

FY 2026 Mid-Year General Fund Revenue Update

Budget and Finance Policy Committee
February 26, 2026

MID-YEAR UPDATE

Presentation Topics

- Revenue Actuals and Projection Updates
 - FY 2026 Half-Year Actuals
 - Updates to FY 2026 Projections
 - Changes to FY 2027, 2028 Projections
- Departmental Revenue Enhancements
- Revenue Impacts of Development

FY 2026 ACTUALS

FY 2026 Adopted Budget - Mid-Year Revenue Update

- FY 2026 GF adopted budget of \$311,935,259
- As of December 31, \$155,511,485 (49.85%) received
- Compared to FY 2025 mid-year, the following categories had the largest differences:
 - Secured Property Taxes: +\$2.0M (4.44%)
 - Property Transfer Taxes: +\$2.2M (18.1%)
 - Measure P: +\$1.8M (36.3%)
 - Transfers: +\$16.7M (~800%)

FY 2026 GF REVENUE PROJECTION

FY 2026 Revised Projection of \$321,497,729 vs Adopted Budget of \$311,935,259

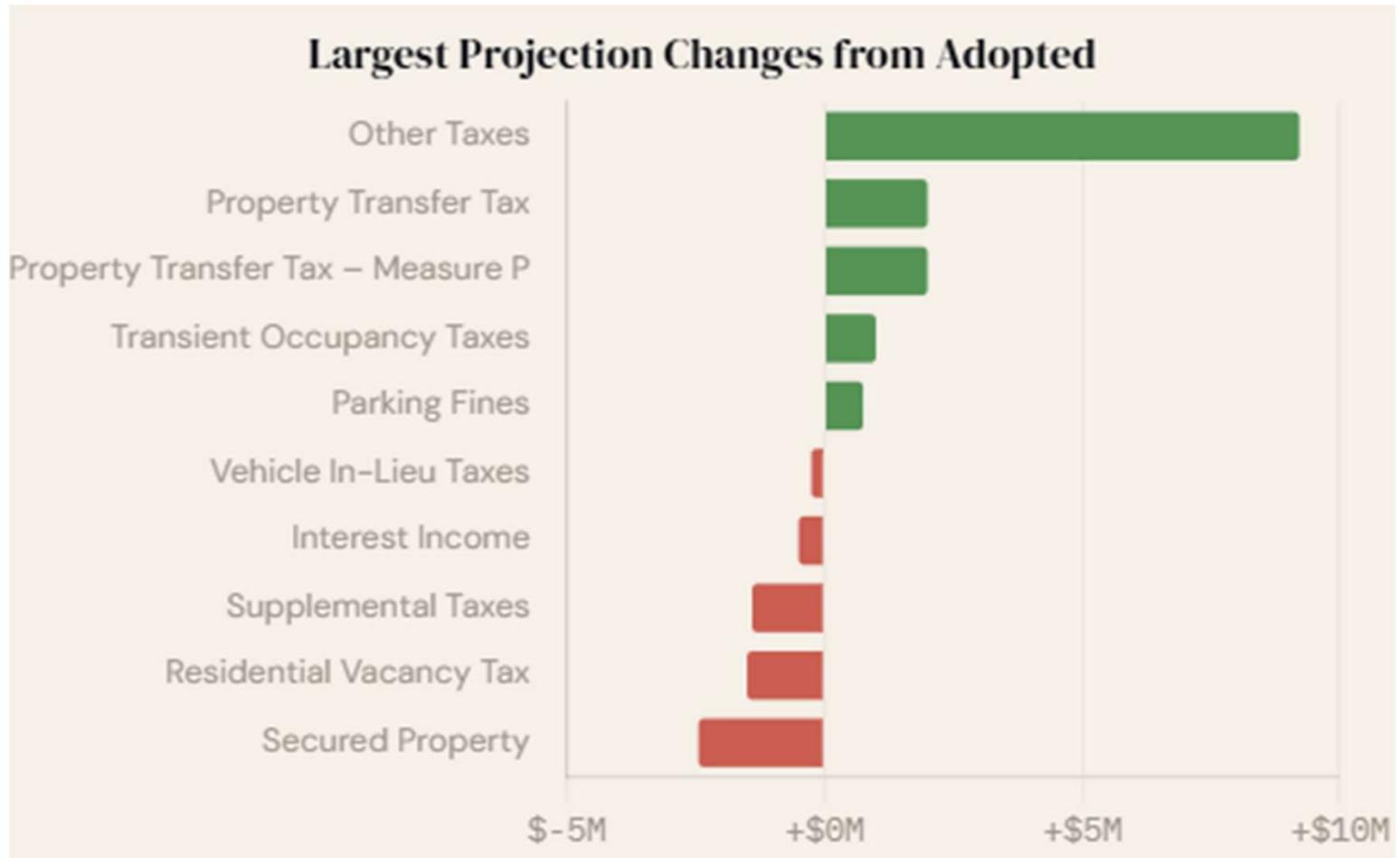
Largest increases

- Other Taxes +\$9.2M
 - \$7.8M Successor Agency Transfer (prior residuals)
 - \$0.6M Successor Agency Future Increment (payable June 2026)
- TOT (Hotel) Tax +\$1.0M
- Transfer Tax +\$2M
- Measure P +\$2M

Largest decreases

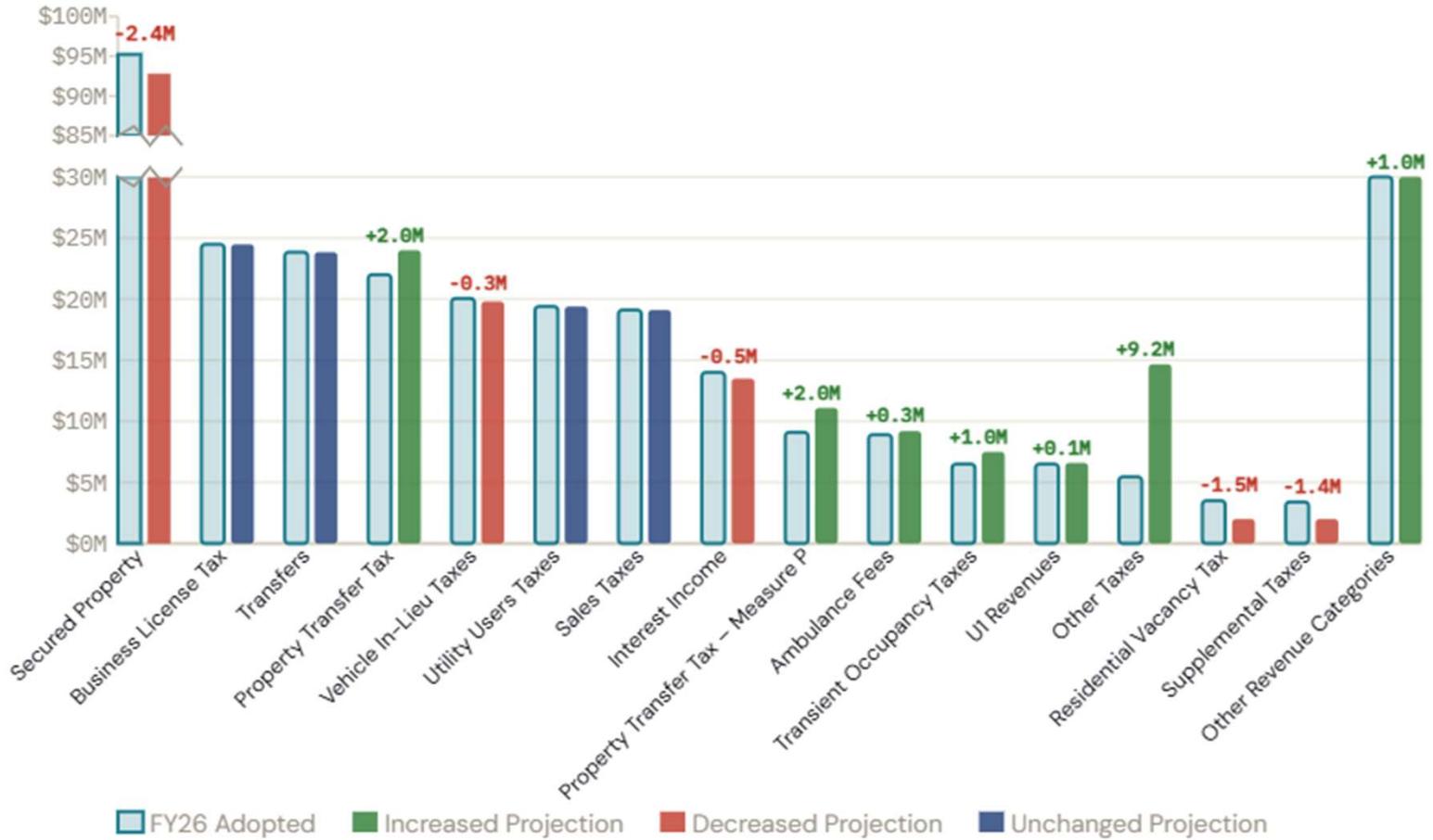
- Secure Property -\$2.4M
- Residential Vacancy -\$1.5M
- Supplemental Taxes -\$1.4M

REVISED FY 2026 PROJECTION



REVISED FY 2026 PROJECTION

Revised FY26 Projection vs. Adopted Budget



REVISED FY 2026 PROJECTION

Increase from Adopted Budget

Adopted FY 2026	\$ 311,935,259	
Revised FY 2026	\$ 321,497,729	
Increase	\$ 9,562,470	3.1%
less Successor Agency Residuals	\$ (8,447,572)	
Increase (excl. one-time)	\$ 1,114,898	0.4%

FY 2027-28 PROJECTIONS

	Projected General Fund Revenue						
	FY 2026 Adopted	FY 2025 Actual	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Undesignated Revenues							
Secured Property Taxes	95,236,939	89,041,388	92,798,935	98,784,093	103,454,324	108,288,012	113,290,880
Supplemental Taxes	3,400,000	2,035,343	2,000,000	2,500,000	2,000,000	2,000,000	2,000,000
Unsecured Property Taxes	4,973,066	4,798,998	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
Property Transfer Taxes	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Property Transfer Tax - Measure P	9,100,000	10,129,772	11,100,000	11,655,000	12,237,750	12,849,638	13,492,119
Property Transfer Taxes-Measure W				1,500,000	3,000,000	3,000,000	3,000,000
Sales Taxes	19,106,713	18,925,939	19,106,713	19,353,282	19,761,273	20,161,521	20,525,203
Soda Tax	1,147,387	1,031,453	1,000,000	1,147,387	1,147,387	1,147,387	1,147,387
Utility Users Taxes	19,396,728	18,999,486	19,396,728	18,750,000	18,750,000	18,750,000	18,750,000
Transient Occupancy Taxes(TOT)	6,500,000	7,087,525	8,660,450	8,920,264	9,098,669	9,280,642	9,466,255
TOT Rebates		-958,344	-1,160,450	-1,195,264	-1,231,122	-1,268,055	-1,306,097
Short-term Rentals	1,400,000	1,460,298	1,400,000	1,650,000	1,400,000	1,400,000	1,400,000
Business License Taxes	24,480,000	23,523,824	24,480,000	24,969,600	25,468,992	25,978,372	26,497,939
Recreational Cannabis	18,000	66,282	18,000	18,000	1,000,000	1,020,000	1,040,400
Measure U1	6,500,000	6,591,844	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000
Residential Vacancy Tax	3,500,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Other Taxes (Including redemptions)	5,453,059	6,050,906	14,665,725	6,500,000	6,630,000	6,762,600	6,897,852
Vehicle In Lieu Taxes	20,055,853	19,001,998	19,803,882	21,091,135	21,829,324	22,593,351	23,384,118
Parking Fines - Regular Collections	5,900,000	6,062,513	6,650,000	6,650,000	6,650,000	6,650,000	6,650,000
Moving Violations	132,600	165,360	165,360	165,360	165,360	165,360	165,360
Ambulance Fees	8,900,000	8,488,420	9,200,000	9,200,000	9,200,000	9,200,000	9,200,000
Interest Income	14,000,000	14,467,176	13,500,000	13,500,000	12,500,000	12,500,000	12,500,000
Franchise Fees	1,822,528	2,133,540	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Other Revenues	8,000,000	10,985,618	8,000,000	8,200,000	8,405,000	8,615,125	8,830,503
Indirect cost reimbursements	7,070,256	6,835,834	7,070,256	7,211,661	7,355,894	7,503,012	7,653,072
Transfers	23,842,130	8,974,480	23,842,130	4,472,621	4,562,074	4,562,074	4,562,074
Total Undesignated Revenues	305,935,259	281,899,653	313,497,729	296,843,139	305,184,925	312,959,039	320,947,066
Designated Revenues							
Prop. Transfer Taxes for capital improvements	6,000,000	7,052,569	8,000,000	5,450,000	5,450,000	5,250,000	5,000,000
Total Designated Revenues	6,000,000	7,052,569	8,000,000	5,450,000	5,450,000	5,250,000	5,000,000
TOTAL REVENUES AND TRANSFERS	311,935,259	288,952,222	321,497,729	302,293,139	310,634,925	318,209,039	325,947,066

FY 2027-28 PROJECTIONS

	Projected General Fund Revenue								
	FY 2026 Adopted	FY 2025 Actual	FY 2026	FY 2027	YoY%	FY 2028	YoY%	FY 2029	FY 2030
Undesignated Revenues									
Secured Property Taxes	95,236,939	89,041,388	92,798,935	98,784,093	6.4%	103,454,324	4.7%	108,288,012	113,290,880
Property Transfer Taxes-Measure W				1,500,000		3,000,000	100.0%	3,000,000	3,000,000
Other Taxes (Including redemptions)	5,453,059	6,050,906	14,665,725	6,500,000	-55.7%	6,630,000	2.0%	6,762,600	6,897,852
Transfers	23,842,130	8,974,480	23,842,130	4,472,621	-81.2%	4,562,074	2.0%	4,562,074	4,562,074

RECAP

- FY 2026 Increases vs FY 2025 largely one-time transactions (Transfers, Successor Agency Residuals), plus organic growth in real property valuations
- Increases to FY 2026 Projections from Transfer Tax, TOT (Hotel) Tax, Successor Agency Residuals
- For FY 2027/28 and beyond, we expect continued organic growth plus increases from return of tax deductions to General Fund from Successor Agency
- Projections are made with the best information available at the time. Changes in economic conditions can occur without much warning, but staff will continue to monitor data and will update projections if material changes occur.

DEPARTMENT INITIATED REVENUE ENHANCEMENTS - CMO

Department	Division and/or Program	Revenue Category	New or Existing	Recently Adopted or Proposed in FY 2027	Baseline Revenue	Proposed Increase	Revised Revenue
CMO	Neighborhood Services	Other/Misc.	New	Proposed	\$0	\$25,000	\$25,000
CMO	Animal Services	Fees & Charges for Service	Existing	Proposed	\$245,000	\$118,000	\$363,000
Total					\$245,000	\$143,000	\$383,000

- Neighborhood Services increased revenues represent estimated anticipated revenues from Administrative billing to Medi-Cal for homeless outreach services.
- Animal Services increased revenues represent:
 - Estimated increased revenues from animal services fee increases (forthcoming to Council this spring)
 - Increased revenues from re-negotiated revenue contracts (forthcoming to Council this spring) with neighboring cities for animal sheltering and animal field services.

DEPARTMENT INITIATED REVENUE ENHANCEMENTS - FIRE

Department	Division and/or Program	Revenue Category	Revenue Description	New or Existing	Recently Adopted or Proposed for FY 2027	Baseline Revenue	Proposed Increase	Revised Revenue
FIRE	Fire Prevention	Fees & Charges for Service	Fire Permits	Existing	Adopted FY2026	\$201,480	\$231,771	\$433,251
FIRE	Fire Prevention	Fees & Charges for Service	Inspection Penalties	Existing	Staff able to increase is suing penalty fees.	\$10,491	\$8,391	\$18,882
Total						\$211,971	\$240,162	\$452,133

DEPARTMENT INITIATED REVENUE ENHANCEMENTS - HHCS

Department	Division and/or Program	Revenue Category	Revenue Description	New or Existing	Recently Adopted or Proposed for FY 2027	Baseline Revenue	Proposed Increase*	Revised Revenue
HHCS	Environmental Health	Fees & Charges for Service	EH Inspection Fees	Existing	Proposed	\$744,133	\$277,883	\$1,022,016
Total						\$744,133	\$277,883	\$1,022,016

Proposed increase in revenue is \$713,703; however, an additional expenditure of \$435,820 is projected starting in FY 2027; therefore, the net revenue increase is \$277,883).

DEPARTMENT INITIATED REVENUE ENHANCEMENTS - PRW

Department	Division and/or Program	Revenue Category	Revenue Description	New or Existing	Recently Adopted or Proposed for FY 2027	Baseline Revenue	Proposed Increase	Revised Revenue
PRW	YouthWorks	Fees & Charges for Service	Accelerator Program	New	Adopted January 2026	\$0	\$20,000	\$20,000
PRW	Recreation	Fees & Charges for Service	Facility Rental Fees	Existing	Adopted January 2026	\$107,334	\$21,467	\$128,801
PRW	Recreation	Fees & Charges for Service	Afterschool Program Registration Fees	Existing	Proposed	\$435,072	\$139,000	\$574,072

- Accelerator Program will raise \$20k from 10 advanced Youthworks internships with professional businesses paying 50% of the cost.
- Increased community center rental fees were approved by Council in Jan 2026.
- Additional revenue from Afterschool programs proposed for Council review in May 2026; would align currently subsidized programs (Live Oak, Frances Albrier, James Kenney) with other cost recovery City afterschool programs.

DEPARTMENT INITIATED REVENUE ENHANCEMENTS – PRW Cont.

Department	Division and/or Program	Revenue Category	Revenue Description	New or Existing	Recently Adopted or Proposed for FY 2027	Baseline Revenue	Proposed Increase	Revised Revenue
PRW	Recreation	Fees & Charges for Service	Summer Fun Camp Fees	Existing	Adopted January 2026	\$227,772	\$22,777	\$250,549
PRW	Recreation	Fees & Charges for Service	Summer Fun Camp Fees	Existing	Proposed	\$250,549	\$38,786	\$289,335
Total						\$1,020,728	\$242,030	\$1,262,758

- Council approved Summer Fun Camp fee increases in Jan 2026. Proposed additional increase planned for May 2026 to generate additional revenue as a PRW balancing strategy. The program remains subsidized, but base rate for Core session increases from \$165/week to \$200/week.

DEPARTMENT INITIATED REVENUE ENHANCEMENTS – POLICE

Department	Division and/or Program	Revenue Category	Revenue Description	New or Existing	Recently Adopted or Proposed for FY 2027	Baseline Revenue	Proposed Increase	Revised Revenue
POLICE	Parking Enforcement	Other/Misc	Parking Violation Fees	Existing	Recent	\$5,900,000	\$270,000	\$6,170,000
POLICE	State Program	Other/Misc	State Mandated Cost Recovery	Existing	Recent	\$8,848	\$191,152	\$200,000
POLICE	Jail	Fees & Charges for Services	Jail Booking Fees	Existing	Recent	\$46,274	\$53,726	\$100,000
Total						\$5,955,122	\$514,878	\$6,470,000

The added collection services for the Parking violation fees is available in the current contract and will be added in the current fiscal year. The State Mandated Cost Recovery is an existing process and is annually completed. The jail booking fees have been a revenue source since the closure of the Oakland Jail and is limited to smaller allied agencies.

FY 2027 and FY 2028 Biennial Budget Update



Impact of New
Development

February 26, 2026

NEW DEVELOPMENT – PROPERTY TAX IMPACTS

APN	Address	Square Footage	Assessed Value		Total Property and Property Based Taxes	
			Pre-Development	Current	Pre-Development	Current
<i>Residential Development</i>						
			2015	2026	2015	2026
55-1877-19-2	2580 Bancroft Way	171,170	\$1,451,923	\$155,569,411	\$67,090	\$2,258,049
			2021	2026	2021	2026
55-1895-41	2352-2390 Shattuck Ave.	274,070	\$13,101,195	\$170,473,420	\$185,760	\$2,521,806
<i>Commercial Development</i>						
			2021	2026	2021	2026
56-1950-6	600 Addison Street	470,986	\$0	\$57,507,270	\$0	\$1,177,584
56-1952-5			0	117,890,177	0	2,076,698
56-1952-2-1			6,139,592	0	150,243	0
Total			\$6,139,592	\$175,397,447	\$150,243	\$3,254,282

NEW DEVELOPMENT – PROPERTY BASED REVENUES

	Fiscal Year 26		City of Berkeley Revenues (1)		
	Assessed Value	Property Taxes	Prop. Tax (2)	Other Property Based Taxes (3)	Total
Residential Development					
2580 Bancroft Way	\$155,569,411	\$2,258,049	\$506,845	\$332,884	\$839,729
2352-2390 Shattuck Ave.	\$170,473,420	\$2,521,806	\$555,402	\$412,001	\$967,403
Commercial / Life Sciences Development					
600 Addison Street	\$175,397,447	\$3,254,282	\$571,445	\$719,372	\$1,290,817

1. Excludes general obligation bond debt service
2. Property Tax assumes City receives approximately 32.6% of 1.0% property tax.
3. Other property based taxes includes parcel taxes, clean stormwater, lighting, etc.

FISCAL IMPACTS OF NEW DEVELOPMENT

	General Fund			Other City Property Based Taxes (3)
	A	B	C=A-B	
	Property Taxes (1)	Net Revenues / (Costs) Due to New Development (2)	Net General Fund Surplus/(Deficit)	
Residential Development				
2580 Bancroft Way	\$506,845	(\$201,610)	\$305,235	\$332,884
2352-2390 Shattuck Ave.	\$555,402	(\$257,425)	\$297,978	\$412,001
Commercial / Life Sciences Development				
600 Addison Street	\$571,445	(\$344,291)	\$227,154	\$719,372

1. Represents FY 26 property taxes, assumes City receives approximately 32.6% of 1.0% property tax.

2. Based on a recently completed fiscal impact analysis. Assumes \$584.80 per capita costs of new development based on FY 25-26 General Fund budget, net of selected revenues and a service population consisting of 128,348 residents and an employment base of 70,963. Analysis excludes revenues from property taxes, sales and use tax, and transient occupancy tax that are estimated on a case by case basis for each development project.

3. Other property based taxes includes parcel taxes, clean stormwater, lighting, etc. Many of these revenues accrue to special funds.