

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Airline Agreement Reserve/Transfers and Reimbursements (Jet Fuel Local Sales Tax)	Airport Department	\$200,000	\$200,000

This action increases the Airline Agreement Reserve and the Transfer from the General Fund to the Airport Revenue Fund for the estimated Jet Fuel Local Sales Tax from July 2023 to June 2024 by \$200,000, from \$400,000 to \$600,000. Per Federation Aviation Administration (FAA) policy, Sales Tax revenue related to jet fuel sales that are located at Airport properties must be returned to the Airport. This FAA policy applies to sales tax that went into effect after December 31, 1987. Given this timeframe, the City of San José's General Sales Tax is exempt from this regulation as it was in effect before December 31, 1987; however, the Local Sales Tax effective October 2016, must follow the FAA policy. In 2022-2023 jet fuel Local Sales Tax collections totaled approximately \$600,000; therefore, this action increases the estimated 2023-2024 transfer to align the revenue with prior year activity levels.

## Airport Revenue Fund (521)

---

<b>\$200,000</b>	<b>\$200,000</b>
------------------	------------------

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## American Rescue Plan Fund (402)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
---------------	-------------------	------------	---------------

Transfer to the General Fund	Finance Department	\$2,244,132	
------------------------------	--------------------	-------------	--

This action establishes a Transfer to the General Fund appropriation in the amount of \$2,244,132. This amount reflects the current remaining balance in the fund due to accumulated interest earnings and liquidated encumbrances to support workstreams previously funded by the American Rescue Plan Fund and shifted to the General Fund in 2022-2023. Due to Federal debt ceiling negotiations between the President and the U.S. Congress that had the potential to claw back any unobligated American Rescue Plan funding, on May 25, 2023, the City Council approved the reallocation of funding with the American Rescue Plan Fund and the General Fund to ensure the completion of community and economic recovery activities previously authorized by the City Council. This remaining amount will be transferred to the General Fund to serve as a contribution to the Emergency Interim Housing Construction and Operation appropriation. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.

Ending Fund Balance Adjustment	Finance Department	(\$2,244,132)	
--------------------------------	--------------------	---------------	--

This action decreases the Ending Fund Balance to offset the action recommended in this report.

## American Rescue Plan Fund (402)

---

	<b>\$0</b>	<b>\$0</b>
--	------------	------------

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Building Development Fee Program Fund (237)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<p>Non-Personal Equipment (Plan Review - Peak Staffing)</p> <p>This action increases the Planning, Building and Code Enforcement's Non-Personal/Equipment appropriation by \$1.0 million to fund peak staffing resources to reduce the backlog of applications being reviewed by the Plan Review team. The funding will provide approximately 7,000 hours of peak staffing resources. As of September 2023, the Building Division Plan Review Team has eight engineering positions vacant and has experienced an overall 33% vacancy rate for the past year, resulting in longer response times in terms of providing the first set of comments after receiving applications. The target goal of response time is approximately 10-15 days after receiving an application. The current demands and response times are an average of 250 new construction projects in queue every week, an average of 100 resubmissions projects in queue every week, approximately 75 existing projects with overdue project cycles, and a response delay of approximately 20 days or more for first comments on applications for additions/alterations on Single Family Residences and Tenant Improvements. The use of the peak staffing resource up to this point has helped reduce the backlog and brought the Plan Review Team closer to targeted timelines for reviewing applications, and this action will continue to help the Building Division with plan reviews. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.</p>	<p>Planning, Building and Code Enforcement Department</p>	<p>\$1,000,000</p>	
<p>Ending Fund Balance Adjustment</p> <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>	<p>Planning, Building and Code Enforcement Department</p>	<p>(\$1,000,000)</p>	
		<b>\$0</b>	<b>\$0</b>
<b>Building Development Fee Program Fund (237)</b>			

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Building Homes and Jobs Act Fund (456)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Housing Shelter	Housing Department	\$78,989	
<p>This action increases the Housing Shelter appropriation by \$78,989 to appropriate interest earnings earned in 2021-2022 and 2022-2023 from the Permanent Local Housing Allocation Program (PLHA) State grant. Funding from this grant supports eligible local governments in California for housing related projects and programs that assist in addressing unmet housing needs of local communities. The additional funding will be used for continued support of sheltering operations at the Mabury and Felipe bridge housing communities. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.</p>			
Ending Fund Balance Adjustment	Housing Department	\$421,011	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Housing Shelter	Housing Department	(\$500,000)	
<p>This action decreases the Housing Shelter appropriation by \$500,000 to align with the available funding from the Permanent Local Housing Allocation Program (PHLA) State grant. This action is offset by a corresponding increase to the Ending Fund Balance as recommended in this report.</p>			
<b>Building Homes and Jobs Act Fund (456)</b>		<b>\$0</b>	<b>\$0</b>

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Community Development Block Grant Fund (441)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
CARES Act	Housing Department	(\$3,314,614)	
<p>This action eliminates the CARES Act appropriation of \$3.3 million, as the balance of the Community Development Block Grant Program Coronavirus Response Round 1 (CDBG CV-1) grant has been fully exhausted and this allocation is no longer necessary. These federal funds were authorized by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) to prevent, prepare for, and respond to the coronavirus outbreak, and were previously deployed by the City to provide food assistance, rental assistance, and emergency interim housing. This action is offset by a corresponding increase to the Ending Fund Balance as recommended in this report.</p>			
Community Development Block Grant CV3	Housing Department	(\$2,500,000)	
<p>This action eliminates the Community Development Block Grant CV3 appropriation of \$2.5 million, as the balance of the Community Development Block Grant Program Coronavirus Response Round 3 (CDBG CV-3) grant has been fully exhausted and this allocation is no longer necessary. These federal funds were authorized by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) to prevent, prepare for, and respond to the coronavirus outbreak, and were previously deployed by the City to provide food assistance, senior nutrition and transportation assistance, motel vouchers for vulnerable populations, and eviction prevention legal services. This action is offset by a corresponding increase to the Ending Fund Balance as recommended in this report.</p>			
Ending Fund Balance Adjustment	Housing Department	\$5,814,614	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>			
<b>Community Development Block Grant Fund (441)</b>		<b>\$0</b>	<b>\$0</b>

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Convention and Cultural Affairs Fund (536)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Insurance Expenses	Finance Department	\$2,000	
<p>This action increases the Insurance Expenses appropriation by \$2,000, from \$450,000 to \$452,000, due to increased insurance premium renewal rates. The City insurance broker provided additional information indicating premium increases to property/casualty insurance products for annual policy period starting October 1, 2023. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.</p>			
Transfers and Reimbursements (Transfer from Transient Occupancy Tax Fund)	City Manager - Office of Economic Development and Cultural Affairs		(\$50,587)
<p>This action decreases the revenue estimate for Transfers and Reimbursements from the Transient Occupancy Tax Fund by \$50,587, from \$11.8 million to \$11.7 million, to reflect the reconciliation of Transient Occupancy Tax (TOT) revenue for 2022-2023. Actual 2022-2023 TOT revenues and interest earnings of \$22.4 million in the TOT Fund ended slightly below the budgeted estimate by approximately \$101,173. This performance results in the decrease of \$50,587 to the Transfer from the Transient Occupancy Tax Fund, in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the TOT Fund. Corresponding reconciling adjustments in the Transient Occupancy Tax Fund are recommended elsewhere in this report.</p>			
Ending Fund Balance Adjustment	City Manager - Office of Economic Development and Cultural Affairs	(\$52,587)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
<b>Convention and Cultural Affairs Fund (536)</b>		<b>(\$50,587)</b>	<b>(\$50,587)</b>

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Downtown Property And Business Improvement District Fund (302)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<p>General Benefit Contribution</p> <p>This action increases the General Benefit Contribution appropriation by \$46,500, from \$49,103 to \$95,603, to fund a one-time catch-up payment for the 2022-2023 general benefit contribution. The new contract for the San José Downtown Property-Based Business Improvement District (PBID) includes an annual general benefit contribution payment. The general benefit contribution pays for activities provided by the PBID that may be received by parcels contiguous to and outside the PBID and the general public. On June 14, 2022, the City Council approved the expansion and renewal of the PBID for a ten-year period from January 2023 to December 31, 2033. The one-time catch-up payment of \$46,500 payable to the San José Downtown Property Owners Association covers the period from January through June 2023 but could not be paid in 2022-2023 since the contract was not executed until June 20, 2023. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.</p>	Transportation Department	\$46,500	
<p>Downtown Transit Mall</p> <p>This action increases the Downtown Transit Mall appropriation by \$40,713, from \$460,105 to \$500,818, to fund a one-time catch-up payment for the 2022-2023 baseline services per the new contract for the San José Downtown Property-Based Business Improvement District (PBID). On June 14, 2022, the City Council approved the expansion and renewal of the PBID for a ten-year period from January 2023 to December 31, 2033. The new PBID contract includes an increase to the annual baseline costs, which include sidewalk cleaning and public litter can services within the District that the City provided prior to the formation of the District, and that provides a general benefit to the community. The one-time catch-up payment of \$40,713 payable to the San José Downtown Property Owners Association covers the period from January through June 2023, but could not be paid in 2022-2023 since the contract was not executed until June 20, 2023. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.</p>	Transportation Department	\$40,713	
<p>Ending Fund Balance Adjustment</p> <p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>	Transportation Department	(\$87,213)	
<b>Downtown Property And Business Improvement District Fund (302)</b>		<b>\$0</b>	<b>\$0</b>

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Fire Development Fee Program Fund (240)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Fire Inspection Improvements	Fire Department	(\$146,818)	
<p>This action decreases the Fire Inspection Improvements appropriation by \$146,818, from \$303,023 to \$156,205. This allocation was inadvertently added during the development of the 2023-2024 Adopted Budget. This action is offset by an increase to the Ending Fund Balance as recommended in this report.</p>			
Fire Development Fee Program - Non-Personal/Equipment (Professional and Consultant Services)	Fire Department	(\$28,800)	
<p>This action decreases the Fire Development Fee Program - Non-Personal/Equipment appropriation by \$28,800. This allocation was inadvertently added during the development of the 2023-2024 Adopted Budget and the funding is not necessary. This action corrects the budget and is offset by an increase to the Ending Fund Balance as recommended in this report.</p>			
Ending Fund Balance Adjustment	Fire Department	\$175,618	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>			
<b>Fire Development Fee Program Fund (240)</b>		<b>\$0</b>	<b>\$0</b>



## Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

### Gift Trust Fund (139)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<p>Mayfair Senior Programming</p> <p>This action establishes the Mayfair Senior Programming appropriation in the amount of \$7,702 to appropriate a gift that was received in 2022-2023 to support senior programming efforts. The funding will be used to develop and coordinate events, classes, and educational workshops to meet the recreational and social needs of the active adults at Mayfair Community Center. This action is offset by a corresponding decrease to the Ending Fund Balance.</p>	Parks, Recreation and Neighborhood Services Department	\$7,702	
<p>Berryessa Senior Programming/Other Revenue</p> <p>This action establishes the Berryessa Senior Programming appropriation and increases the corresponding estimate for Other Revenue by \$15,067 to support senior programming efforts. The funding will be used for ongoing senior programs and senior special events at Berryessa Community Center.</p>	Parks, Recreation and Neighborhood Services Department	\$15,067	\$15,067
<p>Ending Fund Balance Adjustment</p> <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>	Finance Department	(\$7,702)	
<p>Mitty/Bevans Pedestrian Safety Project/Other Revenue</p> <p>This action establishes the Mitty/Bevans Pedestrian Safety Project in the amount of \$51,012, and a corresponding increase to the estimate for Other Revenue to recognize a gift received for the Transportation Department to install an enhanced crosswalk at the intersection of Mitty Way and Bevans Drive near Archbishop Mitty High School.</p>	Transportation Department	\$51,012	\$51,012
<b>Gift Trust Fund (139)</b>		<b>\$66,079</b>	<b>\$66,079</b>

**Special Funds Recommended Budget Adjustments Summary  
2022-2023 Annual Report**

**Home Investment Partnership Program Trust Fund (445)**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Housing Project Reserve	Housing Department	\$3,000,000	
<p>This action establishes a Housing Project Reserve in the amount of \$3.0 million to provide additional capacity for the upcoming affordable housing Notice of Funding Availability and to provide funding for any unanticipated cost overruns for affordable housing projects currently in the pipeline. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.</p>			
Ending Fund Balance Adjustment	Housing Department	(\$3,000,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
		<hr/>	
<b>Home Investment Partnership Program Trust Fund (445)</b>		<b>\$0</b>	<b>\$0</b>

## Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

### Homeless Housing, Assistance, and Prevention Fund (454)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
---------------	-------------------	------------	---------------

Emergency Shelters	Housing Department	\$674,194	
--------------------	--------------------	-----------	--

This action increases the Emergency Shelters appropriation by \$674,194, from \$20.7 million to \$21.4 million, to appropriate interest earnings earned in 2022-2023. The Homeless Housing, Assistance and Prevention (HHAP) Round 1 grant earned \$56,655, the Round 2 grant earned \$300,797, and the Round 3 grant earned \$316,742 for a total of \$674,194. HHAP grants were awarded to local jurisdictions, including the City of San José, from the State to support regional coordination and expand or develop local capacity to address immediate homelessness challenges. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.

Ending Fund Balance Adjustment	Housing Department	(\$674,194)	
--------------------------------	--------------------	-------------	--

This action decreases the Ending Fund Balance to offset the action recommended in this report.

<b>Homeless Housing, Assistance, and Prevention Fund (454)</b>	<b>\$0</b>	<b>\$0</b>
--	------------	------------

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Ice Centre Revenue Fund (432)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Other Revenue (Ice Centre Expansion Project (Enhancements))	Finance Department		\$2,087,108

This action establishes an estimate for Other Revenue in the amount of \$2,087,108 to recognize additional funds available for the Ice Centre Expansion Project. On October 15, 2020, the City of San José Financing Authority issued Taxable Lease Revenue Bonds, Series 2020B (Ice Centre Project). The bonds were issued to finance the acquisition and construction of two additional ice rinks and related facilities at the Solar4America Ice Centre. The Fourth Expansion Agreement (Agreement) between the City and Sharks Ice, LLC (Sharks) established a not-to-exceed Ice Centre Project construction fund of \$120,000,000 with a portion of these Series 2020B proceeds. With the completion of the Ice Centre Project in April 2023, there remains a balance of \$2,087,108 of construction monies, including earned interest. The Sharks have requested to use the remaining funds to improve the Solar4America Ice Centre facility, with enhancements such as electrical, plumbing, and furniture, fixtures, and equipment, which is consistent with the terms of the Agreement. Corresponding actions to re-establish the Ice Centre Expansion Project (Enhancements) in the amount of \$1,987,108 and to transfer \$100,000 to the General Fund to reimburse the City for staff time to provide oversight of the project are recommended elsewhere in this report.

Ice Centre Expansion (Enhancements)	Finance Department	\$1,987,108	
-------------------------------------	--------------------	-------------	--

This action re-establishes the Ice Centre Expansion Project (Enhancements) in the amount of \$1,987,108. The remaining construction monies, including earned interest from the Series 2020B (Ice Centre Project), will be used to improve the Solar4America Ice Centre facility, with enhancements such as electrical, plumbing, and furniture, fixtures, and equipment. Corresponding actions to recognize revenue for this project (\$2,087,108) and to transfer funds to the General Fund to reimburse the City for staff time to provide oversight of the project (\$100,000) are recommended elsewhere in this report.

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Ice Centre Revenue Fund (432)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Transfer to the General Fund - Public Works Oversight	Finance Department	\$100,000	
<p>This action establishes a Transfer to the General Fund in the amount of \$100,000 to reimburse Public Works Department's staff costs associated with the oversight of the Ice Centre Expansion Project (Enhancements) such as plan review, permit, monitoring project progress, inspection services, and approval of pay requests from Sharks. A corresponding action to recognize Other Revenue in the General Fund to offset this action is recommended elsewhere in this report.</p>			
Capital Rehabilitation Reserve	Finance Department	\$843,020	
<p>This action increases the Capital Rehabilitation Reserve by \$843,020, from \$1.2 million to \$2.0 million, to capture excess Base Rent and interest earnings from prior years that had accumulated in the Ending Fund Balance. Per the Agreement regarding the use of the Ice Centre between the City and the Sharks Ice, LLC, after paying from the Base Rent, the costs and expenses associated with the administration of the Series 2020B Bonds, including rating agency fees, trustee fees, consulting fees, and other City administrative expenses, plus ensuring a reasonable Ending Fund Balance, any excess funds should be added to this reserve. In addition, interest earnings in the various accounts held by the Bond Trustee shall be credited into this reserve. A corresponding decrease to the Ending Fund Balance is also recommended in this report.</p>			
Ending Fund Balance Adjustment	Finance Department	(\$843,020)	
<p>This action decreases the Ending Fund Balance to offset the increase to the Capital Rehabilitation Reserve as recommended in this report.</p>			
		<hr/>	
<b>Ice Centre Revenue Fund (432)</b>		<b>\$2,087,108</b>	<b>\$2,087,108</b>

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Inclusionary Fee Fund (451)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
---------------	-------------------	------------	---------------

Missing Middle Affordable Housing Reserve	Housing Department	(\$10,000,000)	
---	--------------------	----------------	--

This action eliminates the Missing Middle Affordable Housing Reserve of \$10.0 million. Upon direction from the City Council-approved Mayor's March Budget Message for Fiscal Year 2019-2020, \$10.0 million was earmarked as one-time funds in the 2019-2020 Adopted Budget to explore creation of a program assisting "missing middle" workers with financing a home. These are workers or families that traditionally receive no subsidies because they do not qualify for lower-income programs, and cannot afford market rate housing for higher income residents. The purpose was to leverage potential State funding and private investment to provide loans. The Housing Department has explored the feasibility of this program and is unable to operate this program at this time without an ongoing or dedicated source of funding. It is recommended to reallocate these funds to the Housing Project Reserve for the Housing Department's upcoming affordable housing Notice of Funding Availability. This action is offset by a corresponding increase to the Housing Project Reserve as recommended in this report.

Housing Project Reserve	Housing Department	(\$30,000,000)	
-------------------------	--------------------	----------------	--

This action decreases the Housing Project Reserve by a net \$30.0 million, from \$40.0 million to \$10.0 million. Included in this action is an increase of \$10.0 million as a result of the elimination of the Missing Middle Affordable Housing Reserve and a decrease of \$40.0 million to reallocate funding that was previously committed to affordable housing development projects to the Committed Projects Reserve. The Housing Project Reserve provides capacity for the upcoming affordable housing Notice of Funding Availability and to provide funding for any unanticipated cost overruns for affordable housing projects currently in the pipeline. Corresponding actions to offset this action are recommended in this report.

Committed Projects Reserve	Housing Department	\$40,000,000	
----------------------------	--------------------	--------------	--

This action establishes the Committed Projects Reserve in the amount of \$40.0 million to set aside funding for affordable housing projects the City has already committed to funding. This action is offset by a corresponding decrease to the Housing Project Reserve as recommended in this report.

## Inclusionary Fee Fund (451)

---

		\$0	\$0
--	--	-----	-----

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Low And Moderate Income Housing Asset Fund (346)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Housing Loans and Grants (The Algarve Development)	Housing Department	(\$10,500,000)	
<p>This action decreases the Housing Loans and Grants appropriation by \$10.5 million to reallocate funding to the Housing Project Reserve to set aside funding for future affordable housing projects. The Algarve Development (also known as The Dahlia) affordable housing project was approved for a City loan of \$10.5 million, which City Council approved on August 16, 2021, but the developer did not move forward in a timely manner and the City rescinded its commitment to the project. This action is offset by a corresponding increase to the Housing Project Reserve as recommended in this report.</p>			
Housing Loans and Grants (The Vela Apartments)	Housing Department	\$300,000	
<p>This action increases the Housing Loans and Grants appropriation by \$300,000 for the Vela Apartments affordable housing project. The Vela Apartments, also known as Alum Rock Family Housing, experienced increased development costs since approval of the project. This action will provide the necessary funding to complete development. This action is offset by a corresponding decrease to the Housing Project Reserve as recommended in this report.</p>			
Housing Project Reserve	Housing Department	\$23,200,000	
<p>This action establishes a Housing Project Reserve of \$23.2 million to provide additional capacity for the upcoming affordable housing Notice of Funding Availability and to provide funding for any unanticipated cost overruns for affordable housing projects currently in the pipeline. This action is offset by a corresponding net decrease to the Housing Loans and Grants appropriation for the Algarve Development and Vela Apartments, and a decrease to the Ending Fund Balance as recommended in this report.</p>			
Ending Fund Balance Adjustment	Housing Department	(\$13,000,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>			
<b>Low And Moderate Income Housing Asset Fund (346)</b>		<b>\$0</b>	<b>\$0</b>

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Housing Loans and Grants	Housing Department	(\$2,158,002)	
<p>This action eliminates the Housing Loans and Grants appropriation of \$2.2 million as funding for a project is no longer required. Funding was set aside in the Multi-Source Housing Fund for an affordable housing project loan for the Habitat for Humanity project at 101 S. Jackson, but the project was instead budgeted in the Affordable Housing Impact Fee Fund. This action is offset by a corresponding increase to the Ending Fund Balance as recommended in this report.</p>			
Emergency Shelters	Housing Department	\$180,526	
<p>This action increases the Emergency Shelters appropriation by \$180,526, from \$3.0 million to \$3.2 million, to appropriate interest earnings earned in 2022-2023 from the Housing Authority Litigation Award grant. The additional funding will be used for continued support of sheltering operations at Project HomeKey hotel/motel sites. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.</p>			
Project HomeKey	Housing Department	\$79,165	
<p>This action establishes a Project HomeKey appropriation of \$79,165 to appropriate interest earnings earned in 2022-2023 from the State's Project Homekey funds. The Homekey program is a grant from State funds to local public entities to acquire, develop and operate a broad range of housing types, including but not limited to hotels, motels, and multifamily apartments, to convert commercial properties and other existing buildings to permanent or interim housing for persons experiencing homelessness or risk of homelessness. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.</p>			
HOPWA PSH	Housing Department	(\$1,176,498)	
<p>This action decreases the HOPWA PSH appropriation by \$1,176,498, from \$1.3 million to \$141,891, to align with the remaining funds in the Housing Opportunities for Persons with AIDS (HOPWA) Permanent Supportive Housing (PSH) three-year competitive grant. Funds were used to provide permanent supportive housing to participants and their families who are affected by human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS). This action is offset by a corresponding increase to the Ending Fund Balance as recommended in this report.</p>			



# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Encampment Resolution Funding Grant	Housing Department	\$32,232	
<p>This action increases the Encampment Resolution Funding Grant appropriation by \$32,232, from \$970,843 to \$1,003,075, to appropriate interest earnings earned in 2022-2023 from the Encampment Resolution Funding Grant. The grant funds local demonstration projects that provide services to address the individuals experiencing homelessness in encampments. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.</p>			
Eviction Diversion Program/Revenue from State of California	Housing Department	\$2,000,000	\$2,000,000
<p>This action establishes the Eviction Diversion Program appropriation and increases the corresponding estimate for Revenue from the State of California by \$2.0 million. The State of California passed a balanced budget agreement for fiscal year 2023-2024, Senate Bill 101, which later included amendments from Assembly Bill 102 (AB 102) with final negotiated budget items. As part of AB 102, the City of San José received a \$2.0 million direct allocation to support the Eviction Diversion Program. This program provides landlords and tenants a continuum of services to help avoid eviction court orders by reaching a settlement plan that works for both parties. This program provides for rental assistance and social services to help address the root problems of disputes.</p>			
Ending Fund Balance Adjustment	Housing Department	\$512,577	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Recovery Act - Neighborhood Stabilization Program 2	Housing Department	(\$70,000)	
<p>This action decreases the Recovery Act - Neighborhood Stabilization Program 2 appropriation by \$70,000, from \$100,000 to \$30,000, to align revenues with projected expenses. This action is offset by a corresponding increase to the Ending Fund Balance as recommended in this report.</p>			
Homeless Rapid Rehousing	Housing Department	\$2,600,000	
<p>This action increases the Homeless Rapid Rehousing appropriation by \$2.6 million, from \$4.7 million to \$7.3 million, to appropriate available fund balance to support homeless rapid rehousing efforts. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.</p>			

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Transfer to the Multi-Source Housing Fund (Homeless Emergency Aid Program)	Housing Department	\$490,410	
<p>This action establishes a Transfer to the Multi-Source Housing Fund to close out the Homeless Emergency Aid Program (HEAP) Fund, which is a memo fund within the Multi-Source Housing Fund. This action transfers the remaining balance of \$490,410 from the HEAP Fund to the Multi-Source Housing Fund. The HEAP Program was a one-time State of California block grant program created in 2018 to provide funds to assist persons experiencing homelessness or at risk of homelessness. This action is offset by a corresponding increase to the revenue estimate for Transfers and Reimbursements to recognize the transfer from the HEAP Fund as recommended in this report.</p>			
Transfers and Reimbursements (Transfer from the Homeless Emergency Aid Program Fund)	Housing Department		\$490,410
<p>This action establishes a revenue estimate for Transfers and Reimbursements to recognize a transfer from the Homeless Emergency Aid Program (HEAP) Fund, a memo fund within the Multi-Source Housing Fund, to close out the HEAP Fund and transfer the remaining balance of \$490,410 to the Multi-Source Housing Fund. The HEAP Program was a one-time State of California block grant program created in 2018 to provide funds to assist persons experiencing homelessness or at risk of homelessness. This action is offset by a corresponding transfer to the Multi-Source Housing Fund as recommended in this report.</p>			
<b>Multi-Source Housing Fund (448)</b>		<b>\$2,490,410</b>	<b>\$2,490,410</b>

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Municipal Golf Course Fund (518)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Rancho Del Pueblo Golf Course  This action establishes an appropriation for the Rancho Del Pueblo Golf Course in the amount of \$173,470. In April, the Parks, Recreation and Neighborhood Services Department (PRNS) began a newly structured, revenue-sharing operating agreement with the City's golf course operator. A reconciliation of the previous operating agreement that terminated in March revealed a balance due of \$173,470 comprised of carryover liabilities in the amount of \$91,256, Rancho Del Pueblo Golf Course management fees totaling \$68,214, and invoices totaling \$14,000. This action will be offset by a decrease to the Ending Fund Balance recommended in this report.	Parks, Recreation and Neighborhood Services Department	\$173,470	
Transfer to the General Fund - Golf Course Insurance Premium/Revenue from the Use of Money/Property  This action establishes a Transfer to the General Fund of \$5,397 for payment of Golf Course Insurance Premiums and increases the estimate for Revenue from the Use of Money/Property by \$5,397, from \$800,000 to \$805,397. The golf course operator is responsible for payment of insurance premiums owed at the City's three golf courses, which is expensed from the General Fund. A corresponding action to increase the Transfers and Reimbursements in the General Fund is recommended elsewhere in this report.	Parks, Recreation and Neighborhood Services Department	\$5,397	\$5,397
Ending Fund Balance Adjustment  This action decreases the Ending Fund Balance to offset the corresponding actions recommended in this report.	Parks, Recreation and Neighborhood Services Department	(\$173,470)	
<b>Municipal Golf Course Fund (518)</b>		<b>\$5,397</b>	<b>\$5,397</b>

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Planning Development Fee Program Fund (238)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<p>Non-Personal/Equipment (Zoning Conformance - Peak Staffing)</p> <p>This action increases the Planning, Building and Code Enforcement's Non-Personal/Equipment appropriation by \$135,000 to fund peak staffing resources to reduce the backlog at the Permit Center. Over the past 24 months, the Permit Center has experienced a 183% increase in zoning conformance reviews creating a backlog of up to seven months or an equivalent of approximately 500 labor hours. The high volume of permit activity is largely driven by single-family home remodels during the pandemic and pent-up demand for new construction and commercial tenant improvements. In addition, the Permit Center's backlog has been compounded by the number of vacated positions due to team rotations and departures. This action will provide approximately 675 hours of peak staffing resources and is anticipated to return operations back to regular service levels. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.</p>	<p>Planning, Building and Code Enforcement Department</p>	<p>\$135,000</p>	
<p>Ending Fund Balance Adjustment</p> <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>	<p>Planning, Building and Code Enforcement Department</p>	<p>(\$135,000)</p>	
<b>Planning Development Fee Program Fund (238)</b>		<b>\$0</b>	<b>\$0</b>

**Special Funds Recommended Budget Adjustments Summary  
2022-2023 Annual Report**

**Rental Stabilization Program Fee Fund (450)**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
---------------	-------------------	------------	---------------

Non-Personal/Equipment (Hearing Officer Consultant Services)	Housing Department	\$200,000	
--	--------------------	-----------	--

This action increases the Housing Department's Non-Personal/Equipment appropriation by \$200,000, from \$353,515 to \$553,515, to fund new hearing officer consultant services agreement resulting from a planned winter 2023 Request for Proposal. The hearing officers will support the Eviction Help Center. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.

Ending Fund Balance Adjustment	Housing Department	(\$200,000)	
--------------------------------	--------------------	-------------	--

This action decreases the Ending Fund Balance to offset the action recommended in this report.

<b>Rental Stabilization Program Fee Fund (450)</b>	<hr style="border: 1px solid black;"/>	<b>\$0</b>	<b>\$0</b>
--	--	------------	------------

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## San José Arena Capital Reserve Fund (459)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Previously Approved Repairs Reserve	Office of the City Manager	(\$623,260)	
<p>This action decreases the Previously Approved Repairs Reserve appropriation by \$623,260 to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at SAP Center. Corresponding increases to the Electrical Repairs (\$254,185), Mechanical Repairs (\$198,574), Structures Repairs (\$96,207), and Unanticipated/Emergency Repairs (\$74,294) appropriations are recommended in this report.</p>			
Electrical Repairs	City Manager - Office of Economic Development and Cultural Affairs	\$254,185	
<p>This action increases the Electrical Repairs appropriation by \$254,185, from \$255,000 to \$509,185, to provide funding for reimbursements to Sharks Sports Entertainment for capital repairs to the lighting system and to purchase and install televisions at the SAP Center. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>			
Mechanical Repairs	City Manager - Office of Economic Development and Cultural Affairs	\$198,574	
<p>This action increases the Mechanical Repairs appropriation by \$198,574, from \$1.0 million to \$1.2 million, to provide funding for reimbursements to Sharks Sports Entertainment for capital repairs at the SAP Center, including the plexiglass, security, kitchen fire suppression system, and elevators. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>			
Structures Repairs	City Manager - Office of Economic Development and Cultural Affairs	\$96,207	
<p>This action increases the Structures Repairs appropriation by \$96,207, from \$2.1 million to \$2.2 million, to provide funding for reimbursements to Sharks Sports Entertainment for repairs to structures, including painting and netting at the SAP Center. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>			
Unanticipated / Emergency Repairs	City Manager - Office of Economic Development and Cultural Affairs	\$74,294	
<p>This action increases the Unanticipated/Emergency Repairs appropriation by \$74,294, from \$200,000 to \$274,294 to provide funding for reimbursements to Sharks Sports Entertainment for unanticipated capital improvement repairs to the awning and the ice makers at the SAP Center. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>			
<b>San José Arena Capital Reserve Fund (459)</b>		<b>\$0</b>	<b>\$0</b>

## Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

### Sewer Service And Use Charge Fund (541)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Environmental Services Department	(\$586,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.			
Non-Personal/Equipment (Sanitary Sewer Odor Control)	Transportation Department	\$286,000	
This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$286,000 due to a cost increase of ferrous chloride for sewer odor control. The cost per dry ton has increased from \$925 in 2022-2023 to \$1,115 in 2023-2024. The Sanitary Sewer Program utilizes an estimated 1,500 dry tons of ferrous chloride annually. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report. The higher cost per dry ton of ferrous chloride will be incorporated into the 2024-2025 Base Budget.			
Non-Personal/Equipment (Sanitary Sewer Vehicle Replacements)	Transportation Department	\$300,000	
This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$300,000 to fund increased costs to replace vehicles. Three combination sewer cleaning trucks have increased in price due to continuing supply chain issues and the addition of safety and operational components for the vehicles. Additional funding is needed to cover the portion of the cost increases that cannot be absorbed in the existing budget for vehicle replacements. This action is offset by a corresponding decrease to the Ending Fund Balance as recommended in this report.			
<b>Sewer Service And Use Charge Fund (541)</b>		<b>\$0</b>	<b>\$0</b>

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<p>San José Convention and Visitors Bureau (TOT Revenue Reconciliation)</p> <p>This action decreases the San José Convention and Visitors Bureau appropriation by \$25,293, from \$6.07 million to \$6.05 million, to reflect the reconciliation of Transient Occupancy Tax (TOT) revenue for 2022-2023. Actual 2022-2023 TOT revenues and interest earnings of \$22.4 million in the TOT Fund ended slightly below the budgeted estimate by 101,173. This performance results in the decrease of \$25,293 to the San José Convention and Visitors Bureau appropriation, in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the TOT Fund. Additional adjustments to decrease the Transfer to the Convention and Cultural Affairs Fund and to increase the Cultural Grants Reserve to reflect rebudgeted savings are recommended in this report.</p>	City Manager - Office of Economic Development and Cultural Affairs	(\$25,293)	
<p>Transfer to the Convention and Cultural Affairs Fund (TOT Revenue Reconciliation)</p> <p>This action decreases the Transfer to the Convention and Cultural Affairs Fund by \$50,587, from \$11.8 million to \$11.7 million, to reflect the reconciliation of Transient Occupancy Tax (TOT) revenue for 2022-2023. Actual 2022-2023 TOT revenues and interest earnings of \$22.4 million in the TOT Fund ended slightly below the budgeted estimate by 101,173. This performance results in the decrease of \$50,587 to the Transfer to the Convention and Cultural Affairs Fund, in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the TOT Fund. Additional adjustments to decrease the San José Convention and Visitors Bureau appropriation and to increase the Cultural Grants Reserve to reflect rebudgeted savings are recommended in this report.</p>	City Manager - Office of Economic Development and Cultural Affairs	(\$50,587)	



# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<p>Cultural Grants Reserve (TOT Revenue Reconciliation and Rebudget)</p> <p>This action increases the Cultural Grants Reserve by \$525,986, from \$2.5 million to \$3.0 million, to reflect the reconciliation of Transient Occupancy Tax (TOT) and special event permit revenue for 2022-2023, as well as the rebudgeting of remaining savings from the Cultural Grants and Cultural Grants Administration appropriations that were not previously rebudgeted during the development of the 2023-2024 Adopted Operating Budget. Actual 2022-2023 TOT revenues and interest earnings of \$22.4 million in the TOT Fund ended slightly below the budgeted estimate by \$101,173. This performance, coupled with rebudgeted savings from 2022-2023, results in the net increase of \$525,986 to the Cultural Grants Reserve, and in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the TOT Fund. Additional adjustments to decrease the Transfer to the Convention and Cultural Affairs Fund and to decrease the San José Convention and Visitors Bureau appropriation are recommended in this report.</p>	<p>City Manager - Office of Economic Development and Cultural Affairs</p>	<p>\$525,986</p>	
<p>Ending Fund Balance Adjustment</p> <p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>	<p>City Manager - Office of Economic Development and Cultural Affairs</p>	<p>(\$450,106)</p>	
		<b>\$0</b>	<b>\$0</b>
<b>Transient Occupancy Tax Fund (461)</b>			

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Administration/Revenue from Federal Government  This action increases the Administration appropriation and corresponding estimate for Revenue from the Federal Government by \$152,796 to reflect the final formula grant allocations for 2023-2024, which were released following the development of the 2023-2024 Adopted Operating Budget. This action is part of a series of adjustments in this report to align Workforce Development Fund expenditures with final grant allocations and terms.	City Manager - Office of Economic Development and Cultural Affairs	\$152,796	\$152,796
Adult Workers/Revenue from Federal Government  This action decreases the Adult Workers appropriation and corresponding estimate for Revenue from the Federal Government by \$937,097 to reflect the final formula grant allocations for 2023-2024, which were released following the development of the 2023-2024 Adopted Operating Budget. This action is part of a series of adjustments in this report to align Workforce Development Fund expenditures with final grant allocations and terms.	City Manager - Office of Economic Development and Cultural Affairs	(\$937,097)	(\$937,097)
Dislocated Workers/Revenue from Federal Government  This action decreases the Dislocated Workers appropriation and corresponding estimate for Revenue from the Federal Government by \$1,069,930 to reflect the final formula grant allocations for 2023-2024, which were released following the development of the 2023-2024 Adopted Operating Budget. This action is part of a series of adjustments in this report to align Workforce Development Fund expenditures with final grant allocations and terms.	City Manager - Office of Economic Development and Cultural Affairs	(\$1,069,930)	(\$1,069,930)
Dislocated Workers - COVID-19/Revenue from Federal Government  This action decreases the Dislocated Workers - COVID-19 appropriation and corresponding estimate for Revenue from the Federal Government by \$20,696 to reflect the end of this grant-supported program. This action is part of a series of adjustments in this report to align Workforce Development Fund expenditures with final grant allocations and terms.	City Manager - Office of Economic Development and Cultural Affairs	(\$20,696)	(\$20,696)
Rapid Response Grant/Revenue from Federal Government  This action decreases the Rapid Response Grant appropriation and corresponding estimate for Revenue from the Federal Government by \$230,633 to reflect the final formula grant allocations for 2023-2024, which were released following the development of the 2023-2024 Adopted Operating Budget. This action is part of a series of adjustments in this report to align Workforce Development Fund expenditures with final grant allocations and terms.	City Manager - Office of Economic Development and Cultural Affairs	(\$230,633)	(\$230,633)

# Special Funds Recommended Budget Adjustments Summary 2022-2023 Annual Report

## Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<p>Sling Shot 2.0 Regional Plan Implementation/Revenue from Federal Government</p> <p>This action decreases the Sling Shot 2.0 Regional Plan Implementation appropriation and corresponding estimate for Revenue from the Federal Government by \$22,508 to reflect the end of this grant-supported program. This action is part of a series of adjustments in this report to align Workforce Development Fund expenditures with final grant allocations and terms.</p>	City Manager - Office of Economic Development and Cultural Affairs	(\$22,508)	(\$22,508)
<p>Veterans' Employment - Related Assistance Program/Revenue from Federal Government</p> <p>This action decreases the Veterans' Employment - Related Assistance Program appropriation and corresponding estimate for Revenue from the Federal Government by \$42,772 to reflect the end of this grant-supported program. This action is part of a series of adjustments in this report to align Workforce Development Fund expenditures with final grant allocations and terms.</p>	City Manager - Office of Economic Development and Cultural Affairs	(\$42,772)	(\$42,772)
<p>Workforce Accelerator Fund/Revenue from Federal Government</p> <p>This action decreases the Workforce Accelerator Fund appropriation and corresponding estimate for Revenue from the Federal Government by \$114,671 to reflect the end of this grant-supported program. This action is part of a series of adjustments in this report to align Workforce Development Fund expenditures with final grant allocations and terms.</p>	City Manager - Office of Economic Development and Cultural Affairs	(\$114,671)	(\$114,671)
<p>Youth Workers/Revenue from Federal Government</p> <p>This action decreases the Youth Workers appropriation and corresponding estimate for Revenue from the Federal Government by \$1,269,211 to reflect the final formula grant allocations for 2023-2024, which were released following the development of the 2023-2024 Adopted Operating Budget. This action is part of a series of adjustments in this report to align Workforce Development Fund expenditures with final grant allocations and terms.</p>	City Manager - Office of Economic Development and Cultural Affairs	(\$1,269,211)	(\$1,269,211)
<b>Workforce Development Fund (290)</b>		<b>(\$3,554,722)</b>	<b>(\$3,554,722)</b>