

# 1,500 Oakland, California city workers to be laid off

Russel Roller  
21 January 2012

Layoff notices are expected for about 1,500 city workers in Oakland, California this week. Of these, 200 are projected for February 1. This most recent assault on the right to decent employment is a direct product of Democratic Governor Jerry Brown's 2011 austerity budget.

The current layoffs are explained as a necessary measure stemming from California's recent elimination of local redevelopment agencies. The 2011 budget cuts targeting redevelopment agencies—which received hundreds of millions of dollars in tax subsidies per year—should only impact those businesses and investors which, as beneficiaries of agency funds, collected the proceeds from any increase in property taxes in the redevelopment areas where they made their investments, thereby adding public funds as a supplement to private profits already garnered in their personal business ventures.

In practice, this meant that already wealthy investors frequently received a windfall at public expense for driving poor and working class residents from city centers, leveling former structures and erecting new buildings, businesses and sources of profit. As a result, communities who were supposedly benefiting would typically see their downtowns crushed and reshaped with no democratic input and then replaced with gentrified neighborhoods economically inaccessible to lower income residents. Those who were driven out were frequently compelled to relocate in less developed sections of the city. The agencies were rightly viewed as yet another boondoggle diverting public resources from schools and infrastructure to already wealthy investors.

H.D. Palmer of the California Department of Finance told the press, “Redevelopment agencies were created by an act of the Legislature in 1945, and they can

similarly be dissolved by an act of the Legislature. We cannot afford to be spending more than a billion dollars a year on local redevelopment projects at a time when our core services—including education and public safety—are being cut.” The law ending the agencies was challenged in the California Supreme Court, which concluded last month that the Legislature could end redevelopment funding. The end of redevelopment is expected to divert more than \$1 billion to the state government.

Municipalities such as Oakland are wasting no time in laying off government workers to deal with the shortfall created by the loss of redevelopment funds, leaving those well-heeled residents who made millions from such projects unscathed.

Over the next two weeks, Oakland city council members will meet to determine which 200 jobs of the 1,500 in jeopardy will go first. The job losses will reach every department of the city's infrastructure, burdening the surviving positions in an attempt to make up for the lost workers. In another attempt to make up for the austerity measures being implemented, Oakland city administrator Deanna Santana has initiated a hiring freeze and asked every department to reduce their budget by five percent. This will translate into a reduction of city services on which the public, particularly the poorest and most vulnerable, have come to rely.

Oakland, like most other cities in California, remains mired in recession. The housing market has collapsed in metropolitan areas throughout the state, while the job market is substantially smaller than before the onset of the crisis in 2008. Local governments in the state, as across the country, have responded to the contraction of tax revenues and increasing need for public services by attacking municipal workers, eliminating public works

projects, and cutting the social safety net. (See, “Mayors report: US cities remain mired in slump”)

Carlos Riviera, a spokesman for the Service Employees International Union (SEIU) Local 1021, told the *San Francisco Chronicle* the union plans to fight the layoffs in Oakland, while blocking the possibility of a response from the rank-and-file. Riviera insisted that “none of us have enough details to know what these cuts will mean. Right now they’re just threatening people.”

The implications of the cuts, to the contrary, are patently obvious, as city after city across the country has undertaken austerity over the past three years. What the SEIU shrugs off as “threats” will be a very harsh reality for the workers expecting to receive pink slips this week.

Redevelopment agencies are managed and operated by their respective local cities and counties with funding coming from Sacramento. The Oakland city government now claims it used some of those redevelopment funds to pay workers’ salaries in several city departments, including the fire department, police force, and public works. The police and fire workers are ostensibly protected from these layoffs through a contract with the city, so the various departments of Oakland public works will most likely lose the first 200 positions.

At the state level, the current austerity measures are likely to be expanded in next year’s budget. Governor Brown has presented a proposal of increasing the restrictions for welfare recipients who have children. For those who have been enrolled in welfare for more than two years, he proposes to cut benefits in half and eliminate eligibility for state-funded job training and child care. In a reported statement, the governor defended these proposals, commenting, “this is not nice stuff, but that is what it takes to balance the budget.”



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