



# AGENDA REPORT


**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Erin Roseman  
Finance Director

**SUBJECT:** Measure Q Estimated Fund Balance  
Appropriation

**DATE:** December 14, 2023

City Administrator Approval

  
Jestin Johnson (Dec 14, 2023 19:31 PST)

Date: Dec 14, 2023

## **RECOMMENDATION**

**Staff Recommends That The City Council Consider Adopting A Resolution Appropriating \$5,260,000 From Measure Q Fund Fiscal Year 2022-2023 Balance And Allocating \$3,366,400 To Parks Maintenance, \$1,578,000 To Homeless Services, \$263,000 To Water Quality And Litter Reduction, And \$52,600 To Administrative Expenses, As Required By The 2020 Oakland Parks And Recreation Preservation, Litter Reduction, And Homelessness Support ACT (Measure Q)**

## **EXECUTIVE SUMMARY**

Approval of this resolution will authorize the appropriation of \$5.26 million in estimated available Measure Q fund balance. This appropriation is required prior to any allocation of the Measure Q fund balance as proposed in a separate [item](#) from members of the City Council. Further in order to comply with the required division of funds specified in the ballot measure, this proposed resolution proportionally allocates estimate fund balance in the prescribed manner.

Adoption of an appropriation is required prior to any allocation of fund balance. However, staff cautions that further committing City of Oakland (City) resources to new services and programs prior to the Midcycle budget process is not advisable. As discussed in the [recent Revenue and Expenditure Report](#) the City is facing a substantial General Purpose Fund deficit at the November 27, 2023 Finance and Management Committee. Any available fund balances, both restricted and unrestricted, should be preserved to allow for maximal preservation of services in the Fiscal Year (FY) 2024-25 budget. Staff recommends that the City refrain from additional appropriations unless they are supported by new resources, such as competitive grants.

## **BACKGROUND / LEGISLATIVE HISTORY**

In March of 2020 the voters of Oakland approved Measure Q - The 2020 Oakland Parks And Recreation Preservation, Litter Reduction, And Homelessness Support Act (Measure Q) to provide resources for parks maintenance, homelessness, and water quality services. Measure Q contains an explicit requirement that the proceeds of the parcel tax it authorized are appropriated as follows:

City Council  
December 19, 2023

- One percent (1%) of the total funds annually appropriated each fiscal year by this special tax, net of any collection and tax levy costs & fees, shall be appropriated for audit and evaluation of the programs, strategies and services funded by this measure, and associated administrative expenses.
- Not less than sixty-four percent (64%) of the total funds annually appropriated each fiscal year by this special tax, net of any collection and tax levy costs & fees, shall be appropriated for parks, landscape maintenance, and recreational services, and associated administrative expenses.
- Thirty percent (30%) of the total funds annually appropriated each fiscal year by this special tax, net of any collection and tax levy costs & fees, shall be appropriated for services to address homelessness such as those noted in Part 1, Section 3(B)(2), and associated administrative expenses.
- Five percent (5%) of the total funds annually appropriated each fiscal year by this special tax, net of any collection and tax levy costs & fees, shall be appropriated for services and projects to address water quality and litter reduction and associated administrative expenses

Members of the City Council have introduced a [resolution](#) allocating estimated Measure Q Fund Balance for consideration at its December 19, 2023 City Council meeting. This proposed resolution would Award a \$450,000 Grant to the Interfaith Council Of Alameda County for one or more Safe Parking Programs for Persons living in vehicles. This allocation cannot occur without a concurrent appropriation of Measure Q Fund Balance.

### **ANALYSIS AND POLICY ALTERNATIVES**

The adoption of this resolution is a necessary prerequisite to the passage of the proposed resolution to Award a \$450,000 Grant to the Interfaith Council of Alameda County for one or more Safe Parking Programs for Persons living in vehicles as an appropriation must occur before funds are allocated. Any fund balance in Measure Q must be appropriated in accordance with the measure allocation breakdown, regardless of whether that appropriation occurs within the budget process or via standalone resolution. This resolution ensures that this legally prerequisite appropriation is properly executed.

Staff cautions the City Council that, given the substantial budget difficulties that the City will face in the midcycle budget process, any standalone appropriations will reduce the ability of the City to continue providing services to which it has already committed. Restricted fund balances like Measure Q can be used to ensure that eligible services are not reduced as a consequence of other balancing actions. Commitment of these resources outside the broader budget process does not afford policymakers or the public a comprehensive consideration of the city's priorities for service provisions.

The proposed underlying grant allocation to the Interfaith Council of Alameda County for one or more Safe Parking Programs for Persons living in vehicles has not been evaluated for effectiveness against the City's other services for homeless persons. Similar past projects have been underutilized by those they intend to serve. Staff recommends that this and all

homelessness services and interventions be weighed and prioritized based on their effectiveness and outcomes, consistent with the recommendations contained in the [Homelessness Audit](#).

### **FISCAL IMPACT**

Approval of this resolution will appropriate the total estimated Measure Q Fund Balance as of the fourth quarter of 2023. The total fund balance is estimated at \$5,260,000 and will be allocated as follows:

<b>Allocation</b>	<b>Amount</b>
Parks, landscape maintenance, and recreational services	\$3,366,400
Services to address homelessness	\$1,578,000
Services and projects to address water quality and litter reduction	\$263,000
Audit and evaluation of the programs, strategies and services	\$52,600
<b>Total</b>	<b>5,260,000</b>

This action will deplete the available balance in Measure Q. As discussed in the recent Revenue and Expenditure report the city is facing a substantial General Purpose Fund deficit. Any available fund balances, both restricted and unrestricted, should be preserved to allow for maximal preservation of services in the FY 2004-25 budget. Staff recommends the City refrain from additional appropriations unless they are supported by new resources, such as competitive grants.

### **PUBLIC OUTREACH / INTEREST**

No outreach was needed for the adoption of this resolution.

### **COORDINATION**

The Office of the City Attorney reviewed the Report and Resolution as to form and legality. The content of the Report was developed in collaboration with the City Administrator's Office and Human Services Department.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** No economic opportunities are identified in this report.

**Environmental:** No environmental impacts or opportunities are identified in this report.

**Race & Equity:** No race and equity opportunities are identified in this report, nor was a racial equity analysis performed.

**ACTION REQUESTED OF THE CITY COUNCIL**

**Staff Recommends That The City Council Consider Adopting A Resolution Appropriating \$5,260,000 From Measure Q Fund Fiscal Year 2022-2023 Balance And Allocating \$3,366,400 To Parks Maintenance, \$1,578,000 To Homeless Services, \$263,000 To Water Quality And Litter Reduction, And \$52,600 To Administrative Expenses, As Required By The 2020 Oakland Parks And Recreation Preservation, Litter Reduction, And Homelessness Support ACT (Measure Q)**

For questions regarding this report, please contact Brad Johnson, Budget Administrator, at (510) 207-5730.

Respectfully submitted,



Erin Roseman (Dec 14, 2023 15:28 PST)

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ERIN ROSEMAN  
Finance Director, Finance Department



Scott Means (Dec 14, 2023 15:44 PST)

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SCOTT MEANS  
Interim Director, Human Services Department

Prepared by:  
Brad Johnson, Budget Administrator  
Finance Department