

Proposed FY 2025-27 Biennial Budget

Social Services Human Relations Board
May 22, 2025



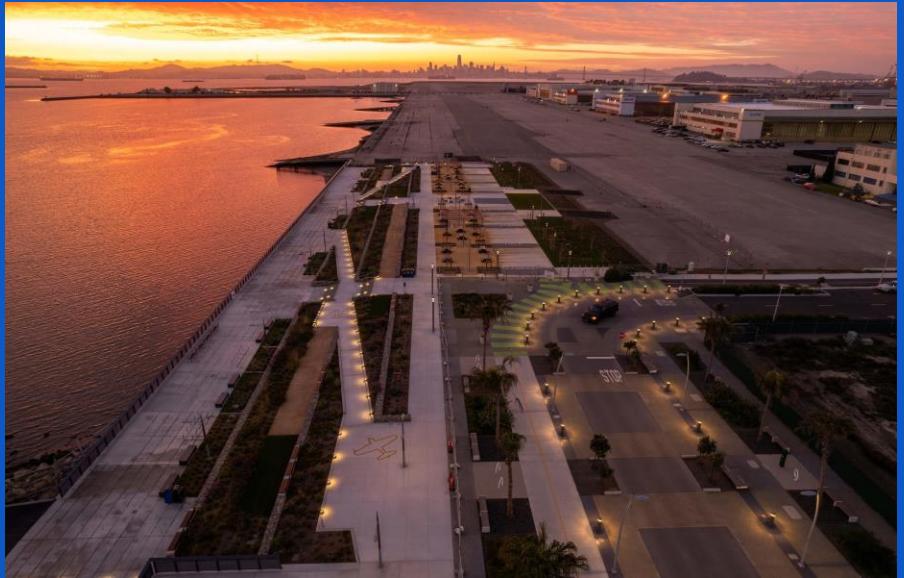
City Council Strategic Priorities



1. Enhance Community Safety & Services
2. Build Resilience to Climate Change & Water Level Rise
3. House All Alamedans and End Homelessness
4. Invest in Transportation, Infrastructure, Economic Opportunities & Historic Resources
5. Practice Fiscally Responsible, Equitable & Inclusive Governance



Budget Overview



Budget Overview

- Overall, City remains in a **stable financial position** due to reliable property tax revenues, healthy reserves, and a modest residual fund balance
- Upcoming **two-year budget is “stretched”** due to lower revenue projections associated with loss of a major sales tax generator and unstable macro economic and development market conditions, as well as increased programmatic expenditures over the last five years
- Operating revenues cover roughly 97% of operating expenditures and **residual fund balance covers the gap to maintain existing services during uncertain periods**
- Proposed budget **preserves \$9.5 million of residual fund balance** for possible loss of federal grants and/or major economic downturn
- The proposed Biennial Budget **maintains** 25% General Fund reserves (\$37.5 million by end of budget period) in accordance with City Council Reserve Policy

Financially More Stable than Other Jurisdictions

Other Jurisdictions:

- San Francisco faces \$874 million deficit, Oakland faces a \$280 million deficit, San Jose faces a \$60 million deficit, Sacramento faces a \$44 million deficit. Last year, Berkeley balanced its Biennial Budget using \$11 million in fund balance to cover its deficit while Richmond fixed its anticipated \$34 million deficit with a Chevron settlement; Pleasanton planning \$12 million in cuts over next two years

City of Alameda:

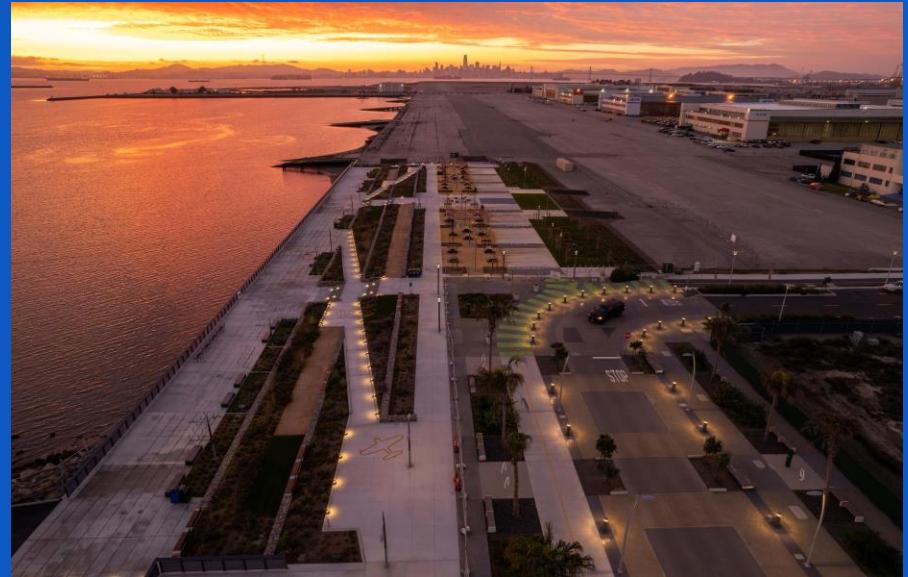
- Alameda's property taxes slowed, but typically do not decrease given high quality of life and stable property values
- New growth and major transactions over last 10 years generated significant property transfer tax, resulting in a substantial Residual Fund Balance

Summary of Expenditure Increases

- Increases in programs and services offered over last five years, many with initial one-time funds, are now fully integrated into General Fund operating budget without offsetting revenue:
 - CARE Team (2021) ~ \$3 million
 - Homelessness Initiatives (2022) ~ \$2.8 million
 - Prosecution Unit (2019) ~ \$1.3 million
- Insurance premiums increasing 30% each year
- Increased medical costs and PERS retirement contributions
- Overall inflation – Everything Just Costs More! 20% over last four years
- Significant increase to debt service from \$1.3 million to almost \$3 million due primarily to Aquatic Center financing

City's Federal Funding Outlook

- Total of \$30M in federally funded grants with \$22.5M remaining funds not expended/reimbursed
- Of that, \$6.3M is considered high risk – determining factors include:
 - Whether state or federal government currently holds funds
 - Program underway/completed or equipment already purchased
 - No other funding source to backfill



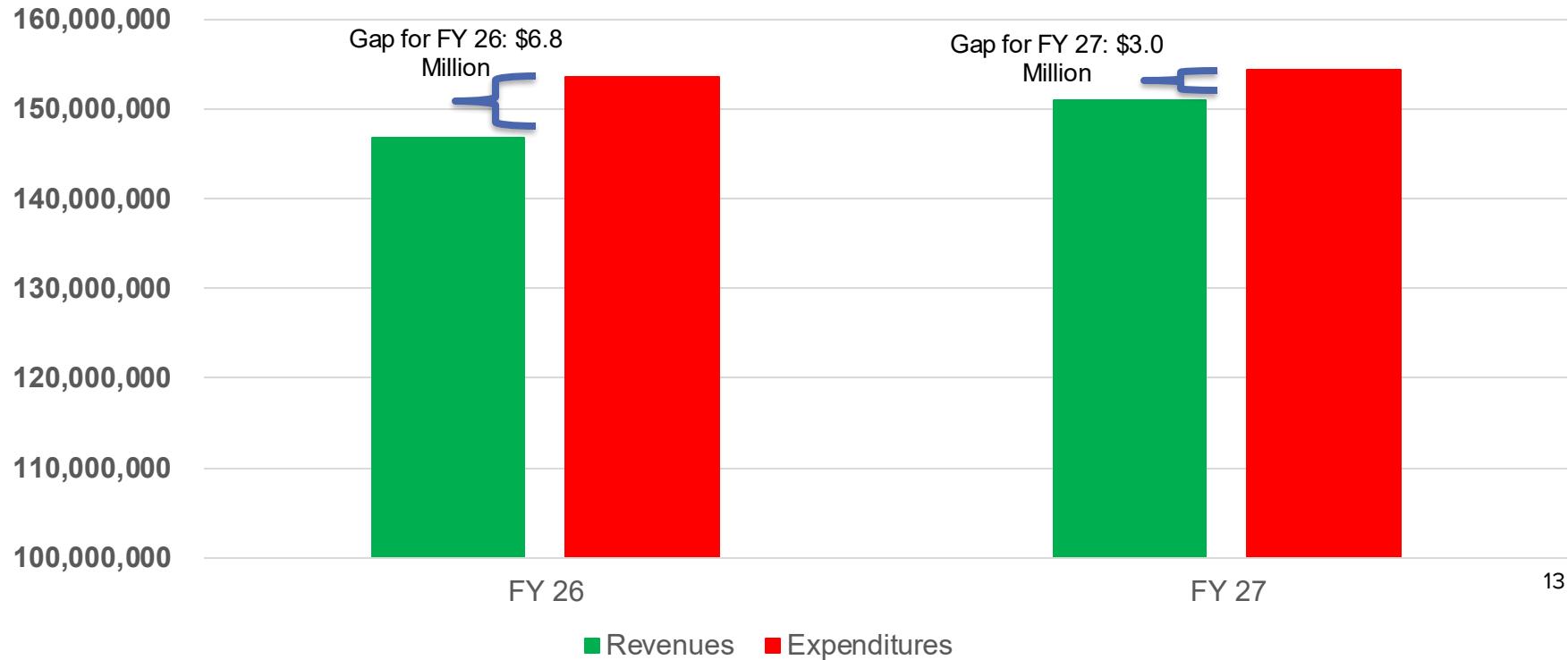
Balancing the Budget

General Fund Budget Requests Considerations and Priorities

- Taking care of existing employees in terms of their safety and retention
 - Supports a modest COLA increase
 - Includes equity salary adjustments to bring staff up to market
 - Focuses particularly on retaining Police Department staff where we have seen significant retention issues
 - Addresses the need for wage increases for part-time staff to avoid costly and disruptive turnover
- No new staff unless offset substantially by non-General Fund revenues or reductions in expenses
- Increased O&M lines only for contractually obligated services that have COLA adjustments from vendors, but otherwise not including an inflator to O&M lines

Proposed Recommended Budget based on Council Direction

Proposed Budget – Expenses vs Revenues (Ongoing & One-Time)



Housing & Human Services Budget



ALAMEDA

The Road Home:
A Five-Year Strategic Plan to Prevent
and Respond to Homelessness
in Alameda

October 2021

Housing and Human Services Key Functions

- Implement *The Road Home* – 5-Year Strategic Plan to Prevent and Respond to Homelessness in Alameda
- Coordinate with Social Service Providers
- Oversee SSHRB and ACCYF
- Support maintenance, management and construction of affordable housing
- Moved 216 people into housing and filled 48 Below Market Rate housing units (both ownership and rental)

Budget Considerations

- Emergency Supportive Housing ARPA funding expended Dec. 2025. General Fund support is needed to continue the program. Alternative options to reduce the program may be considered.
- Homeless mobile outreach and encampment resolution can be managed more effectively in-house with a City full-time Program Specialist II and part time Case Managers, offset by not renewing current homeless outreach contract. Recommended purchase of an ADA van to support homelessness outreach.

Operating Budget Proposals Above Baseline

Housing and Human Services

Recommended	Year 1	Year 2	Funding Source	One-Time	Ongoing
ADA van for Homeless Outreach	\$85,000		General Fund	X	
Emergency Supportive Housing (ESH) ARPA replacement funding	\$18,000		General Fund	X	
ESH ongoing operations	\$540,000	\$1,100,000	General Fund	X	
TOTAL	\$643,000	\$1,100,000			

Workforce Change Proposals Above Baseline

<u>Recommended</u>	Year 1	Year 2	Funding Source	One-Time	Ongoing
Upgrade Office Assistant to Admin Technician III	\$16,000	\$17,000	General Fund		X
Add Program Specialist II	\$159,000	\$159,000	General Fund		X
TOTAL	\$175,600	\$176,700			

Proposed Enhanced Social Service Program

- Integrates services within one team under HHS, providing homeless outreach, case management, prevention, including provision of social services support at the Library
- Adds a Full-time, Social Worker (MSW) in HHS (FY 2025-26)
 - Supervises part-time Case Managers
 - Opportunity to utilize MSW or BSW Interns as a conduit to fulfill their required hours. Creates a career pathway and consistency for hard to fill part-time Case Manager positions.
- Adds a part-time or contract social services at Library that is overseen by HHS (FY 2025-26)
- Track progress and report to SSHRB quarterly and to City Council through *The Road Home* Annual Report

FY 2024-25 Homeless and Human Services Budgets

Program	FY 2024-25	Funding Source
Homeless Programs	\$2,345,000	General Fund
Community Services	\$1,762,000	
Staffing and Internal Cost Allocation	\$583,000	
Revenue	\$(189,371)	County Pass Through
Human Services	\$285,700	General Fund
Community Services	\$154,300	
Staffing and Internal Cost Allocation	\$131,400	
Revenue	(\$15,000)	Sup. Tam's office for ACCYF

*Notes: FY 25-27 expenses being finalized by Finance and will be increased for staffing and internal services
Homeless and Human Services budgets include cost allocations for internal City services*

FY 2025-26 Budgets – CDBG, PLHA, etc.

Program	FY 2025-26	Funding Source
CDBG – Public Services	\$173,452	CDBG
CDBG – Public Improvements	\$354,996	CDBG
CDBG – Residential Rehab	\$340,126	CDBG
CDBG - Admin	\$227,788	CDBG
HOME (for affordable housing projects)	\$503,000	
Housing In-Lieu (for affordable housing projects)	\$680,000	From developers
PLHA (for affordable housing & homeless services)	\$1,580,337	State real estate fee

FY 2025-27 HHS Budgets - Projects

Program	FY 2025-26	FY 2026-27	Funding Source
Day Center Relocation Project	\$2,750,000		State earmark, Pro-Housing grant and General Funds
Dignity Village	\$4,188,827		ARPA, HOME ARP (State), HHAP and General Funds