LOYALTON	151 PACIFIC GROVE
88 HIDDEN HILLS	120 MALIBU	152 PALM DESERT
89 HOLLISTER	121 MAMMOTH LAKES	153 PALM SPRINGS
90 IMPERIAL BEACH	122 MANHATTAN BEACH	154 PALO ALTO
91 INDIAN WELLS	123 MANTECA	155 PALOS VERDES ESTATES
92 INDIO	124 MARIN CO.	156 PARADISE
93 IONE	125 MARINA	157 PARAMOUNT
94 IRVINE	126 MARIPOSA CO.	158 PASADENA
95 JACKSON	127 MENIFEE	159 PETALUMA
96 JURUPA VALLEY	128 MERCED	160 PIEDMONT
97 KING CITY	129 MILPITAS	161 PISMO BEACH
98 LA CANADA FLINTRIDGE	130 MISSION VIEJO	162 PITTSBURG
99 LA MESA	131 MODOC CO.	163 PLACENTIA
100 LA PALMA	132 MONO CO.	164 PLACER CO.
101 LA VERNE	133 MONROVIA	165 PLEASANTON
102 LAFAYETTE	134 MONTCLAIR	166 PLYMOUTH
103 LAGUNA BEACH	135 MONTEREY CO.	167 POINT ARENA
104 LAGUNA HILLS	136 MOORPARK	168 PORT HUENEME
105 LAGUNA WOODS	137 MORAGA	169 PORTOLA VALLEY
106 LAKE FOREST	138 MORGAN HILL	170 RANCHO CUCAMONGA
107 LARKSPUR	139 MOUNTAIN VIEW	171 RANCHO MIRAGE
108 LATHROP	140 MURRIETA	172 RANCHO PALOS VERDES
109 LIVE OAK	141 NAPA	173 RANCHO SANTA MARGARITA
110 LIVERMORE	142 NAPA CO.	174 REDDING
111 LODI	143 NEWARK	175 REDWOOD CITY
112 LOMITA	144 OAKDALE	176 RIO VISTA
113 LONG BEACH	145 OAKLAND	177 ROCKLIN

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JURISDICTION	JURISDICTION	JURISDICTION
178 ROSEMEAD	199 SEAL BEACH	220 TULARE
179 ROSEVILLE	200 SIERRA MADRE	221 TUSTIN
180 SAN ANSELMO	201 SIMI VALLEY	222 UNION CITY
181 SAN BENITO CO.	202 SOLANO CO.	223 UPLAND
182 SAN CARLOS	203 SOLEDAD	224 VACAVILLE
183 SAN CLEMENTE	204 SONOMA	225 VENTURA
184 SAN DIEGO	205 SOUTH EL MONTE	226 VERNON
185 SAN FRANCISCO	206 SOUTH PASADENA	227 VISTA
186 SAN JOSE	207 SOUTH SAN FRANCISCO	228 WALNUT
187 SAN JUAN CAPISTRANO	208 STANTON	229 WALNUT CREEK
188 SAN LUIS OBISPO	209 SUNNYVALE	230 WASCO
189 SAN LUIS OBISPO CO.	210 SUSANVILLE	231 WATSONVILLE
190 SAN MARCOS	211 SUTTER CREEK	232 WEST COVINA
191 SAN MATEO	212 TEMECULA	233 WHITTIER
192 SAN RAMON	213 TEMPLE CITY	234 WINTERS
193 SANTA BARBARA	214 THOUSAND OAKS	235 WOODLAND
194 SANTA BARBARA CO.	215 TIBURON	236 YORBA LINDA
195 SANTA CLARA	216 TRACY	237 YOUNTVILLE
196 SANTA CRUZ	217 TRINIDAD	238 YUBA CO.
197 SANTA FE SPRINGS	218 TRINITY CO.	
198 SCOTTS VALLEY	219 TRUCKEE	

A-5. News Articles Regarding Affordable Housing

Bay Area News Group article

NEW HOMES

Bay Area cities may not hit state deadline

Only Alameda has had housing element OK'd ahead of Jan. 31 date

By Ethan Varian
evarian@bayareanewsgroup.com

Bay Area cities are running out of time to devise plans for enough new homes to ease the region's deepening housing crisis — and so far, state officials are sending most of their plans back to the drawing board.

Under state law, local jurisdictions have until Jan. 31 of next year to finalize their so-called housing elements — detailed road maps to meet their dramatically increased state-mandated housing goals. Between 2023 and 2031, the entire nine-county region is on the hook for approving over 441,000 new homes for residents of all income levels, more than double the amount for the current eight-year cycle.

As of last week, the California Department of Housing and Community Development had rejected drafts from 14 of

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the 15 Bay Area municipalities it had reviewed so far — with Alameda the lone success.

The agency told San Francisco, Oakland, Sunnyvale, Mountain View, Redwood City, Antioch and others to rewrite their drafts to provide proof the sites identified for future homes have a realistic chance of development, and to offer the possibility of rezoning certain neighborhoods for denser housing, among various other instructions.

Public officials and housing experts say the denials weren't a surprise given the state's high planning expectations. They anticipate many more rejection letters are on the way.

But HCD's hard line is raising questions about whether Bay Area cities and counties can meet the fast-approaching housing plan deadline at the end of January. Failing to do so risks missing out on affordable housing and infrastructure funding and could put jurisdictions in jeopardy of lawsuits, fines and the loss of local control over land-use decisions.

"I don't know if we're going to meet the deadline," said Mountain View Mayor Lucas Ramirez. "We're going to do the best we can. It may very well be that HCD says this is a strong start, but you have to do even more."

Judging by how the housing element process has gone in other parts of the state, that result seems possible for much of the Bay Area. In Southern California, just 48 of 196 local governments in the region have submitted housing elements after most blew their October 2021 deadline.



JOSE CARLOS FAJARDO — STAFF PHOTOGRAPHER

A view of a sitting area at Rosefield Village apartments during the grand opening celebration in Alameda last month. Alameda is the only Bay Area city whose housing element plan has been approved by the state

Mathew Reed, director of policy for the Silicon Valley affordable housing advocacy group SV@Home, said the state is demanding far more than during prior planning periods. For example, cities and counties are now expected to address housing equity and discrimination issues in their plans proactively. But Reed said Bay Area jurisdictions shouldn't use that increased burden as an excuse.

"It's been apparent that if you don't reach the bar (set by the state), you'll have more work," he said. "I'm not sure the public or elected officials have been as conscious of that fact."

Officials in Alameda spent years preparing their 228-page housing plan, which the state approved in August. Planning Director Andrew Thomas said while some residents protested the small island city's plans to accommodate more than 5,500 new homes, it was important to finalize the draft so the City Council could adopt it before the election in November.

"This is the City Council that's been involved in the preparation of this document for the last three years, and we decided this should be the City Council that makes the final decision," Thomas said.

Gov. Gavin Newsom, at a bill signing event last month in San Francisco, made clear that unlike in years past, state officials aren't going to look the other way if cities and counties ignore their housing responsibilities. In addition to withholding grant funding and imposing mandatory rezoning timelines, the state is threatening to sue noncompliant jurisdictions to compel a judge to take over the process for approving and permitting new homes.

"At the end of the day we need to see local accountability," Newsom said. "We're going to celebrate success, but we're going to call out failure."

At the event, Newsom highlighted a first-ever state investigation by HCD into San Francisco's restrictive housing policies. He also singled out the town of Atherton, the wealthy San Mateo County enclave that gained national attention earlier this year when it scrubbed its housing element draft of town homes after tech industry residents — including billionaire Marc Andreessen — vehemently objected to adding multifamily housing.

In an interview last month, Atherton Mayor Rick DeGolia said building multifamily homes considered affordable by state standards isn't practical because the cost of land in the town is around $8 million per acre, and there is little publicly owned land to develop. Instead, Atherton's housing element draft focuses on a program to help homeowners create new in-law units for rent.

"If (state officials) refuse, we're going to be in a fight with them," DeGolia said. Judging by Southern California's example, he expects to have until the end of 2023 to come to "some settlement with the state."

Reed, with SV@Home, said, "The expectation is to say, 'What can you do to address some of the things that are making it hard?' And the expectation is high."

In Oakland, meanwhile, residents of the largely suburban Rockridge neighborhood are asking the city to plan for more apartments and town homes in their community. In their rejection of Oakland's housing element, state officials directed the city to examine recommendations made by the Rockridge Community Planning Council.

"We believe that welcoming significant numbers of new residents to Rockridge would be entirely consistent with our values and the cherished historically diverse character of our neighborhood," the group wrote in a letter to city planning staff.

As the certification deadline approaches, housing advocates are warning cities of another, relatively little-known consequence of failing to finish their housing elements in time: the "builders' remedy." The three-decade-old law forces noncompliant cities to accept large housing projects with affordable units, even when the developments far exceed local zoning limits.

Chris Elmendorf, a law professor at UC Davis, said that while there are few known instances of the builders' remedy coming into play, developers have in recent years become emboldened to take advantage of other state housing laws that bypass local control.

"We're seeing the emergence of developers who are not relying on their relationships with city councils and instead on their rights under state law," he

Affordable Housing
A Plan Without a Home

East Bay Times article

AST BAY TIMES » SATURDAY, OCTOBER 22, 2022

Local News



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ARGEST IN EASTERN CONTRA COSTA COUNTY

Antioch unveils affordable housing complex

The 394-unit development sits on 14.85 acres in northeast section of the city

y Judith Prieve
rieve@bayareanewsgroup.com

The largest affordable-income amily and senior apartment com-lex ever in east Contra Costa ounty has opened in the north-ast area of Antioch.

The new 394-unit complex, hich was celebrated at a ribbon-utting Thursday, is expected to ssen the shortage of affordable ousing in the city and breathe new life into the Bridgehead area, which lost major retailer Kmart and has not seen much develop-ment in recent years. The apart-ments were developed by AMCAL, a Southern California developer that has been constructing afford-able housing since the 1990s.

Located southwest of East 18th Street and Holub Lane just west of Highway 160, the AMCAL Fam-ily and Senior Apartments include 11 three-story buildings on 14.85 acres between two residential neighborhoods. Of the 390 afford-able apartments in the gated com-plex, 214 are designed for families and 180 for tenants 55 and older. Four will be manager apartments.

"We're excited; tenants are starting to move in," said Alex Pratt, AMCAL vice president of development. "This is an intergenerational project, and there are 394 units and 100%

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Developer AMCAL unveiled its newly opened affordable housing complex, the Antioch Family and Senior Apartments, in northeastern Antioch on Thursday.
JUDITH PRIEVE STAFF

Builder's Remedy Article - The Fix

The 'fix' almost nobody wants

The 'builder's remedy' could OK projects in cities behind on their state-mandated housing plans

By Ethan Varian
evarian@bayareanewsgroup.com

It's a NIMBY's worst nightmare: high-rise apartment buildings going up in suburban neighborhoods — and local officials helpless to halt construction.

That scenario could soon become a possibility for Bay Area cities large and small should they fail to convince the state they're doing enough to help solve a deepening housing crisis.

It's all thanks to a little-used section of state housing law known as the "builder's remedy." Uncertainties remain, but the three-decade-old provision could enable developers to push through projects of virtually any size almost anywhere they please, as long as a portion of the building includes affordable units.

The builder's remedy would only apply to Bay Area cities without a state-approved plan to meet their upcoming homebuilding goals, which are updated every eight years. The penalty doesn't kick in until early next year, but many jurisdictions appear unlikely to have plans ready in time.

Housing experts and advocates say that means a surge of proposals may be on the horizon, especially in wealthier areas that have made it challenging to build denser housing, but where developers stand to see higher profits if they can build.

"If you're not going to tell developers where they can build multifamily housing, the state is saying they don't have to follow your rules," said San Francisco real estate attorney Daniel Golub,

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A Plan Without a Home

Builders

FROM PAGE 1

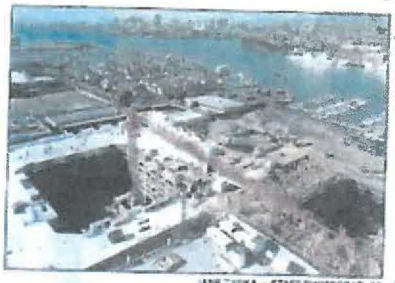
adding he's received "very substantial interest" about the builder's remedy in recent months.

It's already starting in Southern California — where over a hundred cities are behind on their housing plans due last year and developers have blitzed a handful of affluent enclaves with builder's remedy proposals in recent months. That includes more than a dozen high-rise projects in Santa Monica and a 2,300-unit oceanside complex in Redondo Beach.

In the Bay Area, cities have until Jan. 31 to get their housing plans certified and stave off a similar outcome. But so far, just two — Alameda and Emeryville — have approvals. However, the growing interest in the builder's remedy is adding pressure to meet the fast-approaching deadline.

A big part of why developers see the provision as a viable option now, despite it being on the books since 1990, appears to be that new state laws and policies have added teeth to the planning process for housing.

Homebuilding targets set by the state have doubled or even tripled for many cities. As a whole, the Bay Area is on the hook for approving more than 441,000 units for all income levels over the next decade, representing a 15% increase in the region's total homes.



JANE TYSKA – STAFF PHOTOGRAPHER

A drone photographs development along Clement Avenue in Alameda, one of only two Bay Area cities that have had their housing plans approved by the state.

For the current expiring eight-year cycle, the Bay Area permitted only about 190,000 units, according to state housing data. Of that amount, just 44,000 are for low- or middle-income residents, well under half the combined goal for those income levels.

This time around, state officials, including Gov. Gavin Newsom, have made clear they won't simply rubber-stamp cities' housing plans, and intend to hold jurisdictions accountable for actually meeting their new goals. The state is threatening fines, withholding affordable housing funding and loss of permitting authority for cities that skirt their housing responsibilities.

Paul Campos, a senior vice president with the Bay Area Building Industry Association, said despite the rush of builder's remedy proposals in Southern California, the provision's requirement that 20% of units be affordable makes it challenging for projects to actually "pencil out" — developer-speak for "turn enough of a profit to get built."

In part because of that financial reality, Campos said it's unlikely the Bay Area will see many projects that are drastically larger than what local zoning laws already allow. Instead, he views the provision as a way to "soften or eliminate some heavy-handed local regulations." For example, developers could add a few stories onto apartment projects to offset city development fees.

The type of city where the builder's remedy makes the most sense, Campos and other experts said, is one where rents are high and developers have often struggled to get large projects across the finish line.

Palo Alto, which has a population and median rent level roughly similar to that in Santa Monica, could fit the bill.

"(Santa Monica is) encountering now what we very possibly will be in three months," said Palo Alto Mayor Pat Burt.

Burt said Palo Alto is "racing" to finalize its plan for where new housing should be built, but he doesn't expect to meet the state's Jan. 31 deadline. It's unclear what the upscale Silicon Valley suburb, home to Stanford University, would do if faced with a flurry of builder's remedy applications. Burt expects an eventual court ruling on the Southern California proposals will determine whether Palo Alto would need to approve them.

Sonja Trauss, founder of the San Francisco-based housing advocacy group YIMBY Law, which launched an online workshop to help take advantage of the builder's remedy, acknowledged the scheme has not been legally tested. Potential sticking points include how the state's strict environmental laws apply and whether a city can deny proposals by essentially self-certifying its housing plan.

Another question is whether a builder's remedy proposal would still be valid if a noncompliant city gets its housing plan certified after the planning and permitting process for the project has already begun. The state housing department has said such projects must go through.

Still, Trauss said cities planning on challenging the provision shouldn't expect an easy victory.

"They may go to court, and they could prevail, but it's definitely going to be a fight," she said.

For some local officials, a brewing clash over the builder's remedy is only the latest result of what they say are punitive state laws and policies that are wresting away local control and threatening to destroy the character of their cities. The looming specter of largely unrestricted development is creating a sense of urgency to push back.

"It's the responsibility of the state Legislature to step in and ensure we don't witness a drastic overreach," Burt said.

State Sen. Scott Wiener, a Democrat from San Francisco and one of the principal backers of recent laws that have cleared the way for the builder's remedy, said he has no such intent.

"It's time to actually have enforceable standards," Wiener said. "What's more important, local control or having enough housing for everyone?"

For now, he said the builder's remedy appears to be serving its primary purpose by convincing cities to get their housing plans in order sooner rather than later.

"The goal is not to ever have to invoke the builder's remedy," he said.

Aaron Meadows
Mayor

Anissa Williams
Vice Mayor

Dr. George Fuller
Councilmember

Shannon Shaw
Councilmember

Hugh Henderson
Councilmember

September 13, 2023

Contra Costa County Civil Grand Jury
P.O. Box 431
Martinez, CA 94553
Also via email to ctadmin@contracosta.courts.ca.gov

RE: City of Oakley's Response to Grand Jury Report No. 2306 "Affordable Housing: 'A Plan Without a Home'"

Dear Foreperson Roberts,

Pursuant to California Penal Code Section 933.05, this letter responds to your letter dated June 22, 2023, requesting that the City of Oakley submit its response to the findings and recommendations included in Grand Jury Report No. 2306, "Affordable Housing: 'A Plan Without a Home'."

The City Council reviewed and authorized this response at its September 12, 2023 City Council meeting.

Grand Jury Findings and City Responses

F1. Within existing city or County infrastructure there is no clear owner who is responsive for achieving RHNA permitting targets.

City response: ***Partially Disagree.*** We partially disagree with Finding 1 because while a single entity is responsible for reporting on RHNA permitting targets, jurisdictions do not develop housing projects. State Housing Law only requires that jurisdictions plan to address barriers to development, accommodate all types of housing based on the RHNA allocations, and report their progress towards RHNA.

F2. City and County officials see no direct path to meet state-mandated regional housing (RHNA) targets.

City response: **Partially Disagree.** We partially disagree with Finding 2 because while City and County officials recognize the challenges ahead, our Housing Element identifies a clear path to accommodate the RHNA targets and we are actively exploring and implementing strategies to work towards meeting state-mandated regional housing (RHNA) targets.

F3. There are currently no measurable penalties if a city or a County does not achieve RHNA targets in an approved housing element plan.

City response: **Partially Disagree.** We partially disagree with Finding 3 because while there are no legal or financial penalties if the cities and County do not achieve their RHNA targets, there are penalties for not accommodating RHNA in a Housing Element and the consequences for not issuing adequate permits can be considered punitive.

F4. Data published by ABAG shows that Contra Costa County and most of its cities have missed their current RHNA targets for very low- and low-income housing allocations. The allocation requirements continue to increase (16x for very low-income and 4x for low-income residents).

City response: **Partially Disagree.** It is true that many cities and the County as a whole missed their RHNA targets for very low and low-income housing, and that RHNA Allocation for very low- and low-income housing has continued to increase. However, the increase in RHNA allocation is not to the extent mentioned in this report. RHNA numbers from the past 3 cycles hgfdsa

indicate that the current (6th) cycle has had the largest increase of 2.5x from the previous cycle in very low- and low-income housing requirements.

Cycle	Very Low	% permitted	Low	% permitted
1999 - 2006	6,481	44%	3,741	48%
2007 - 2014	6,512	21%	4,325	24%
2015 - 2020	5,264	16%	3,086	55%
2023 - 2031	13,346	n/a	7,685	n/a

F5. Many obstacles hinder the development of AH at the local level, specifically for very low- and low-income housing, including:

a. Limited availability of land;
b. Restrictive zoning policies specific to AH development;
c. Limited developer interest to bring projects forward;
d. Limited available funding;
e. Lack of community support;

f. NIMBY opposition & city council response to NIMBY opposition.

City response: **Partially Disagree.** The City partially disagrees with this finding. The City of Oakley does not have restrictive zoning policies specific to AH development.

F6. Zoning changes are generally addressed only when a project is presented for development. Zoning obstacles include:

a. Housing element plans that offer poor land choices for AH development;
b. Restrictive height and high-density zoning policies;
c. Lack of inclusionary housing ordinance(s) in many cities.

City response: **Partially Disagree.** The City of Oakley has relied upon the Affordable Housing Overlay (AHO) zoning process to identify viable properties that are central to transportation, services, and amenities that can be developed for Affordable Housing. In past Housing Element cycles, HCD has been supportive of Oakley's AHO. Oakley's AHO has been referred to as a successful tool for AH in a 2019 Terner Center Case Study.

F7. Penalties directed at cities and the County (financial, loss of control over local planning) are tied to not meeting state deadlines for Housing Element plan approval.

City response: **Partially Disagree.** We agree that there are penalties that are directly related to not meeting statutory deadline of the Housing Element. Builder's Remedy, where individuals may apply for a building permit on land that is not designated for housing, is one such penalty that is directly linked to meeting state deadlines for Housing Elements.

F8. Builder's Remedy and SB35 projects do not address ingrained local obstacles identified in this report that prevent the completion of approved AH projects.

City response: **Disagree.** Builder's remedy and SB35 are not intended to address local obstacles. Instead, they are intended to provide a streamlined development process for jurisdictions that have fallen out of compliance with State Housing Law (Builder's Remedy) or where housing production does not meet the RHNA targets (SB35). The Housing Element and its associated programs are intended to address potential local constraints to housing development. Builder's Remedy also does not guarantee a good housing project; it simply expedites the review process to eliminate local discretion.

A variety of factors, such as market conditions, capital costs, financing, supply chain disruptions, and labor market conditions, may affect the construction and completion of approved affordable housing projects. These factors are rarely associated with local obstacles and are beyond a jurisdiction's purview.

F9. When local Redevelopment Agencies (RDA's) were discontinued by the state in 2012, the County and cities did not address the loss of funding for affordable housing or find alternative funding to support affordable housing projects until voters passed Measure X in November 2020. Projects that target very low- and low-income residents were particularly impacted.

City response: **Partially Disagree.** While the County and cities did not create or find new sources of funds for affordable housing after the State discontinued 452 RDAs, State law limits local jurisdictions' ability to create new funding sources. Voters need to approve virtually all new funding or financing mechanisms to generate the revenues or funds needed to preserve existing affordable housing and construct or finance new affordable housing. The Board of Supervisors and Town/City Councils cannot, for example, float bonds any longer without voter approval.

F10. Measure X housing funds are not fully dedicated to building AH for very low- and low-income residents.

City response: **Agree.**

F11. Local funding provided by bonds like Measure X Housing Fund is a critical component of a developer's overall ability to raise funds for an AH development.

City response: **Disagree.** While local funding provided by bonds like Measure X Housing Fund in Contra Costa County can be a beneficial component, it is not a critical factor in a developer's overall ability to raise funds for an affordable housing (AH) development. Developers often require multiple sources of funding, or "stacking" strategies available to them, including federal and state grants, tax credits, private investments, and partnerships with nonprofit organizations.

F12. Cities that proactively engage citizens, address zoning obstacles, make reasonable zoning concessions, work collaboratively with developers, provide local funding support, and are united in

addressing NIMBY opposition, have been successful in attracting AH projects.

City response: **Partially Disagree.** The City of Oakley has proactively engaged citizens, addressed zoning obstacles, identified viable sites for affordable housing, makes reasonable zoning concessions, works collaboratively with developers, provides local funding support, and is united in addressing NIMBY opposition, and still has difficulty attracting enough very low- and very-low affordable housing units to satisfy the RHNA.

F13. The latest RHNA targets for cities and unincorporated Contra Costa County show a significant increase in the number of units that are expected to be permitted for very low- and low-income housing.

City response: **Agree.**

Grand Jury Recommendations and City Responses

R1. Each city and the County should consider assigning a staff position with clear leadership, ownership and accountability to achieve allocated RHNA targets. The individual in this position would be responsible for establishing and promoting an operational plan to achieve the RHNA goals set forth in the housing element plan.

City response: **The recommendation has been implemented.** California's Housing Element Law acknowledges that local governments must adopt plans and regulatory systems that provide opportunities for (and do not unduly constrain) housing development. Cities and Counties are not responsible for the development and construction of housing to achieve the allocated RHNA targets. Instead, they are responsible for the effective implementation of their housing elements and associated programs to address any existing constraints to housing and for tracking and reporting the jurisdiction's progress toward achieving their RHNA. The Community Development Department is assigned with the responsibility of the above tasks.

R2. Each city and the County should report AH progress and lack of progress using data across all four measured income groups. Special attention should be paid to tracking the housing needs of residents categorized as very low- and low-income. Cities and the County should communicate their progress, biannually, against RHNA targets at council and supervisor meetings.

City response: **This recommendation has been implemented.** The City completes an annual housing report that is submitted to HCD.

R3. Each city and the County should consider creating a dedicated AH commission comprised of a multi-disciplinary team of diverse citizens and led by a current, nonelected, city expert in planning. Each commission would be charged with providing a community voice in the process and helping to identify and address obstacles that hinder the development of affordable housing projects in their community.

City response: **The recommendation will not be implemented.** While we do not intend to pursue the recommended dedicated AH commission, we value the underlying principle of community engagement and recognize the importance of community input in the decision-making process. We will continue to explore alternative strategies that promote transparency, inclusivity, and community-driven solutions for affordable housing development in our city and County.

We remain committed to finding the most effective and sustainable approaches to address affordable housing challenges, working in collaboration with stakeholders and community members to achieve our shared goals.

R4. Each city and the County should consider reviewing existing processes and identifying changes that would address or resolve the specific obstacles identified in this report that hinder achieving RHNA allocation targets for very low- and low-income housing in their community.

City response: **The recommendation has been implemented.** Comprehensive Process Review: As required by State Law, jurisdictions have reviewed existing processes and identified programs to address any potential constraints to development through the Housing Element's Constraints and Zoning Analysis Section.

R5. Each city and the County should consider developing a public dashboard to report progress against RHNA targets.

City response: **The recommendation has been implemented.** Each jurisdiction (city council or board of supervisors) must prepare an annual progress report (APR) on the jurisdiction's status and progress in implementing its housing element using forms and definitions adopted by

the California Department of Housing and Community Development (HCD). (Government Code Section 65400.) Each jurisdiction's APR must be submitted to HCD and the Governor's Office of Planning and Research (OPR) by April 1 of each year (covering the previous calendar year (CY)). HCD compiles and showcases all APRs through their interactive digital data dashboard with downloadable data sets.

R6. Each city and the County should consider, in their individual Housing Element plans, putting forth land zoned "suitable for residential use," without development obstacles, and located strategically close to existing services, for AH purposes.

City response: **The recommendation has been implemented.** This recommendation has been implemented in previous Housing Cycles by utilizing an Affordable Housing Overlay.

R7. Each city and the County should consider reviewing their zoning policies to identify restrictive zoning policies unique to their jurisdiction that impede AH projects and consider making zoning changes in light that review that will support AH in their community.

City response: **The recommendation has been implemented.** This recommendation has been implemented as the City has updated its Density Bonus Ordinance numerous times in the past and is in the process of updating it again with a completion date of November 2023.

R8. Cities should consider adopting an inclusionary housing ordinance as part of their standard development policy by the end of 2023 (if not already in place).

City response: **The recommendation requires further analysis.** The City of Oakley has many already entitled residential units (over 4,700 units) for an inclusionary housing ordinance to be an effective solution in the future.

R9. Each city and the County should consider how to prioritize the implementation of housing projects that promote development of very low- and low-income housing.

City response: **This recommendation has been implemented.** For example, the City has provided important density bonuses for very low- and low-income housing projects and has contributed resources to projects as well in the past.

R10. Each city and the County should consider prioritizing Measure X funding requests that support projects that address RHNA targets for very low- and low-income residents. Each city and County should consider reporting regularly to their residents on the use of Measure X funds for such purposes.

City response: **The recommendation requires further analysis.** Measure X funds are dispersed into several areas besides Affordable Housing, and it remains to be seen if sufficient funds will make it to the cities in the County that can help with Affordable Housing Projects. The use of Measure X funds for housing are currently being reported by the County here: https://www.contracosta.ca.gov/8530/Measure-X

Sincerely,

Joshua McMurray
City Manager

Enclosures:

CC: Aaron Meadows, Mayor
Anissa Williams, Vice mayor
Dr. George Fuller, Councilmember
Shannon Shaw, Councilmember
Hugh Henderson, Councilmember
Derek Cole, City Attorney
Danielle Navarro, Assistant City Manager
Brent Smith, Community Development Director

SUPERIOR COURT OF CALIFORNIA
CONTRA COSTA COUNTY

November 16, 2023

Joshua McMurray, City Manager
City of Oakley
3231 Main Street, Oakley CA 94561

Re: Your Response to Grand Jury Report No. 2306 "Affordable Housing: A Plan without a Home" June 14th, 2023

Dear Joshua McMurray:

The Grand Jury received your response to the above-titled report and finds that it does not comply with the requirements of Section 933.05 of the California Penal Code in the following respects:

Response to Recommendations 8 & 10: A response of "requires further analysis" must include a date by which the analysis will be completed, and that date must be within six months of the report date.

> **R8.** *"City response: The recommendation requires further analysis. The City of Oakley has many already entitled residential units (over 4,700 units) for an inclusionary housing ordinance to be an effective solution in the future."*

> **R10**. *"City response: The recommendation requires further analysis. Measure X funds are dispersed into several areas besides Affordable Housing, and it remains to be seen if sufficient funds will make it to the cities in the County that can help with Affordable Housing Projects. The use of Measure X funds for housing are currently being reported by the County here: https://www.contracosta.ca.gov/8530/Measure-X "*

An excerpt from Penal Code Section 933.05 is quoted below for your reference.

The Grand Jury requests that you resubmit your response to recommendations # 8 and # 10 within 30 days of the date of this letter.

An electronic copy of this response in the form of a Word document should be sent by email to jsarmento@contracosta.courts.ca.gov and a hard (paper) copy should be sent to:

Joanne Sarmento
Civil Grand Jury – Foreperson
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

Thank you for your continued attention to the concerns of the Grand Jury.

Sincerely,

Joanne Sarmento

Joanne Sarmento, Foreperson
2023-2024 Civil Grand Jury

Subdivision (b) of §933.05 of the California Penal Code (excerpt, emphasis added)

b. For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:
   1. The recommendation has been implemented, with a summary regarding the implemented action.
   2. The recommendation has not yet been implemented but will be implemented in the future, with a timeframe for implementation.
   3. The recommendation **requires further analysis**, with an explanation and the scope and parameters of an analysis or study, and a **timeframe** for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This **timeframe shall not exceed six months** from the date of publication of the grand jury report.
   4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

Aaron Meadows
Mayor

Anissa Williams
Vice Mayor

Dr. George Fuller
Councilmember

Shannon Shaw
Councilmember

Hugh Henderson
Councilmember

December 13, 2023

Contra Costa County Civil Grand Jury
P.O. Box 431
Martinez, CA 94553
Also via email to ctadmin@contracosta.courts.ca.gov

RE: City of Oakley's Modified Response to Grand Jury Report No. 2306 "Affordable Housing: 'A Plan Without a Home'"

Dear Foreperson Sarmento,

Pursuant to California Penal Code Section 933.05, this letter responds to your letter dated November 16, 2023, requesting that the City of Oakley submit a modified response to recommendation's 8 and 10 included in the Grand Jury Report No. 2306, "Affordable Housing: 'A Plan Without a Home'." Although we did not commit to a time frame to complete the further analysis required for each recommendation, we have completed that analysis as of the date of this letter and the responses below reflect that.

The City Council reviewed and authorized this response at its December 12, 2023 City Council meeting.

R8. Cities should consider adopting an inclusionary housing ordinance as part of their standard development policy by the end of 2023 (if not already in place).

City response: **The recommendation will not be implemented.** The City has an adopted Housing Element which does not include any action programs to adopt an inclusionary housing ordinance. The City will satisfy the RHNA allocation per Policy Action 1.1 by rezoning sites where the base zoning would be amended to a minimum of 20 units per acre and maximum of 30 units per acre.

R10. Each city and the County should consider prioritizing Measure X funding requests that support projects that address RHNA targets for very low- and low-income residents. Each city and County should consider reporting regularly to their residents on the use of Measure X funds for such purposes.

City response: **The recommendation will not be implemented.** Measure X is a countywide 20-year, ½ cent sales tax approved by Contra Costa

County voters on November 3, 2020 “to keep Contra Costa’s regional hospital open and staffed; fund community health centers, emergency response; support crucial safety-net services; invest in early childhood services; protect vulnerable populations; and for other essential county services.” Under the Measure X Program Allocation Summary, only $10 million dollars (about 13% of FY 2022-23 funding and about 4.5% of total funding) were allocated to a Local Housing Trust Fund; for FY 2023-24, $12 million dollars were allocated. The Measure X Housing Funds are to be dispersed by the Department of Conservation and Development (DCD) and the Health Services’ Health, Housing and Homeless (HSD-H3) Services and the Housing Authority of the County of Contra Costa. The use of Measure X funds for housing are reported by the County here: https://www.contracosta.ca.gov/8530/Measure-X *The City does not need to duplicate the effort the County is putting forward to report on the use of Measure X funds.*

Sincerely,

Joshua McMurray
City Manager

Enclosures:

CC: Aaron Meadows, Mayor
Anissa Williams, Vice mayor
Dr. George Fuller, Councilmember
Shannon Shaw, Councilmember
Hugh Henderson, Councilmember
Derek Cole, City Attorney
Danielle Navarro, Assistant City Manager
Brent Smith, Community Development Director

DATE: December 12, 2023

TO: Joshua McMurray, City Manager

FROM: Jeri Tejeda, Administrative Services Director

Approved and Forwarded to the City Council

SUBJECT: Consideration of a Resolution Accepting the Annual Comprehensive Financial Report (ACFR), Memorandum on Internal Control, Required Communications and Report on agreed Upon Procedures for Fiscal Year 2022-2023.

Background and Analysis

The Fiscal Year 2022-2023 ACFR, including the City's audited financial statements is attached. The Successor Agency to the Oakley Redevelopment Agency is also included in the ACFR. In accordance with State Law, the Auditors also performed agreed upon procedures to review our Appropriations Limit calculations and compliance. Maze and Associates performed the engagements and have issued an unmodified (clean) opinion on the financial statements, as presented.

The Auditor's Memorandum on Internal Control and the Auditor's Required Communications letter include the required communications from the Statement of Auditing Standards (SAS) No. 112 Communicating Internal Control Related Matters Identified in an Audit. SAS No. 112 requires that the Auditor report any "material weakness" or "significant deficiency" found during the audit. The attached Memorandum on Internal Control (MOIC) contains three (3) significant deficiencies for FY 2022/2023, to which staff has provided management responses. These can be found on pages 7-9 of attachment #3.

The Auditor's "Report on Agreed Upon Procedures for Compliance with the Proposition 111 2022/2023 Appropriations Limit Increment" is also attached. The agreed upon procedures are less in scope than the audit, but in carrying out the procedures, the auditors walked through the calculation to ensure compliance with the appropriations limit calculation requirement. While there was a transposed number in the original calculation, it does not change that the appropriation limit is still within the limitation guidelines.

A representative of Maze & Associates will present the ACFR and other related documents to the City Council, which are attached to this staff report. City staff has prepared the transmittal letter, which starts on page i and the Management Discussion

and Analysis (MD&A), which starts on page 5 of the attached ACFR document. The MD&A is meant to help summarize much of the information that is provided in further detail in the ACFR report. Below are some highlights related to the City's financial Health:

- The net change in fund balance for the General Fund was a decrease of approx.$900,000 in Fiscal Year 2022/2023 and was anticipated due to the large one-time reserves transfer that was for capital projects.
- Among other shifts in the General Fund's fund balance categories, the Capital Projects Reserve was decreased by $7.2 million as it was used to begin funding the Cypress Road Project.
- General Fund Emergency Reserves are at 30% and shown on the ACFR as a separate line item to help the reader differentiate from fund balance that should only be used during times of economic downturn versus unassigned fund balance that is available for use.

Consistency with the Oakley Strategic Plan 27+

This agenda item is consistent with the Strategic Plan 27+'s Finance and Fiscal Responsibility Goal for the City of Oakley to leverage its financial resources for the long-term benefit of our residents and businesses while maintaining sufficient reserves to provide stability and ensure a successful future. It is also consistent with the Finance and Fiscal Responsibility objective to communicate on financial updates including financial health, priorities, and unexpected expenditures.

Fiscal Impact

There is no fiscal impact of adopting this resolution.

Staff Recommendation

Staff recommends the City Council adopt the attached resolution accepting the reports.

Attachments

1. Resolution
2. FY 2022-2023 ACFR
3. FY 2022-2023 Memorandum on Internal Control
4. FY 2022-2023 Required Communications
5. FY 2022-2023 Gann Limit Report

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR), MEMORANDUM ON INTERNAL CONTROL, REQUIRED COMMUNICATIONS, AND REPORT ON AGREED UPON PROCEDURES FOR FISCAL YEAR 2022-23

WHEREAS, each year the City hires an independent audit firm to complete an audit of the City's books and records; and

WHEREAS, the City's citizens, bondholders, bond insurers, rating agencies and others rely on the audited financial statements, and other related information published by the City to monitor the City's financial health; and

WHEREAS, the City publishes an Annual Comprehensive Financial Report (ACFR), which includes its audited Basic Financial Statements as defined in Governmental Accounting Standards, as well as Supplementary Information; and

WHEREAS, the Auditor has as part of its most recently completed audit prepared a "Memorandum on Internal Control" outlining any significant deficiencies, material weaknesses, and/ or any additional suggestions the Auditor feels might be of benefit to the City; and

WHEREAS, the Auditor has prepared a letter of "Required Communications" which includes certain information related to the audit that professional standards require to be communicated to the City Council and management under generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance; and

WHEREAS, the Auditor was also engaged to perform certain agreed upon procedures to verify the City's Appropriations Limit calculations and has issued a report related thereto; and

WHEREAS, the ACFR, Memorandum on Internal Control, Required Communications and Report on Agreed Upon Procedures performed for Fiscal Year 2022-23 are attached hereto as Exhibits A, B, C and D.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Oakley accepts the attached ACFR, Memorandum of Internal Control, Required Communications and Report on Agreed-Upon Procedures performed for Fiscal Year 2022-23.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Oakley held on the 12th day of December 2023 and adopted by the following vote:

AYES:
NOES:
ABSTENTION:

ABSENT:

APPROVED:_____
MAYOR

ATTEST:

_____
Libby Vreonis, CITY CLERK

OAKLEY
CALIFORNIA





ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2023









CITY OF OAKLEY, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

PREPARED BY THE

FINANCE DEPARTMENT

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CITY OF OAKLEY, CALIFORNIA

Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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OAKLEY
CALIFORNIA

Aaron Meadows
Mayor

Anissa Williams
Vice Mayor

Dr. George Fuller
Councilmember

Shannon Shaw
Councilmember

Hugh Henderson
Councilmember

December 12, 2023

To the Citizens of the City of Oakley,
and the Honorable Members of the Oakley City Council,

We are pleased to submit to you the City of Oakley's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This report is published in accordance with State law that requires financial statements be presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. It is also prepared to meet reporting standards set forth by the Governmental Finance Officers Association.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework designed to both protect the government's assets from loss, theft, or misuse and compile sufficient reliable information for the presentation of the City's financial statements in conformity with GAAP. Given the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal control has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the changes in financial position of the governmental activities and the various funds of the City; and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

CITY PROFILE

The City of Oakley is a community of approximately 45,000 residents located in the eastern portion of Contra Costa County in the San Francisco Bay Area. The City entity is a California municipality incorporated on July 1, 1999 and operates under a Council-City Manager form of government. The City Council is comprised of five members, three of which were elected by the voters, city-wide, serving in staggered four-year terms and two were elected to serve in their respective District from the 2022 election, also serving a staggered four-year term. The 2024 election will transition the three remaining at-large seats to District seats. The Council hires a City Manager to run the City's day-to-day operations.

The City provides the following services: Legislative; Administrative; Building and Safety; Code Enforcement, Planning; Engineering; Streets, Parks, and Landscape Maintenance; Recreation; and Police Protection. Other community services that are provided by local special districts with their own governing boards include: Sewer, Water, Transit, Irrigation, Mosquito Abatement, Flood Control, Schools, and Fire Protection. The City contracts sanitation services with a local firm under a long-term franchise agreement.

FINANCIAL INFORMATION

Discussion and analysis of the City's finances can be found in the MD&A section of the attached report. The information below includes a summary of what is recorded in the General Fund and certain Other Financial Information of ongoing interest but not included in the MD&A.

The Financial Statements presented in this ACFR include the City and its component unit, the Oakley Public Financing Authority. It is blended in the report since it is governed by the City Council sitting in a separate capacity and provides services exclusively to the City. The Oakley Redevelopment Agency was dissolved on January 31, 2012, and its assets and liabilities were transferred to the City, as Housing Successor, and to a Successor Agency. The Successor Agency is reported as a Private Purpose Trust Fund, since it is legally a separate Entity and its decisions and governance subject to the approval of parties other than the City Council.

Each year, the City Council holds a strategic planning discussion and adopts a budget to direct the allocation of City resources in accordance with its strategic planning priorities. The process typically begins in January with internal budget reviews, followed by a strategic planning session in March, a budget workshop in May to discuss a Proposed Budget, and adoption of a final Recommended Budget in June. The development of the Fiscal Year 2023/24 Proposed Budget included a budget study session that was held at the May 9, 2023 Council meeting.

The City operates on a fiscal year that begins each July 1 and ends on June 30. The adopted Budget includes the annual update of the City's Comprehensive Statement of Financial Policies, which serves as a framework for its financial practices, an update to its 10 Year Plan, and budgets for each of the funds under the City's control. Budgetary control is established at the Fund level.

The City's General Fund is its primary operating fund, and is used to account for Legislative, Administrative Services, Community Development, Recreation, Police and Public Works operations, and is where the City accounts for all its general-purpose revenues. It is distinguished from the City's other governmental funds that are used to account for special purpose revenues, capital projects, debt service activities, and monies held for the benefit of others.

DEBT MANAGEMENT

The City generally does not incur debt, except in instances where there will be long-term benefits or where no other method of acquiring an asset is possible. Equipment purchases are generally funded through the City's Equipment Replacement Fund or with current revenues.

RESERVES

The City has sufficient reserves to meet its current and immediate future obligations. The Statement of Financial Policies contains reserve policies and the City's Adopted Budget includes a 10 Year Plan which highlights the impact of near-term decisions on fund balances and reserves during the 10-year period. Furthermore, in order to maintain the 10 Year Plan's relevance, twice each year (at budget adoption and again at mid-year), the City reviews and updates the assumptions used in the Plan.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In preparing the budget for FY 2023/24, management considered the following significant factors likely to affect the financial condition of the City:

With interest rates rising, home sales have dropped considerably from prior fiscal years therefore slowing the issuance of building permits. The FY 2023/2024 revenue projections were conservative at only anticipating 125 building permits for single family housing units remaining consistent with where FY 2022/2023 ended. Although conservative, it is still unknown if we will reach these numbers for FY 2023/2024. Property Tax revenue growth was budgeted at 6% for Fiscal Year 2023/2024, however, with the County Assessor subsequently reported an increase of over 8% in assessed valuations which is anticipated to increase revenue for property tax and property tax in lieu of vehicle license fee. To hedge against potentially further losses in revenue due to a possible recession, the City had assigned $1 million in excess of the 30% minimum reserve policy to the General Fund Emergency Reserve for Fiscal Year 2022/23. The City did not assign the $1 million in the FY 2023/2024 budget. Although it hasn't been determined when or even if a recession will happen, if it does, it is anticipated to be mild and quick.

The City is also anticipating a rise in commercial and industrial development with the Contra Costa Logistic Center construction wrapping up in Fiscal Year 2022/23. The Center provides approximately 1.7 million square feet of new, Class A light industrial, warehousing, distribution, e-commerce fulfillment, and light manufacturing space that will serve as a regional catalyst for jobs and business in the City and beyond.

The City has accumulated reserves well in excess of its adopted policy level of 30% of anticipated General Fund expenditures. With an adequate reserve, the Council has appropriated the excess to fund one-time additional infrastructure and economic development investments. The City has several large projects in the coming years and any one-time expenditures used will be weighed against the 10-year plan to ensure all expenditures can be managed not only now but into the future.

In December 2016 the California Public Employees Retirement System ("CalPERS") lowered the discount rate assumption, the long-term rate of return from 7.50% to 7% over the subsequent three years. On November 15, 2021, the CalPERS Board voted to lower the rate further, from 7% to 6.8%. In FY 2017/18 the City set up a pension trust that will be used to reduce the unfunded accrued liability and/or provide rate stabilization in future years. At the end of FY 2022/2023 the City has $1,047,201 in the pension trust account that can be used to pay future pension costs. The City has also set aside reserves of $1,000,000 for consideration of future section 115 Trust investments or UAL pay-downs.

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law. Section 9901 of the ARPA amended Title VI of the Social Security Act to add Section 603. This establishes the Coronavirus State & Local Fiscal Recovery Fund (CSLFRF) for local governments across the U.S. Every city and town received a funding allocation. In California, both large cities-entitlement cities (populations over 50,000) and small cities – non-entitlement cities (populations of less than 50,000, which includes the City of Oakley) have received ARPA funding allocations. In total, small cities (non-entitlement, cities including Oakley) in California received $1.2 billion. The City of Oakley received $10.2 million and to date has allocated all but $2.8 million to projects. This unallocated amount has been suggested to be used to help fund the Library project that is becoming a priority in upcoming years.

While the budget news was generally good, the City Council continues to support a budget process that uses recurring revenues for recurring expenditures and allocates one-time funds for one-time purposes, reflecting the Council's commitment to conservative budgeting, controlling costs, and using the City's revenues wisely.

LONG TERM FINANCIAL PLANNING

The City adopts a balanced budget for each fiscal year by June 30. The City has financial policies that include the use of one-time revenues being used for non-recurring or one-time expenditures including capital and reserves. The City has adopted a fund balance policy that requires the unassigned fund balance in the General Fund to be at least 30% of operating expenditures. As part of the budgeting process a 10-year financial projection is approved each year. This creates the framework to evaluate the City's success in ensuring service sustainability. Each year, a 5-year Capital Improvement Plan is created to build and maintain the core infrastructure of the City.

THE LOCAL AND REGIONAL ECONOMIES

Oakley's local economy continues to grow. While commercial activity in the region has improved, commercial vacancies in nearby cities remain a viable and competing alternative to new ground-up construction in Oakley. New development and City initiatives bring infrastructure improvements and attractive new neighborhoods. These investments support the City's efforts to attract new businesses and expand existing local employment opportunities. The City continues the revitalization of the downtown area with the improvement and widening of Main Street. New commercial development is nearing completion in the downtown and grant funding has been received by the San Joaquin Joint Powers Authority to install an Amtrak train platform in the downtown area.

Like most small cities in metropolitan areas, Oakley's economy is influenced strongly by the regional economy. It rises as the region expands and falls as the region contracts.

The San Francisco Bay Area led the country in economic growth in 2023, with a 3% increase in GDP, and employment for the City's residents continues to improve. Oakley has a labor force of 19,900, with an unemployment rate of 4.5 % in September 2023, compared to 5.9% in 2022, 7.2 % in 2021 and 14.7% in 2020.

INDEPENDENT AUDITORS

State statutes require an annual audit by independent certified public accountants. The accounting firm of Maze & Associates has been engaged by the City to conduct this year's audit. The auditor's report on the basic financial statements is included in the financial section of the report.

AWARDS FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended June 30, 2022. To receive the award, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

AVAILABILITY TO THE PUBLIC

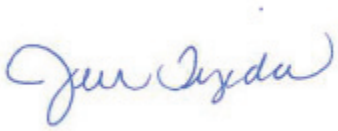
Once accepted by the Council, the report will be made available to the public at the City Offices, on the City's website, at State and Federal repositories, and by providing copies to the City's bond disclosure dissemination agent.

CONCLUSION

We are proud to deliver to you the City's Annual Comprehensive Financial Report for the year ended June 30, 2023. The preparation of this report on a timely basis could not have been accomplished without the dedicated services of Finance Department staff and the assistance of many others in the City organization. We would like to express our appreciation to everyone who contributed to its preparation and thank you for your continued support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



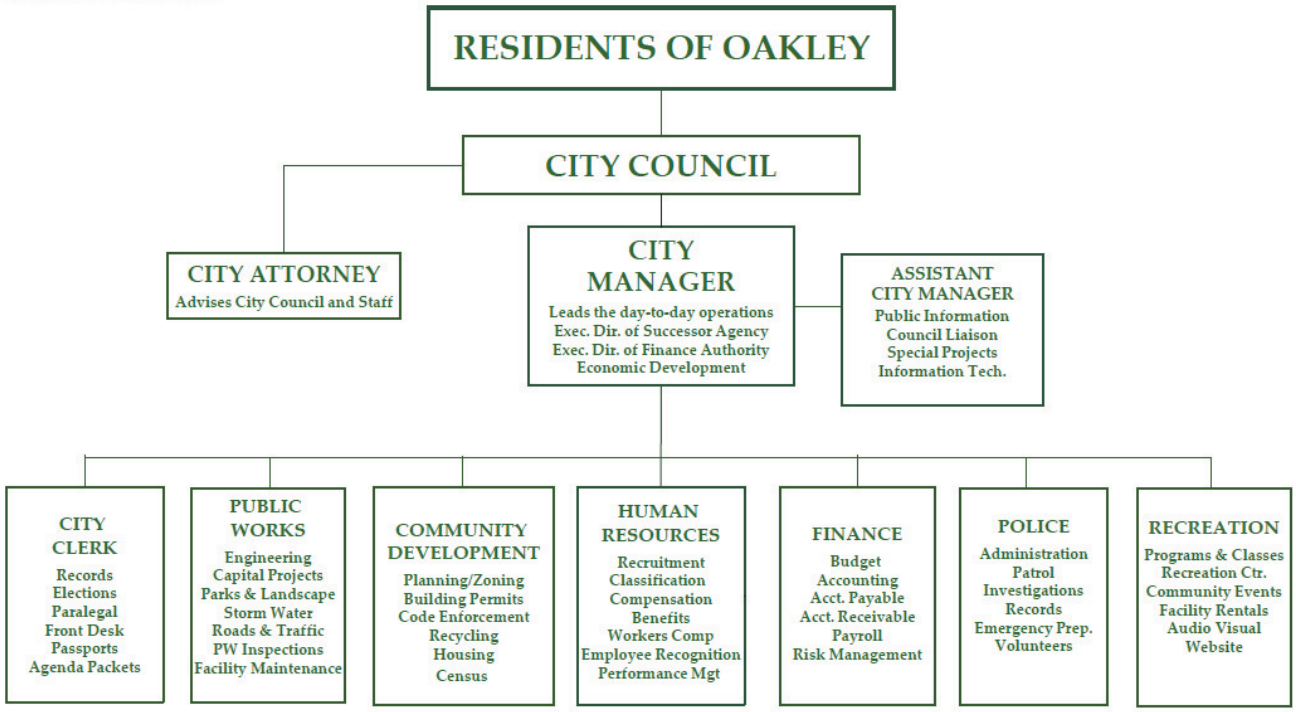


Joshua McMurray
City Manager

Jeri Tejeda
Administrative Services Director

OAKLEY
CALIFORNIA

CITY'S ORGANIZATIONAL CHART



CITY OF OAKLEY

ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL

JUNE 30, 2023

ELECTED OFFICIALS

Mayor	Aaron Meadows
Vice-Mayor	Anissa Williams
Council Member	George Fuller
Council Member	Hugh Henderson
Council Member	Shannon Shaw

ADMINISTRATIVE PERSONNEL

City Manager	Joshua McMurray
City Attorney	Derek Cole
Finance Director	Vacant
Chief of Police	Paul Beard
City Clerk	Libby Vreonis
Human Resources Director	Jeri Tejeda
Community Development Director	Brent Smith
Public Works Director/City Engineer	Kevin Rohani
Recreation Director	Vacant

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oakley
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

MAZE & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Oakley, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Oakley, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplemental Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
December 5, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Oakley's financial performance for the fiscal year ended June 30, 2023, provides an overview of year ending results based on the government-wide statements, an analysis on the City's overall financial position and results of operations to assist users in evaluating the City's financial position, and discussions of both significant changes that occurred in funds and significant budget variances. In addition, it describes the activities during the year for capital assets and long-term debt. It concludes with a description of currently known facts, decisions, and conditions that are expected to have a significant effect on the financial position or results of operations. Please read this management's discussion and analysis in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- Government-wide net position increased by $13,246,577 or 4.19 percent this year.
- Government-wide program expenditures exceeded program revenues by $7,563,455.
- General Fund revenues were $2,160,775 more than budgeted; expenditures were $2,916,611 than budgeted.
- The General Fund Balance at the end of the year was $25,741,766 of which $16,585,152 was available/unassigned.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities (on pages 16 and 17) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements start on page 20. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds and other funds. The remaining fiduciary fund statement provides financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities:

Our analysis of the City as a whole begins on page 5. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities to answer this question. These statements include all assets, deferred outflows/inflows of resources and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the City's *net position* and *changes in net position.* Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position is an indication of whether its *financial health* is improving or deteriorating. To put the City's financial health in perspective, you will likely need to consider certain non-financial factors, such as changes in the economy, that impact consumer spending or property values. In the Statement of Net Position and the Statement of Activities, we include City activities from two categories:

Governmental activities – Most of the City's basic services are reported in this category, and include general government (city manager, city clerk, finance, etc.), community development (planning and building, public works and parks, police protection, and recreation. Property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues finance these activities.

Component unit activities – The City includes one additional legal entity in its report – the Oakley Public Financing Authority. Although legally separate, the City is financially accountable for this "component unit".

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds (called "major" funds) and other funds (called "non-major" funds) – not the City as a whole. Some funds are required by State law and/or by bond covenants; however, management has established other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for the use of certain taxes, grants, and other resources. The City's funds are classified as Governmental Funds, Proprietary Funds or Fiduciary Funds.

Governmental Funds

Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

Proprietary Funds - Internal Service Activities

The City has established Equipment Replacement, Information Technology and Capital Facilities Maintenance and Replacement Internal Services Funds. Internal Service Funds are operated in a manner similar to a private business enterprise. In the case of the Equipment Replacement Fund, it charges the other City funds to accumulate amounts sufficient to maintain and replace fleet vehicles at the end of their useful life. The Information Technology Fund is funded by transfers from the General Fund that are sufficient to replace computer equipment as necessary, and the Capital Facilities Maintenance and Replacement Fund charges the other City Funds to accumulate sufficient amounts to pay for major repairs and building systems replacements when they may occur. These Funds are reported using the *accrual basis of accounting*.

Trust and Custodial Funds - Reporting the City's Fiduciary Responsibilities

The City is the trustee, or *fiduciary,* for certain funds held on behalf of bondholders and other governmental agencies. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City doesn't own these assets and cannot use them to finance its operations. The City is the Successor Agency to the Oakley Redevelopment Agency, and the Successor Agency's assets and liabilities are accounted for in a private purpose trust fund reported with the City's other fiduciary funds.

THE CITY AS A WHOLE

For Fiscal Year 2022/2023, the City's combined net position increased $13,246,577 from $315,982,936 to $329,229,513. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental activities.

Table 1
Net Position
As of June 30, 2023 and 2022

Governmental Activities	**2023**	**2022**
Assets		
Current and restricted assets	$102,852,722	$93,117,201
Other Long-Term Assets	12,736,548	14,660,449
Capital assets	238,336,035	230,225,015
Total Assets	353,925,305	338,002,665
Deferred Outflows of Resources		
Related to pensions (Note 11)	4,135,020	3,889,373
Liabilities		
Long-term debt outstanding	7,915,000	8,245,000
Other liabilities	20,116,979	15,947,698
Total Liabilities	28,031,979	24,192,698
Deferred Inflows of Resources		
Related to pensions (Note 11)	441,835	608,584
Related to leases (Note 14)	356,998	1,107,820
Total Deferred Inflows of Resources	798,833	1,716,404
Net Position		
Net Investment in Capital Assets	230,421,035	221,980,015
Restricted	59,525,708	56,580,454
Unrestricted	39,282,770	37,422,467
Total Net Position	$ 329,229,513	$ 315,982,936

The City's Net Position is made up of three components: Net Investment in Capital Assets; Restricted Net Position; and Unrestricted Net Position. Net Investment in Capital Assets, representing capital assets, and principally infrastructure assets, accounts for the majority of the City's governmental activities' net position.

The increase of $8,441,020 in Net Investment in Capital Assets resulted primarily from the contribution of subdivision infrastructure from developers including streets, improvements, traffic signals and landscaping. The largest dedicated infrastructure included Oakley Logistics Center and Stonewood Unit A. The City also has several large construction projects completed this year which includes Street Repair and Maintenance CIP # 246, the Police Parking Lot Expansion CIP #253 and the Holly Creek Restrooms CIP #288.

The increase of $2,945,254 in Restricted Net Position is primarily due to funds restricted for capital projects, as a result of current year project expenditures and carryover to the next year for project completion. The largest of these projects is E. Cypress-Knightsen Avenue CIP #247.

The increase of $1,860,303 in Unrestricted Net Position is primarily attributed to the General Fund revenues in excess of expenditures. With a conservative budget due to the uncertainties of the effect of inflation on the economy, property tax, and interest were all more than anticipated. Large capital projects, primarily related to street repairs, were carried over to Fiscal Year 2023/2024, bringing Fiscal Year 2022/2023 expenditures in under budget.

Table 2
Changes in Net Position
As of June 30, 2023 and 2022

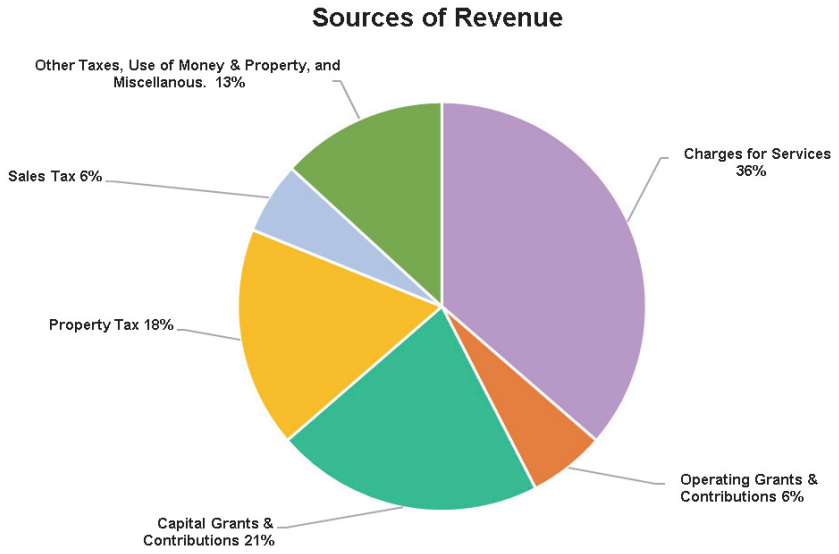
Governmental Activities	**2023**	**2022**
REVENUES		
Program Revenues:		
Charges for Services	$20,818,777	$19,848,551
Operating Grants & Contributions	3,475,268	3,548,566
Capital Grants & Contributions	12,071,631	16,125,068
General Revenues:		
Property tax	9,997,445	8,820,565
Sales tax	3,259,906	3,245,824
Other taxes	2,906,346	2,736,046
Use of money and property	3,231,632	(1,492,642)
Miscellaneous	1,414,703	1,158,483
Total Revenues	57,175,708	53,990,461
EXPENSES		
Legislative	1,107,304	620,315
Administrative Services	3,605,591	1,236,007
Law Enforcement	12,909,496	10,004,447
Community Development and Housing	4,822,090	3,784,435
Public Works	20,106,673	16,987,021
Recreation	1,033,851	723,501
Interest on long-term debt	344,126	349,039
Total Expenses	43,929,131	33,704,765
Change in Net Position	13,246,577	20,285,696
Net Position – Beginning	315,982,936	295,697,240
Net Position – Ending	$329,229,513	$315,982,936

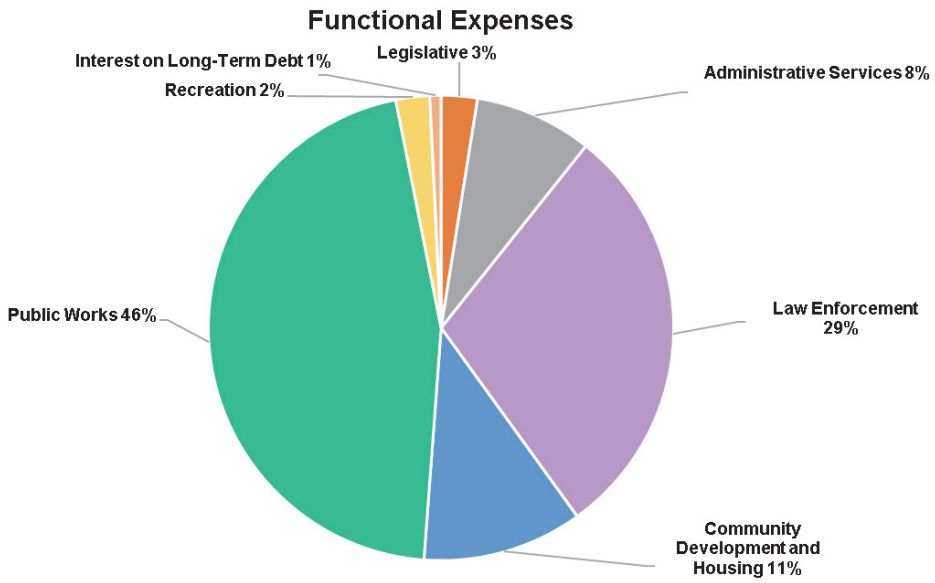
Governmental Activities

Total governmental revenue for Fiscal Year 2022/2023 was $57,175,708. Capital Grants and Contributions, which account for 21% of revenue, saw a decrease of $4,053,437, from $16,125,068 in Fiscal Year 2022/2023 to $12,071,631 in Fiscal Year 2022/2023. This decrease is due to significantly higher-than-usual capital projects that were completed in Fiscal Year 2022/2023. Charges for Services, which account for 36% of revenue increased by $970,226, due to continuing development within the City of Oakley. Property Taxes increased $1,176,880 due to a general increase in property values as well as an increase in the number of new homes on commercial and industrial buildings being assessed. The use of money and property increased $4,724,274 due to the fluctuation of market rates and the increase in investment in money market accounts. The other categories experienced slight increases. The large increase in Use of Money and Property was the result of rising interest rates, which created exceptionally high market losses on existing investments in FY 2021/2022.

Total expenses were $43,929,131. Public Works, with $20,106,673 of expenses, represented the largest component of total governmental expenses. Administrative Services, Law Enforcement and Community Development also increased considerably; the increases were due to a large decrease in FY 2021/2022 from a combination of a one-time payment and an exceptionally large rate of return for CalPERS as well as salary increases due to moving from a merit-based system, to a step system. This change provided for at least a 5% salary increase for all staff with some staff receiving greater than 5%. In addition to the step system, all miscellaneous general staff received a 3% cost of living increase. Other categories remained comparable to the prior year with some seeing slight decreases.

Fiscal Year 2023 Government Activities





THE CITY'S FUNDS

On page 24, the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances is shown. The combined fund balance was $85,004,805, an increase of $7,254,041. The largest contributor was due to moving assigned reserves for Capital Projects of 7.2 million to unassigned fund balance to be used for the CIP project for Cypress Road.

The General Fund Balance decreased by $900,535 from the prior year. This was anticipated to be much larger at the beginning of the year. With property tax revenue and interest revenue coming in above the budget, this decrease was less than budgeted. One time reserves were used to transfer for capital projects for Cypress Road.

The General Fund Unassigned Fund Balance increased by $6,203,709, due primarily to the decrease of assigned reserves for capital projects of $7.2 million for use on capital projects. In Fiscal Year 2023/2024, $2.8 million of the Reserve for Capital Projects will remain available for future capital projects if needed.

General Fund revenues were $8,224,038 more than expenditures. That excludes Net Transfers of $9,577,974, which are categorized under Other Financing Sources (Uses).

General Fund Budgetary Highlights

For the City's General Fund, actual revenues of $22,353,938 were $2,160,775 more than the final budgeted revenues of $20,193,163. Use of Money and Property, Property Tax, and Other Tax Revenues exceeded final budget by $1,909,127. The increase in assessed value of property was approximately 16.4%, which was better than the projected increase of 4.5%. With the inflation concern and direct effect of the economy during budget preparations, the Use of Money was anticipated to stay the same or decrease, as the effects of the rate changes were unknown. However, the City received $987,832 more revenues than anticipated.

General Fund expenditures of $14,129,900 were $2,916,611 less than final budget of $17,046,511. Savings were realized primarily in Law Enforcement ($997,743) and Administrative Services ($697,121). The savings in Law Enforcement resulted from the timing on the hiring process for vacant police positions, creating a savings of just over $854,203 in Salaries and Benefits. The savings in Administrative Services resulted primarily from lower than anticipated Salaries and Benefit costs, consulting services, repairs and maintenance and risk management.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2022/23, the City had $238,336,035 invested in a broad range of capital assets including land, streets, bridges, drainage systems, traffic lights, parks, buildings, vehicles and equipment. (See Table 3).

Table 3
Capital Assets
As of June 30, 2023 and 2022

Governmental Activities	**2023**	**2022**
Non Depreciable		
-Land	$18,535,225	$ 18,531,130
-Construction in Progress	11,585,659	7,234,020
Depreciable, net of Accumulated Depreciation:		
-Machinery, Equipment and Vehicles	1,421,130	987,248
-Buildings and Improvements	24,334,114	20,725,953
-Park Improvements	14,738,950	15,680,626
-Infrastructure	167,720,957	167,066,038
Total Capital Assets	$238,336,035	$230,225,015

Capital Assets increased by $8,111,020 during Fiscal Year 2022/23, with the most significant increases being in construction in progress ($4,351,639) and in building and improvements ($3,608,161). The City completed several large CIP projects including the Police Parking Lot, Streets Repair and Maintenance and the Holly Creek Restrooms. The increase in Building and Improvements consists mostly of developer dedicated improvements of the Oakley Logistic Center and Stonewood Unit 1.

The City's FY 2023/24 Capital Improvement Budget calls for the spending of $16,290,939 on new capital projects, the majority being the construction of roadways, street repair and resurfacing and a regional park project. The projects will be financed primarily with Traffic Impact Fees, Measure J, Park Impact fees and General Fund Allocations. Additional information about the capital assets can be found in Note 7 of the financial statements.

Debt

At year-end, the City's governmental activities had $7,915,000 of Outstanding Debt as shown in Table 4. In December 2016, the City issued the 2016 Lease Revenue Bonds of $10,025,000 to refinance the outstanding 2006 Certificates of Participation and to finance the construction of the Oakley Recreation Center. Additional information about the City's debt can be found in Note 8 of the financial statements.

Table 4
Outstanding Debt at Year-End

Governmental Activities	**2023**	**2022**
2016 Lease Revenue Bonds	$7,915,000	$8,245,000

During the year, the City made all of its current year debt service payments in a timely manner.

CONTACTING THE CITY FOR FINANCIAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department at the City offices at 3231 Main Street, Oakley, California, by calling (925) 625-7010, or forwarding your inquiry via the "contact us" page on the City's website (www.oakleyinfo.com). This Annual Comprehensive Financial Report (ACFR), as well as other financial documents, is posted in the Finance Department section of the City Website.

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STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and deferred outflows of resources and all its liabilities and deferred inflows of resources, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's Net Position, by subtracting total liabilities from total assets.

The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column. The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds.

The Statement of Activities reports increases and decreases in the City's Net Position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental program. The City's general revenues are then listed in the Governmental Activities and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City and the Oakley Public Financing Authority, which is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the activities of the entity.

CITY OF OAKLEY
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and investments available for operations (Note 3)	$94,540,663
Cash and investments with fiscal agent (Note 3)	1,586,514
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	3,214,228
Interest receivable	185,767
Prepaids and deposits	1,368
Loans receivable (Note 5)	12,357,708
Land held for resale (Note 6)	3,324,182
Capital assets (Note 7):	
Land and construction in progress	30,120,884
Depreciable, net	208,215,151
Leases receivable (Note 14)	378,840
Total Assets	353,925,305
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions (Note 11)	4,135,020
LIABILITIES	
Accounts payable	2,493,209
Accrued liabilities	128,053
Deposits payable	1,558,886
Unearned revenue	11,719,672
Interest payable	53,928
Claims payable - due in one year (Note 16)	75,850
Compensated absences (Note 1H):	
Due within one year	374,788
Due in more than one year	1,499,155
Advance from Fire District, due in more than one year (Note 17D)	136,023
Net Pension Liability - Due in more than one year (Note 11)	2,077,415
Long-term debt (Note 8):	
Due within one year	345,000
Due in more than one year	7,570,000
Total Liabilities	28,031,979
DEFERRED INFLOWS OF RESOURCES	
Related to pensions (Note 11)	441,835
Related to leases (Note 14)	356,998
Total Deferred Inflows of Resources	798,833
NET POSITION (Note 10)	
Net investment in capital assets	230,421,035
Restricted for:	
Capital projects	48,059,852
Debt service	40,543
Low and moderate income housing	11,425,313
Total Restricted Net Position	59,525,708
Unrestricted net position	39,282,770
Total Net Position	$329,229,513

See accompanying notes to financial statements

CITY OF OAKLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
Governmental Activities:					
Legislative	$1,107,304				($1,107,304)
Administrative Services	3,605,591	$806,653	$250,000		(2,548,938)
Community Development	4,818,856	3,463,582	767,388	$758,109	170,223
Public Works	20,106,673	8,851,111	2,193,626	11,313,522	2,251,586
Housing Programs	3,234				(3,234)
Law Enforcement	12,909,496	7,381,365	264,254		(5,263,877)
Recreation	1,033,851	316,066			(717,785)
Interest and fiscal charges	344,126				(344,126)
Total Governmental Activities	$43,929,131	$20,818,777	$3,475,268	$12,071,631	(7,563,455)
General revenues:					
Taxes:					
Property taxes					9,997,445
Sales taxes					3,259,906
Business license taxes					100,566
Transient occupancy taxes					262,190
Franchise taxes					2,543,590
Intergovernmental, unrestricted:					
Motor vehicle in lieu					45,647
Use of money and property					2,776,211
Gain on sale of property					455,421
Miscellaneous					1,369,056
Total General Revenues					20,810,032
Change in Net Position					13,246,577
Net Position-Beginning					315,982,936
Net Position-Ending					$329,229,513

See accompanying notes to financial statements

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FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal 2023. Individual non-major funds may be found in the Supplemental Section.

GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues deposited in the General Fund include property tax, sales tax, franchise fees, business licenses, fines and forfeitures and fees for services. This fund is used to finance most of the City's basic services including Legislative, General Administration, Law Enforcement, Public Works and Community Development.

LIGHTING AND LANDSCAPING DISTRICTS SPECIAL REVENUE FUND

This fund accounts for assessments made upon parcels of land within the Lighting and Landscaping Zones #1, #2 and #3 and their use in accordance with the provisions of the State of California Streets and Highway Code.

PUBLIC PROTECTION SPECIAL REVENUE FUND

This fund accounts for dedicated Police Services Special Taxes and State COPS program funds.

LOW AND MODERATE INCOME HOUSING ASSET SPECIAL REVENUE FUND

This fund accounts for the housing assets of the former Oakley Redevelopment Agency and loan repayments restricted to low and moderate income housing projects.

ARPA SPECIAL REVENUE FUND

This fund accounts for American Rescue Plan Act funding. The City is allowed to claim $10 million of the funds as an economic loss, which can be used to provide government services. The remaining $177,190 is being claimed as a partial reimbursement for special COVID-19 sick leave that the City's General Fund has paid out during the pandemic.

TRAFFIC IMPACT FEES CAPITAL PROJECTS FUND

This fund accounts for fees assessed on new development to provide street and road improvements.

CITY OF OAKLEY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023

	General	Lighting and Landscaping Districts	Public Protection
ASSETS			
Cash and investments available for operations (Note 3)	$20,620,632	$13,530,206	
Cash and investments with fiscal agent (Note 3)	1,047,201		
Accounts receivable, net of allowance for doubtful accounts (Note 1F)	1,652,578		
Interest receivable	59,582	26,291	$3,583
Due from other funds (Note 4C)	253,903		
Prepaids and deposits	1,368		
Loans receivable (Note 5)	94,370		
Advances to other funds (Note 4B)	78,532		
Leases receivable (Note 14)	378,840		
Land held for resale (Note 6)	3,324,182		
Total Assets	$27,511,188	$13,556,497	$3,583
LIABILITIES			
Accounts payable	$668,697	$519,039	
Accrued liabilities	127,613		
Due to other funds (Note 4C)			$3,583
Deposits payable	6,673		
Unearned revenue	609,441		
Advances from other funds (Note 4B)		78,532	
Total Liabilities	1,412,424	597,571	3,583
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable			
Unavailable revenue - loans receivable			
Unavailable revenue - interest on advances to other funds			
Related to leases (Note 14)	356,998		
Total Deferred Inflows of Resources	356,998		
FUND BALANCES			
Fund balance (Note 10):			
Nonspendable	3,520,294		
Restricted	1,047,201	12,958,926	
Assigned	4,589,119		
Unassigned	16,585,152		
Total Fund Balances (Deficits)	25,741,766	12,958,926	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$27,511,188	$13,556,497	$3,583

See accompanying notes to financial statements

Low and Moderate Income Housing Asset	ARPA	Traffic Impact Fees	Other Governmental Funds	Total Governmental Funds
$378,745	$9,128,678	$13,502,785	$35,457,709	$92,618,755
			539,313	1,586,514
	275	50,223	1,624,565	3,327,641
	18,668	28,062	45,994	182,180
				253,903
				1,368
12,246,460		16,878		12,357,708
		606,402	593,490	1,278,424
				378,840
				3,324,182
$12,625,205	$9,147,621	$14,204,350	$38,261,071	$115,309,515
	$31,700	$131,829	$991,805	$2,343,070
				127,613
			250,320	253,903
			1,552,213	1,558,886
	8,951,564	1,662,221	496,446	11,719,672
$1,199,892				1,278,424
1,199,892	8,983,264	1,794,050	3,290,784	17,281,568
			113,413	113,413
12,246,460				12,246,460
		154,784	151,487	306,271
				356,998
12,246,460		154,784	264,900	13,023,142
				3,520,294
		12,255,516	22,579,682	48,841,325
	164,357		12,248,030	17,001,506
(821,147)			(122,325)	15,641,680
(821,147)	164,357	12,255,516	34,705,387	85,004,805
$12,625,205	$9,147,621	$14,204,350	$38,261,071	$115,309,515

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CITY OF OAKLEY
Reconciliation of the
GOVERNMENTAL FUNDS - BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances reported on the governmental funds balance sheet:	$85,004,805
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:	
CAPITAL ASSETS	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Government Funds.	238,336,035
ALLOCATION OF INTERNAL SERVICE FUND NET POSITION	
Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance, to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the Statement of Net Position.	1,774,916
NON-CURRENT REVENUES	
Revenues which are unavailable on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	12,552,731
LONG TERM ASSETS AND LIABILITIES	
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:	
Long-term debt	(7,915,000)
Interest payable	(53,928)
Advance from Fire District	(136,023)
Compensated absences	(1,873,943)
Net pension liability and pension-related deferred outflows/inflows of resources	1,615,770
Claims Payable	(75,850)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$329,229,513

See accompanying notes to financial statements

CITY OF OAKLEY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	General	Lighting and Landscaping Districts	Public Protection
REVENUES			
Property taxes	$9,997,445		
Sales tax	3,259,906		
Other taxes	2,805,780	$850,354	
Licenses and permits	2,927,063		
Charges for services	261,605		
Fines and forfeits	69,578		
Intergovernmental	519,709		$165,271
Developer fees			
Special assessments		4,669,248	7,271,116
Loan repayments			
Use of money and property	1,152,532	344,994	(6,549)
Miscellaneous	1,360,320	2,750	
Total Revenues	22,353,938	5,867,346	7,429,838
EXPENDITURES			
Current:			
Legislative	959,629		
Administrative Services	2,514,347		
Community Development	2,574,255		
Public Works	2,294,579	4,182,810	
Housing programs			
Law Enforcement	4,546,265		7,431,708
Recreation	912,610		
Capital outlay	328,215	228,861	
Debt service:			
Principal			
Interest and fiscal charges		1,704	
Total Expenditures	14,129,900	4,413,375	7,431,708
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,224,038	1,453,971	(1,870)
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 4A)		26,288	
Transfers (out) (Note 4A)	(9,577,974)	(18,466)	
Proceeds from sale of property	453,401		
Total Other Financing Sources (Uses)	(9,124,573)	7,822	
NET CHANGE IN FUND BALANCES	(900,535)	1,461,793	(1,870)
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	26,642,301	11,497,133	1,870
FUND BALANCES (DEFICIT) AT END OF YEAR	$25,741,766	$12,958,926	

See accompanying notes to financial statements

Low and Moderate Income Housing Asset	ARPA	Traffic Impact Fees	Other Governmental Funds	Total Governmental Funds
			$527,545	$10,524,990
				3,259,906
			2,454,495	6,110,629
				2,927,063
				261,605
				69,578
	$569,832		3,618,701	4,873,513
		$1,795,783	2,958,034	4,753,817
			344,769	12,285,133
$1,819				1,819
88,741	145,877	381,308	538,731	2,645,634
		22,400	17,416	1,402,886
90,560	715,709	2,199,491	10,459,691	49,116,573
				959,629
				2,514,347
	406,787		1,733,405	4,714,447
		123,855	3,613,905	10,215,149
3,234				3,234
				11,977,973
				912,610
	163,045	2,119,308	7,477,305	10,316,734
			330,000	330,000
25,484			344,622	371,810
28,718	569,832	2,243,163	13,499,237	42,315,933
61,842	145,877	(43,672)	(3,039,546)	6,800,640
			10,259,209	10,285,497
			(689,057)	(10,285,497)
				453,401
			9,570,152	453,401
61,842	145,877	(43,672)	6,530,606	7,254,041
(882,989)	18,480	12,299,188	28,174,781	77,750,764
($821,147)	$164,357	$12,255,516	$34,705,387	$85,004,805

CITY OF OAKLEY
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$7,254,041
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
CAPITAL ASSETS TRANSACTIONS	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
Capital expenditures are added back to fund balance	9,845,265
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of $659,791 which has already been allocated to serviced funds.)	(9,127,462)
Developer dedicated infrastructure is added to fund balance	7,328,995
Capital expenditures contributed to internal service funds	(584,369)
Capital assets contributed from internal service funds	466,908
LONG TERM DEBT PROCEEDS AND PAYMENTS	
Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.	
Repayment of debt principal is added back to fund balance	330,000
NON-CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Non-current portion of compensated absences	(166,763)
Interest payable	2,200
Unavailable revenue	259,482
Advance from Fire District	201,757
Net pension liability (asset) and deferred outflows/inflows related to pensions	(3,053,258)
Claims payable	12,873
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY	
Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition and maintenance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.	
Change in Net Position - Internal Service Fund	476,908
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$13,246,577

See accompanying notes to financial statements

CITY OF OAKLEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Amended Budget	Actual Amounts	Variance Positive (Negative)
REVENUES				
Property taxes	$8,849,000	$9,489,930	$9,997,445	$507,515
Sales taxes	2,800,000	3,200,000	3,259,906	59,906
Other taxes	2,392,000	2,392,000	2,805,780	413,780
Licenses and permits	3,654,300	3,009,300	2,927,063	(82,237)
Charges for services	147,000	147,000	261,605	114,605
Fines and forfeits	109,600	74,600	69,578	(5,022)
Intergovernmental	419,600	419,600	519,709	100,109
Use of money and property	464,700	164,700	1,152,532	987,832
Miscellaneous	1,131,897	1,296,033	1,360,320	64,287
Total Revenues	19,968,097	20,193,163	22,353,938	2,160,775
EXPENDITURES				
Current:				
Legislative	1,080,498	1,081,940	959,629	122,311
Administrative Services	3,430,046	3,211,468	2,514,347	697,121
Community Development	3,146,780	3,038,636	2,574,255	464,381
Public Works	2,654,586	2,784,630	2,294,579	490,051
Law Enforcement	6,318,269	5,544,008	4,546,265	997,743
Recreation	1,004,934	1,004,934	912,610	92,324
Capital outlay	64,000	380,895	328,215	52,680
Total Expenditures	17,699,113	17,046,511	14,129,900	2,916,611
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,268,984	3,146,652	8,224,038	5,077,386
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)	(7,274,000)	(9,574,000)	(9,577,974)	(3,974)
Proceeds from sale of property			453,401	453,401
Total Other Financing Sources (Uses)	(7,274,000)	(9,574,000)	(9,124,573)	449,427
NET CHANGE IN FUND BALANCES	($5,005,016)	($6,427,348)	(900,535)	$5,526,813
Fund balance at beginning of year			26,642,301	
Fund balance at end of year			$25,741,766	

See accompanying notes to financial statements

CITY OF OAKLEY
LIGHTING AND LANDSCAPING DISTRICTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Other taxes			$850,354	$850,354
Special assessments	$4,621,847	$4,621,847	4,669,248	47,401
Use of money and property	31,700	31,700	344,994	313,294
Miscellaneous			2,750	2,750
Total Revenues	4,653,547	4,653,547	5,867,346	1,213,799
EXPENDITURES				
Current:				
Public Works	4,843,597	5,017,361	4,182,810	834,551
Capital outlay	250,000	250,000	228,861	21,139
Debt service:				
Interest and fiscal charges			1,704	(1,704)
Total Expenditures	5,093,597	5,267,361	4,413,375	853,986
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(440,050)	(613,814)	1,453,971	2,067,785
OTHER FINANCING SOURCES (USES)				
Transfers in	194,000	194,000	26,288	(167,712)
Transfers (out)			(18,466)	(18,466)
Total Other Financing Sources (Uses)	194,000	194,000	7,822	(186,178)
NET CHANGE IN FUND BALANCES	($246,050)	($419,814)	1,461,793	$1,881,607
Fund balance at beginning of year			11,497,133	
Fund balance at end of year			$12,958,926	

See accompanying notes to financial statements

CITY OF OAKLEY
PUBLIC PROTECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$150,000	$150,000	$165,271	$15,271
Special assessments	7,250,000	7,199,070	7,271,116	72,046
Use of money and property	500	500	(6,549)	(7,049)
Total Revenues	7,400,500	7,349,570	7,429,838	80,268
EXPENDITURES				
Current:				
Law Enforcement	7,400,500	7,349,570	7,431,708	(82,138)
Total Expenditures	7,400,500	7,349,570	7,431,708	(82,138)
NET CHANGE IN FUND BALANCES			(1,870)	($1,870)
Fund balance at beginning of year			1,870	
Fund balance at end of year				

See accompanying notes to financial statements

CITY OF OAKLEY
LOW AND MODERATE INCOME HOUSING ASSET SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Loan repayment	$10,000	$10,000	$1,819	($8,181)
Use of money and property			88,741	88,741
Total Revenues	10,000	10,000	90,560	80,560
EXPENDITURES				
Current:				
Housing programs			3,234	(3,234)
Debt service:				
Interest	10,000	10,000	25,484	(15,484)
Total Expenditures	10,000	10,000	28,718	(18,718)
NET CHANGE IN FUND BALANCES			61,842	$61,842
Fund balance (deficit) at beginning of year			(882,989)	
Fund balance (deficit) at end of year			($821,147)	

See accompanying notes to financial statements

INTERNAL SERVICE FUNDS

Internal service funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services to other City funds be financed through user fees to those funds.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of the internal service fund is eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

CITY OF OAKLEY
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities - Internal Service Funds
ASSETS	
Current:	
Cash and investments available for operations (Note 3)	$1,921,908
Receivables:	
Interest	3,587
Total Current Assets	1,925,495
Noncurrent:	
Capital assets (Note 7):	
Depreciable, net	6,441,549
Total noncurrent Assets	6,441,549
Total Assets	8,367,044
LIABILITIES	
Current:	
Accounts payable	150,139
Accrued liabilities	440
Total Liabilities	150,579
NET POSITION (Note 10)	
Investment in capital assets	6,441,549
Unrestricted	1,774,916
Total Net Position	$8,216,465

See accompanying notes to financial statements

CITY OF OAKLEY
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	$1,167,779
Total Operating Revenues	1,167,779
OPERATING EXPENSES	
Supplies	191,282
Depreciation	659,791
Total Operating Expenses	851,073
Operating Income (Loss)	316,706
NONOPERATING REVENUES (EXPENSES)	
Gain on sale of capital assets	2,020
Interest income	40,721
Total Nonoperating Revenues	42,741
Income (Loss) Before Contributions and Transfers	359,447
Contributions	584,369
Capital assets contributed to governmental activities	(466,908)
Change in net position	476,908
BEGINNING NET POSITION	7,739,557
ENDING NET POSITION	$8,216,465

See accompanying notes to financial statements

CITY OF OAKLEY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$1,167,779
Payments to suppliers	(78,446)
Cash Flows from Operating Activities	1,089,333
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Proceeds from sale of capital assets	2,020
Capital assets contributed to governmental activities	(466,908)
Acquisition of capital assets	(257,105)
Cash Flows from Capital Financing Activities	(721,993)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	38,875
Net Cash Flows	406,215
Cash and investments at beginning of period	1,515,693
Cash and investments at end of period	$1,921,908
NONCASH TRANSACTIONS	
Contributions of capital assets	$584,369
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:	
Operating income (loss)	$316,706
Adjustments to reconcile operating income (loss) to cash flows from operating activities:	
Depreciation	659,791
Net change in liabilities:	
Accounts payable	113,851
Accrued liabilities	(1,015)
Cash Flows from Operating Activities	$1,089,333

See accompanying notes to financial statements

FIDUCIARY FUNDS

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

Successor Agency to the Redevelopment Agency Private Purpose Trust Fund is used to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Oakley.

Custodial Funds are used to report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

CITY OF OAKLEY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

	Successor Agency to the Redevelopment Agency Private Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments (Note 3 and 18)	$1,501,477	$3,517,367
Cash and investments with fiscal agent (Note 3 and 18)	1,988	519,081
Accounts receivable	2,000	
Interest receivable	1,619	4,189
Loans receivable (Note 18B)	597,142	
Total Assets	2,104,226	4,040,637
LIABILITIES		
Accounts payable	1,500	$353,270
Interest payable	254,523	
Due to other agencies		672,499
Long-term debt (Note 18C):		
Due within one year	920,000	
Due in more than one year	21,625,343	
Total Liabilities	22,801,366	1,025,769
NET POSITION (DEFICIT)		
Restricted for:		
Held in Trust for private purpose	(20,697,140)	
Bondholders		3,014,868
Total Net Position (Deficit)	($20,697,140)	$3,014,868

See accompanying notes to financial statements

CITY OF OAKLEY
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property taxes	$2,086,738	
Special assessments		$1,955,555
Use of money and property	57,265	58,025
Total Additions	2,144,003	2,013,580
DEDUCTIONS		
Administrative expenses		39,322
Redevelopment and economic development	250,000	
Payments to bondholders and related fiscal charges		1,541,851
Debt service:		
Interest and fiscal charges	835,202	
Total Deductions	1,085,202	1,581,173
Change in Net Position	1,058,801	432,407
NET POSITION (DEFICIT) HELD IN TRUST FOR SUCCESSOR AGENCY AND OTHER GOVERNMENTS		
Beginning of year	(21,755,941)	2,582,461
End of year	($20,697,140)	$3,014,868

See accompanying notes to financial statements

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Oakley was incorporated as a general law city on July 1, 1999. Oakley is a community of approximately 45,000 residents situated in Contra Costa County on the east side of San Francisco Bay. Oakley is located approximately 50 miles east of the City of San Francisco. The City operates under the Council-Manager form of government and provides the following services: law enforcement, highways and streets, public improvements, planning and zoning, recreation, and general administration services.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. Reporting Entity

The City is governed by a five member council elected by City residents. The City is legally separate and fiscally independent which means it can issue debt, set and modify budgets and fees and sue or be sued. The accompanying basic financial statements include only the financial activities of the City and the Oakley Public Financing Authority, which is a component unit controlled by and dependent on the City. The Authority is included ("blended") with funds of the City since it is governed by the City Council sitting in a separate capacity.

The Oakley Public Financing Authority is a separate governmental entity whose purpose is to assist in the financing and refinancing of certain redevelopment activities of the former Redevelopment Agency and certain programs and projects of the City. The Authority's activities to date consist only of the purchase and resale of City or Redevelopment Agency debt issues, and the issuance of the 2004-1 Limited Obligation Bonds, the 2006-1 Infrastructure Revenue Bonds, the 2006 Certificates of Participation and the Refunding Revenue Bonds, Series 2012, the Refunding Revenue Bonds, Series 2014, and the 2016 Lease Revenue Bonds. Separate financial statements are not issued for the Oakley Public Financing Authority.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds, including blended component units. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

C. Major Funds

Major governmental funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues deposited in the General Fund include property tax, sales tax, franchise fees, business licenses, fines and forfeitures and fees for services. This fund is used to account for most of the City's basic services including Legislative, General Administration, Law Enforcement, Recreation and Community Development.

Lighting and Landscaping Districts Special Revenue Fund – This fund accounts for assessments made upon parcels of land within the Lighting and Landscaping Zones #1, #2 and #3 and their use in accordance with the provisions of the State of California Streets and Highway Code.

Public Protection Special Revenue Fund – This fund accounts for dedicated Police Services Special Taxes and State COPS program funds.

Low and Moderate Income Housing Asset Special Revenue Fund – This fund accounts for the housing assets of the former Oakley Redevelopment Agency and loan repayments restricted to low and moderate income housing projects.

ARPA Special Revenue Fund – This fund accounts for American Rescue Plan Act funding. The City is allowed to claim $10 million of the funds as an economic loss, which can be used to provide government services. The remaining $177,190 is being claimed as a partial reimbursement for special COVID-19 sick leave that the City's General Fund has paid out during the pandemic.

Traffic Impact Fees Capital Projects Fund – This fund accounts for fees assessed on new development to provide street and road improvements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also reports the following fund types:

Internal Service Funds – The funds account for equipment replacement and capital facilities maintenance and replacement; all of which are provided to City departments on a cost reimbursement basis.

Fiduciary Funds – These funds are used to account for assets held by the City as an agent or trustee for individuals, private organizations, and other governments. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. Custodial funds are used to account for assets held by the City for the Assessment Districts 2004-1 and 2006-1, assets held on behalf of the County for regional mitigation fees and on behalf of other agencies for other purposes. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred,* regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, including lease liabilities, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions, including entering into contracts giving the City the right to use leased assets and right-to-use subscription assets, are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and financing through leases are reported as *other financing sources*.

Those revenues susceptible to accrual are sales tax, transfer tax, fines, interest revenue and gross receipts taxes. Charges for services, and licenses and permits are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, special purpose revenues and general purpose revenues. While both restricted and unrestricted Net Position may be available to finance program expenditures the City's policy is to first apply restricted purpose revenues to such programs, followed by general purpose revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: accounts receivable, interest on interfund advances, loans receivable and leases receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. Accounts Receivable

Receivables at June 30, 2023 were comprised of the following:

Governmental Activities:	Taxes	Accounts	Inter-Governmental	Total Receivables	Less Allowance	Net Receivables
General Fund	$1,348,521	$47,575	$256,482	$1,652,578	($113,413)	$1,539,165
ARPA Special Revenue Fund			275	275		275
Traffic Impact Fees Capital Projects Fund			50,223	50,223		50,223
Non-Major Governmental Funds		252,575	1,371,990	1,624,565		1,624,565
Total	$1,348,521	$300,150	$1,678,970	$3,327,641	($113,413)	$3,214,228

G. Property Taxes and Special Assessment Revenue

Revenue is recognized in the fiscal year for which the tax and assessment is levied. The County of Contra Costa levies, bills and collects property taxes and special assessments for the City; under the County's "Teeter Plan" the County remits the entire amount levied for secured taxes and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1 and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the personal property being taxed. Secured and unsecured property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Compensated Absences

Compensated absences comprise unpaid vacation and certain compensated time off, which are accrued as earned. For all governmental funds, amounts expected to be paid out for permanent liquidation are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Position. The liability for compensated absences is determined annually. The changes in the compensated absences were as follows:

	Governmental Activities
Beginning Balance	$1,707,180
Additions	690,006
Payments	(523,243)
Ending Balance	$1,873,943
Current Portion	$374,788

The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

I. Prepaids and Deposits

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Prepaids and deposits in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

J. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

M. New and Inactive Funds

During fiscal year 2022-23, the City established the following funds:

- Opioid Remediation Special Revenue Fund accounts for funds received from the State from the settlement agreement with Janssen and Distributors. The settlement funds are restricted to uses related to opioid abatement.

- Officer Wellness and Mental Health Grant Special Revenue Fund accounts for grant funds received from the Bureau California Board of State and Community Corrections (BSCC). The Officer Wellness and Mental Health (Officer Wellness) Grant Program, established in the 2022 Budget Act, provides funds for the purpose of improving officer wellness and expanding mental health sources.

- Community Facilities District 2020-1 accounts for the activities associated with the operations and maintenance associated with the City's Community parks and the public landscape, street lighting, and storm drain maintenance associated with the Contra Costa Logistics Center project. The activity was previously reported as a component of the Lighting and Landscaping

The OTS Police Grants Special Revenue Fund was closed as of July 1, 2022, but is expected to have activity in the future.

The Oakley Welcoming Special Revenue Fund and the Fire Impact Fees Capital Projects Fund were closed as of June 30, 2023.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budget Policy

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Work sessions are conducted to obtain citizen's comments.

3. The budget is legally enacted by City Council resolution.

4. All appropriations transfers between funds must be approved by the City Council by resolution during the fiscal year. The City Manager is authorized to transfer unencumbered appropriations within a fund. In addition, amendments that are made to authorize spending of increased or new special purpose revenues may be approved by the City Manager. The legally adopted budget requires that expenditures not exceed total appropriations at the fund level.

5. Budgets are adopted for all Governmental Funds except the Opioid Remediation Special Revenue Fund and the Officer Wellness and Mental Health Grant Special Revenue Fund, as well as the 2006-1 Assessment District Capital Projects Fund, which is governed by bond convents. In addition, the ARPA Special Revenue Fund is budgeted on a project length basis and therefore is not comparable on an annual basis.

6. Formal budgetary integration is employed as a management control device during the year for all budgeted funds.

7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

8. Budgeted amounts appearing in the budgetary comparison statements are as originally adopted or as amended by the City Council or the City Manager, as authorized.

B. Encumbrances

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all budgeted funds. Unexpended operating appropriations lapse at year end and must be reappropriated in the following year. Unexpended capital projects appropriations are automatically reappropriated in the following year. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

C. Expenditures in Excess of Appropriations

The following funds incurred expenditures in excess of appropriations:

Fund	Excess of Expenditures Over Appropriations
Public Protection Special Revenue Fund	$82,138
Low and Moderate Income Housing Asset Special Revenue Fund	18,718
Developer Deposits Special Revenue Fund	154,726
Fire Impact Fees Capital Projects Fund	202,374

The funds had sufficient revenues or other resources to finance these expenditures.

NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds, except cash of the Successor Agency and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments,* or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. Individual investments are generally made by the City's fiscal agents as required under its debt issues. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

B. Classification

Cash and investments are classified in the financial statements as shown below:

City cash and investments:	
Cash and investments available for operations	$94,540,695
Cash and investments with fiscal agent	1,586,514
Total City Cash and Investments	96,127,209
Cash and investments in Fiduciary Funds (Separate Statement):	
Successor Agency to the Redevelopment	
Agency Private Purpose Trust Fund:	
Cash available for operations	1,501,477
Cash and investments with fiscal agent	1,988
Custodial Funds:	
Cash and investments available for operations	3,517,367
Cash and investments with fiscal agent	519,081
Total Cash and Investments	$101,667,122

NOTE 3 – CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds	5 years		No Limit	No Limit
U.S. Treasury Obligations	5 years		No Limit	No Limit
State Obligations-California and Others	5 years	A	No Limit	No Limit
California Local Agency Obligations	5 years	A	No Limit	No Limit
U.S. Agency/Government Sponsored Obligations	5 years		33%	No Limit
Bankers Acceptances	180 days		40%	30%
Commercial Paper – Non-Pooled Funds	270 days	A-1	25%	10% (A)
Commercial Paper – Pooled Funds	270 days	A-1	40%	10% (A)
Negotiable Certificates of Deposit	5 years	A	30%	No Limit
Placement Service Certificates of Deposit	5 years	FDIC or NCUA Coverage	50%	No Limit
Non-negotiable Certificates of Deposit	5 years		No Limit	No Limit
Medium-Term Corporate Notes	5 years	A	30%	10% (A)
Money Market Mutual Funds and Mutual Funds	N/A	AAA	20%/(10% per fund)	No Limit
Asset-Backed Securities	5 years	AAA	20%	No Limit
California Local Agency Investment Fund	N/A		No Limit	$75 million per account
Shares of beneficial interest in a Joint Powers Authority (e.g. Investment Trust of California (CalTrust) or California Asset Management Program (CAMP)	N/A		No Limit	No Limit
Supranational Obligations	5 years	AA	30%	No Limit

(A) The City may purchase no more than 10% of the outstanding commercial paper and medium-term notes of any single issuer.

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City and Successor Agency must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Government Securities	N/A	Aaa/AAA
U.S. Government Agency Securities	N/A	N/A
Local Agency Investment Fund	N/A	$75 million per account
Bankers Acceptances	360 days	A1/A1+/P1
Commercial Paper	270 days	A-1+/P-1
Money Market Funds	N/A	A/AAAm/AAAm
Municipal Obligations	N/A	Aaa/AAA
Pre-refunded Municipal Obligations	N/A	Highest
General Obligations	N/A	A2/A
Investment Agreements/Contracts	N/A	A
Repurchase Agreements	N/A	N/A
Investments fully insured by the FDIC	N/A	N/A
Tax-exempt Obligations	N/A	Highest Rating
Short term Certificates of Deposit	360 days	A1/A1+/P1
Certificates of Deposit	N/A	A
California Asset Management Program	N/A	N/A
Shares in a California Common Law Trust	N/A	N/A

E. Public Agencies Post-Employment Trust

On June 29, 2017, the City Council adopted resolution 86-17 approving the adoption of the Public Agencies Post-Employment Trust administered by Public Agency Retirement Services (PARS). The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. This trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with PARS, rather than the general provisions of the California Government Code or the City's investment policy. The City elected a discretionary investment approach which allows the City to maintain oversight of the investment management, control on target yield and the portfolio' risk tolerance, under the Balanced Index PLUS investment option. The assets in the Trust will eventually be used to fund pension plan obligations.

NOTE 3 – CASH AND INVESTMENTS (Continued)

F. Interest Rate Risk and Fair Value Hierarchy

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the distribution of the City's investments by maturity or earliest call date:

Investment Type	Less Than One Year	One to Five Years	Total
Cash and Investments in City Treasury:			
U.S. Treasury Notes	$6,791,926	$16,227,474	$23,019,400
Medium Term Corporate Notes	287,229	3,763,829	4,051,058
Local Agency Investment Fund	11,894,307		11,894,307
Money Market Funds	1,846,120		1,846,120
Capital Asset Management Program	55,929,238		55,929,238
CalTRUST	281,105		281,105
Held by Fiscal Agents:			
Capital Asset Management Program			
PARS Balanced Index PLUS	1,047,201		1,047,201
Money Market Funds	1,060,382		1,060,382
Total Investments	$79,137,508	$19,991,303	99,128,811
Cash deposits in banks			2,538,311
Total Cash and Investments			$101,667,122

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of $5,000, a maximum transaction amount of $75 million and at least 24 hours advance notice for withdrawals of $10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. On June 30, 2023, these investments matured in an average of 260 days.

NOTE 3 – CASH AND INVESTMENTS (Continued)

The City is a participant in the Short-Term Fund of the Investment Trust of California (CalTRUST), a joint powers authority and public agency established by its members under the provisions of Section 6509.7 of the California Government Code. Members and participants are limited to California public agencies. CalTRUST is governed by a Board of Trustees of seven Trustees, at least seventy-five percent of whom are from the participating agencies. The City reports its investment in CalTRUST at the fair value amount provided by CalTRUST, which is the same as the value of the pool shares. The balance is available for withdrawal on demand, and is based on the accounting records maintained by CalTRUST. Included in CalTRUST's investment portfolio are: United States Treasury Notes, Bills, Bonds or Certificates of Indebtedness; registered state warrants or treasury notes or bonds; California local agency bonds, notes, warrants or other indebtedness; federal agency or United States government-sponsored enterprise obligations; bankers acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term notes; money market mutual funds; notes, bonds or other obligation secured by a first priority security interest in securities authorized under Government Code Section 53651; and mortgage passthrough securities, collateralized mortgage obligations, and other asset – backed securities.

CalTRUST's Short-Term Fund has a target portfolio duration of 0 to 2 years. On June 30, 2023, these investments matured in an average of 321 days. The investment in CalTRUST, classified in Level 2 of the fair value hierarchy, is valued based on the fair value factor provided by the CalTRUST, which is calculated as the average cost to net asset value per share of the Short-Term Fund. At June 30, 2023, the fair value approximated the City's cost.

The City, as a CAMP shareholder, may withdraw all or any portion of the funds in each CAMP account at any time by redeeming shares. The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the City may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal. At June 30, 2023, the fair value approximated the City's cost. At June 30, 2023, these investments have an average maturity of 26 days.

Money market funds are available for withdrawal on demand and at June 30, 2023 matured in an average of 23 days.

NOTE 3 – CASH AND INVESTMENTS (Continued)

G. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2023 for each investment type as provided by Standard and Poor's investment rating system.

Investment Type	AAA/AAAm	AA+/AA/AA-	A+/A/A-	Total
Cash and Investments in City Treasury:				
Medium Term Corporate Notes		$1,524,857	$2,526,201	$4,051,058
Capital Asset Management Program	$55,929,238			55,929,238
CalTRUST		281,105		281,105
Money Market Funds	1,846,120			1,846,120
Held by Fiscal Agents:				
Money Market Funds	1,060,382			1,060,382
Total Rated Investments	$58,835,740	$1,805,962	$2,526,201	63,167,903
Not Rated:				
Local Agency Investment Fund				11,894,307
PARS Balanced Index PLUS				1,047,201
Exempt:				
U.S. Treasury Notes				23,019,400
Total Investments				$99,128,811

NOTE 3 – CASH AND INVESTMENTS (Continued)

H. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2020:

Investment Type	Level 1	Level 2	Measured at Net Asset Value	Measured at Amortized Cost	Total
Cash and Investments in City Treasury:					
U.S. Treasury Notes	$23,019,400				$23,019,400
Medium Term Corporate Notes		$4,051,058			4,051,058
Capital Asset Management Program				$55,929,238	55,929,238
CalTRUST			$281,105		281,105
Money Market Funds				1,846,120	1,846,120
Held by Fiscal Agents:					
PARS Balanced Index PLUS			1,047,201		1,047,201
Money Market Funds				1,060,382	1,060,382
Total Investments	$23,019,400	$4,051,058	$1,328,306	$58,835,740	87,234,504
Investments Exempt from Fair Value Hierarchy:					
Local Agency Investment Fund					11,894,307
Cash deposits in banks					2,538,311
Total Cash and Investments					$101,667,122

Investments classified in Level 1 of the fair value hierarchy were valued using quoted prices in active markets. All investments classified in Level 2 of the fair value hierarchy were valued using matrix pricing techniques maintained by various pricing vendors. These prices were obtained from various pricing sources from our custodian bank. The California Local Agency Investment Fund is exempt from classification in the fair value hierarchy. Fair value is defined as the quoted market value on the last trading day of the period.

I. Concentration of Credit Risk

At June 30, 2023, City had no significant investments in the securities of any individual issuers, other than U. S. Treasury securities, investment pools and money market funds.

NOTE 4 – INTERFUND TRANSACTIONS

A. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers are used: to move revenue from the fund that statute or budget requires to collect the item to the fund that statute or budget requires to expend the item; distribute unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; and to provide additional resources for current operations or debt service.

Transfers between Funds during the fiscal year ended June 30, 2023 and the purpose for each were as follows:

Fund Receiving Transfer	Fund Making Transfers	Transfer Amount	
Lighting and Landscaping Districts Special Revenue Fund	General Fund	$4,000	(A)
	Non-Major Governmental Fund	22,288	(A)
Non-Major Governmental Funds	General Fund	9,573,974	(A), (B)
	Lighting and Landscaping Districts Special Revenue Fund	18,466	(C)
	Non-Major Governmental Funds	666,769	(A),(D)
	Total Interfund Transfers	$10,285,497	

(A) To fund capital projects and administration.
(B) To close fund.
(C) To establish new fund.
(D) To fund debt service.

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

B. Long-Term Interfund Advances

At June 30, 2023, the funds below had made advances which were not expected to be repaid within the next year. The balances in the funds with the advance to other funds are offset by deferred inflow, or nonspendable or restricted fund balance.

Advances to Other Funds	Advances from Other Funds	Advanced Amount
General Fund	Lighting and Landscaping Districts Special Revenue Fund	$78,532
Traffic Impact Fees Capital Projects Fund	Low and Moderate Income Housing Asset Special Revenue Fund	606,402
Non-Major Governmental Funds	Low and Moderate Income Housing Asset Special Revenue Fund	593,490
	Total Interfund Advances	$1,278,424

Since the City's formation in 1999, the General Fund has, on occasion, made advances to the Lighting and Landscaping Districts Special Revenue Fund to cure operating deficits in two of the Landscaping Districts. The advances bear interest at the City's investment pool rate. The balance of these advances totaled $78,532 at June 30, 2023.

The Traffic Impact Fees Capital Projects Fund, Park Impact Fees Capital Projects Fund, and Public Facilities Impact Fees Capital Projects Fund agreed to accept deferred payment of impact fees by the former Redevelopment Agency to assist with the Courtyards at Cypress Grove affordable housing project. Although no cash was advanced, these obligations were recorded as advances to the former Redevelopment Agency. The City's Low and Moderate Income Housing Asset Special Revenue Fund, as Housing Successor to the former Redevelopment Agency's housing activities, assumed the obligation to repay the advances, which will be repaid from future loan collections. The advances bear interest at the City's annual pooled investment rate which was of 2.17% for fiscal year 2023. The balance outstanding at June 30, 2023 was $1,199,892.

C. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after at the end of the fiscal year. The Public Protection and NPDES Special Revenue Funds and the Cypress Grove Capital Projects Fund owed the General Fund $3,583, $194,310, and $56,010, .respectively, as of June 30, 2023.

NOTE 5 – LOANS RECEIVABLE

A. Low and Moderate Income Housing and City Loans Receivable

The former Redevelopment Agency engaged in programs designed to encourage construction of or improvement in low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners or developers who agreed to expend these funds in accordance with the Agency's terms. With the dissolution of the Redevelopment Agency as discussed in Note 18, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. In addition, the City has made loans to certain employees and to local businesses for economic development. Although these loans and notes are expected to be repaid in full, their balance has been offset by unavailable revenue or nonspendable fund balance. The balances of the loans receivable, including accrued interest, on June 30, 2023 are set forth below:

Golden Oak Manor	$1,267,548
Silver Oak Apartments	655,862
Oakley Senior Housing	629,688
Oakley Cypress Associates	3,818,750
Carol Lane	5,751,235
First Time Homebuyer	123,377
New Lifeline Ministries	16,878
Downtown Revitalization Loan Program	94,370
Total	$12,357,708

B. Golden Oak Manor

Under the terms of a Loan Agreement dated December 19, 1994 between the Redevelopment Agency and the Developer, Golden Oak Manor, L.P., the Agency loaned the amount of $780,000 to construct 50 senior residential rental units, with 24 of the units being restricted to very low income households. The loan is secured by a deed of trust on the property, is due in 2054 and bears simple annual interest of 3 percent. Interest and principal are deferred for 60 years or upon transfer of the property to an unqualified entity. Any unpaid amounts are considered deferred; all deferred principal and interest is due when the note matures. During fiscal year 2017, the loan was assigned and transferred from Golden Oak Manor, L.P., to Golden Oak Manor II, L.P.

C. Silver Oak Apartments

Under the terms of a Loan Agreement dated May 1, 1998 between the Redevelopment Agency and the Developer, Ecumenical Association for Housing, the Agency loaned $374,220 along with an additional $99,206 in January 1999, for a total loan amount of $473,426, to fund the construction of 24 affordable housing units. The loan is secured by a deed of trust on the property, is due in 2058 and bears simple annual interest of 3 percent with principal and interest due annually to the extent there is "residual receipts" as defined in the agreement. Any unpaid amounts are considered deferred; all deferred principal and interest is due when the note matures.

NOTE 5 – LOANS RECEIVABLE (Continued)

D. Oakley Senior Housing

Under the terms of a Loan Agreement dated February 8, 2000 between the Redevelopment Agency and the Developer, Oakley Senior Associates, L.P., the Agency loaned the amount of $1,800,000 to fund the acquisition and development costs to construct eighty units of affordable housing for low and moderate income seniors. The loan is secured by a deed of trust on the property, is due in 55 years from the issuance of the certificate of completion, but not later than 2058, and bears simple annual interest of 3 percent, with principal and interest due annually to the extent there is "residual receipts" as defined in the agreement. Any unpaid amounts are considered deferred; all deferred principal and interest is due when the note matures. The Agency received a payment of $547,000 from the developer during fiscal year 2002. A portion of the loan had been funded by the Redevelopment Agency Projects Fund, and with the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency Projects Fund, including a portion of the Oakley Senior Housing loan in the amount of $623,082, were assumed by the Successor Agency as discussed in Note 18. In July 2022, the Successor Agency agreed to subordinate its loan to the primary lender on the project, which puts the Successor Agency's loan in the second position.

E. Oakley Cypress Associates

Under the terms of the Loan Agreement dated December 1, 2005, the former Redevelopment Agency loaned $2.5 million to Oakley Cypress Associates to assist in the development of 96 affordable housing units. The loan is secured by a deed of trust on the property and bears simple interest of 3 percent annually. Principal and interest payments are due annually to the extent that Oakley Cypress Associates has "residual receipts" as defined in the agreement. The remaining balance of unpaid principal and accrued interest is due fifty-five years after the issuance of the certificate of completion, but no later than December 1, 2063.

F. Carol Lane

Under the terms of a Loan Agreement dated February 23, 2007 between the Redevelopment Agency and the Developer, 59 Carol Lane, L.P., the Agency loaned the amount of $3,858,753 to fund the acquisition and development costs to construct two hundred and eight units of senior and family affordable housing for low and very-low income households. The loan is secured by a deed of trust on the property, is due in 55 years from the issuance of the certificate of completion, but not later than 2062, and bears simple interest of 3 percent annually, with principal and interest due annually to the extent there are "residual receipts" as defined in the agreement. Any unpaid amounts are considered deferred; all deferred principal and interest is due when the note matures.

G. First-Time Homebuyer Program

The Redevelopment Agency administered a First-Time Homebuyers Program funded by Bond proceeds in the amount of $512,392 in 1994, under which low and moderate income individuals may qualify for first-time home buyer deferred second mortgages to purchase homes in the Oakley area. The individual loans are 30-year fixed rate deferred loans, bearing interest at a rate equal to two percent below the Lender's rate and do not exceed $50,000. These loans are due thirty years from the date of issuance, but principal and accrued interest will be forgiven at maturity if the unit was owner occupied for the full thirty years. Under the terms of the Program, loans must be repaid in full if the property is sold to a nonqualified buyer.

NOTE 5 – LOANS RECEIVABLE (Continued)

H. New Lifeline Ministries

The City installed frontage improvements that are to be paid by the property owner, New Lifeline Ministries. Under the terms of a June 2015 reimbursement agreement, New Lifeline Ministries agreed to reimburse the City for its costs incurred in the amount of $36,165. The loan is unsecured, bears interest of 1% and is repayable in equal monthly installments over 15 years. The balance of the loan as of June 30, 2023 was $16,878.

I. Revitalization Loan Program

In 2014, the City Council approved funds to be allocated for the Downtown Revitalization Loan Program. The goal of the Loan Program is to leverage public funds and private investment to further enhance the physical appearance and economic vitality of the commercial buildings and businesses in the downtown corridor. The long-term objectives of the program include improving the physical appearance of the buildings and area, encouraging the retention and attraction of businesses to the corridor, increasing property values, increasing tenant stability, increasing pedestrian walkability and creating a stronger "sense of place". Loan funds under the program can be used for façade improvements, landscaping and exterior lighting, signage, ADA compliance, building infrastructure upgrades needed for new tenant conversion and demolition. The loan program requires that the applicant contribute minimum equity of 10% of the total projects.

The loans under this program are secured by a promissory note and a personal guarantee, as well as UCC filings on all equipment purchased by the loan. 50% of the loan, or $37,500, of the loan can be assumed and prepaid with no prepayment penalty, but is due and payable if the business is sold. The balance of the loan was $94,370 as of June 30, 2023.

NOTE 6 – LAND HELD FOR RESALE

The City has purchased parcels that are expected to be resold in the near future. Such land parcels are accounted for at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

The balance of land held for resale in the General Fund at June 30, 2023 was $3,324,182.

NOTE 7 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for intangible right to use subscription assets, the measurement of which is described in Note 15 below. Contributed capital assets are valued at their estimated acquisition value on the date contributed.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the half-year convention method which is like the straight-line method in that the cost of the asset is divided by its expected useful life in years, but the asset is depreciated over 6 months instead over one year in its first year. The result is charged to expense each year until the asset is fully depreciated. The capitalization threshold for equipment with a cost of $5,000 or more and a useful life of more than two years, and for all buildings, improvements and infrastructure with a cost of $50,000 or more and a useful life of more than two years. The City has assigned the useful lives listed below to capital assets:

Buildings	40 years
Improvements	5-15 years
Machinery and Equipment	5 years
Vehicles	5 years
Roadways:	
Streets (includes pavement, sidewalk, curb & gutters, trees & signs)	7-40 years
Traffic Signals	25 years
Street Lights	40 years
Bridges	100 years
Parks and Recreation:	
General Improvement	25 years
Specialty Features	10 years

Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 7 – CAPITAL ASSETS (Continued)

A. Capital Assets Additions and Retirements

Capital asset balances comprise the following:

	Balance as of June 30, 2022	Additions	Retirements	Transfers	Balance as of June 30, 2023
Governmental Activities:					
Capital assets not being depreciated:					
Land	$18,531,130	$4,095			$18,535,225
Construction in Progress	7,234,020	9,728,799		($5,377,160)	11,585,659
Total capital assets not being depreciated	25,765,150	9,732,894		(5,377,160)	30,120,884
Capital assets being depreciated:					
Buildings and Improvements	28,653,876	2,735,010		1,896,469	33,285,355
Machinery and Equipment	2,846,495	417,714		62,947	3,327,156
Vehicles	2,119,127	423,760	($196,795)	(62,947)	2,283,145
Roadways:					
Pavement	224,273,358	1,635,741		2,839,343	228,748,442
Sidewalks	11,732,776	219,935			11,952,711
Storm Drains	7,555,713	1,024,640			8,580,353
Curbs and Gutters	13,061,134	151,600		212,289	13,425,023
Traffic Signals	8,005,183	589,000		200,198	8,794,381
Regulatory Signs and Street Trees	5,048,824	848,479		228,861	6,126,164
Street Lights	4,602,008	119,500			4,721,508
Bridges	4,422,722				4,422,722
Parks and Recreation Structures	24,211,991				24,211,991
Total capital assets being depreciated	336,533,207	8,165,379	(196,795)	5,377,160	349,878,951
Less accumulated depreciation for:					
Buildings and Improvements	(7,927,923)	(1,023,318)			(8,951,241)
Machinery and Equipment	(2,380,281)	(173,474)		(62,947)	(2,616,702)
Vehicles	(1,598,093)	(234,118)	196,795	62,947	(1,572,469)
Roadways:					
Pavement	(95,780,937)	(5,909,259)			(101,690,196)
Sidewalks	(3,777,842)	(172,210)			(3,950,052)
Storm Drains	(352,874)	(322,721)			(675,595)
Curbs and Gutters	(3,819,039)	(218,139)			(4,037,178)
Traffic Signals	(2,735,248)	(317,312)			(3,052,560)
Regulatory Signs and Street Trees	(2,267,106)	(314,446)			(2,581,552)
Street Lights	(1,611,771)	(116,354)			(1,728,125)
Bridges	(1,290,863)	(44,226)			(1,335,089)
Parks and Recreation Structures	(8,531,365)	(941,676)			(9,473,041)
Total accumulated depreciation	(132,073,342)	(9,787,253)	196,795		(141,663,800)
Net capital assets being depreciated	204,459,865	(1,621,874)		5,377,160	208,215,151
Governmental activities capital assets, net	$230,225,015	$8,111,020			$238,336,035

NOTE 7 – CAPITAL ASSETS (Continued)

B. Capital Asset Contributions

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities	
Administrative Services	$269,983
Public Works	8,857,479
Internal Service Funds	659,791
Total Depreciation	$9,787,253

NOTE 8 – LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. The City's long-term debt is recorded only in the government-wide financial statements.

In governmental fund types, debt discounts and issuance costs are recognized in the current period.

A. Current Year Transactions and Balances

The City's debt issue and transaction is shown below and discussed in detail thereafter.

	Original Issue Amount	Balance June 30, 2022	Retirements	Balance June 30, 2023	Current Portion
2016 Lease Revenue Bonds					
2.00-5.00%, due 5/1/2041	$10,025,000	$8,245,000	($330,000)	$7,915,000	$345,000

B. 2016 Lease Revenue Bonds

On December 1, 2016, the Oakley Public Financing Authority issued the 2016 Lease Revenue Bonds in the principal amount of $10,025,000 to: (i) refinance the outstanding 2006 Certificates of Participation together with related lease payment obligations, (ii) obtain additional funds to finance the construction of a community center and related facilities (the "2016 Project"), (iii) pay the premium of a debt service reserve policy for the Bonds and (iv) pay the costs of issuing the Bonds, including the premium for the Policy. Principal is payable annually and the interest is payable semi-annually through 2041. The 2006 Certificates of Participation were called on January 14, 2017.

NOTE 8 – LONG-TERM DEBT (Continued)

Under the terms of the Trust Agreement for the 2016 Lease Revenue Bonds, an event of default occurs if (i) the Authority fails to pay interest or principal on the Bonds when due and payable, (ii) the Authority fails to observe or perform in any material way any other covenant or term contained in the Trust Agreement, (iii) the Authority commences a voluntary case under Title 11 of the United States Code, or (iv) an event of default occurs under the lease entered into in connection with the Bonds (the "Lease"). The City has pledged City Hall as collateral for the Lease payments due to the Authority.

Upon the occurrence of an event of default, the Trustee may enforce all rights of the bond owners, including without limitation the right to receive and collect the lease payments payable by the City under the Lease (the "Lease Payments") and declare the principal and interest of all of the Bonds then outstanding to be due and payable immediately; provided, that neither the Authority nor the Trustee may accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable.

The City's failure to pay Lease Payments when due, among other items, constitutes an event of default under the Lease. Upon the occurrence of an event of default under the Lease Agreement, the Authority may exercise any and all remedies available under law or granted under the Lease and the Trustee acting at the direction of the insurer of the Bonds, has the right to re-enter and re-let City Hall and to terminate the Lease.

C. Debt Service Requirements

Annual debt service requirements are shown below for the City's long-term debt:

For the Year Ending June 30	Principal	Interest
2024	$345,000	$323,569
2025	360,000	309,769
2026	380,000	295,369
2027	395,000	280,169
2028	405,000	267,825
2029 - 2033	2,190,000	1,077,620
2034 - 2038	2,255,000	609,884
2039 - 2041	1,585,000	132,620
	$7,915,000	$3,296,825

NOTE 9 – ASSESSMENT DEBT WITH NO CITY COMMITMENT

On August 3, 2004, and July 19, 2006, the Oakley Public Financing Authority issued $17,150,000 principal amount of Revenue Bonds and $11,460,000 principal amount of Infrastructure Revenue Bonds to finance the construction and acquisition of certain public improvements within the City's Special District Nos. 2004-1 and 2006-1, respectively. On March 3, 2012, the 2004 Bonds were refunded by the Refunding Revenue bonds, Series 2012 in the principal amount of $14,775,000. On October 15, 2014, the Oakley Public Financing Authority issued Refunding Revenue Bonds, Series 2014, in the principal amount of $9,070,000 to refund the 2006 Bonds. On July 28, 2021, the Oakley Public Financing Authority issued Refunding Revenue Bonds, Series 2021, in the principal amount of $10,496,000 to refund the 2012 Bonds. The 2021 Bonds are secured only by revenues received as payment of assessments levied against property within Special District Nos. 2004-1 and 2006-1. Neither the faith and credit nor the general taxing power of the City of Oakley have been pledged to the payment of the Bonds. Therefore, the Bonds have been excluded from the accompanying financial statements. The outstanding balances of the 2014 and 2021 Bonds were $6,475,000 and $9,107,000, respectively, at June 30, 2023.

NOTE 10 – NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis.

A. Net Position

Net Position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Net investment in capital assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

Unrestricted describes the portion of Net Position which is not restricted to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash, receivables and deferred outflows of resources, less its liabilities and deferred inflows of resources.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

Committed fund balances have constraints imposed by formal action of the City Council, such as by Resolution or Ordinance, which are equally binding, and may be altered only by the same formal action of the City Council.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee under the Appropriations Control Policy, the City Manager. This category includes encumbrances that are not to be liquidated by restricted or committed resources; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose; and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds, which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2023, are below:

		Major Special Revenue Funds				Major Capital Projects Fund		
Fund Balance Classifications	General Fund	Lighting and Landscaping District	Public Protection	Low and Mod Income Housing Asset	ARPA	Traffic Impact Fees	Other Governmental Funds	Total
Nonspendables:								
Items not in spendable form:								
Prepaids and deposits	$1,368							$1,368
Loans receivable	94,370							94,370
Land held for resale	3,324,182							3,324,182
Advances	78,532							78,532
Leases receivable	21,842							21,842
Total Nonspendable Fund Balances	3,520,294							3,520,294
Restricted for:								
Pension benefits	1,047,201							1,047,201
Lighting and landscaping services		$12,958,926						12,958,926
Traffic impact projects						$12,255,516		12,255,516
Public facilities impact projects							$3,037,069	3,037,069
Street maintenance and improvement							4,313,342	4,313,342
2006-1 Assessment District							667,732	667,732
Community Facilities District #1							2,376,847	2,376,847
Community Facilities District 2015-1							2,353,025	2,353,025
Community Facilities District 2020-1							49,860	49,860
Citywide Community Facilities							1,085,360	1,085,360
Agricultural conservation							7,350	7,350
Debt service							40,543	40,543
Park impact fees							6,473,149	6,473,149
Cypress Grove improvements							59,740	59,740
Regional Park							2,115,665	2,115,665
Total Restricted Fund Balances	1,047,201	12,958,926				12,255,516	22,579,682	48,841,325
Assigned to:								
Termination payments	300,000							300,000
Uninsured claims payable	450,000							450,000
Outlay projects	39,119							39,119
Capital projects	2,800,000							2,800,000
Unfunded pension liability	1,000,000							1,000,000
Government services					$164,357			164,357
Main Street Projects							12,248,030	12,248,030
Total Assigned Fund Balances	4,589,119				164,357		12,248,030	17,001,506
Unassigned:								
General Fund:								
Unassigned - Emergency Reserve	7,820,955							7,820,955
Other Unassigned	8,764,197							8,764,197
Other fund deficits				($821,147)			(122,325)	(943,472)
Total Unassigned Fund Balances	16,585,152			(821,147)			(122,325)	15,641,680
Total Fund Balances	$25,741,766	$12,958,926		($821,147)	$164,357	$12,255,516	$34,705,387	$85,004,805

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

C. Minimum Fund Balance Policies

The City's Budget Policies require the City to strive to maintain the following fund balances:

1) A minimum of 30% of the annual operating expenditures in the General Fund's Unassigned Fund Balance for emergencies and unforeseen operating or capital needs. The primary purpose of this reserve is to protect the City's essential service programs and funding requirements during periods of economic downturn (defined as a recession lasting two or more years) or other unforeseen catastrophic costs not covered by the annually budgeted Contingency Reserve. Should the balance in the reserve fall below the 30% threshold, a plan to restore the level over a period of no more than five years is to be included in each proposed annual budget reviewed with the City Council until the reserve has been returned to at least 30% of General Fund operating expenditures.

2) Establish an account to accumulate funds to be used for payment of accrued employee benefits for terminated employees. The accumulated amount in the reserve will equal the projected payout of accumulated benefits requiring conversion to pay on retirement for employees then eligible for retirement so there are funds to pay out accumulated benefits requiring conversion to pay on termination. The balance of the reserve was $300,000 as of June 30, 2023.

3) Claims Reserves will be budgeted at a level which, together with purchased insurance, adequately protects the City. The City will maintain a reserve of two times its deductibles for those claims covered by the insurance pool of which the City is a member (currently the Municipal Pooling Authority of Northern California). In addition, the City will perform an annual analysis of past claims not covered by the pool, and reserve an appropriate amount to pay for uncovered claims, including Labor Code Section 4850 Salary Continuation payments. The balance of the reserve was $450,000 as of June 30, 2023.

4) The City had previously established a Vehicle and Equipment Replacement Reserve Fund for the accumulation of funds for the replacement of worn and obsolete vehicles and other capital equipment. In Fiscal Year 2021/2022, the City split that fund out into the Equipment Replacement Internal Service Fund (Fund 501) and the Information Technology Internal Service Fund (Fund 503). Adequate funds will be set aside in both of these funds each year to ensure that funds are available for asset replacement at the end of the respective assets' life cycles. As of June 30, 2023, the balance of available resources was approximately $898,000 in the Equipment Replacement Internal Service Fund and $239,000 in the Information Technology Internal Services Fund.

   Staff has created a schedule of vehicles and computer equipment, along with their estimated lives and replacement values, and determined that the cost to replace existing vehicles is approximately $158,000 per year and the cost to replace existing computer equipment is approximately $142,000 on average, per year. The revised policy will ensure the City's ability to replace assets when they reach the end of their useful lives.

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

5) The City will seek to build and maintain a Facilities Maintenance Capital Asset Reserve Fund for capital costs associated with the maintenance of all City building facilities. The reserve will be maintained at a level at least equal to projected five year facilities maintenance capital costs. Park operating funds shall budget annual capital replacement costs and use them to fund reserves for future equipment replacement and resurfacing needs. The balance of the Facilities Maintenance Capital Asset Reserve was $636,800 as of June 30, 2023 and many of the park operating funds do not have sufficient revenues to adequately fund reserves, which does not meet the targeted level. However, management believes the balance is sufficient to fund all anticipated replacements.

6) The City will seek to build and maintain a Storm Drain Depreciation Reserve for costs associated with the major maintenance and capital improvement costs included in the Storm Drain (NPDES) program budget. The minimum reserve level will be 50% of the costs projected over the next five years, or $250 thousand per year as of June 30, 2020. The balance of the reserve, which is a component of the NPDES Special Revenue Fund's Restricted Fund Balance, was zero as of June 30, 2023. The reserve is expected to be reestablished from future revenues.

7) The City will establish a Reserve for Qualifying Expenditures and will transfer into it from current revenues all amounts necessary to ensure compliance with Gann Limit provisions. These funds will be used solely to pay for Gann Limit excludable capital expenditures. To qualify, they must be for assets having a value greater than $100,000 and having a useful life of at least 10 years. The City was in compliance with the Gann Limit provisions as of June 30, 2023, and therefore was not required to establish a Reserve for Qualifying Expenditures as of June 30, 2023.

D. Fund Balance Deficit

The following funds had deficit fund balance as of June 30, 2023:

Special Revenue Funds:	
Low and Moderate Income Housing Asset	$821,147
NPDES	115,260
Creekside Park Restoration Grant	6,996
Developer Deposits	69

The deficits are expected to be eliminated by future revenues or funding from the General Fund.

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

E. Net Investment in Capital Assets

The balances related to Net Investment in Capital Assets are comprised of the following as of June 30, 2023:

	Governmental Activities
Capital Assets, Net of Accumulated Depreciation	$238,336,035
Less Capital Debt	(7,915,000)
Net Investment in Capital Assets	$230,421,035

NOTE 11 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description – All qualified permanent, probationary and part-time employees are eligible to participate in the City's Safety (police) and Miscellaneous (all other) Employee Pension Rate Plans. The City's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors four rate plans (three miscellaneous and one safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

In August 2010, the City Council authorized an amendment to the contract between the City and the CalPERS in order to establish a Tier 2 retirement benefits structure. The Tier 2 changed the retirement benefit formula from 2.5% @ 55 to 2% @ 60 for new miscellaneous employees hired on or after October 18, 2010. A Tier 3 structure was established to implement the provisions of the Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, and is applicable to employees new to CALPERS, and hired after December 31, 2012, and not subject to grandfathering into the previously existing Tier 2 Rate Plan.

Effective August 12, 2015, the City established a Safety Rate Plan that provides benefits for safety employees hired after January 1, 2013 using the 2.7% @ 57 benefit formula.

NOTE 11 – PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous		
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3
Hire date	Prior to October 18, 2010	On or after October 18, 2010	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0 % to 2.7%	1.092% - 2.418%	1.0% - 2.5%
Required employee contribution rates	8.00%	7.00%	6.75%
Required employer contribution rates	12.21%	9.12%	7.47%
Required UAL contribution	$90,798	$13,982	$9,225

	Safety
	PEPRA
Hire date	On or after January 1, 2013
Benefit formula	2.7% @ 57
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50 - 57
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%
Required employee contribution rates	13.75%
Required employer contribution rates	13.44%
Required UAL contribution	$35,322

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or can be paid in a lump sum at a reduced amount. The City elected to make the lump sum contributions and the required contribution for the unfunded liability was $149,327 in fiscal year 2023, as shown in the table above.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2023, the City's total contributions to the Plan were $1,258,262.

NOTE 11 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability (Asset)
Miscellaneous	$679,302
Safety	1,398,113
Total Net Pension Liability (Asset)	$2,077,415

The governmental activities net pension liability is liquidated primarily by the General Fund.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

Proportion - June 30, 2021	0.02567%
Proportion - June 30, 2022	0.01800%
Change - Increase (Decrease)	-0.00767%

NOTE 11 – PENSION PLAN (Continued)

For the year ended June 30, 2023, the City recognized pension expense of $4,311,520. As of June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$1,258,262	
Differences between actual and expected experience	56,191	($26,182)
Changes in assumptions	211,760	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	2,245,439	(415,653)
Net differences between projected and actual earnings on plan investments	363,368	
Total	$4,135,020	($441,835)

$1,258,262 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2024	$1,043,098
2025	775,534
2026	394,217
2027	222,074
Total	$2,434,923

NOTE 11 – PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	(1)
Investment Rate of Return	6.90% (2)
Mortality	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) Depending on age, service and type of employment
(2) Net of pension plan investment expenses, including inflation
(3) The mortality table used was developed based on CalPERS-specific date. The table includes generational mortality improvement using the Society of Actuaries Sale 80% of Scale MP-2020. For more details on this table, please refer to the November 2021 experience study report (based on CalPERS demographic data from 2001 to 2019) that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

NOTE 11 – PENSION PLAN (Continued)

The expected real rates of return by asset class are as follows:

Asset Class (1)	Assumed Asset Allocation	Real Return (1), (2)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management Study.

Changes of Assumptions – Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	5.90%
Net Pension Liability (Asset)	$5,291,641
Current Discount Rate	6.90%
Net Pension Liability (Asset)	$2,077,415
1% Increase	7.90%
Net Pension Liability (Asset)	($561,449)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 11 – PENSION PLAN (Continued)

C. Subsequent Event - Reduction of CalPERS Discount Rate

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the Board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions are reflected in the GASB 68 accounting valuation reports for the June 30, 2022 measurement date.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS

A. PORAC Retiree Medical Trust Plan

The City established a post-employment health care defined contribution plan in May 2016, pursuant to a negotiated Memoranda of Understanding (MOU) with its Oakley Police Officers Association employee bargaining unit. The City's funding obligation for the plan is defined within the MOU and is a specified contribution of $450 per month per police employee. Police Management (Chief and Lieutenants) also receive the same benefit.

The administration of benefits for the plan rests with the plan administrator. The administrator for the plan is the Peace Officers Research Association of California (PORAC) Retiree Medical Trust. There are no vesting requirements to be eligible to use these funds post-employment for qualified medical expenses. The benefit can only be used to purchase post-employment health insurance.

Contributions to the plan during fiscal year 2023 were $192,600.

B. Retirement Health Savings Plan

In February 2020, the City established a retirement health savings (RHS) plan for all non-safety employees. Effective July 1, 2022, the City's funding obligation for the plan is $1,300 per year per employee.

The administration of benefits for the plan rests with the plan administrator. The administrator for the plan is Mission Square Retirement (formerly ICMA RC). To be vested in the plan an employee must have 5 years of employment to be eligible to use these funds post-employment. The benefit can only be used to fund post-employment medical expenses.

Contributions to the plan during fiscal year 2023 were $60,324.

NOTE 13 – DEFERRED COMPENSATION PLANS

City employees may also defer a portion of their compensation under City sponsored Deferred Compensation Plans. The City offers the opportunity to participate in one of two plans, one created in accordance with Internal Revenue Code Section 457, and one created in accordance with Internal Revenue Code 401a. Under the 457 Plan, different rules apply and amounts contributed may be either pre-tax or after-tax depending on applicable plan rules; under the 401a Plan participants are not taxed on the deferred portion of their compensation until distributed to them. Under both plans, distributions may be made only at termination, retirement, death or in an emergency as defined by each Plan.

The Plans are part of the public agency agent multiple-employer defined contribution plans that are administered by Mission Square Retirement (formerly ICMA RC). Benefit provisions under the Plans are established by City resolution.

The City has no liability for any losses incurred by the Plans and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has a contract with Mission Square to manage and invest the assets of each Plan. The administrator pools the assets of each Plan with those of other participants and does not make separate investments for the City. The assets in the Plans are the sole property of the participants or their beneficiaries. Since the assets held under the Plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The Plans require investments to be stated at fair market value and it requires all gains and losses on Plan investments to accrue directly to participant accounts.

The City contributes a 1% match of employee contributions to the 457 Plan for all employees, except those under the Oakley Police Officers Association. Police Department lieutenants receive an additional employer contribution of 2% of base pay, for a total contribution of 3%. The Police Chief receives a 1% match of his contributions to the 457 Plan. The City Manager receives a contribution of $500 per month, as well as a 1% match of his contributions to the 457 Plan. The employer contributions vest 60% after one year, increasing 10% per year until they are 100% vested in year five.

The City contributes a 1% match of employee earnings, excluding overtime and bonuses, to the 401a Plan for employees that work an average of 30 hours per week. The employer contributions vest 60% after one year, increasing 10% per year until they are 100% vested in year five.

If an employee participates in both plans, the maximum employer matching contribution is 1%, except for Police Department lieutenants, which is a maximum of 3%.

The City's required contributions for the year ended June 30, 2023 totaled $50,525.

NOTE 14 - LEASES

A. Policies

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivables or liabilities with an initial, individual value of $50,000 or more.

Lessee - The City does not have any noncancellable leases of nonfinancial assets as of June 30, 2023. If there were such leases outstanding, the City would recognize a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor - The City is a lessor for noncancellable leases of commercial space and communication sites. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTE 14 – LEASES (Continued)

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

B. Leases Receivable

The balances related to leases receivable and deferred inflows of resources as of June 30, 2023 were:

	Lease Receivable	Deferred Inflows of Resources
General Fund		
Leases Receivable (Lessor)		
Facilities rentals:		
Guanatos Ice Cream	$66,737	$61,923
Communication sites:		
American Tower	148,923	141,948
Sprint Nextel (T-Mobile)	163,180	153,127
Total Leases Receivable	$378,840	$356,998

Facilities Rentals – The City leases commercial space to third parties. During the year ended June 30, 2023, the City had three leases that were subject to being recorded as leases receivable under generally accepted accounting principles. The original lease terms were from five years to fifteen years and as of June 30, 2023, the one remaining lease had two years remaining. Two of the leases could be renewed for one additional five year term and one lease can be renewed for up to three, five year terms upon written notice of the tenant. The City did not include the extension periods in the calculation of the lease receivable balances. In July and September 2023, the underlying property of two of the leases was sold and the leases were cancelled. As a result, the City reduced the balances of leases receivable and deferred inflows of resources to zero for those leases as of June 30, 2023, since they are no longer long-term leases. The City recognized $39,357 in lease revenue and $23,568 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

Communication Site Leases – The City leases various locations to third parties for the provisions of mobile/wireless communications services. During the year ended June 30, 2023, the City had two leases, with original lease terms ranging from twenty to thirty years, including the optional extension periods, and as of June 30, 2023, the leases had 4.6 to 5.8 years remaining. The City recognized $56,685 in lease revenue and $10,397 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

NOTE 15 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A Subscription-Based Information Technology Arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The City recognizes SBITA assets/liabilities with an initial, individual value of $50,000 or more.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments as follows:

- The City uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.

- The subscription term includes the noncancellable period of the subscription.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported on the statement of net position. City did not have any SBITAs that met the criteria for capitalization as of June 30, 2023.

NOTE 16 – RISK MANAGEMENT

A. Municipal Pooling Authority of Northern California (MPA)

The City is a member of the Municipal Pooling Authority of Northern California. The Authority provides coverage against various types of loss risks under the terms of a joint-powers agreement with the City and several other cities and governmental agencies. The City participates in the coverage programs as follows:

Types of Coverage (Deductible)	Coverage Limits
Liability ($25,000)	$29,000,000
Vehicle - Physical Damage ($3,000 for police vehicles, $2,000 for all others)	250,000
Worker's Compensation (no deductible)	50,000,000
Property:	
All Risk ($25,000), Fine Art and Copper Claims ($5,000), Water Claims ($150,000)	1,000,000,000
Flood*	25,000,000
Pollution Liability ($250,000)	1,000,000
Boiler and Machinery ($10,000)	100,000,000
Cyber Liability ($50,000)	2,000,000
Government Crime ($2,500)	5,000,000
Employment Liability ($50,000)	2,000,000

* $100,000 minimum deductible per occurrence, except Zones A and V, which are subject to a $250,000 deductible per occurrence.

The Authority is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the Authority, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's deposits with the Authority are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for the Authority are available from MPA, 1911 San Miguel Drive, Suite 200, Walnut Creek, CA 94596.

NOTE 16 – RISK MANAGEMENT (Continued)

B. Liability for Uninsured Claims

Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed, above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims. Settlements have not exceeded insurance coverage for the past three fiscal years.

The City's liability for uninsured liability claims at June 30 was estimated by management based on claims experience during the fiscal year and was computed as follows:

	June 30	
	2023	2022
Balance at beginning of year	$88,723	$14,933
Liability for current fiscal year claims	2,927	76,956
Change in liability for prior fiscal year claims and claims incurred but not reported (IBNR)	15,295	32,999
Claims paid	(31,095)	(36,165)
Balance at end of year	$75,850	$88,723

NOTE 17 – COMMITMENTS AND CONTINGENCIES

A. Construction and Other Commitments

The City has the following outstanding construction commitments as of June 30, 2023 which are included in the balance of encumbrances in Note 17E:

East Cypress - Knightsen Avenue Intersection Signal	$8,895,574
Downtown Gateway Plaza Roadway and Parking	3,379,527
Cypress Grove Subdivision Pump Station Building	1,293,664
City Hall Rooftop Solar Power	274,758
Downtown Parking Lot Project	268,514
Recreation Center Emergency Generator	262,848
Irrigation Well Installation at City's Freedom Basin Project	209,575
Sheriff Annex Building Demolition	113,000
Other Projects	66,046

NOTE 17 – COMMITMENTS AND CONTINGENCIES (Continued)

B. Litigation

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no presently filed litigation which is likely to have a material adverse effect on the financial position of the City.

C. Federal and State Grant Programs

The City participates in several federal and State grant programs. These programs are subject to audit by the City's independent accountants in accordance with the provisions of the federal Single Audit Act as amended and applicable State requirements. No cost disallowances have been proposed as a result of audits completed to date; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

D. Funding Plan for Construction of Station 55 and Advance from Fire District

In September 2018, the City entered into a cooperative funding agreement with the East Contra Costa Fire Protection District for the construction of Fire Station No. 55 in the Summer Lakes subdivision. Under the terms of a separate settlement agreement with a developer, the City received $3.12 million for the design and construction of Fire Station #55 along with the dedication of a one acre parcel on which the station is to be built. Under the terms of the cooperative funding agreement, the District agreed to advance $1.9 million to the City to complete the design and construction of Station 55. Within thirty days of final completion of the project, the City agrees to transfer title to Station 55 and the associated one acre parcel to the District.

Starting sixty days following the final completion of the project, the advance from the District is repayable on a monthly basis from fire facilities impact fees collected by the City in the previous month. Title was transferred to the Fire District in May 2021 and the fire station opened in June 2022. The advance of funds does not bear interest and the balance of the advance was $136,023 at June 30, 2023.

E. Encumbrances

Encumbrances outstanding as of June 30, 2023 by fund were as follows:

Major Governmental Funds:	
General Fund	$39,119
ARPA Special Revenue Fund	538,689
Traffic Impact Fees Capital Projects Fund	9,131,301
Non-Major Governmental Funds	5,949,374
Total Encumbrances	$15,658,483

NOTE 17 – COMMITMENTS AND CONTINGENCIES (Continued)

F. Developer Impact Fee Credits

In April 2022, the City entered into an agreement with a developer who is developing the Grand Cypress Preserve residential project. The City agreed to grant the developer impact fee credits and other reimbursements for its costs incurred, since the developer will construct certain improvements beyond what is needed to serve the specific project. The value of these credits and reimbursements do not increase for inflation, nor do they accrue interest.

Under the terms of the agreement, the developer is expected to install improvements with a total cost of $64,384,181 (Developer's Cost), of which the City will provide fee credits or reimbursements totaling $28,607,255 (City's Share), and if other future development of the property occurs, the City will reimburse the developer an additional amount which is the difference between the Developer's Share and $45,282,801 (Full Fair-Share Amount).

Reimbursement of the City's Share is payable from three sources: traffic impact fees (TIF) of $10,041,089, proceeds from the sale of property the City owns of $11,755,637, and $6,781,166 from other sources, which may include the issuance of bonds. The developer will receive fee credits for 100% of the TIF for the first 747 lost constructed. The final payment of the City's Share is due within four months of the date the developer obtains approval from Contra Costa Water District for the construction of levee improvements. Once the City has satisfied the City's Share, the City is to reimburse the developer for 50% of the future developers' share of TIF collected until the Full Fair-Share Amount is reimbursed.

As of June 30, 2023, no credits had been used and no reimbursements had been paid to the developer.

The accounting for the amounts due are not recorded as indebtedness since the payments (use of the credits or reimbursements) are contingent upon the developer's development of residential lots or the collection of development fees from future building growth which has not yet occurred.

NOTE 18 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. REDEVELOPMENT DISSOLUTION

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012 (collectively referred to as the Dissolution Act), which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

NOTE 18 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

In addition, the Dissolution Act directs the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller's Office completed its asset transfer review in July 2015, which did not require the transfer of any additional assets to the Successor Agency.

Effective January 31, 2012, the Redevelopment Agency was dissolved. In accordance with the Dissolution Act, certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of ABx1 26, the City was eligible to elect to become the Housing Successor and retain the housing assets and elected to do so. On February 1, 2012, the Agency's housing assets were transferred to the City's Low and Moderate Income Housing Asset Special Revenue Fund. The activities of the Housing Successor are reported in the Low and Moderate Income Housing Assets Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established on April 17, 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board and the Department of Finance. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

The Department of Finance issued the Successor Agency a Finding of Completion on August 15, 2014.

Cash and investments of the Successor Agency as of June 30, 2023 includes the following:

Cash available for operations:	
Cash available for operations	$128,421
Cash held for September 1, 2023 debt service payment	1,373,056
Cash and investments with fiscal agent	1,988
Total Cash and Investments	$1,503,465

Details regarding cash and investments are discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2023.

NOTE 18 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

B. LOANS RECEIVABLE

The Successor Agency assumed the non-housing loans receivable of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners or developers who agreed to expend these funds in accordance with the Agency's terms. The balance of the portion of the Oakley Senior Housing loan assumed by the Successor Agency as discussed in Note 5D above was $579,750 as of June 30, 2023.

C. LONG-TERM DEBT

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 1, 2012.

1. Current Year Transaction and Balances

All of the long-term debt of the Successor Agency is comprised of Tax Allocation Bonds issued by the Redevelopment Agency. The Bonds are special obligations of the Agency and are secured only by the Agency's tax increment revenues. Tax Allocation Bond transactions were as follows:

	Original Issue Amount	Balance June 30, 2022	Retirements	Balance June 30, 2023	Current Portion
2015A Tax Allocation Bonds					
3.75-5.00%, due 9/01/2028	$2,595,000	$2,595,000		$2,595,000	
2015B Tax Allocation Bonds					
2.00-3.75%, due 9/01/2024	3,115,000	1,415,000	($510,000)	905,000	$525,000
2018 Tax Allocation Refunding Bonds					
3.25-6.00%, due 9/01/2038	18,655,000	17,910,000	(370,000)	17,540,000	395,000
Add: Unamortized Bond Premium		1,599,427	(94,084)	1,505,343	
Total		$23,519,427	($974,084)	$22,545,343	$920,000

2. Successor Agency 2015 Tax Allocation Bonds

On May 6, 2015, the Agency issued $2,595,000 in 2015 Tax Allocation Bonds, Series A, and $3,115,000 in 2015 Tax Allocation Bonds, Series B. The proceeds of these bonds, secured by property tax revenues in the Redevelopment Property Tax Trust Fund, were used to refund and defease the outstanding 2003 Tax Allocation Bonds. The 2003 Bonds were called on June 19, 2015.

Under the terms of the Trust Indenture for the 2015 Bonds, an event of default occurs if, among other things, the Successor Agency (i) fails to pay interest or principal on the 2015 Bonds when due and payable, (ii) fails to observe or perform any other covenant or term contained in the Trust Indenture, or (iii) commences a voluntary case under Title 11 of the United States Code. Upon the occurrence of an event of default, the Trustee may exercise any remedies available to the Trustee and the bond owners in law or at equity.

The 2015 Bonds are secured by the Successor Agency's property tax revenues in the Redevelopment Property Tax Trust Fund. Annual principal payments on the Series A Bonds do not start till September 1, 2024, and semi-annual interest payments are due March 1 and September 1, through 2028. Annual principal payments on the Series B Bonds are due September 1, and semi-annual interest payments are due March 1 and September 1, through 2024.

NOTE 18 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

3. Successor Agency 2018 Tax Allocation Refunding Bonds

On July 19, 2018, the Agency issued $18,655,000 in 2018 Tax Allocation Refunding Bonds. The proceeds of these bonds, secured by property tax revenues in the Redevelopment Property Tax Trust Fund, were used to refund and defease the outstanding 2008 Subordinate Tax Allocation Bonds. The refunding reduces the total debt service payments over 21 years by $7,649,546 and results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $3,097,278. The 2008 Bonds were called on September 1, 2018.

Under the terms of the Trust Indenture for the 2018 Bonds, an event of default occurs if, among other things, the Successor Agency (i) fails to pay interest or principal on the 2018 Bonds when due and payable, (ii) fails to observe or perform any other covenant or term contained in the Trust Indenture, or (iii) commences a voluntary case under Title 11 of the United States Code. Upon the occurrence of an event of default, the Trustee may exercise any remedies available to the Trustee and the bond owners in law or at equity.

The 2018 Bonds are secured by the Successor Agency's property tax revenues in the Redevelopment Property Tax Trust Fund. The 2018 Bonds are on parity with the 2015 Bonds discussed above Annual principal payments on the 2018 Bonds are due September 1, and semi-annual interest payments are due March 1 and September 1, through 2028.

4. Pledge of Tax Revenues

As discussed above, the Agency had pledged all future tax increment revenues, less amounts required to be set aside in the Redevelopment Agency Low and Moderate Income Housing Capital Projects Fund and certain tax increment pass through payments, for the repayment of both the 2003 and 2008A Tax Allocation Bonds (non-housing revenues). The Agency had also pledged tax increment revenues required to be set aside in the Redevelopment Agency Low and Moderate Income Housing Capital Projects Fund (housing revenue) for the repayment of a portion of the 2003 Tax Allocation Bonds. With the issuance of the 2018 Bonds, the tax increment revenue is pledged on parity with the 2015 and 2018 Bonds. The pledge of all future tax increment revenues ends upon repayment of the $28,751,810 remaining debt service on the 2015 and 2018 Bonds above, which is scheduled to occur in 2039.

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. Beginning in fiscal year 2012, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Total property taxes available for distribution to the Successor Agency and other taxing entities for fiscal year 2023 calculated by the County Auditor-Controller was $8,366,419 and the total received by the Successor Agency for fiscal year 2023 debt service was $2,086,738 which represented 116% of the $1,798,100 of debt service.

NOTE 18 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

5. Debt Service Requirements

Annual debt service requirements for the Bonds are shown below:

For the Year Ending June 30	Principal	Interest
2024	$920,000	$887,048
2025	955,000	846,489
2026	1,000,000	799,986
2027	1,050,000	748,736
2028	1,105,000	699,939
2029 - 2033	6,300,000	2,673,262
2034 - 2038	7,945,000	1,026,554
2039 - 2039	1,765,000	29,796
	21,040,000	$7,711,810
Add: Unamortized Premium	1,505,343	
Net Long Term Debt	$22,545,343	

D. COMMITMENTS AND CONTINGENCIES

1. State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance in the future cannot be determined at this time.

2. State Asset Transfer Review

The activities of the former Redevelopment Agency and the Successor Agency were also subject to further examination by the State of California. The State Controller's Office conducted a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011. The results of that review were issued in July 2015 and although the review did identify ineligible transfers of assets from the former Redevelopment Agency to the City, the report reflected the current year and prior year transfers discussed in Note 18A and made no further demands for the return of assets to the Successor Agency.

NOTE 18 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

E. CONTRA COSTA COUNTYWIDE CONSOLIDATED OVERSIGHT BOARD

On July 1, 2018, the duties of the Oakley Oversight Board transferred to a new Contra Costa Countywide Consolidated Oversight Board, which is responsible for overseeing the winddown affairs of all Successor Agencies in Contra Costa County, including the Successor Agency to the Oakley Redevelopment Agency.

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REQUIRED SUPPLEMENTARY INFORMATION

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REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous and Safety Rate Plans, a Cost Sharing-Employer Defined Benefit Pension Plan
Last 10 Years*

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Plan's Proportion of the Net Pension Liability (Asset)	0.04460%	0.05032%	0.04978%	0.02077%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	$1,102,233	$1,380,410	$1,729,323	$2,059,612
Plan's Covered Payroll	$1,972,266	$2,494,839	$3,497,131	$6,800,698
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	55.89%	55.33%	49.45%	30.29%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.82%	78.40%	74.06%	73.31%

Notes to Schedule:

* - Fiscal year 2015 was the 1st year of implementation.

6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
0.02053%	0.02258%	0.01526%	-0.02567%	0.01800%
$1,978,129	$2,313,974	$1,660,558	($1,388,239)	$2,077,415
$8,031,468	$8,224,932	$8,331,862	$8,425,819	$8,601,562
24.63%	28.13%	19.93%	-16.48%	24.15%
75.26%	75.26%	75.10%	88.29%	76.68%

REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous and Safety Rate Plans, a Cost Sharing-Employer Defined Benefit Pension Plan
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

For the year Ended June 30	2015	2016	2017	2018
Actuarially determined contribution	$296,613	$382,769	$746,429	$986,847
Contributions in relation to the actuarially determined contributions	296,613	382,769	746,429	986,847
Contribution deficiency (excess)	$0	$0	$0	$0
Covered payroll	$2,494,839	$3,497,131	$6,800,698	$8,031,468
Contributions as a percentage of covered payroll	11.89%	10.95%	10.98%	12.29%

* Fiscal year 2015 was the 1st year of implementation.

2019	2020	2021	2022	2023
$1,038,446	$2,174,321	$1,595,273	$1,113,411	$1,258,262
1,038,446	2,174,321	1,595,273	1,113,411	1,258,262
$0	$0	$0	$0	$0
$8,224,932	$8,331,862	$8,425,819	$8,601,562	$9,842,108
12.63%	26.10%	18.93%	12.94%	12.78%

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SUPPLEMENTAL INFORMATION

MAJOR GOVERNMENTAL FUND, OTHER THAN GENERAL FUND AND SPECIAL REVENUE FUNDS

TRAFFIC IMPACT FEES CAPITAL PROJECTS FUND

This fund accounts for fees assessed on new development to provide street and road improvements.

CITY OF OAKLEY
TRAFFIC IMPACT FEES
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Developer fees	$3,553,132	$1,795,783	($1,757,349)
Use of money and property	30,000	381,308	351,308
Miscellaneous		22,400	22,400
Total Revenues	3,583,132	2,199,491	(1,383,641)
EXPENDITURES			
Current:			
Community Development			
Public Works	258,695	123,855	134,840
Capital outlay	13,392,952	2,119,308	11,273,644
Total Expenditures	13,651,647	2,243,163	11,408,484
NET CHANGE IN FUND BALANCES	($10,068,515)	(43,672)	$10,024,843
Fund balance at beginning of year		12,299,188	
Fund balance at end of year		$12,255,516	

SPECIAL REVENUE FUNDS

GAS TAX

This fund accounts for revenues and expenditures received from the State of California under Street and Highways Code Sections 2105, 2106, 2107 and 2107.5. This fund also accounts for the revenues and expenditures related to Senate Bill 1 (SB 1) Road Maintenance and Rehabilitation Program received from the State of California under Street and Highways Code Sections 2032. All allocations must be spent for street maintenance and construction.

NPDES

This fund accounts for storm water utility fees assessed on properties city-wide and used to pay for the "National Pollution Discharge Elimination System" to prevent further polluting of our streams and bays as mandated by the Federal government.

COMMUNITY FACILITIES DISTRICT #1

This fund accounts for maintenance and operations related to drainage and flood control at the Cypress Grove development.

COMMUNITY FACILITIES DISTRICT 2015-1

This fund accounts for the activities associated with the maintenance of neighborhood parks, community parks, regional parks, street lighting, landscaping and storm water detention facilities at Emerson Ranch.

OAKLEY WELCOMING

This fund accounts for the activities associated with the grant-funded Oakley Welcoming program under the You Me We Oakley! brand.

AG CONSERVATION

This fund accounts for the activities associated with establishing and carrying out the City's agricultural conservation program.

CITYWIDE COMMUNITY FACILITIES DISTRICT

This fund was established to account for the activities associated with the maintenance of neighborhood parks and stormwater detention facilities in the areas of the 2015-2 Citywide Community Facility District.

REGIONAL PARK

This fund was established to account for the activities associated with the development and maintenance of the Oakley Regional Community Park.

CREEKSIDE PARK RESTORATION GRANT

This fund accounts for a grant from the Delta Conservancy with the purpose of developing plans to restore 775 linear feet of Marsh Creek to provide habitat for native fish and wildlife. Various partners will be participating in the analysis including American Rivers, Inc., Contra Costa Flood District and the adjacent property owner/developer.

DEVELOPER DEPOSITS

This fund accounts for deposits received from contractors and property owners to offset the cost of providing certain Community Development services including processing applications and reviewing grading plans of applicant projects.

OPIOID REMEDIATION

This fund accounts for funds received from the State from the settlement agreement with Janssen and Distributors. The settlement funds are restricted to uses related to opioid abatement.

OFFICER WELLNESS AND MENTAL HEALTH GRANT

This fund accounts for grant funds received from the Bureau California Board of State and Community Corrections (BSCC). The Officer Wellness and Mental Health (Officer Wellness) Grant Program, established in the 2022 Budget Act, provides funds for the purpose of improving officer wellness and expanding mental health sources.

COMMUNITY FACILITIES DISTRICT 2020-1

This fund accounts for the activities associated with the operations and maintenance associated with the City's Community parks and the public landscape, street lighting, and storm drain maintenance associated with the Contra Costa Logistics Center project. The activity was previously reported as a component of the Lighting and Landscaping

CAPITAL PROJECTS FUNDS

MEASURE J

This fund accounts for the City's portion of the half-cent County-wide sales tax levied to fund transportation improvements to local streets.

GENERAL CAPITAL PROJECTS

This fund accounts for revenues and expenditures related to General Fund contributions, grants and other funding accounts for capital projects not accounted for in other capital projects funds. It accounts for the total expenditures for each project charged to this fund.

PARK IMPACT FEES

This fund accounts for fees assessed on new development to provide for park acquisition and development.

PUBLIC FACILITIES IMPACT FEE

This fund accounts for fees assessed on new development to provide for public facilities.

FIRE IMPACT FEES

This fund accounts for fees assessed on new developments to provide for fire protection capital facilities.

MAIN STREET

This fund accounts for Main Street related projects funded by the General Fund.

CYPRESS GROVE CAPITAL PROJECT

This fund accounts for funds from the 2004-1 Limited Obligation Bonds used to purchase infrastructure assets built by developers in the 2004-1 Assessment District area.

STREET MAINTENANCE REHAB

This fund was established to account for the accumulation of funds for the long-term maintenance of the City's streets. The amounts transferred into the reserve will be used to augment the City's Gas Tax, Measure J, and other street improvement revenues in completing street maintenance and improvement projects. The reserve shall be considered fully funded when the balance and the combination of anticipated special revenues eligible for street maintenance is sufficient to pay for the next 3 years' anticipated maintenance, which is anticipated to occur by June 30, 2018.

2006-1 ASSESSMENT DISTRICT

This fund accounts for funds from the 2006 Infrastructure Revenue Bonds that will ultimately be used to purchase infrastructure assets built by developers in the 2006-1 Assessment District area.

DEBT SERVICE FUND

This fund accounts for principal and interest on the City's debt issues.

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Gas Tax	NPDES	Community Facilities District #1	Community Facilities District 2015-1
ASSETS				
Cash and investments available for operations	$2,023,664		$2,414,609	$2,492,560
Cash with fiscal agent				
Accounts receivable, net	187,701	$147,805		
Interest receivable	3,765		4,908	4,878
Advances to other funds				
Total Assets	$2,215,130	$147,805	$2,419,517	$2,497,438
LIABILITIES				
Accounts payable	$45,662	$31,179	$42,670	$144,413
Due to other funds		194,310		
Deposits payable				
Unearned revenue		37,576		
Total Liabilities	45,662	263,065	42,670	144,413
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable				
Unavailable revenue - interest on advances to other funds				
Total Deferred Inflows of Resources				
FUND BALANCES				
Restricted	2,169,468		2,376,847	2,353,025
Assigned				
Unassigned		(115,260)		
Total Fund Balance	2,169,468	(115,260)	2,376,847	2,353,025
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$2,215,130	$147,805	$2,419,517	$2,497,438

SPECIAL REVENUE FUNDS						
Oakley Welcoming	Ag Conservation	Citywide Community Facilities District	Regional Park	Creekside Park Restoration Grant	Developer Deposits	Opioid Remediation
	$7,335	$1,291,826	$2,118,665	$12,822	$1,438,778	$17,988
					139,162	113,413
	15	2,269				36
	$7,350	$1,294,095	$2,118,665	$12,822	$1,577,940	$131,437
		$208,735		$19,818	$28,796	
			$3,000		1,549,213	
						$18,024
		208,735	3,000	19,818	1,578,009	18,024
						113,413
						113,413
	$7,350	1,085,360	2,115,665			
				(6,996)	(69)	
	7,350	1,085,360	2,115,665	(6,996)	(69)	
	$7,350	$1,294,095	$2,118,665	$12,822	$1,577,940	$131,437

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2022

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS	
	Officer Wellness and Mental Health Grant	Community Facilities District 2020-1	Measure J	General Capital Projects
ASSETS				
Cash and investments available for operations	$27,847	$49,775	$1,328,076	$6,999,342
Cash with fiscal agent				
Accounts receivable, net			833,010	
Interest receivable	57	85	2,784	8,724
Advances to other funds				
Total Assets	$27,904	$49,860	$2,163,870	$7,008,066
LIABILITIES				
Accounts payable			$19,996	$253,148
Due to other funds				
Deposits payable				
Unearned revenue	$27,904			412,942
Total Liabilities	27,904		19,996	666,090
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable				
Unavailable revenue - interest on advances to other funds				
Total Deferred Inflows of Resources				
FUND BALANCES				
Restricted		$49,860	2,143,874	
Assigned				6,341,976
Unassigned				
Total Fund Balance		49,860	2,143,874	6,341,976
Total Liabilities, Deferred Inflows of Resources	$27,904	$49,860	$2,163,870	$7,008,066

CAPITAL PROJECTS FUNDS

Park Impact Fees	Public Facilities Impact Fee	Fire Impact Fees	Main Street	Cypress Grove Capital Project	Street Maintenance Rehab	2006-1 Assessment District
$5,937,253	$2,951,211		$624,959		$5,434,393	$247,871
				$118,394		419,359
203,474						
11,582	6,162			(21)		502
449,587	143,903					
$6,601,896	$3,101,276		$624,959	$118,373	$5,434,393	$667,732
$13,991	$27,476		$149,301	$2,623	$3,997	
				56,010		
13,991	27,476		149,301	58,633	3,997	
114,756	36,731					
114,756	36,731					
6,473,149	3,037,069			59,740		$667,732
			475,658		5,430,396	
6,473,149	3,037,069		475,658	59,740	5,430,396	667,732
$6,601,896	$3,101,276		$624,959	$118,373	$5,434,393	$667,732

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2023

	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS		
Cash and investments available for operations	$38,735	$35,457,709
Cash with fiscal agent	1,560	539,313
Accounts receivable, net		1,624,565
Interest receivable	248	45,994
Advances to other funds		593,490
Total Assets	$40,543	$38,261,071
LIABILITIES		
Accounts payable		$991,805
Due to other funds		250,320
Deposits payable		1,552,213
Unearned revenue		496,446
Total Liabilities		3,290,784
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - accounts receivable		113,413
Unavailable revenue - interest on advances to other funds		151,487
Total Deferred Inflows of Resources		264,900
FUND BALANCES		
Restricted	$40,543	22,579,682
Assigned		12,248,030
Unassigned		(122,325)
Total Fund Balance	40,543	34,705,387
	$40,543	$38,261,071

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CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Gas Tax	NPDES	Community Facilities District #1	Community Facilities District 2015-1
REVENUES				
Property taxes		$527,545		
Other taxes				$755,327
Intergovernmental	$2,107,700			
Developer fees				
Special assessments			$344,769	
Use of money and property	65,544	2,133	63,885	56,836
Miscellaneous	15,359	1,440		
Total Revenues	2,188,603	531,118	408,654	812,163
EXPENDITURES				
Current:				
Community Development				
Public Works	726,030	695,032	207,178	588,618
Capital outlay	1,406,418	473	190,159	40,285
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	2,132,448	695,505	397,337	628,903
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	56,155	(164,387)	11,317	183,260
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)	(22,288)			
Total Other Financing Sources (Uses)	(22,288)			
NET CHANGE IN FUND BALANCES	33,867	(164,387)	11,317	183,260
Fund balance (deficit) at beginning of year	2,135,601	49,127	2,365,530	2,169,765
Fund balances (deficit) at end of year	$2,169,468	($115,260)	$2,376,847	$2,353,025

SPECIAL REVENUE FUNDS						
Oakley Welcoming	Ag Conservation	Citywide Community Facilities District	Regional Park	Creekside Park Restoration Grant	Developer Deposits	Opioid Remediation
		$1,348,175	$312,564	$175,107	$1,369,475	
$2,710	$191	24,837	22,651			
2,710	191	1,373,012	335,215	175,107	1,369,475	
		1,209,314	12,309	140,626	1,369,543	
		1,209,314	12,309	140,626	1,369,543	
2,710	191	163,698	322,906	34,481	(68)	
3,974						
3,974						
6,684	191	163,698	322,906	34,481	(68)	
(6,684)	7,159	921,662	1,792,759	(41,477)	(1)	
	$7,350	$1,085,360	$2,115,665	($6,996)	($69)	

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUNDS	
	Officer Wellness and Mental Health Grant	Community Facilities District 2020-1	Measure J	General Capital Projects
REVENUES				
Property taxes				
Other taxes		$38,429		
Intergovernmental			$833,010	$81,228
Developer fees				
Special assessments				
Use of money and property		465	37,418	(5,416)
Miscellaneous				
Total Revenues		38,894	870,428	75,812
EXPENDITURES				
Current:				
Community Development				
Public Works		7,500	143,947	
Capital outlay			299,497	3,330,817
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures		7,500	443,444	3,330,817
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		31,394	426,984	(3,255,005)
OTHER FINANCING SOURCES (USES)				
Transfers in		18,466		7,560,000
Transfers (out)				
Total Other Financing Sources (Uses)		18,466		7,560,000
NET CHANGE IN FUND BALANCES		49,860	426,984	4,304,995
Fund balance (deficit) at beginning of year			1,716,890	2,036,981
Fund balances (deficit) at end of year		$49,860	$2,143,874	$6,341,976

CAPITAL PROJECTS FUNDS

Park Impact Fees	Public Facilities Impact Fee	Fire Impact Fees	Main Street	Cypress Grove Capital Project	Street Maintenance Rehab	2006-1 Assessment District
$353,474	$68,182					
898,632	488,170	$201,757				
147,486	90,906			$3,441		$18,304
		617				
1,399,592	647,258	202,374		3,441		18,304
	20,862	202,374				
36,286						
796,521	408,431		$773,992	56,010	$162,393	
832,807	429,293	202,374	773,992	56,010	162,393	
566,785	217,965		(773,992)	(52,569)	(162,393)	18,304
			10,000		2,000,000	
	(666,769)					
	(666,769)		10,000		2,000,000	
566,785	(448,804)		(763,992)	(52,569)	1,837,607	18,304
5,906,364	3,485,873		1,239,650	112,309	3,592,789	649,428
$6,473,149	$3,037,069		$475,658	$59,740	$5,430,396	$667,732

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES		
Property taxes		$527,545
Other taxes		2,454,495
Intergovernmental		3,618,701
Developer fees		2,958,034
Special assessments		344,769
Use of money and property	$7,340	538,731
Miscellaneous		17,416
Total Revenues	7,340	10,459,691
EXPENDITURES		
Current:		
Community Development		1,733,405
Public Works		3,613,905
Capital outlay		7,477,305
Debt service:		
Principal	330,000	330,000
Interest and fiscal charges	344,622	344,622
Total Expenditures	674,622	13,499,237
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(667,282)	(3,039,546)
OTHER FINANCING SOURCES (USES)		
Transfers in	666,769	10,259,209
Transfers (out)		(689,057)
Total Other Financing Sources (Uses)	666,769	9,570,152
NET CHANGE IN FUND BALANCES	(513)	6,530,606
Fund balance (deficit) at beginning of year	41,056	28,174,781
Fund balances (deficit) at end of year	$40,543	$34,705,387

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CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS					
	GAS TAX			N.P.D.E.S.		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes				$500,000	$527,545	$27,545
Other taxes						
Intergovernmental:	$2,230,547	$2,107,700	($122,847)			
Developer fees						
Special assessments						
Use of money and property	1,500	65,544	64,044	500	2,133	1,633
Miscellaneous		15,359	15,359		1,440	1,440
Total Revenues	2,232,047	2,188,603	(43,444)	500,500	531,118	30,618
EXPENDITURES						
Current:						
Community Development						
Public Works	1,073,725	726,030	347,695	619,321	695,032	(75,711)
Capital outlay	2,826,381	1,406,418	1,419,963	240,340	473	239,867
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	3,900,106	2,132,448	1,767,658	859,661	695,505	164,156
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,668,059)	56,155	1,724,214	(359,161)	(164,387)	194,774
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(190,000)	(22,288)	167,712			
Total Other Financing Sources (Uses)	(190,000)	(22,288)	167,712			
NET CHANGE IN FUND BALANCES	($1,858,059)	33,867	$1,891,926	($359,161)	(164,387)	$194,774
Fund balances (deficit) at beginning of year		2,135,601			49,127	
Fund balances (deficit) at end of year		$2,169,468			($115,260)	

SPECIAL REVENUE FUNDS

COMMUNITY FACILITIES DISTRICT #1			COMMUNITY FACILITIES DISTRICT 2015-1			OAKLEY WELCOMING		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			$673,381	$755,327	$81,946			
$351,667	$344,769	($6,898)						
2,500	63,885	61,385	2,000	56,836	54,836		$2,710	$2,710
354,167	408,654	54,487	675,381	812,163	136,782		2,710	2,710
351,579	207,178	144,401	675,381	588,618	86,763			
1,505,123	190,159	1,314,964	40,285	40,285				
1,856,702	397,337	1,459,365	715,666	628,903	86,763			
(1,502,535)	11,317	1,513,852	(40,285)	183,260	223,545		2,710	2,710
							3,974	3,974
							3,974	3,974
($1,502,535)	11,317	$1,513,852	($40,285)	183,260	$223,545		6,684	$6,684
	2,365,530			2,169,765			(6,684)	
	$2,376,847			$2,353,025				

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS					
	AG CONSERVATION			CITYWIDE COMMUNITY FACILITIES DISTRICT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes				$1,301,163	$1,348,175	$47,012
Intergovernmental:						
Developer fees						
Special assessments						
Use of money and property		$191	$191	800	24,837	24,037
Miscellaneous						
Total Revenues		191	191	1,301,963	1,373,012	71,049
EXPENDITURES						
Current:						
Community Development						
Public Works				1,409,754	1,209,314	200,440
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures				1,409,754	1,209,314	200,440
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		191	191	(107,791)	163,698	271,489
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(10,829)		10,829
Total Other Financing Sources (Uses)				(10,829)		10,829
NET CHANGE IN FUND BALANCES		191	$191	($118,620)	163,698	$282,318
Fund balances (deficit) at beginning of year		7,159			921,662	
Fund balances (deficit) at end of year		$7,350			$1,085,360	

SPECIAL REVENUE FUNDS

REGIONAL PARK			CREEKSIDE PARK RESTORATION GRANT			DEVELOPER DEPOSITS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$150,000	$312,564	$162,564	$224,554	$175,107	($49,447)			
							$1,369,475	$1,369,475
15,000	22,651	7,651						
165,000	335,215	170,215	224,554	175,107	(49,447)		1,369,475	1,369,475
			224,554	140,626	83,928	$1,214,817	1,369,543	(154,726)
31,679	12,309	19,370						
31,679	12,309	19,370	224,554	140,626	83,928	1,214,817	1,369,543	(154,726)
133,321	322,906	189,585		34,481	34,481	(1,214,817)	(68)	1,214,749
$133,321	322,906	$189,585		34,481	$34,481	($1,214,817)	(68)	$1,214,749
	1,792,759			(41,477)				
	$2,115,665			($6,996)			($68)	

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUND			CAPITAL PROJECTS FUND		
	COMMUNITY FACILITIES DISTRICT 2020-1			MEASURE J		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes	$39,176	$38,429	($747)			
Intergovernmental				$748,590	$833,010	$84,420
Developer fees						
Special assessments						
Use of money and property		465	465	2,500	37,418	34,918
Miscellaneous						
Total Revenues	39,176	38,894	(282)	751,090	870,428	119,338
EXPENDITURES						
Current:						
Community Development						
Public Works	34,662	7,500	27,162	218,319	143,947	74,372
Capital outlay				1,455,456	299,497	1,155,959
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	34,662	7,500	27,162	1,673,775	443,444	1,230,331
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,514	31,394	26,880	(922,685)	426,984	1,349,669
OTHER FINANCING SOURCES (USES)						
Transfers in		18,466	18,466			
Transfers (out)						
Total Other Financing Sources (Uses)		18,466	18,466			
NET CHANGE IN FUND BALANCES	$4,514	49,860	$45,346	($922,685)	426,984	$1,349,669
Fund balances (deficit) at beginning of year					1,716,890	
Fund balances (deficit) at end of year		$49,860			$2,143,874	

CAPITAL PROJECTS FUNDS

GENERAL CAPITAL PROJECTS			PARK IMPACT FEES			PUBLIC FACILITIES IMPACT FEE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	$81,228	$81,228	$203,000	$353,474	$150,474	$80,000	$68,182	($11,818)
			2,552,740	898,632	(1,654,108)	989,471	488,170	(501,301)
	(5,416)	(5,416)		147,486	147,486	5,000	90,906	85,906
	75,812	75,812	2,755,740	1,399,592	(1,356,148)	1,074,471	647,258	(427,213)
						31,140	20,862	10,278
			81,420	36,286	45,134			
$7,650,969	3,330,817	4,320,152	7,631,009	796,521	6,834,488	692,180	408,431	283,749
7,650,969	3,330,817	4,320,152	7,712,429	832,807	6,879,622	723,320	429,293	294,027
(7,650,969)	(3,255,005)	4,395,964	(4,956,689)	566,785	5,523,474	351,151	217,965	(133,186)
2,560,000	7,560,000	5,000,000						
						(666,769)	(666,769)	
2,560,000	7,560,000	5,000,000				(666,769)	(666,769)	
($5,090,969)	4,304,995	$9,395,964	($4,956,689)	566,785	$5,523,474	($315,618)	(448,804)	($133,186)
	2,036,981			5,906,364			3,485,873	
	$6,341,976			$6,473,149			$3,037,069	

(Continued)

CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	CAPITAL PROJECTS FUNDS					
	FIRE IMPACT FEES			MAIN STREET		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes						
Intergovernmental						
Developer fees		$201,757	$201,757			
Special assessments						
Use of money and property						
Miscellaneous		617	617			
Total Revenues		202,374	202,374			
EXPENDITURES						
Current:						
Community Development		202,374	(202,374)			
Public Works						
Capital outlay				$1,257,049	$773,992	$483,057
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures		202,374	(202,374)	1,257,049	773,992	483,057
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				(1,257,049)	(773,992)	483,057
OTHER FINANCING SOURCES (USES)						
Transfers in				10,000	10,000	
Transfers (out)						
Total Other Financing Sources (Uses)				10,000	10,000	
NET CHANGE IN FUND BALANCES				($1,247,049)	(763,992)	$483,057
Fund balances (deficit) at beginning of year					1,239,650	
Fund balances (deficit) at end of year					$475,658	

CAPITAL PROJECTS FUNDS

CYPRESS GROVE CAPITAL PROJECT			STREET MAINTENANCE REHAB			2006-1 ASSESSMENT DISTRICT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	$3,441	$3,441					$18,304	$18,304
	3,441	3,441					18,304	18,304
$62,377	56,010	6,367	$2,100,000	$162,393	$1,937,607			
62,377	56,010	6,367	2,100,000	162,393	1,937,607			
(62,377)	(52,569)	9,808	(2,100,000)	(162,393)	1,937,607		18,304	18,304
			2,000,000	2,000,000				
			2,000,000	2,000,000				
($62,377)	(52,569)	$9,808	($100,000)	1,837,607	$1,937,607		18,304	$18,304
	112,309			3,592,789			649,428	
	$59,740			$5,430,396			$667,732	

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CITY OF OAKLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	DEBT SERVICE FUND		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes			
Other taxes			
Intergovernmental			
Developer fees			
Special assessments			
Use of money and property		$7,340	$7,340
Miscellaneous			
Total Revenues		7,340	7,340
EXPENDITURES			
Current:			
Community Development			
Public Works			
Capital outlay	$35,000		35,000
Debt service:			
Principal	330,000	330,000	
Interest and fiscal charges	344,479	344,622	(143)
Total Expenditures	709,479	674,622	34,857
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(709,479)	(667,282)	42,197
OTHER FINANCING SOURCES (USES)			
Transfers in	666,769	666,769	
Transfers (out)			
Total Other Financing Sources (Uses)	666,769	666,769	
NET CHANGE IN FUND BALANCES	($42,710)	(513)	$42,197
Fund balances (deficit) at beginning of year		41,056	
Fund balances (deficit) at end of year		$40,543	

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

EQUIPMENT REPLACEMENT

This fund is used to finance and account for the replacement of equipment used by City departments.

CAPITAL FACILITIES MAINTENANCE AND REPLACEMENT

This fund is used to account for the maintenance and replacement of the City's capital facilities used by City departments.

INFORMATION TECHNOLOGY

This fund is used to finance and accounts for the replacement of technology equipment used by City departments.

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Information Technology	Total
ASSETS				
Current:				
Cash and investments available for operations	$918,593	$749,345	$253,970	$1,921,908
Receivables:				
Interest	1,607	1,373	607	3,587
Total Current Assets	920,200	750,718	254,577	1,925,495
Noncurrent:				
Capital assets:				
Depreciable, net	710,676	5,020,419	710,454	6,441,549
Total Noncurrent Assets	710,676	5,020,419	710,454	6,441,549
Total Assets	1,630,876	5,771,137	965,031	8,367,044
LIABILITIES				
Accounts payable	21,221	113,918	15,000	150,139
Accrued liabilities	440			440
Total Liabilities	21,661	113,918	15,000	150,579
NET POSITION				
Investment in capital assets	710,676	5,020,419	710,454	6,441,549
Unrestricted	898,539	636,800	239,577	1,774,916
Total Net Position	$1,609,215	$5,657,219	$950,031	$8,216,465

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Information Technology	Total
OPERATING REVENUES				
Charges for services	$361,779	$600,000	$206,000	$1,167,779
Total Operating Revenues	361,779	600,000	206,000	1,167,779
OPERATING EXPENSES				
Supplies	153,838	776	36,668	191,282
Depreciation	232,017	252,199	175,575	659,791
Total Operating Expenses	385,855	252,975	212,243	851,073
Operating Income (Loss)	(24,076)	347,025	(6,243)	316,706
NONOPERATING REVENUES (EXPENSES)				
Gain on sale of assets	2,020			2,020
Interest income	24,611	12,608	3,502	40,721
Total Nonoperating Revenues	26,631	12,608	3,502	42,741
Income (Loss) Before Contributions and Transfers	2,555	359,633	(2,741)	359,447
Contributions	231,922		352,447	584,369
Capital assets contributed to governmental activities		(466,908)		(466,908)
Change in net position	234,477	(107,275)	349,706	476,908
BEGINNING NET POSITION	1,374,738	5,764,494	600,325	7,739,557
ENDING NET POSITION	$1,609,215	$5,657,219	$950,031	$8,216,465

CITY OF OAKLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Equipment Replacement	Capital Facilities Maintenance and Replacement	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$361,779	$600,000	$206,000	$1,167,779
Payments to suppliers	(158,920)	113,142	(32,668)	(78,446)
Cash Flows from Operating Activities	202,859	713,142	173,332	1,089,333
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Proceeds from sale of capital assets	2,020			2,020
Capital assets contributed to governmental activities		(466,908)		(466,908)
Acquisition of capital assets	(191,838)		(65,267)	(257,105)
Cash Flows from Capital Financing Activities	(189,818)	(466,908)	(65,267)	(721,993)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	23,915	11,740	3,220	38,875
Net Cash Flows	36,956	257,974	111,285	406,215
Cash and investments at beginning of period	881,637	491,371	142,685	1,515,693
Cash and investments at end of period	$918,593	$749,345	$253,970	$1,921,908
NONCASH TRANSACTIONS				
Contributions of capital assets	$231,922		$352,447	$584,369
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating income (loss)	($24,076)	$347,025	($6,243)	$316,706
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	232,017	252,199	175,575	659,791
Net change in assets and liabilities:				
Accounts payable	(4,067)	113,918	4,000	113,851
Accrued liabilities	(1,015)			(1,015)
Cash Flows from Operating Activities	$202,859	$713,142	$173,332	$1,089,333

CUSTODIAL FUNDS

Custodial Funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

ASSESSMENT DISTRICT 2004-1

This fund accounts for Assessment District 2004-1 special assessment collections and debt service payments.

GENERAL AGENCY FUND

This fund accounts for fees established by the County to fund future County capital facilities from development that are collected via building permits and submitted to the County, as well as assets held on behalf of other agencies for other purposes.

ASSESSMENT DISTRICT 2006-1

This fund accounts for Assessment District 2006-1 special assessment collections and debt service payments.

CITY OF OAKLEY
CUSTODIAL FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	Assessment District 2004-1	General Agency Fund	Assessment District 2006-1	Total
ASSETS				
Cash and investments	$1,594,285	$1,025,769	$897,313	$3,517,367
Cash and investments with fiscal agent	146,864		372,217	519,081
Interest receivable	2,714		1,475	4,189
Total Assets	1,743,863	1,025,769	1,271,005	4,040,637
LIABILITIES				
Accounts payable		353,270		353,270
Due to other agencies		672,499		672,499
Total Liabilities		1,025,769		1,025,769
NET POSITION:				
Restricted for:				
Bondholders	1,743,863		1,271,005	3,014,868
Total Net Position	$1,743,863		$1,271,005	$3,014,868

CITY OF OAKLEY
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Assessment District 2004-1	General Agency Fund	Assessment District 2006-1	Total
ADDITIONS				
Special assessments	$1,194,391		$761,164	$1,955,555
Use of money and properties	31,422		26,603	58,025
Total Additions	1,225,813		787,767	2,013,580
DEDUCTIONS				
Administrative expenses	27,003		12,319	39,322
Payments to bondholders and related fiscal charges	905,921		635,930	1,541,851
Total Deductions	932,924		648,249	1,581,173
Change in Net Position	292,889		139,518	432,407
Beginning Net Position	1,450,974		1,131,487	2,582,461
Ending Net Position	$1,743,863		$1,271,005	$3,014,868

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends
These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Overlapping Governments
3. Principal Property Tax Payers
4. Property Tax Levies and Collections

Debt Capacity
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Bonded Debt Pledged Revenue Coverage, Former Redevelopment Agency Tax Allocation Bonds

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

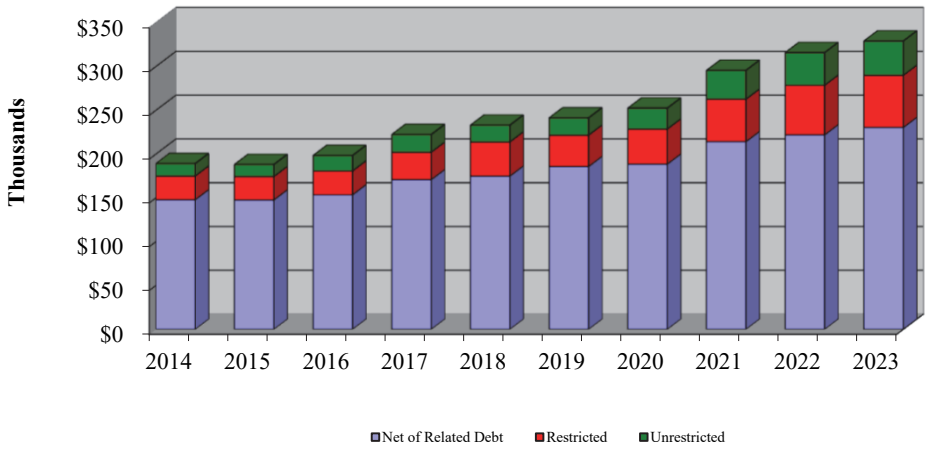
Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Budgeted Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources
Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

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CITY OF OAKLEY
Net Position by Component (000's)
Last Ten Fiscal Years
(accrual basis of accounting)



	Fiscal Year Ended June 30,									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Primary government										
Governmental activities										
Net investment in capital assets	$147,874	$147,685	$153,509	$170,799	$174,868	$185,805	$188,555	$214,187	$221,980	$230,421
Restricted	27,042	26,651	27,205	31,286	39,006	35,780	39,992	48,461	56,581	59,526
Unrestricted	14,338	13,898	17,784	20,395	19,286	19,877	24,020	33,049	37,422	39,283
Total governmental activities net position	$189,254	$188,234	$198,498	$222,480	$233,160	$241,462	$252,567	$295,697	$315,983	$329,230

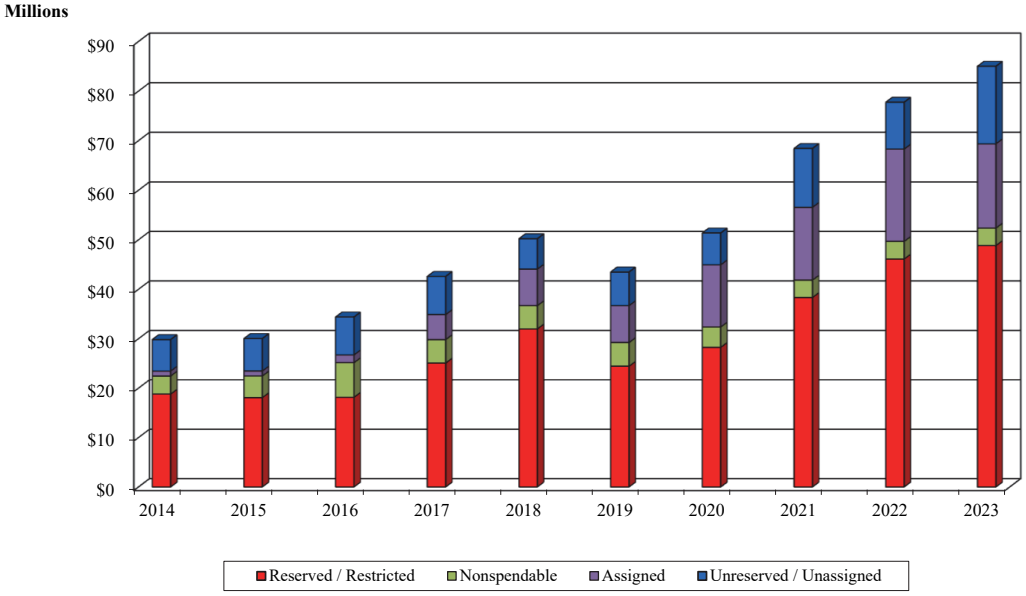
CITY OF OAKLEY
Changes in Net Position (000's)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020** (a)	**2021**	**2022**	**2023**
Expenses										
Governmental Activities:										
Legislative	$446	$466	$481	$604	$641	$754	$661	$722	$620	$1,107
Administrative Services	1,301	1,341	1,220	1,855	1,877	1,971	3,197	3,056	1,236	3,606
Community Development	1,819	1,843	2,152	2,088	3,160	4,019	4,572	3,437	3,782	4,819
Public Works	10,177	10,640	11,478	11,818	12,200	12,969	13,198	21,437 (b)	16,987	20,107
Housing Programs	8	45	85	3	3	4	4	3	3	3
Law Enforcement	7,694	8,314	8,230	8,066	9,097	9,567	10,257	10,139	10,005	12,909
Recreation	478	524	560	562	629	771	662	653	723	1,034
Interest and fiscal charges	317	301	292	476	400	390	378	373	349	344
Total Governmental Activities Expenses	22,240	23,474	24,498	25,472	28,007	30,445	32,929	39,820	33,705	43,929
Total Primary Government Expenses	$22,240	$23,474	$24,498	$25,472	$28,007	$30,445	$32,929	$39,820	$33,705	$43,929
Program Revenues										
Governmental Activities:										
Charges for Services:										
Administrative Services	$266	$252	$395	$521	$549	$399	$889	$1,736	$1,240	$807
Community Development	1,154	1,375	2,133	2,151	3,137	2,759	3,312	4,785	3,832	3,464
Public Works	3,499	3,592	3,951	4,245	4,764	5,206	5,571	7,021	7,962	8,851
Law Enforcement	3,232	3,506	3,638	4,068	4,426	4,887	5,408	5,551	6,480	7,381
Recreation	69	73	98	126	166	189	583	281	334	316
Operating Grants and Contributions	1,503	1,714	1,356	1,309	1,619	2,090	2,246	2,895	3,549	3,475
Capital Grants and Contributions	2,625	2,715	5,040	10,324	10,562	8,430	10,090	45,155	16,125	12,072
Total Government Activities										
Program Revenues	12,348	13,227	16,611	22,744	25,223	23,960	28,099	67,424	39,522	36,366
Total Primary Government										
Program Revenues	$12,348	$13,227	$16,611	$22,744	$25,223	$23,960	$28,099	$67,424	$39,522	$36,366
Net (Expense)/Revenue										
Governmental Activities	($9,892)	($10,247)	($7,887)	($2,728)	($2,784)	($6,485)	($4,830)	$27,604	$5,817	($7,563)
Total Primary Government Net Expense	($9,892)	($10,247)	($7,887)	($2,728)	($2,784)	($6,485)	($4,830)	$27,604	$5,817	($7,563)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	$4,499	$5,331	$5,814	$6,233	$6,918	$7,435	$7,965	$8,569	$8,821	$9,997
Sales Taxes	1,521	1,506	1,753	1,774	1,826	2,041	2,183	2,485	3,246	3,260
Transient Occupancy Tax	195	196	210	267	276	270	233	240	261	262
Nonregulatory Franchise and Business	1,341	1,418	1,584	1,686	1,877	1,934	2,042	2,234	2,475	2,645
Intergovernmental, unrestricted:										
Motor Vehicle In-Lieu	16	16	16	18	22	20	33	31	50	46
Other				186		2				
Interest Earnings and Use of Property	436	519	557	563	881	1,645	1,573	756	(1,578)	2,776
Gain on Sale of Property										455
Other	871	1,056	1,890	1,340	1,665	1,440	1,907	1,210	1,194	1,369
Extraordinary / Special Item		362 (c)	6,327 (d)	14,642 (d)						
Total Government Activities	8,879	10,404	18,151	26,709	13,465	14,787	15,936	15,525	14,469	20,810
Total Primary Government	$8,879	$10,404	$18,151	$26,709	$13,465	$14,787	$15,936	$15,525	$14,469	$20,810
Change in Net Position										
Governmental Activities	($1,013)	$157	$10,264	$23,981	$10,681	$8,302	$11,106	$43,129	$20,286	$13,247
Total Primary Government	($1,013)	$157	$10,264	$23,981	$10,681	$8,302	$11,106	$43,129	$20,286	$13,247

NOTES:

(a) Revenues were reclassified in fiscal year 2019-20. Prior years have not been revised.
(b) The City conveyed a completed fire station project totaling $3.3 million to the East Contra Costa County Fire Protection District which was recorded as an expenditure in the Statement of Activities.
(c) Pursuant to a settlement agreement with the Department of Finance, the City transferred assets to the Successor Agency and the Successor Agency transferred assets to the City.
(d) Pursuant to the Long Range Property Management Plan, the Successor Agency transferred assets to the City.

CITY OF OAKLEY
Fund Balances of Governmental Funds (000's)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	$3,654	$4,375	$7,000	$4,741	$4,704	$4,793	$4,104	$3,512	$3,537	$3,520
Restricted	560	559	559	559	202	429	644	1,110	974	1,047
Assigned	331	170	943	626	4,257	3,919	5,960	6,922	11,750	4,589
Unassigned	7,837	7,938	9,068	8,769	7,172	7,796	7,342	12,791	10,381	16,585
Total General Fund	$12,382	$13,042	$17,570	$14,695	$16,335	$16,937	$18,050	$24,335	$26,642	$25,741 (a)
All Other Governmental Funds										
Nonspendable									$18	
Restricted	$18,233	$17,525	$17,593	$24,517	$31,783	$24,004	$27,615	$37,235	45,152	$47,795
Assigned	668	829	622	4,434	3,132	3,543	6,625	7,770	6,869	12,412
Unassigned	(1,467)	(1,374)	(1,401)	(1,046)	(1,039)	(993)	(920)	(923)	(931)	(943)
Total all other governmental funds	$17,434	$16,980	$16,814	$27,905	$33,876	$26,554	$33,320	$44,082	$51,108	$59,264 (a)

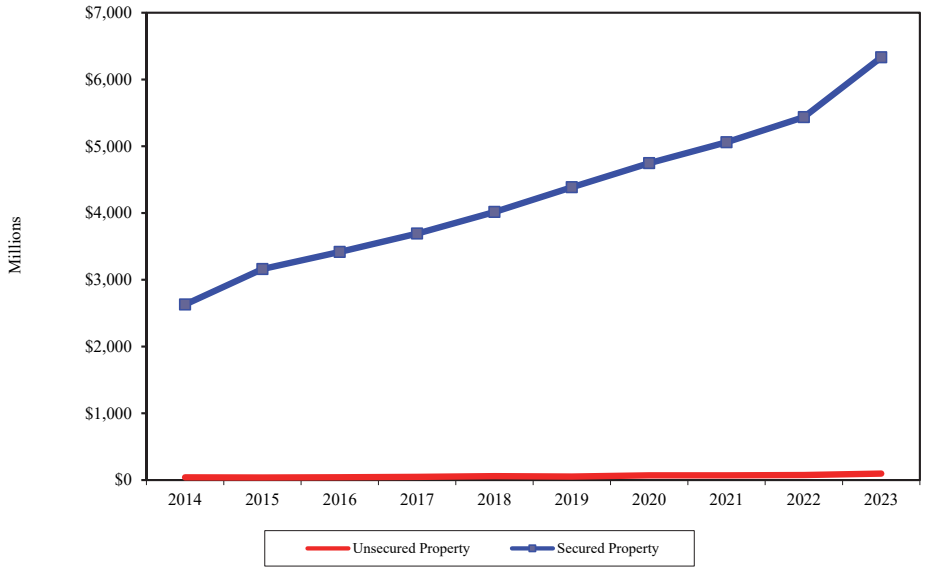
NOTES:

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

CITY OF OAKLEY
Changes in Fund Balance of Governmental Funds (000's)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	$7,446	$8,331	$9,213	$10,179	$11,499	$12,484	$13,663	$15,955	$17,836	$19,895
Licenses, permits and fees	1,345	1,285	2,024	2,348	2,562	1,772	2,331	4,740	3,816	2,927
Fines and forfeitures	159	135	138	133	133	129	105	77	106	70
Use of money and property	231	319	563	366	640	1,359	1,383	509	(1,451)	2,647
Intergovernmental revenues	2,471	2,651	3,030	3,015	3,757	5,092	2,961	3,171	4,197	4,874
Charges for services	8,941	9,259	11,578	14,635	16,131	12,490	18,283	24,184	22,209	17,301
Other	971	1,116	1,867	1,320	4,835	2,578	2,563	2,938	1,392	1,403
Total Revenues	21,564	23,096	28,413	31,996	39,557	35,904	41,289	51,574	48,105	49,117
Expenditures										
Current:										
Legislative	433	449	482	614	612	730	683	728	875	960
Administrative services	1,110	1,287	1,335	1,709	1,419	1,586	3,238	2,961	2,291	2,514
Community development	1,787	1,821	2,274	2,113	3,081	3,959	4,608	4,351	4,899	4,715
Public works	4,608	4,661	5,651	5,921	6,053	6,373	6,093	8,044	9,683	10,215
Housing programs	8	5	85	3	3	3	4	3	3	3
Law enforcement	7,458	7,975	8,098	8,038	9,202	9,779	9,807	9,772	10,610	11,978
Recreation	471	522	566	575	607	750	687	660	925	912
Estimated reduction in value of property held for resale		40								
Capital outlay	5,253	5,293	7,969	6,397	10,279	18,747	7,591	7,329	8,928	10,317
Debt service:										
Principal repayment	255	265	275	6,725	275	280	295	305	315	330
Interest and fiscal charges	318	306	299	621	417	417	403	375	361	372
Total Expenditures	21,701	22,624	27,034	32,716	31,948	42,624	33,409	34,528	38,890	42,316
Excess (deficiency) of revenues over (under) expenditures	(137)	472	1,379	(720)	7,609	(6,720)	7,880	17,046	9,215	6,801
Other Financing Sources (Uses)										
Transfers in	1,067	2,227	2,311	6,091	3,747	2,891	3,933	3,028	6,550	10,285
Transfers (out)	(1,067)	(2,227)	(2,311)	(6,091)	(3,747)	(2,891)	(3,933)	(3,028)	(6,550)	(10,285)
Proceeds (loss) from sale of property		10	79	50					120	453
Lease revenue bonds issued				10,025						
Bond issuance premium				157						
Total other financing sources (uses)		10	79	10,232					120	453
Special item		(274)	2,904	(1,294)						
Net Change in fund balances	($137)	$208	$4,362	$8,218	$7,609	($6,720)	$7,880	$17,046	$9,335	$7,254
Debt service as a percentage of noncapital expenditures	3.5%	3.3%	3.0%	27.9%	3.2%	2.9%	2.7%	2.5%	2.3%	2.2%

CITY OF OAKLEY
ASSESSED AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY (MILLIONS)
LAST TEN FISCAL YEARS



Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2014	$2,350	$103	$11	$124	$2,588	$41	$2,629	$2,629	1%
2015	2,869	112	11	131	3,123	38	3,161	3,161	1%
2016	3,105	112	11	147	3,375	42	3,417	3,417	1%
2017	3,314	130	11	190	3,645	48	3,693	3,693	1%
2018	3,639	142	11	166	3,958	58	4,016	4,016	1%
2019	3,997	148	45	143	4,333	53	4,386	4,386	1%
2020	4,272	153	56	196	4,677	70	4,747	4,747	1%
2021	4,528	165	64	233	4,990	70	5,060	5,060	1%
2022	4,841	173	120	227	5,361	75	5,436	5,436	1%
2023	5,589	185	244	217	6,235	97	6,332	6,332	1%

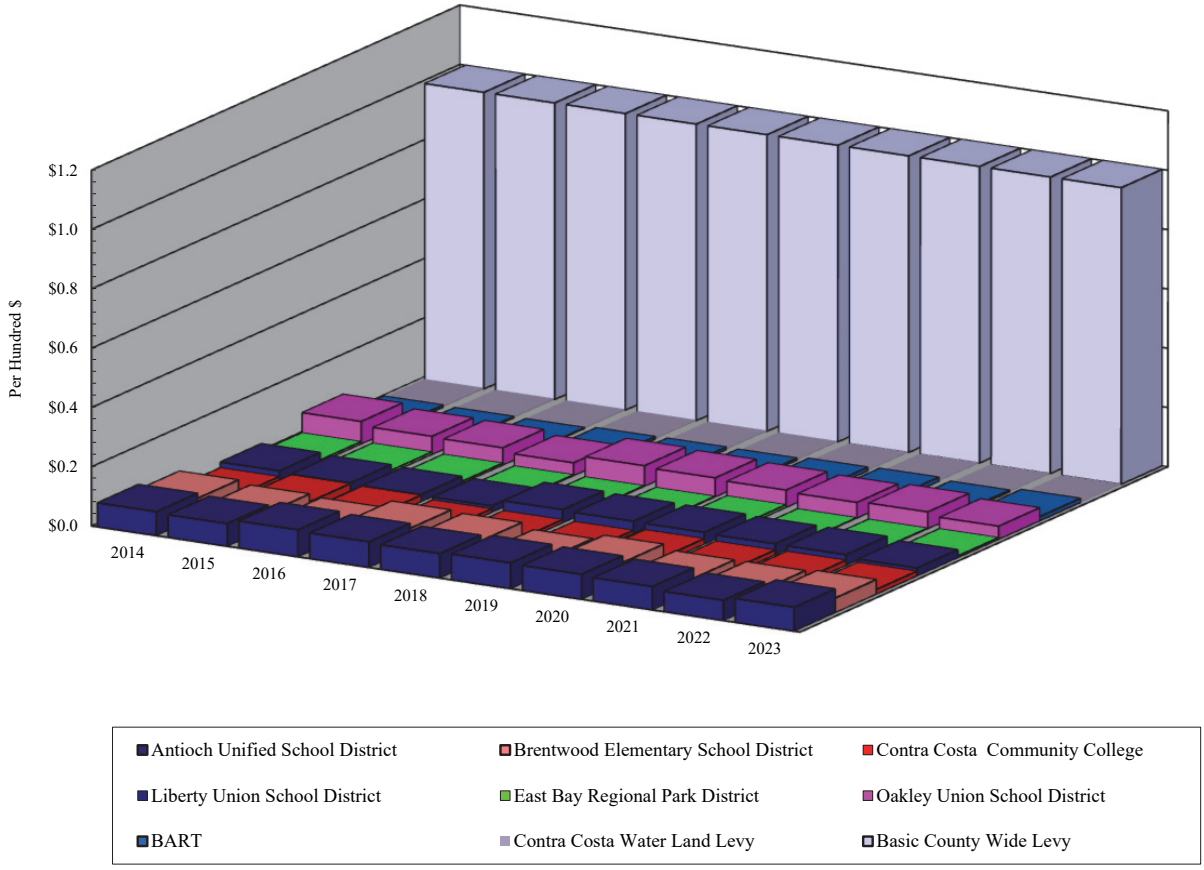
Source: Contra Costa County Auditor Controller Office Certificate of Assessed Valuations

Notes:

(a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus the value of any new construction, plus an increment of no more than two percent annually. These values are considered to be full market values.

(b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Oakley includes 44 tax rate areas.

CITY OF OAKLEY
PROPERTY TAX RATES
ALL OVERLAPPING GOVERNMENTS
(Rate Per $100 of Assessed Value)
LAST TEN FISCAL YEARS



Fiscal Year	Basic County Wide Levy	East Bay Regional Park District	Oakley Union School District	Liberty Union School District	Brentwood Elementary School District	Contra Costa Community College	BART	Contra Costa Water Land Levy	Antioch Unified School District	Total
2014	$1.0000	$0.0078	$0.0757	$0.0328	$0.0639	$0.0133	$0.0075	$0.0042	$0.0809	$1.2861
2015	1.0000	0.0085	0.0614	0.0273	0.0522	0.0252	0.0045	0.0037	0.0764	1.2592
2016	1.0000	0.0067	0.0583	0.0237	0.0447	0.0220	0.0026	0.0035	0.0912	1.2527
2017	1.0000	0.0032	0.0433	0.0217	0.0698	0.0120	0.0080	0.0032	0.0864	1.2476
2018	1.0000	0.0021	0.0693	0.0450	0.0635	0.0114	0.0084	0.0030	0.0824	1.2851
2019	1.0000	0.0021	0.0641	0.0414	0.0445	0.0110	0.0070	0.0028	0.0870	1.2599
2020	1.0000	0.0094	0.0585	0.0399	0.0617	0.0188	0.0120	0.0026	0.0843	1.2872
2021	1.0000	0.0014	0.0527	0.0370	0.0445	0.0161	0.0139	0.0025	0.0789	1.2470
2022	1.0000	0.0020	0.0565	0.0360	0.0441	0.0176	0.0060	0.0023	0.0682	1.2327
2023	1.0000	0.0058	0.0441	0.0269	0.0498	0.0162	0.0140	0.0021	0.0804	1.2393

Source: Contra Costa County Auditor-Controller

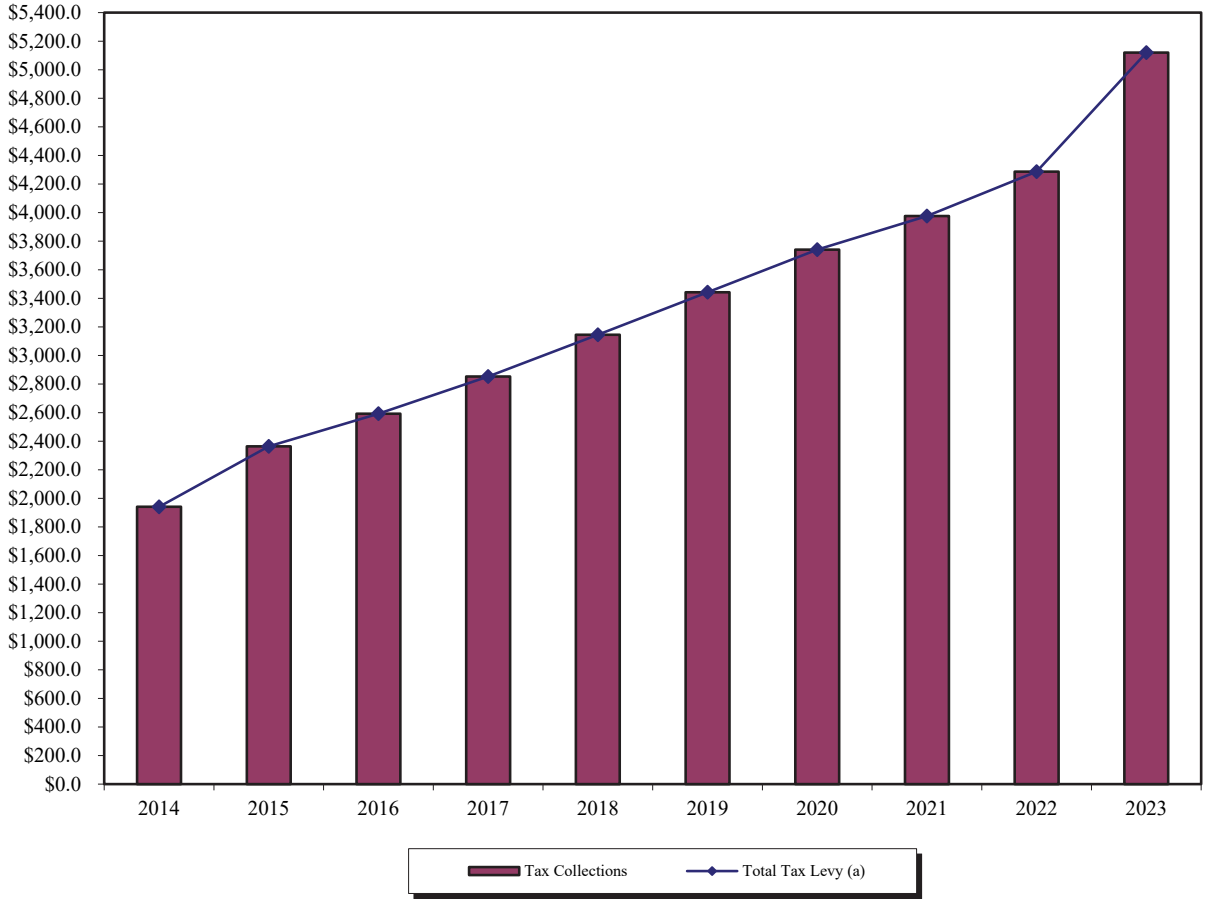
CITY OF OAKLEY
Principal Property Tax Payers
Current Year and Nine Years Ago

	2022-23			2013-14		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
ET Oakley LLC (Pending Appeals On Parcels)	$84,366,000	1	1.33%			
NP Oakley LLC	65,773,947	2	1.04%			
ACD TI Oakley LLC	34,928,578	3	0.55%			
NPIF IV Oakley Building II LLC	29,587,140	4	0.47%			
Civic Summer Lake North LLC	24,720,800	5	0.39%			
Oakley Self Storage LP	23,759,583	6	0.38%			
Stonewood Oakley LLC	22,330,116	7	0.35%			
Cypress Square Commercial LLC	20,909,664	8	0.33%			
Oakley Senior Housing LP	19,909,500	9	0.31%			
Amazon Com Services LLC	17,006,335	10	0.27%			
Cypress Square-S and R Associates				$18,019,319	1	0.69%
Neroly Sports Club Investors				11,269,958	2	0.43%
Shea Homes LP				10,094,014	3	0.38%
Lucky No Cal Investor LLP				8,386,863	4	0.32%
Shurgard Storage Centers Inc.				7,909,118	5	0.30%
Brookfield Emerson Land LLC				6,400,000	6	0.24%
BMS Investments 3 LLC				6,309,969	7	0.24%
Simon-Oakley Town Center LLC				6,119,300	8	0.23%
HPH Properties LLP				5,823,891	9	0.22%
WEC 98D-30 LLC				5,557,605	10	0.21%
Subtotal	$343,291,663		5.42%	$85,890,037		3.27%

Total Net Assessed Valuation:
Fiscal Year 2022-2023 $6,332,000,000
Fiscal Year 2013-2014 $2,629,000,000

Source: HdL Companies (Contra Costa County Assessor Combined Tax Rolls and the SBE Non Unitary Tax Roll)

CITY OF OAKLEY
PROPERTY TAX LEVIES AND COLLECTIONS (THOUSANDS)
LAST TEN FISCAL YEARS



Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2014	$1,941	$1,941	100.0%	(a)	$1,941	100.0%
2015	2,364	2,364	100.0%	(a)	2,364	100.0%
2016	2,593	2,593	100.0%	(a)	2,593	100.0%
2017	2,853	2,853	100.0%	(a)	2,853	100.0%
2018	3,145	3,145	100.0%	(a)	3,145	100.0%
2019	3,443	3,443	100.0%	(a)	3,443	100.0%
2020	3,741	3,741	100.0%	(a)	3,741	100.0%
2021	3,976	3,976	100.0%	(a)	3,976	100.0%
2022	4,287	4,287	100.0%	(a)	4,287	100.0%
2023	5,120	5,120	100.0%	(a)	5,120	100.0%

Source: City of Oakley Records

NOTES: Amounts reported above include only the 1% basic property taxes allocated to the City. They do not include special taxes, assessments, or property taxes received in lieu of vehicle license fees.

(a) The County apportions taxes under the alternative method of apportionment authorized under Revenue & Taxation Code sections 4701 et seq, under which the County provides the City with 100% of its tax levy. The County retains any penalty and delinquency charges collected.

CITY OF OAKLEY
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities (in thousands)				
Fiscal Year	Certificates of Participation	Lease Revenue Bonds	Total	Percentage of Personal Income (a)	Per Capita (a)
2014	$6,955	$0	$6,955	0.72%	$183
2015	6,690	0	6,690	0.66%	175
2016	6,415	0	6,415	0.61%	160
2017	0	9,715	9,715	0.90%	236
2018	0	9,440	9,440	0.86%	226
2019	0	9,160	9,160	0.76%	219
2020	0	8,865	8,865	0.70%	209
2021	0	8,560	8,560	0.63%	200
2022	0	8,245	8,245	0.58%	185
2023	0	7,915	7,915	0.51%	176

Notes : Debt amounts exclude any premiums, discounts, or other amortization amounts.

Sources: City of Oakley
(a) See the Demographic Statistics schedule for personal income and population data.

CITY OF OAKLEY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2023

2022-23 Assessed Valuation, Excluding the Redevelopment Agency: $6,331,685,460

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/23	% Applicable (1)	City's Share of Debt 6/30/23
Bay Area Rapid Transit District	$2,484,285,000	0.665%	$16,520,495
Contra Costa Community College District	649,015,000	2.518%	16,342,198
Antioch Unified School District School Facilities Improvement District	97,781,533	8.641%	8,449,302
Liberty Union High School District	135,890,000	21.130%	28,713,557
Brentwood Union School District	105,685,076	0.128%	135,277
Oakley Union School District	37,520,000	87.411%	32,796,607
East Bay Regional Park District	175,955,000	1.052%	1,851,047
California Statewide Community Development Authority Assessment Districts	38,666,000	100.000%	38,666,000
City of Oakley 1915 Act Bonds	15,582,000	100.000%	15,582,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$159,056,483
DIRECT AND OVERLAPPING GENERAL FUND:			
Contra Costa County General Fund Obligations	$193,515,000	2.510%	4,857,227
Antioch Unified School District Certificates of Participation	21,937,207	7.280%	1,597,029
Liberty Union High School District General Fund Obligations	2,853,488	21.130%	602,942
City of Oakley Certificates of Participation	**7,915,000**	**100.000%**	**7,915,000**
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			14,972,198
Less: Contra Costa County supported obligations			1,278,327
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			$13,693,871
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	$21,040,000	100.000%	$21,040,000
TOTAL DIRECT DEBT			**$7,915,000**
TOTAL GROSS OVERLAPPING DEBT			$187,153,681
TOTAL NET OVERLAPPING DEBT			$185,875,354
GROSS COMBINED TOTAL DEBT			$195,068,681 (2)
NET COMBINED TOTAL DEBT			$193,790,354

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation:

Direct Debt ($7,915,000)…..... 0.13%
Overlapping Tax and Assessment Debt…..... 2.51%
Gross Combined Total Debt..... 3.08%
Net Combined Total Debt..... 3.06%

Ratio to Successor Agency Redevelopment Incremental Valuation ($849,115,449):

Overlapping Tax Increment Debt…..... ….. 2.48%

Source: HdL Coren & Cone

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF OAKLEY
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2023

ASSESSED VALUATION:

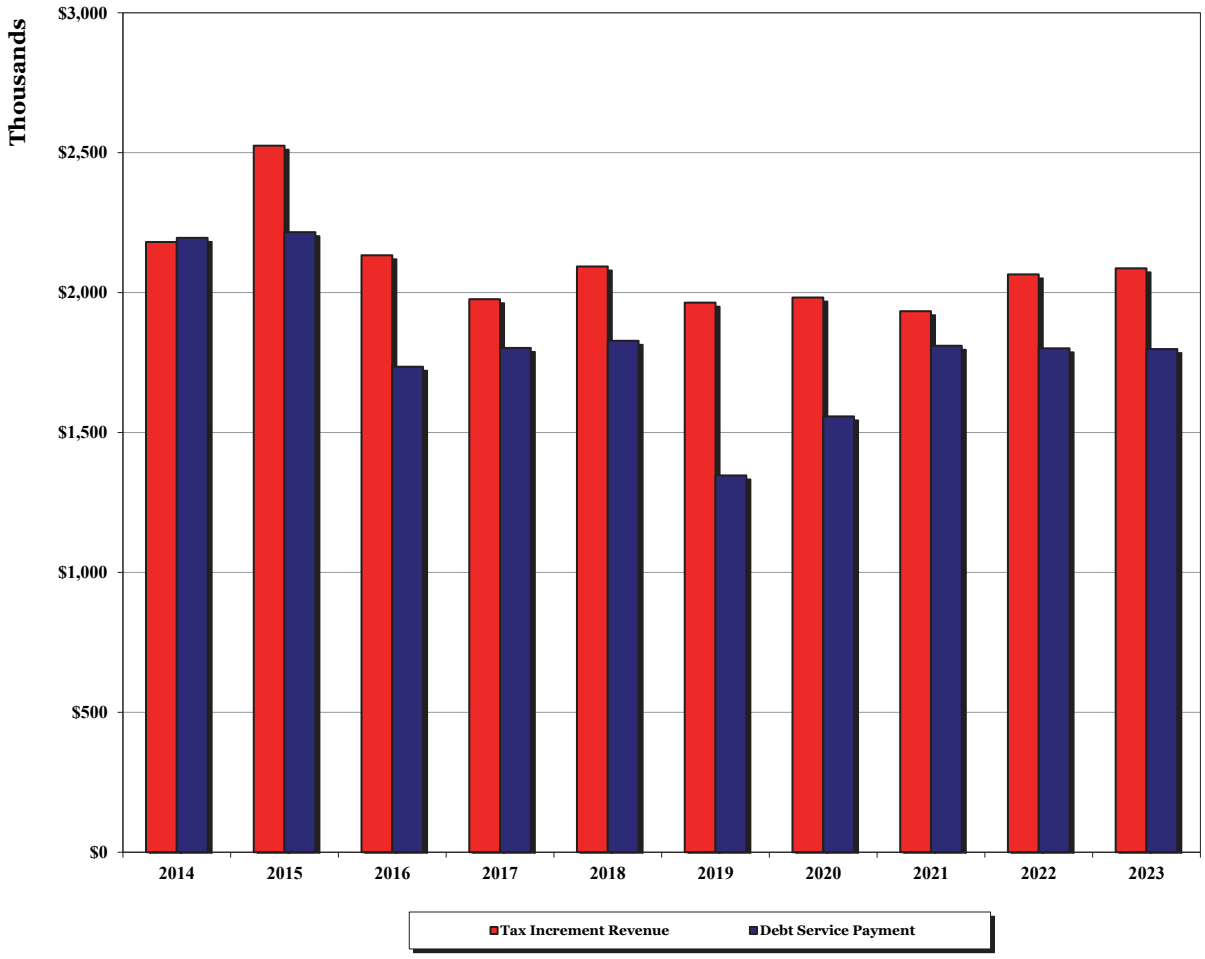
Secured property assessed value, net of exempt real property	$6,332,000,000	
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)		$237,450,000
AMOUNT OF DEBT SUBJECT TO LIMIT:		
Total Bonded Debt	$0	
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	0	
Amount of debt subject to limit		0
LEGAL BONDED DEBT MARGIN		$237,450,000

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2014	$98,587,500	$0	$98,587,500	0.00%
2015	118,537,500	0	118,537,500	0.00%
2016	128,137,500	0	128,137,500	0.00%
2017	138,487,500	0	138,487,500	0.00%
2018	150,600,000	0	150,600,000	0.00%
2019	164,475,000	0	164,475,000	0.00%
2020	195,262,500	0	195,262,500	0.00%
2021	208,012,500	0	208,012,500	0.00%
2022	203,850,000	0	203,850,000	0.00%
2023	237,450,000	0	237,450,000	0.00%

NOTES:

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

CITY OF OAKLEY
BONDED DEBT PLEDGED REVENUE COVERAGE
FORMER REDEVELOPMENT AGENCY TAX ALLOCATION BONDS
LAST TEN FISCAL YEARS

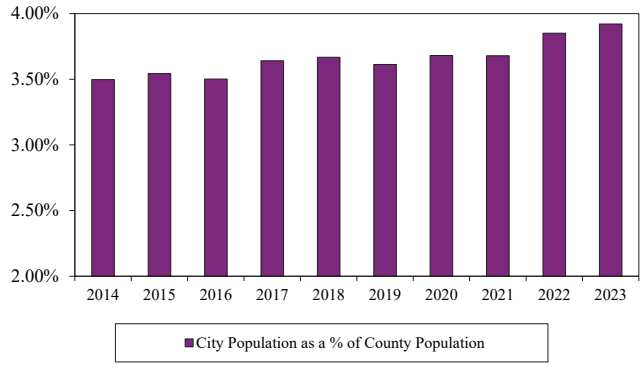


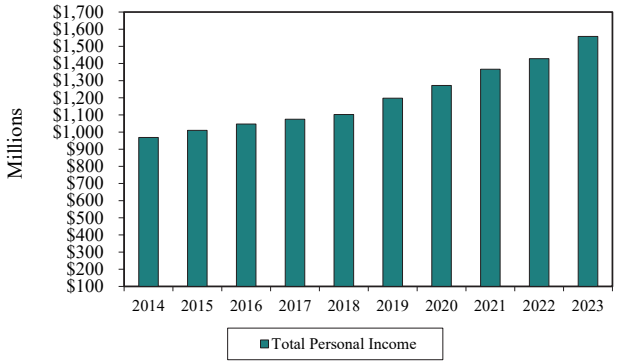
Fiscal Year	Tax Increment Revenue (a)	Debt Service Requirements			
		Principal	Interest	Total	Coverage
2014	$2,180,805	$610,000 (b)	$1,585,609 (b)	$2,195,609	0.99
2015	2,525,004	660,000 (b)	1,555,802 (b)	2,215,802	1.14
2016	2,133,349	425,000 (b)	1,310,054 (b)	1,735,054	1.23
2017	1,976,225	465,000 (b)	1,337,150 (b)	1,802,150	1.10
2018	2,093,153	510,000 (b)	1,317,650 (b)	1,827,650	1.15
2019	1,963,996	245,000 (b) (c)	1,101,416 (b) (c)	1,346,416	1.46
2020	1,982,174	540,000 (b)	1,017,321 (b) (c)	1,557,321	1.27
2021	1,933,455	815,000 (b)	994,885 (b)	1,809,885	1.07
2022	2,065,052	845,000 (b)	955,694 (b)	1,800,694	1.15
2023	2,086,738	880,000 (b)	918,100 (b)	1,798,100	1.16

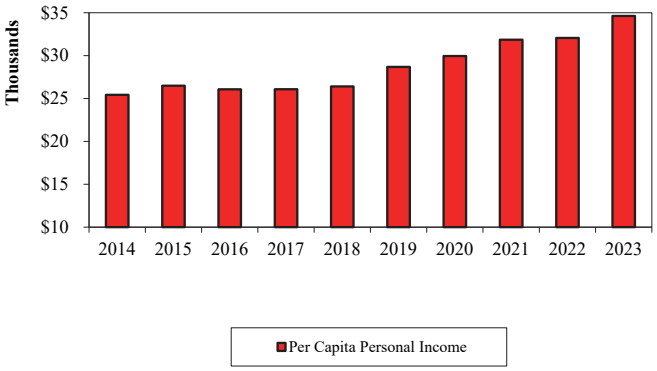
(a) Beginning in fiscal year 2012, tax increment reported in this table is the amount calculated by the County Auditor-Controller. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations.
(b) Debt service is paid by the Successor Agency.
(c) The Successor Agency refunded the 2008 Subordinate Tax Allocation Bonds in fiscal year 2019 with the issuance of the 2018 Tax Allocation Refunding Bonds.

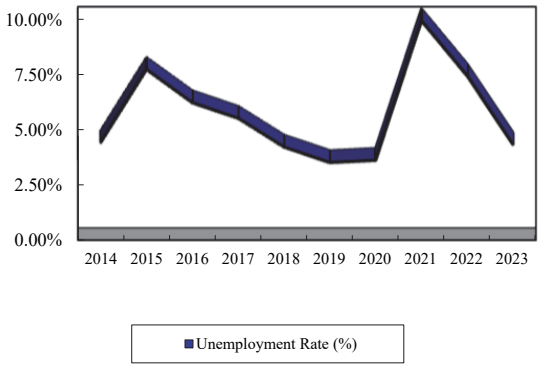
Source: City of Oakley Annual Financial Statements

CITY OF OAKLEY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS









Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%) (a)	Contra Costa County Population	City Population % of County
2014	38,075	$968,323,000	$25,432	4.4%	$1,074,702	3.50%
2015	38,124	1,010,134,000	26,496	7.7%	1,088,764	3.54%
2016	40,141	1,046,700,000	26,075	6.2%	1,102,684	3.50%
2017	41,199	1,074,714,000	26,085	5.5%	1,123,429	3.64%
2018	41,742	1,102,345,000	26,408	4.2%	1,149,363	3.67%
2019	41,759	1,197,857,000	28,684	3.5%	1,155,879	3.61%
2020	42,461	1,271,727,000	29,950	3.6%	1,153,526	3.68%
2021	42,895	1,366,625,000	31,859	9.9%	1,165,927	3.68%
2022	44,533	1,427,927,000	32,064	7.4%	1,156,555	3.85%
2023	44,995	1,558,005,000	34,626	4.3%	1,147,653	3.92%

(a) Data reported is for the prior calendar year.

Sources: HdL Coren & Cone

U.S. Department of Commerce, California State Department of Finance, Employment Development Department

U.S. Census Bureau latest available data

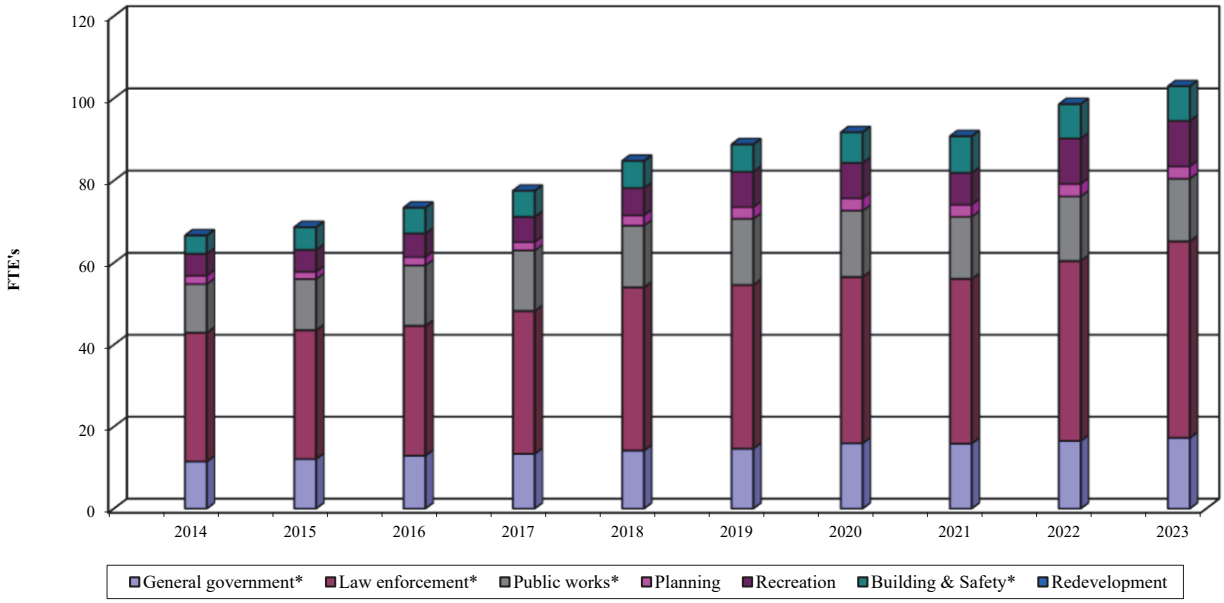
CITY OF OAKLEY
Principal Employers
Current Year and Nine Years Ago

	2022-23			2013-14		
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Amazon.com Services LLC	705	1	20.5%			
Oakley Union Elementary School District	399	2	11.6%	420	1	24.8%
Lucky's	74	3	2.1%	54	3	3.2%
Pet Food Express	72	4	2.1%		2	0.0%
McDonalds	45	5	1.3%	38	6	2.2%
Raley's	41	6	1.2%	48	5	2.8%
Dutch Bros Coffee	37	7	1.1%			
Skipolini's	36	8	1.0%			
Starbucks Coffee Store# 22433	36	8	1.0%			
Starbucks Coffee Store# 9330	32	9	0.9%			
Taco Bell	32	9	0.9%			
Foundation Constructors Inc	30	10	0.9%	32	7	1.9%
Diamond Hills Sports Club and Spa				55	2	3.2%
Continente Nut LLC				49	4	2.9%
Round Table Pizza				29	8	1.7%
Delta Black Bear Diner				27	9	1.6%
Burger King				26	10	1.5%
BMS Investments, LLC, DBA Comfort Suites				26	10	
Temples Auto Body & Towing, Inc				26	10	1.5%
Subtotal	1,539		44.7%	830		48.9%
Total City Day Population (A)	3,442			1,696		

Source: City of Oakley Finance Department - Business Licenses

Notes:
(A) Total City Day Population is the number of employees reported on business license applications by businesses located in Oakley.

CITY OF OAKLEY
Budgeted Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



	Adopted for Fiscal Year Ended June 30,									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Function										
General government*	11.46	12.08	12.89	13.36	14.13	14.61	15.92	15.82	16.49	17.23
Community development:										
Public works*	11.88	12.46	14.74	14.78	15.03	16.13	16.13	15.13	15.71	15.23
Planning	2.00	1.75	2.00	2.00	2.50	2.80	3.00	2.90	3.00	3.00
Building & Safety*	4.45	5.50	6.25	6.33	6.60	6.68	7.46	8.90	8.35	8.40
Redevelopment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Law enforcement*	31.48	31.48	31.73	34.88	39.88	39.98	40.63	40.26	43.96	48.00
Recreation	5.37	5.37	5.78	6.16	6.64	8.60	8.60	7.77	11.08	11.08
Total	66.64	68.64	73.39	77.51	84.78	88.80	91.74	90.78	98.59	102.94

Notes:
Amounts reported are Full Time Equivalent (FTEs).
n/a means not available.

* The City Contracts for the following services:
City Attorney and IT services are contracted with an outside firm and included in the General Government total.
Police Services were contracted with the County Sheriff through April 30, 2016 and include contracting for a specific number of officers.
Police Records Supervisory services are contracted with an outside firm.
Building Inspection and Engineering Services were contracted with an outside firm until October 2013.

Source: City of Oakley Operating Budgets

CITY OF OAKLEY
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Function/Program										
Law enforcement:										
Police (a) (b):										
Violent crimes	54	46	52	54	51	59	33	29	127	133
Property crimes	468	429	615	491	511	465	537	554	580	553
Public Works:										
Street resurfacing (miles)	1.54	8.62	0.25	0.42	8.50	1.40	5.60	1.50	3.80	4.50
Leisure Services:										
Recreation:										
Recreation activities participants	22,663	29,630	32,386	36,430	35,417 (c)	33,996	36,832	8,341 (d)	32,309	44,773

Source: City of Oakley

Notes:
(a) 2014 - 2017 data is prior calendar year's; 2018 is for fiscal year end.
(b) Data from FB1 Uniformed Crime Reports (UCR)
(c) No indoor facility rentals with construction of Recreation Center
(d) Large decrease due to COVID 19 Pandemic

CITY OF OAKLEY
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Function/Program										
Law enforcement:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol vehicles	25	26	28	29	28	23	27	29	29	31
Public works:										
Miles of streets	131.00	131.00	133.00	136.00	136.00	139.00	141.00	142.00	142.00	143.00
Street lights	3,050	3,050	3,104	3,200	3,200	3,285	3,314	3,347	3,347	3,362
Traffic Signals	33	33	34	35	36	37	38	39	40	40
Recreation:										
Community services:										
City parks	30	31	32	33	34	36	37	37	37	37
City parks acreage	101.5	102.5	108.0	113.0	116.0	119.0	121.0	121.0	121.0	121.0
Community centers	2	2	1	1	0 (a)	1 (a)	1	1	1	1
Baseball/softball diamonds	8	8	8	9	9	10	10	10	10	10
Soccer/football fields	7	7	8	9	9	9	9	9	9	9
Skate features	3	3	3	3	3	3	1	1	1	1
BMX dirt track	1	0	0	0	0	0	0	0	0	0

Source: City of Oakley

Notes:
(a) Oakley Recreation Building closed for construction of Recreation Center.

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OTHER AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Members of the City Council
City of Oakley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Oakley, California, as of and for the year ended June 30, 2023, and have issued our report thereon dated December 5, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control that we consider to be significant deficiencies as listed on the Schedule of Significant Deficiencies included as part of our separately issued Memorandum on Internal Control dated December 5, 2023, which is an integral part of our audit and should be read in conjunction with this report.

Accountancy Corporation
3478 Buskirk Avenue, Suite 217
Pleasant Hill, CA 94523

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E maze@mazeassociates.com
W **mazeassociates.com**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated December 5, 2023 which is an integral part of our audit and should be read in conjunction with this report.

City's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in our separately issued Memorandum on Internal Control dated December 5, 2023, which is an integral part of our audit and should be read in conjunction with this report. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pleasant Hill, California
December 5, 2023

CITY OF OAKLEY

MEMORANDUM ON INTERNAL CONTROL

FOR THE YEAR ENDED
JUNE 30, 2023

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CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

For the Year Ended June 30, 2023

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MAZE & ASSOCIATES

MEMORANDUM ON INTERNAL CONTROL

To the City Council of
the City of Oakley, California

In planning and performing our audit of the basic financial statements of the City of Oakley, California, as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control included on the Schedule of Significant Deficiencies to be significant deficiencies.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Significant Deficiencies and Schedule of Other Matters. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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This communication is intended solely for the information and use of management, City Council, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
December 5, 2023

CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF SIGNIFICANT DEFICIENCIES

2023-01 Accurate Year-End Close and Trial Balance Review

The year-end financial closing and preparation of the general ledger data should be completed timely and accurately. In addition, well-managed organizations should develop a plan to ensure that adequate resources will remain available in the event of employee departures. Part of that is ensuring there are resources available to be utilized on short notice to fill gaps in key positions, especially in the Finance Department. These resources need to be in place throughout the fiscal year to ensure accounting processes and procedures continue and allow time for analysis of account balances and activities.

When the general ledger was provided for audit, we noted that five funds, including the General Fund and, did not balance in the trial balance report in the total amount of $109,419, and we also noted that the beginning fund balance of the General Fund did not agree to the prior year ending fund balance by an additional $1.141 million. In addition, during the year-end audit, City staff provided fifteen post-closing adjustments, some of which were known at the start of the audit and some that were discovered as the audit progressed.

We understand the beginning fund balance issues were caused by new accounts that were created during the prior year end closing that did not properly transition when the final year end closing procedures were performed to create the current year beginning balances. However, that error went undetected throughout fiscal year 2023, until the general ledger was provided for audit. We understand the significant number of post-closing adjustments were a byproduct of staff turnover in the Finance Department that put the closing procedures behind and did not allow time to complete the analysis of balances prior to providing the general ledger for audit.

When the general ledger accounts and funds are out of balances, it increases the risk that errors or misstatements may go undetected by staff and corrections may not be made in a timely manner. In addition, interim reports provided to City Council or other internal and external parties may be inaccurate.

The City should develop procedures to ensure that the general ledger funds are in balance at all times and that the beginning balances in the general ledger agree to the prior year ending balances in the audited financial statements. In addition, the City must develop procedures to ensure that accounts are analyzed throughout the fiscal year and after the year end close to ensure that all funds are in balance and additional closing entries are not required prior to providing the general ledger for audit.

Management's Response:

As mentioned, there was an issue when accounts were created in the prior year and did not get created in the current year. Although the funds were out of balance it was a reporting issues and not an issue as to whether the entries had been made. Staff agrees with this assessment and will be implementing new procedures immediately to ensure that this does not happen in the future.

In addition, staff agrees with the assessment of needing a plan in place should key members of a department depart from the City. Staff believes this was addressed in August of 2023 when we recommended and Council approved a City Wide Reorganization. The reorganization has created tiers within each department having managers and directors so that if one position becomes vacant, there is someone qualified and able to fill in through the transition period.

SCHEDULE OF SIGNIFICANT DEFICIENCIES

2023-02 Timely Preparation of Bank Reconciliations

Bank account and investment reconciliations are one of the most important internal controls a City can have, and the reconciliation cannot be considered complete until it has been reviewed and approved. To be an effective control, reconciliations and the associated review should be completed in their entirety as soon as reasonably possible after each month-end, usually within thirty to forty-five days of the bank statement date.

The City normally prepares two bank reconciliations per month. We selected three months of bank and investment reconciliations for testing of timely preparation and review and noted that five of the six reconciliations were not prepared timely as follows:

- August 2022 general checking account reconciliation was prepared and reviewed on December 22, 2022.
- December 2022 Successor Agency bank reconciliation was prepared on March 13, 2023 and reviewed on March 15, 2023.
- December 2022 general checking account reconciliation was prepared and reviewed on April 28, 2023.
- June 2023 Successor Agency bank reconciliation was prepared and reviewed on September 13, 2023.
- June 2023 general checking bank reconciliation was prepared and reviewed on October 23, 2023.

We understand the City experienced staff turnover during the past two years, which shifted priorities for existing staff to other tasks and delayed the bank reconciliation process.

By not completing and reviewing the bank reconciliations timely, accounting errors, misstatements and/or unauthorized activities may not be identified or corrected in a timely manner and could continue to accumulate to amounts that cannot be identified and resolved.

The City must implement procedures to ensure the timely preparation and review of bank reconciliations throughout the fiscal year.

Management's Response:

Staff is aware these have not been completed timely. Continuous staff turnover and lack of resources have made it difficult to keep up on this. In August of 2022, a re-organization of City Departments was completed and we have hired an Accountant to help keep up with the demands of the department. As of this posting date, all bank reconciliations are current and up to date and we anticipate this to continue moving forward.

SCHEDULE OF SIGNIFICANT DEFICIENCIES

2023-03 Inaccurate Customer Fees Charged

The rates charged in the City's permit billing system should be consistent with the City's Master Fee Schedule approved by the City Council. And, permit fee calculations should be reviewed for accuracy.

We tested twenty-five receipts and recalculated the fees using the City's Master Fee Schedule, but we were unable to recalculate the fees for eight permits tested. After discussing the issue with City staff, we found that the differences noted were in the Strong Motion Instrumentation Program (SMIP) Fee, and Construction and Demolition Debris Recycling (C&D) Fee. The SMIP fee for the eight permits was charged at the 2019 rate, rather than the 2023 or other applicable rate, depending on when the permit was initiated, and for one of those permits, the C&D fee charged was $37.00, but the fee should have been $41.00.

Although the increase in the fees is not significant, we understand the SMIP issue has gone undetected since 2019, and City staff estimates the amount undercharged to be approximately $16 thousand over that time. And, it appears the C&D fee was not updated in the permit system to reflect the current rate.

We understand that staff responsible for calculating the permit fees were not aware of the changes to the Master Fee Schedule.

Errors in fee calculations or charging fees that are not in accordance with the Master Fee Schedule approved by the City Council could result in undercharging or overcharging customers and an understatement or overstatement of revenue.

The City should develop procedures to ensure that building permit fees are charged based on the current Master Fee Schedule.

Management's Response:
Staff is in the process of implementing a procedure to ensure all staff is aware of any changes made to the fee schedule and Finance will be sure that the fees get implemented as approved by Council. Finance staff will also implement an audit of the fees, working with all departments, throughout the year to ensure that fees are charged correctly in the future.

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SCHEDULE OF OTHER MATTERS

2023-04 Investment Policy Compliance

Section 15, Investment Policy Review, of the City's Statement of Investment Policy and California Government Code Section 53646 require the annual review and adoption of the Investment Policy.

The City's Statement of Investment Policy was adopted by City Council on March 28, 2023, but that is more than one year from the prior adoption on September 21, 2021.

We understand the delay was due to turnover of City staff.

The City is not in compliance with the annual review and adoption requirements of the Statement of Investment Policy.

The City should develop procedures to ensure the Statement of Investment Policy is reviewed and adopted by City Council timely – within a year of the prior adoption.

Management's Response:
Staff is aware this was taken to Council later than expected. The review of the FY 2023/2024 Investment Policy is on the December 2023 Agenda and staff will ensure this happens timely in the future.

2023-05 Fee Documentation

Documentation of the basis of fees charged to customers should be checked for accuracy to ensure the City is receiving the correct amount for each payment made, regardless of whether it is a billed amount or an allocation, and the supporting documentation should be retained in the City's records.

We selected twenty-five cash receipts for testing of accuracy and support and noted that there were six receipts for scan planning fees ($0.13 per page) related to the permit processing and issuance program that could not be recalculated as the receipt does not include page count. In addition, per review of one cash receipt tested that did include a ten-key tape with the page count, it appears the City charged $0.125 instead of $0.13 per page.

Without documentation showing the page count associated with the fees charged, the City is unable to recalculate the payment due and therefore may not be receiving or charging the accurate amount.

We understand the City does not have a policy for retaining the ten-key tape or other documentation of the number of pages scanned and the fee charged.

The City should require documentation of the page count be retained to ensure that the amount charged and collected is accurate. And, the City should determine whether the fee to be charged is $0.125 or the rounded amount of $.13 per page)

Management's Response:
Staff will implement a process that will document the number of pages scanned to ensure the correct fee is collected based on page number per the Master Fee Schedule.

SCHEDULE OF OTHER MATTERS

2023-06 Inactive Deposits Payable

Deposits payable held by the City should be related to active projects, or projects that have not yet started. Old balances should be researched to determine if the deposit should be returned to the depositor or recognized as revenue if the activity is complete.

The City has sixty-two individual deposits payable outstanding as of June 30, 2023, with a total liability of $1.16 million. We understand that certain of those deposits are related to old projects for which the deposit is no longer active and should be returned to the depositor. We also understand that the City has attempted to return those inactive balances, but they were returned to the City as undeliverable.

The City should determine whether the inactive deposits should be subjected to the escheatment process by which the City advertises the unclaimed balances in accordance with California Government Code Sections 50050-50053 provisions. If the deposits remain unclaimed and are not subject to exemptions listed in the Government Code Sections 50050-50053, the City can transfer the funds to the General Fund.

Management's Response:

The City reviews all deposits on an annual basis and make all attempts to return these to the depositor or claim them as revenue if warranted. We will continue to research this and make all attempts to return these to the depositor in a timely manner.

SCHEDULE OF OTHER MATTERS

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments:

EFFECTIVE FISCAL YEARS 2022, 2023 and 2024:

GASB 99 – *Omnibus 2022*

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.

- Clarification of provisions in Statement No. 87, *Leases,* as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.

- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.

- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements,* related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short term SBITA, and recognition and measurement of a subscription liability.

- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.

- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)

- Disclosures related to nonmonetary transactions.

- Pledges of future revenues when resources are not received by the pledging government.

- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* as amended, related to the focus of the government-wide financial statements.

GASB 99 – *Omnibus 2022 (Continued)*

- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

- Terminology used in Statement 53 to refer to resource flows statements.

The Requirements of this Statement are Effective as Follows:

The requirements in paragraphs 26–32 related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

The requirements in paragraphs 11–25 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

The requirements in paragraphs 4–10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by individual topic.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

EFFECTIVE FISCAL YEAR 2023/24:

GASB 100 – *Accounting for Changes and Error Corrections*

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

SCHEDULE OF OTHER MATTERS

GASB 100 – *Accounting for Changes and Error Corrections (Continued)*

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

EFFECTIVE FISCAL YEAR 2024/25:

GASB 101 – *Compensated Absences*

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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CITY OF OAKLEY
MEMORANDUM ON INTERNAL CONTROL

CURRENT STATUS OF PRIOR YEAR
SIGNIFICANT DEFICIENCIES

2022-01 **Compliance with Transportation Development Act Audit Requirements**

Transportation Development Act (TDA) grant funding received from the Metropolitan Transportation Commission (MTC) requires an audit when expenditures are incurred and/or when funding is requested from MTC. In addition, grant reimbursement requests should be reviewed by someone other than the preparer prior to mailing, including those for grant reimbursement requests.

During the fiscal year 2022 audit, we noted that the City received a payment of $130,000 from MTC and we inquired about whether a TDA audit was needed. Upon further research by Finance staff, it was determined that the funding was related to a reimbursement request filed for fiscal year 2021 expenditures, and the TDA grant funding had been accrued as accounts receivable and revenue at June 30, 2021. Therefore, the City should have undergone a TDA compliance audit for the year ended June 30, 2021, but no such audit was completed.

We understand that the Finance Department was not made aware of the TDA grant until fiscal year 2022, when the grant accrual was made during the fiscal year 2022 audit, and that City staff was also not aware that the grant was subject to a compliance audit. As a result, the City is not in compliance with the TDA compliance audit requirements of MTC.

We also understand that grant billings are prepared by the applicable department staff, but the billings are not reviewed by someone other than the preparer until the Finance Department staff reviews it when the receivable is collected.

The City should develop procedures to ensure that TDA audits are completed when grant expenditures are incurred and/or reimbursement is requested from MTC. In addition, the City should review all outstanding grant agreements to determine whether the City is in compliance with any associated audit requirements. Finally, the City should develop procedures to ensure that grants receivable billings are reviewed by someone other than the preparer prior to mailing.

Current Status:
Finance has been working closely with the Public Works team to ensure all future grants include Finance as part of the discussion so that required audits do not get missed in the future.

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CURRENT STATUS OF PRIOR YEAR OTHER MATTERS

2022-02 Investment Policy Compliance

The City significantly revised its Investment Policy during fiscal year 2022 and hired an investment manager to assist with expanding the City's investment portfolio. We reviewed the City's Fiscal Year 2021-22 Investment Policy adopted on September 14, 2021 and noted the following:

a. Monthly and Quarterly Reporting

Section 14, Reporting, of the Investment Policy requires a monthly listing of investment transactions and a quarterly investment report to the City Council. Although we did note that the City files a quarterly investment report with the City Council, it does not appear that the City includes the monthly listing of transactions in that report or in a separate report to the City Council.

The City should either comply with the requirements of Section 14 of the Investment Policy or revise the Investment Policy to reflect the current practices.

b. Safekeeping and Custody

Section 11, Safekeeping and Custody, of the Investment Policy requires that all investment transactions "be conducted on a delivery-versus-payment (DVP basis). Securities will be held by a third-party custodian designated by the Director and evidenced by safekeeping receipts."

Although the City does have access to the investment purchase receipts for transactions initiated by the investment manager, the investments are held by the investment manager's third-party custodian in an account in the name of the City.

The City should either require the use of its own third-party custodian to comply with the requirements of Section 11 of the Investment Policy, or revise the Investment Policy to reflect the current arrangement.

c. Investment Reporting

Section 14, Reporting, of the Investment Policy and California Government Code Section 53646(b)(1) require a listing of investments, including the investment instrument, issuer name, maturity date, credit rating, coupon rate, yield, purchase price, par value, book value, current market value and the source of the valuation. Although the City includes the source of the market valuation in its quarterly Investment Report and the December 2021 and June 2022 Investment Reports indicate "See Detail", the reports did not include the details for the individual investments in the City's portfolio, and instead included only a summary statement of investments attachment.

The City should revise the Investment Report to comply with the requirements of Section 14 of the Investment Policy. If the City does not want to include the detailed listing of investments in the body of the Investment Report, then the detailed statement should be attached to the Investment Report, rather than the summary statement.

2022-02 **Investment Policy Compliance (Continued)**

d. Review of Internal Controls

Section 18, Internal Controls, of the City's fiscal year 2021-22 Investment Policy requires the following:

The Finance Director shall establish an annual process for independent review of these controls, including cash and investment testing, by an external auditor. This review will help to ensure compliance with the City's investment policies and procedures.

As the City's external auditors, we cannot be part of the City's internal control structure. Although we have been engaged to audit the City's financial statements, we have not been requested to perform an audit specific to the system of internal controls required by the Investment Policy. We would be happy to perform any procedures the City specifies regarding the investments as a separate engagement. Otherwise, the provisions should be revised to reflect current practices or removed from the Investment Policy.

Current Status:
Staff has updated the investment policy and it is a part of the December 12, 2023 agenda for council approval.

CURRENT STATUS OF PRIOR YEAR OTHER MATTERS

2022-03 Developer Dedicated Infrastructure Improvements

Generally accepted accounting principles require that contributed capital assets be valued at their estimated acquisition value on the date contributed.

The City periodically receives contributions of developer constructed infrastructure improvements and the dollar amount capitalized is based on the original engineer's estimate of the improvements expected to be installed. Although the timing of the engineer's estimate may sometimes be relatively close to the date the developer dedicates the capital assets to the City, that is not always the case. As a result, the estimated acquisition value of the assets on the City's acceptance date may differ from the original engineer's estimate.

Update for June 30, 2023: During our testing of one developer dedicated infrastructure transaction, we again noted the value capitalized was based on the original contract estimate of the assets installed and dedicated.

The City should develop procedures to estimate the acquisition value of developer dedicated infrastructure at the time of acceptance of the capital assets and use that amount to record the capital assets in the general ledger.

Current Status:
Finance staff will work with engineering staff to determine a process in estimating developer dedicated infrastructure in the future.

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CITY OF OAKLEY

REQUIRED COMMUNICATIONS

FOR THE YEAR ENDED
JUNE 30, 2023

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CITY OF OAKLEY

REQUIRED COMMUNICATIONS

For the Year Ended June 30, 2023

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MAZE & ASSOCIATES

REQUIRED COMMUNICATIONS

To the City Council of
the City of Oakley, California

We have audited the basic financial statements of the City of Oakley for the year ended June 30, 2023. Professional standards require we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information orally to the Mayor, City Manager and Human Resources Director during our discussion on August 7, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Accounting Policies - Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year.

The following pronouncements became effective, but did not have a material effect on the financial statements:

GASB 91 –	***Conduit Debt Obligations***
GASB 94 –	***Public-Private and Public-Public Partnerships and Availability Payment Arrangements***
GASB 96 –	***Subscription-Based Information Technology Arrangements***
GASB 99 –	***Omnibus 2022, paragraphs 11-25***

Unusual Transactions, Controversial or Emerging Areas - We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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Accounting Estimates - Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Estimated Fair Value of Investments: Investments held by the City were measured by fair value as disclosed in Note 3 to the Financial Statements. Fair value is essentially market pricing in effect as of June 30, 2023. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2023.

Estimated Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 7 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Compensated Absences: Accrued compensated absences is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 1H. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net Pension Liability (Asset) and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension liability and deferred outflows/inflows of resources are disclosed in Note 11 to the financial statements and are based on accounting valuations determined by the California Public Employees Retirement System, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Estimated Claims Liabilities: Management's estimate of the claims liabilities payable is disclosed in Note 16 to the financial statements and is based on actuarial studies determined by the City's joint powers authority insurance provider, which are based on the claims experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures - The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole, except for the post-closing entries to correct beginning fund balance as discussed in Memorandum on Internal Control comment 2023-01 and the post-closing entry to record the unearned revenue of $5 million related to the unspent American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the City Council.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated December 5, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information which accompany the financial statements, but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections which accompany the financial statements, but are not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

******

This information is intended solely for the information and use of the City Council and management and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
December 5, 2023

MAZE & ASSOCIATES

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES FOR COMPLIANCE WITH THE PROPOSITION 111 2022-2023 APPROPRIATIONS LIMIT INCREMENT

To the City Council of the
City of Oakley, California

We have performed the procedures enumerated below on the Appropriations Limit Worksheet (Worksheet) of the City of Oakley, California, for the year ended June 30, 2023. The City's management is responsible for the Worksheet.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of these procedures, which were suggested by the League of California Cities and presented in their Article XIIIB Appropriations Limitation Uniform Guidelines, performed solely to assist you in meeting the requirements of Section 1.5 of Article XIIIB of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

A. We obtained the Worksheet and determined that the 2022-2023 Appropriations Limit of $14,843,735 and annual adjustment factors were adopted by Resolution of the City Council. Although the Worksheet included the City population factor used in the calculation, neither the Resolution, nor the Worksheet indicated that the factor selected was the City population factor. The Worksheet indicated the "Higher of the County Population Growth Factor," but the Growth Factor used in the Worksheet was the higher City Population Growth Factor.

B. We recomputed the 2022-2023 Appropriations Limit by multiplying the 2021 2022 Prior Year Appropriations Limit by the Total Growth Factor. We recomputed the Total Growth Factor by multiplying the population option by the inflation option. However, in calculating the 2022-2023 Appropriations Limit, the City transposed the City Growth Factor of 1.0208 and instead used a City Growth Factor of 1.028. As a result, we calculated a revised 2022-2023 Appropriations Limit of $14,739,771.

C. For the Worksheet, we agreed the Per Capita Income Factor to a California State Department of Finance Worksheet. As noted above, the City Population Factor was transposed in the Worksheet and the County Population Factor was not included in the Worksheet.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Worksheet. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management and the City Council and is not intended to be and should not be used by anyone other than those specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Maze & Associates

Pleasant Hill, California
December 5, 2023

STAFF REPORT

OAKLEY
CALIFORNIA

DATE: December 12, 2023

TO: Joshua McMurray, City Manager

FROM: Libby Vreonis, City Clerk

Approved and Forwarded to the City Council

SUBJECT: Adopt a Resolution Approving the 2024 City Council Committee Appointment List

Background and Analysis

Each year after the Oakley City Council reorganizes, the City Council reviews the City Council Committee Appointment List for the upcoming year to decide which local and regional committees each Councilmember shall serve. The Mayor and Vice Mayor have traditionally been appointed to represent the City of Oakley on the Contra Costa County Mayors' Conference and East County Mayors and City Managers Meeting. Attached is the proposed list for 2024.

Consistency with the Oakley Strategic Plan 27+

This matter is consistent with the Oakley Strategic Plan 27+ Community and Collaborative Partnerships Goal to build strong community and collaborative partnerships to be mutually beneficial and co-create shared goals.

Fiscal Impact

None.

Staff Recommendation

Staff recommends that the City Council review and discuss the 2024 City Council Committee Appointment List and adopt the final List as presented or as revised.

Attachments

1. Proposed 2024 City Council Committee Appointment List
2. Resolution Approving the 2024 City Council Committee Appointment List

Williams, Anissa
CalCities East Bay Division, *Voting*
CCC Mayors Conference
East County Mayors and City Managers
Ad Hoc Parks Subcommittee
Oakley Inter-Agency Subcommittee (Public School Liaison)
Tri-Delta Transit

Fuller, George
Diablo Water District Liaison
East County Mayors and City Managers, *Alternate*
CCC Mayors Conference, *Alternate*
ABAG, *Voting*
East Bay Leadership Council (Liaison)
MCE Board, *Alternate*

Shaw, Shannon
Contra Contra Costa Fire Protection District Board (Liaison)
ABAG, *Alternate*
Tri-Delta Transit

Henderson, Hugh
CalCities East Bay Division, *Alternate*
Board of Green Empowerment Zone
Ironhouse Sanitary District Liaison
Habitat Conservation Plan Exec. Committee/HCP Conservancy

Meadows, Aaron
Ad Hoc Parks Subcommittee
MCE Board
Oakley Inter-Agency Subcommittee (Public School Liaison)
TRANSPLAN/ECCRFFA/St. Route 4 Bypass (CC Rep)

RESOLUTION NO. X-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY APPROVING THE 2024 CITY COUNCIL COMMITTEE APPOINTMENT LIST

BE IT RESOLVED by the City Council of the City of Oakley that the 2024 City Council Committee Appointment List attached as Exhibit A is hereby approved.

PASSED, APPROVED AND ADOPTED this 12th day of December 2023 by the following vote.

AYES:
NOES:
ABSTENTION:
ABSENT:

APPROVED:

_____
, Mayor

ATTEST:

_____
Libby Vreonis, City Clerk

_____
Date

DATE: December 12, 2023

TO: Joshua McMurray, City Manager

FROM: Danielle Navarro, Assistant City Manager

Approved and Forwarded to the City Council

SUBJECT: Adopt a Resolution Extending the Term of the City of Oakley Affordable Housing Ad-Hoc Advisory Committee

Background and Analysis

At the August 8, 2023 City Council meeting, the Mayor requested that staff bring forward an item that would establish an Affordable Housing Ad-Hoc Advisory Committee ("Committee"). At its September 12th meeting, the Oakley City Council adopted a resolution establishing the Committee with the purpose of reviewing and discussing resident issues at The Oaks apartment complex and advising the City Council on those issues; the Committee was set to end on December 31, 2023.

The City Council appointed two residents of The Oaks and one member of The Oaks management team with decision-making authority to the Committee at its October 10th meeting. The Committee held a public meeting in October and again in November. In addition to the resident Committee members, four to six residents from The Oaks attended the October and November meetings and presented concerns about cleanliness, security, and maintenance, which the management appointee has been addressing. The Committee believes it would be beneficial to extend the end date to February 13, 2023 to allow the management team time to address and report back on the remaining items such as implementing new garbage service, the fire panel replacement, cameras, and the status of maintenance staffing levels.

Consistency with the Oakley Strategic Plan 27+

The purpose of the Affordable Housing Ad-Hoc Committee is consistent with the Oakley Strategic Plan 27+ Community Health and Safety and Community and Collaborative Partnerships goals.

Fiscal Impact

There is no fiscal impact other than minimal staff time.

Staff Recommendation

Staff recommends that the City Council adopt the proposed resolution extending the term of the City of Oakley Affordable Housing Ad-Hoc Advisory Committee.

Attachments

1. Proposed Resolution

RESOLUTION NO. XX-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY EXTENDING THE TERM OF THE CITY OF OAKLEY AFFORDABLE HOUSING AD-HOC ADVISORY COMMITTEE

WHEREAS, at its September 12, 2023 meeting, the Oakley City Council established an Affordable Housing Ad-Hoc Advisory Committee ("Committee") consisting of Mayor Meadows, Councilmember Shaw, two Oaks apartment residents, and one member of The Oaks management team with decision-making authority; and

WHEREAS, the Committee's purpose is to review and discuss resident issues at The Oaks apartment complex and advise the City Council on those issues.; and

WHEREAS, the Committee was established with an ending date of December 31, 2023; and

WHEREAS, the Committee feels believes it would be beneficial to extend the end date to February 13, 2023 to allow the management team time to address and report back on the remaining items.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the City Council of the City of Oakley does hereby extend the term of the City of Oakley Affordable Housing Ad-Hoc Advisory Committee to February 13, 2023.

PASSED AND ADOPTED by the City Council of the City of Oakley this 12th day of December, 2023 by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

APPROVED:

ATTEST:

_____
Aaron Meadows, Mayor

_____
Libby Vreonis, City Clerk

_____
Date

Business Name	Primary Contact Email Address	Primary Address Phone #	Full Primary Address	Active Licenses
A.K. DELIVERY SHUTTLE SERVICE		(702) 972-7904	1040 MORNING GLORY WAY OAKLEY CA 94561	HOME BASED BUSINESS LICENSE
FREE BIRD WEB DESIGNS		(650) 862-5276	209 YELLOW ROSE CIR OAKLEY CA 94561	HOME BASED BUSINESS LICENSE
FROSTED TEMPTATIONS	SYNDYS@AOL.COM	(707) 567-3332	881 FOREMOST DR OAKLEY CA 94561	HOME BASED BUSINESS LICENSE
JUNK IT JIM HAULING	JIMDIRT123@AOL.COM	(925) 437-0670	91 LOZOYA WAY OAKLEY CA 94561-2823	HOME BASED BUSINESS LICENSE
MBN PLUS		(925) 354-1051	3920 CLOVERBROOK AVE OAKLEY CA 94561-4237	HOME BASED BUSINESS LICENSE
RIDGEWATER REAL ESTATE SERVICES, INC	DHANSEN@HHANDASSOCIATES.COM	(925) 872-9625	2170 MAIN ST STE C OAKLEY CA 94561	BUSINESS LICENSE
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