



Memorandum

TO: HOUSING & COMMUNITY
DEVELOPMENT COMMISSION AS
MEASURE E OVERSIGHT COMMITTEE

FROM: Rachel VanderVeen

SUBJECT: SEE BELOW

DATE: April 20, 2022

Approved

Date

**SUBJECT: PROPOSED SPENDING PLAN FOR MEASURE E REAL PROPERTY
TRANSFER TAX REVENUE FOR FISCAL YEAR 2022-2023 AND AN
AMENDMENT TO THE SPENDING PLAN FOR MEASURE E REAL
PROPERTY TRANSFER TAX FOR FISCAL YEAR 2021-2022**

SUPPLEMENTAL

After further review, staff would like to present the spending plans for each fiscal year in a clear, easy to understand format. This updated format will facilitate a conversation regarding the spending plan with the Housing and Community Development Commission (Commission) and the community.

ANALYSIS

The Spending Plan for 2020-2021 was previously approved by the Commission and the City Council. However, additional funds were received in this year and are now being programmed. Staff would like the Commission's feedback to transmit to the City Council.

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Table 1: Updated FY 2020-2021 Measure E Spending Plan

Spending Category Items	%	2020-2021 Adopted Spending Plan	2020-2021 Amended Spending Plan	2020-2021 Consolidated
Funding for PSH and Extremely Low-Income Households	45%	\$12,825,000	\$8,776,929	\$22,590,629
Funding for New Construction of Affordable Rental Housing		\$12,825,000	\$8,776,929	\$22,590,629
Funding for Low-Income Households	35%	\$9,975,000	\$6,826,500	\$17,570,489
Funding for New Construction of Affordable Rental Housing		\$4,975,000		\$4,975,000
Acquisition and rehabilitation of existing buildings for low-income housing		\$5,000,000	\$6,826,500	\$12,595,489
Funding for Rental and For-Sale Housing for Moderate-Income Households	10%	\$2,850,000	\$1,950,429	\$5,020,140
ADU Program		\$2,850,000	\$1,950,429	\$5,020,140
Funding for Homeless Prevention and Rental Assistance	10%	\$2,850,000	\$1,950,429	\$5,020,140
Destination Home: Homelessness Prevention		\$2,735,000		\$2,735,000
Bill Wilson Center: Student Housing - FY 2020-21		\$55,000		\$55,000
Bill Wilson Center: Student Housing - FY 2021-22		\$60,000		\$60,000
Homelessness Prevention Reserve			\$1,950,429	\$2,170,140
Total Funds Allocated		\$28,500,000	\$19,504,287	\$50,201,398
Administration Fee	5%	\$1,500,000	\$1,026,541	\$329,430*
Administrative Costs		\$1,500,000		
Measure E Total Available		\$30,000,000	\$20,530,828	\$50,530,828

*Per direction from the Budget office any unused balance in Administration is allocated across the other categories proportionally

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On April 19, 2022, the City Council voted on actions amending the spending priorities and allocations identified in Council Policy 1-18. If any additional funds are available in the Homeless Services category, those funds may be used for homelessness prevention and rental assistance. Additionally, an additional \$50 million in revenue was generated in this fiscal year in excess of initial projections. The additional funds have been programmed and funds have been aligned with the City Council's direction in **Table 2**.

Table 2: Updated FY 2021-2022 Measure E Spending Plan

Spending Category Items	%	2021-2022 Adopted Plan	2021-2022 Amended Plan	2021-2022 Consolidated
Creation of new affordable housing for Extremely Low-Income households	40%	\$17,100,000	\$18,100,000	\$35,200,000
Funding for New Construction and Land Acquisition for Affordable Rental Housing		\$17,100,000	\$18,100,000	\$35,200,000
Creation of new affordable housing for Low-Income households	30%	\$13,300,000	\$13,100,000	\$26,400,000
Funding for New Construction, Land Acquisition for Affordable Rental Housing		\$4,987,500	\$13,100,000	\$18,087,500
Funding for the Construction of Commercial Space for New Affordable Housing Developments		\$3,325,000		\$3,325,000
Funding for Acquisition and Rehabilitation*		\$4,987,500		\$4,987,500
Creation of new for-sale and rental affordable housing for Moderate-Income households	5%	\$3,800,000	\$600,000	\$4,400,000
Funding for New Construction of Affordable Rental Housing		\$3,800,000	\$600,000	\$4,400,000
Homeless prevention and rental assistance	10%	\$3,800,000	\$5,000,000	\$8,800,000
Destination Home: Homeless Prevention and Rental Assistance		\$3,200,000		\$3,200,000
Destination Home: Homeless Prevention and Rental Assistance for Survivors of Domestic Violence		\$600,000		\$600,000
Rental Assistance, Supportive Services, Deposits and Move-in Support for targeted encampments			\$3,000,000	\$3,000,000
Homelessness Prevention Reserve			\$2,000,000	\$2,000,000
Homeless Support Programs including shelter construction and operations	15%	\$0	\$13,200,000	\$13,200,000
Operation and Construction of Interim Housing			\$13,200,000	\$13,200,000
Total Funds Allocated		\$38,000,000	\$50,000,000	
Administration Fee	5%	\$2,000,000	\$0	\$2,000,000
Administrative Costs		\$2,000,000		
Measure E Total Available		\$40,000,000	\$50,000,000	\$90,000,000

*Staff has broken out a more specific activity of acquisition and rehabilitation from a previously adopted spending plan to provide more specific programming for funds.

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In fiscal year 2022-2023, initial projections anticipate \$65 million in Measure E Revenue. Staff has programmed the incoming revenue in alignment with the identified priorities.

Table 3: Updated 2022-2023 Measure E Spending Plan

Spending Category Items	%	2022-2023 Proposed Spending Plan
Funding for PSH and Extremely Low-Income Households	40%	\$24,700,000
Funding for New Construction of Affordable Rental Housing		\$8,700,000
Funding for Acquisition and Rehabilitation		\$3,000,000
Acquisition of Hotels		\$13,000,000
Funding for Low-Income Households	30%	\$18,525,000
Funding for New Construction of Affordable Rental Housing.		\$3,525,000
Funding for Acquisition and Rehabilitation		\$5,000,000
Funding for Land Acquisition		\$10,000,000
Funding for Rental and For-Sale Housing for Moderate-Income Households	5%	\$3,087,500
Funding for Affordable For-Sale Housing		\$3,087,500
Funding for Homeless Prevention and Rental Assistance	10%	\$6,175,000
Destination: Home: Homeless Prevention and Rental Assistance		\$3,460,000
Destination: Home: Homeless Prevention and Rental Assistance Serving Victims of Domestic Violence		\$600,000
Bill Wilson Center: Student Housing		\$115,000
Rental Assistance, Supportive Services, Deposits and Move-in Support for targeted encampments		\$2,000,000
Funding for Homeless Support Programs	15%	\$9,262,500
Reserve for Emergency Interim Housing Operations		\$9,262,500
Total Funds Allocated		\$61,750,000
Administration Fee	5%	\$3,250,000
Administrative Costs		\$3,250,000
Measure E Total Available (est.)		\$65,000,000

/s/

RACHEL VANDERVEEN
Deputy Director of Housing

The principal author of this memorandum is Shelsy Bass, Senior Development Officer. For questions, please contact Rachel VanderVeen, Deputy Director, at (408) 535-8231.