

# Proposed FY 2025-27 Biennial Budget

Social Services Human Relations Board  
May 22, 2025



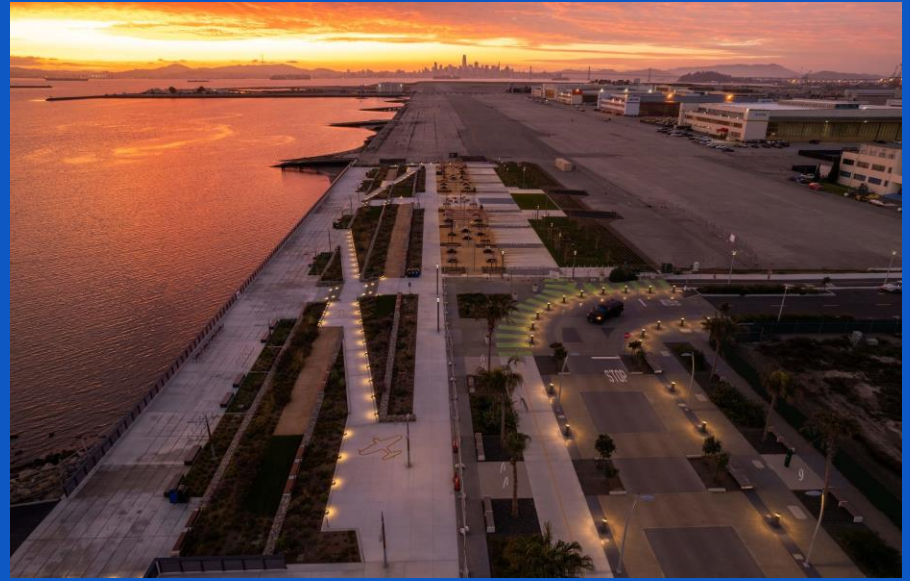
# City Council Strategic Priorities



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:

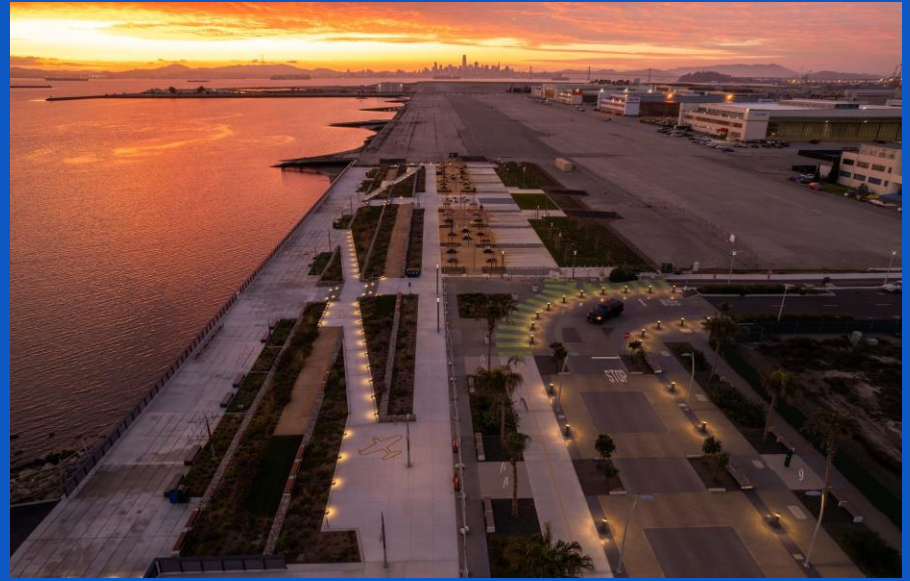
- Alameda's property taxes slowed, but typically do not decrease given high quality of life and stable property values
- New growth and major transactions over last 10 years generated significant property transfer tax, resulting in a substantial Residual Fund Balance

# 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

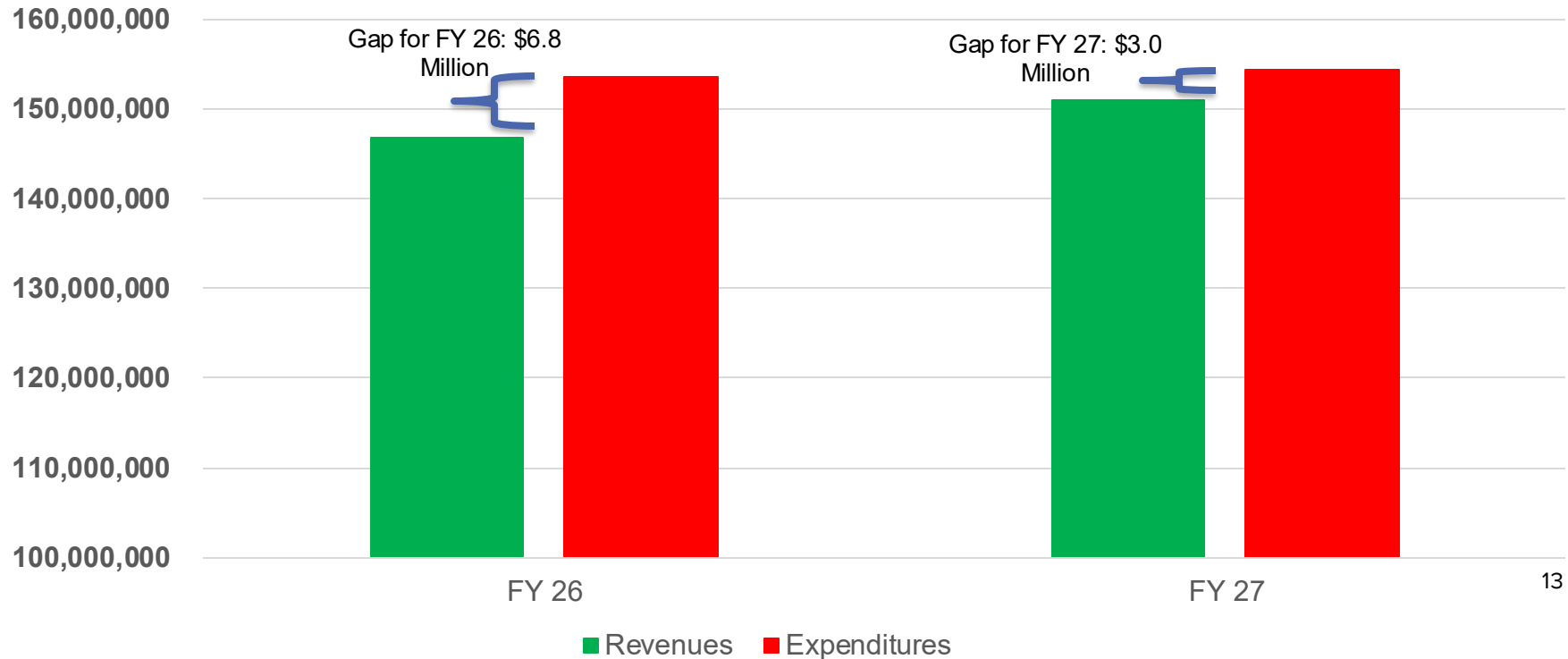


# General Fund Budget Requests Considerations and Priorities

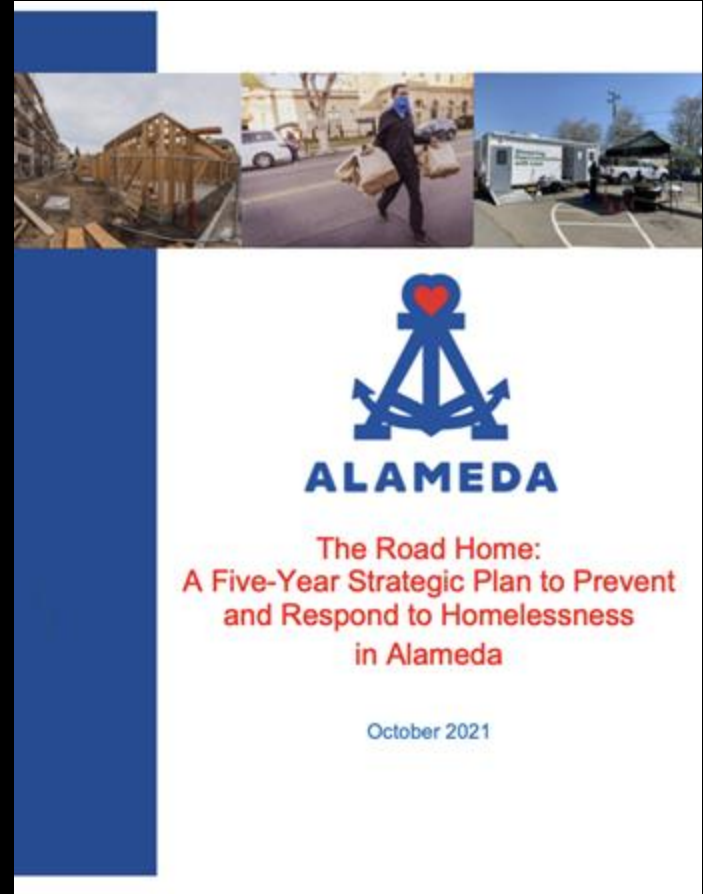
- Taking care of existing employees in terms of their safety and retention
  - Supports a modest COLA increase
  - Includes equity salary adjustments to bring staff up to market
  - Focuses particularly on retaining Police Department staff where we have seen significant retention issues
  - Addresses 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



## 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	
<b>TOTAL</b>	<b>\$643,000</b>	<b>\$1,100,000</b>			

## 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
<b>TOTAL</b>	<b>\$175,600</b>	<b>\$176,700</b>			

# 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