



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, and has amended, this residual property tax reserve policy to maintain a reserve committed to the use of residual property tax revenue for capital improvements, affordable housing, economic development, public art and general purposes, as follows:

Residual Property Tax Reserve and Use Policy

	Current Allocation of Receipts	FY 19-20 Proposed Allocation of Receipts	Effective July 1, 2020 New Allocation of Receipts
General Fund 101	25.0%	25.0%	50.0%
General Capital Improvement Fund 475	50.0%	47.5%	22.5%
Affordable Housing Fund 299	20.0%	20.0%	20.0%
Public Art Fund 243	0.0%	2.5%	2.5%
Economic Development Fund 202	5.0%	5.0%	5.0%
	100%	100%	100%

On June 21, 2016, the Policy was revised to reflect a 25% allocation to the General Fund effective FY2017-18. The 75% allocation to the General Capital Improvement Fund was reduced to 50%.

As part of the FY2019-2021 Budget, the Policy is revised to reflect a 2.5% allocation to support Public Art programs starting in FY2019-20 and an additional 25% allocation to the General Fund effective FY2020-21. The allocation to the General Capital Improvement Fund will be reduced to 47.5% in FY2019-20 and to 22.5% effective FY2020-21.

The Economic Development Reserve is held and programmed in Fund 202 which is a sub-fund of the General Fund. The definition of Economic

Appendix C

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.

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.