



CITY OF EMERYVILLE

RESERVE POLICIES

USE OF RESIDUAL PROPERTY TAX REVENUE

The City believes that maintaining adequate reserves reflects an ability to manage risk as well as provide working capital to meet operational and capital needs. The City has established certain reserve policies, such as an Economic Uncertainty Fund to provide a reserve for State budget impacts and other fiscal emergencies.

In FY2011-12, due to the dissolution of the Emeryville Redevelopment Agency and the requirements of AB 26 and AB 1484, the City began receiving residual property tax revenue. The City adopted this residual property tax reserve policy which created a reserve and committed the use of residual property tax revenue for capital improvements, affordable housing, and economic development purposes, as follows:

Residual Property Tax Reserve and Use Policy		Effective July 1, 2017
	Current Allocation	New Allocation
	Allocation of Receipts	of Receipts
Economic Development Fund 202	5%	5%
Affordable Housing Fund 299	20%	20%
General Capital Improvement Fund 475	75%	50%
General Fund 101	0%	25%
	100%	100%

Effective FY2017-18, the 75% allocation to the General Capital Improvement will be reduced to 50% with the 25% difference being allocated to the General Fund. The additional funding to the General Fund will provide approximately \$1 million per year to support, restore, and augment services funded by the General Fund and contribute to a balanced General Fund operating budget.

The Economic Development Reserve is held and programmed in Fund 202 which is a sub-fund of the General Fund. The definition of Economic Development for the purpose of this policy is anything that the City Council deems to assist in the Economic Development of the City of Emeryville.

The Affordable Housing Reserve is held and programmed in a separate Affordable Housing Special Revenue Fund 299. The definition of Affordable Housing for the purpose of this policy is anything that the City Council deems to assist in the development or maintenance of affordable housing in the City of Emeryville.

Budget Resolution
September 19, 2017
Appendix C

The General Capital Improvements Fund 475 may be programmed and transferred into various capital funds. The definition of Capital Improvements for the purpose of this policy is anything that the City Council deems to be necessary for the capital improvements of the City of Emeryville, such as new public facilities, replacement and rehabilitation of current public facilities, parks, transportation systems, and environmental improvements.