

**Special Funds Recommended Budget Adjustments Summary
2021-2022 Annual Report**

Affordable Housing Impact Fee Fund (452)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Housing Loans and Grants (Page Street Studios)	Housing Department		\$2,100,000	
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This action increases the Housing Loans and Grants appropriation to the Housing Department by \$2.1 million, from \$8.5 million to \$10.6 million, to provide support for an action in accordance with the Housing Director's Delegation of Authority increasing funding for the Page Street Studios project from \$10.5 million to \$12.6 million. This additional funding provides resources to fill a funding gap as a result of missed Affordable Housing and Sustainable Communities (AHSC) grant award from the State of California. This action is accompanied by a similar action in the Moderate Income Housing Asset Fund in the amount of \$1.9 million, for a total impact of \$4.0 million. This action is offset by a decrease to the Housing Project Reserve recommended in this report.

Housing Project Reserve	Housing Department		(\$2,100,000)	
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This action decreases the Housing Project Reserve to offset the action recommended in this report.

Affordable Housing Impact Fee Fund (452)

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Airport Fiscal Agent Fund (525)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Debt Service Reserve	Airport Department		\$365,000	
<p>This action increases the Debt Service Reserve by \$365,000, from \$73.4 million to \$73.8 million, as a result of a recent valuation of Airport's debt service coverage (\$364,000) and a recalculation of PFC eligible bond debt (\$1,000) as recommended elsewhere in this report.</p>				
Transfers and Reimbursements (Transfer from Airport Revenue Fund) (PFC Eligible Bond Debt/Debt Service Reserve)	Airport Department			(\$216,000)
<p>This action decreases the revenue from the Transfer from the Airport Revenue Fund by \$216,000, from \$25.4 million to \$24.2 million. An increase of \$364,000 is due to a recent valuation of Airport's debt service coverage by the Fiscal Agent which determined that, with the rise in interest rates, an increase to the Debt Service Reserve is necessary to ensure sufficient coverage levels are maintained. A decrease of \$580,000 is due to the 2021 refunding of Airport Revenue Bonds that generated \$188.2 million in debt service savings over the life of the bond. Because of this, the amount of eligible bond funded projects that can be covered by Passenger Facility Charges (PFCs) was recalculated. The Airport determined that the amount of PFC eligible bond debt could be increased and therefore the amount of debt covered by Airport revenue would be decreased. This action reflects the reduction of the Airport revenue-backed debt. Corresponding actions to increase the Airline Agreement Reserve are recommended elsewhere in this report.</p>				
Transfers and Reimbursements (Transfer from Passenger Facility Charge Fund)	Airport Department			\$581,000
<p>This action increases the Transfer from the Passenger Facility Charge Fund by \$581,000, from \$13.1 million to \$13.6 million. With the 2021 refunding of Airport Revenue Bonds that generated \$188.2 million in debt service savings over the life of the bond, the amount of eligible bond funded projects that can be covered by Passenger Facility Charges (PFCs) was recalculated. The Airport determined that the amount of PFC eligible bond debt increased by \$581,000. Therefore, this action increases the Transfer from the Passenger Facility Charge Fund to the Airport Fiscal Agent Fund where bond debt service is maintained. Corresponding actions to increase the Debt Service Reserve and decrease the Transfers in the Airport Revenue Fund and this fund are recommended elsewhere in this report.</p>				
Airport Fiscal Agent Fund (525)			\$365,000	\$365,000

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Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</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 2022 to June 2023 by \$200,000, from \$300,000 to \$500,000. Per Federal Aviation Administration (FAA) policy, Sales Tax revenue related to jet fuel sales that are located at Airport properties must be returned to the Airport Department. This FAA policy applies to sales taxes 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 2013 must follow the FAA policy. In 2021-2022 jet fuel related local sales tax collections totaled approximately \$500,000, therefore, this action increases the estimated 2022-2023 transfer to align the revenue with prior year activity levels.

Airline Agreement Reserve	Airport Department		\$11,416,000	
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This action increases the Airline Agreement Reserve to offset the actions recommended in this report.

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Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the Airport Fiscal Agent Fund (PFC Eligible Bond Debt/Debt Service Reserve)	Airport Department		(\$216,000)	

This action decreases the Transfer to the Airport Fiscal Agent Fund by \$216,000, from \$25.4 million to \$24.2 million. An increase of \$364,000 is due to a recent valuation of Airport's debt service coverage by the Fiscal Agent which determined that, with the rise in interest rates, an increase to the Debt Service Reserve is necessary to ensure sufficient coverage levels are maintained. A decrease of \$580,000 is due to the 2021 refunding of Airport Revenue Bonds that generated \$188.2 million in debt service savings over the life of the bond. Because of this, the amount of eligible bond funded projects that can be covered by Passenger Facility Charges (PFCs) was recalculated. The Airport determined that the amount of PFC eligible bond debt could be increased and therefore the amount of debt covered by Airport revenue would be decreased. This action reflects the reduction of the Airport revenue-backed debt. Corresponding actions to increase the Airline Agreement Reserve are recommended elsewhere in this report.

Transfer to the Airport Surplus Revenue Fund	Airport Department		(\$11,200,000)	
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This action decreases the Transfer to the Airport Surplus Revenue Fund by a net of \$11.2 million, from \$82.6 million to \$71.4 million, offset by an increase to the Airline Agreement Reserve in this fund. For a more detailed description of this and other related actions, please refer to the Facilities Division Relocation write-up in the Airport Revenue Bond Improvement Fund (Fund 526). Corresponding actions are also found in the Airport Renewal and Replacement Fund (527), Revenue Bond Improvement Fund (Fund 526), and the Airport Surplus Revenue Fund (Fund 524).

Airport Revenue Fund (521)			\$200,000	\$200,000
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Airport Surplus Revenue Fund (524)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Commercial Paper Principal and Interest	Airport Department		\$5,000,000	
<p>This action increases the Commercial Paper (CP) Principal and Interest allocation by \$5.0 million, from \$15.0 million to \$20.0 million. This additional funding allows the Airport to pay down a greater portion of the Airport's Commercial Paper principal and interest debt service now to reduce the amount of debt to be paid in the future. Actions to increase Commercial Paper for the Facilities Division Relocation capital project (from \$23.0 million to \$39.2 million) are also recommended elsewhere in this report. Corresponding transfers in the Airport Revenue Fund and in the Airport Renewal and Replacement Fund are recommended elsewhere in this report.</p>				
Transfer to the Airport Renewal and Replacement Fund (Facilities Division Relocation Project)	Airport Department		(\$16,200,000)	
<p>This action decreases the Facilities Division Relocation project by \$16.2 million, offset by a decrease in the revenue estimated from Transfer from the Airport Revenue Fund and an increase to Commercial Paper Principal and Interest allocation. For a more detailed description of this and other related actions, please refer to the Facilities Division Relocation write-up in the Airport Revenue Bond Improvement Fund (Fund 526). Corresponding actions are also found in the Airport Revenue Bond Improvement Fund (Fund 526), the Airport Renewal and Replacement (527), and the Airport Revenue Fund (Fund 521).</p>				
Transfers and Reimbursements (Transfer from Airport Revenue Fund)	Airport Department			(\$11,200,000)
<p>This action decreases the Transfer from the Airport Revenue Fund by a net of \$11.2 million, from \$82.6 million to \$71.4 million, offset by a decrease in the Transfer to the Airport Renewal and Replacement Fund. For a more detailed description of this and other related actions, please refer to the Facilities Division Relocation write-up in the Airport Revenue Bond Improvement Fund (Fund 526). Corresponding actions are also found in the Airport Revenue Bond Improvement Fund (Fund 526), the Airport Renewal and Replacement (527), and the Airport Revenue Fund (Fund 521).</p>				
Airport Surplus Revenue Fund (524)			(\$11,200,000)	(\$11,200,000)

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American Rescue Plan Fund (402)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Small Business Recovery - San José Al Fresco	City Manager - Office of Economic Development and Cultural Affairs		(\$400,000)	
<p>This action decreases the Small Business Recovery - San José Al Fresco appropriation to reallocate funding from the American Rescue Plan Fund to the General Fund for the planning activities associated with the San Pedro and Post Streets closures. As directed in the Mayor's June Budget Message for Fiscal Year 2022-2023, the use of San José Al Fresco funding in the American Rescue Plan Fund was reallocated to continue the closure of San Pedro Street, a six-month pilot closure of Post Street, and provide a conceptual design for the permanent closure of San Pedro and Post Streets. A corresponding transfer from the American Rescue Plan Fund for revenue loss reimbursement and establishment of the San José Al Fresco - San Pedro and Post Streets Closure appropriation in the General Fund are recommended elsewhere in this report.</p>				
Transfer to the Convention and Cultural Affairs Fund	City Manager - Office of Economic Development and Cultural Affairs		(\$1,500,000)	
<p>This action decreases the Transfer to the Convention and Cultural Affairs Fund from the American Rescue Plan Fund by \$1.5 million, from \$4.0 million to \$2.5 million, to reflect the stronger than anticipated performance of Transient Occupancy Tax (TOT) revenues in the TOT Fund and corresponding transfer (\$1.1 million) from the TOT Fund to the Convention and Cultural Affairs Fund as recommended elsewhere in this report. The revised transfer (\$2.5 million) from the American Rescue Plan Fund to reimburse the Convention and Cultural Affairs Fund for decreased revenues due to the COVID-19 pandemic is equal to the level provided in 2021-2022 (\$2.5 million).</p>				
Ending Fund Balance Adjustment	Finance Department		\$1,585,000	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				

Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

American Rescue Plan Fund (402)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Revenue from Use of Money/Property (Interest Earnings)	Finance Department			\$85,000

This action increases the estimate for Revenue from the Use of Money/Property by \$85,000, from \$515,000 to \$600,000, to recognize higher than anticipated interest earnings for 2022-2023 in the American Rescue Plan Fund. A corresponding increase to the Ending Fund Balance is recommended elsewhere in this report to offset this action.

Transfer to the General Fund (Revenue Loss Reimbursement)	Finance Department		\$400,000	
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This action increases the Transfer to the General Fund for revenue loss reimbursement by \$400,000, from \$3.5 million to \$3.9 million, to shift funding for the planning activities associated with the San Pedro and Post Streets closures from the American Rescue Plan Fund. A corresponding decrease to the Small Business Recovery - San José Al Fresco appropriation in the American Rescue Plan Fund and establishment of the San José Al Fresco - San Pedro and Post Streets Closure appropriation in the General Fund are recommended elsewhere in this report.

American Rescue Plan Fund (402)			\$85,000	\$85,000
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Benefits Funds - Self-Insured Medical Fund (158)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Human Resources Department		(\$54,389)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
Transfer to the General Fund	Human Resources Department		\$54,389	

This action establishes a Transfer to the General Fund appropriation in the amount of \$54,389. The Self-Insured Medical Fund had previously received transfers from the General Fund in prior years to ensure fund solvency. This amount reflects the remaining balance in the fund that can be returned to the General Fund.

Benefits Funds - Self-Insured Medical Fund (158)

Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

City Hall Debt Service Fund (210)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
City Hall Debt Service	Finance Department		\$1,500	
<p>This action increases the City Hall Debt Service appropriation by \$1,500, from \$23,203,000 to \$23,204,500, to account for increased escrow fees in 2022-2023. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>				
Ending Fund Balance Adjustment	Finance Department		(\$1,500)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
Transfers and Reimbursements (Transfer from Capital Funds for City Hall Debt Service)	Office of the City Manager			(\$881,303)

This action decreases the revenue estimate for Transfers and Reimbursements by \$881,000 to reflect a reduced transfer from various capital funds. A corresponding increase to the Transfer from the General Fund to offset this action is recommended in this report. A total of \$3.8 million will be transferred from the General Fund with corresponding decreases from various special and capital funds. Of the \$3.8 million \$1.1 million modifies the cost allocation methodology in 2022-2023 to include allocation of debt service costs for several cost centers within the General Fund. The remaining \$2.7 million adjustment corrects for the allocation of costs related to the August 2020 lease-revenue bond issuance that refunded debt related to the construction of City Hall and retired the remaining debt associated with the Los Lagos Golf Course and the Environmental Services Company (ESCO) Master Lease. All debt related to the 2020A lease-revenue bonds is paid in the City Hall Debt Service Fund which receives a transfer from most of the City's special and capital funds based on their respective proportional cost allocation. A recent analysis conducted by the Finance Department determined the allocation from the General Fund for debt service costs for the portion of the debt associated with the payoff of the Los Lagos Golf Course and ESCO should increase by \$1.0 million for 2022-2023 and by \$1.7 million from the prior two fiscal years. While these adjustments increase the portion of the City Hall debt service allocated to the General Fund, the General Fund savings attributable to retiring debt obligations and refunding still result in total annual ongoing savings to the City of \$7.0 million, which is greater than \$4.1 million of ongoing savings assumed in the 2020-2021 Adopted Operating Budget.

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City Hall Debt Service Fund (210)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Transfer from Special Funds for City Hall Debt Service)	Office of the City Manager			(\$2,898,012)

This action decreases the revenue estimate for Transfers and Reimbursements by \$2.9 million to reflect a reduced transfer from various special funds. A corresponding increase to the Transfer from the General Fund to offset this action is recommended in this report. A total of \$3.8 million will be transferred from the General Fund with corresponding decreases from various special and capital funds. Of the \$3.8 million, \$1.1 million modifies the cost allocation methodology in 2022-2023 to include allocation of debt service costs for several cost centers within the General Fund. The remaining \$2.7 million adjustment corrects for the allocation of costs related to the August 2020 lease-revenue bond issuance that refunded debt related to the construction of City Hall and retired the remaining debt associated with the Los Lagos Golf Course and the Environmental Services Company (ESCO) Master Lease. All debt related to the 2020A lease-revenue bonds is paid in the City Hall Debt Service Fund, which receives a transfer from most of the City's special and capital funds based on their respective proportional cost allocation. A recent analysis conducted by the Finance Department determined the allocation from the General Fund for debt service costs for the portion of the debt associated with the payoff of the Los Lagos Golf Course and ESCO should increase by \$1.0 million for 2022-2023, and by \$1.7 million from the prior two fiscal years. While these adjustments increase the portion of the City Hall debt service allocated to the General Fund, the General Fund savings attributable to retiring debt obligations and refunding still result in total annual ongoing savings to the City of \$7.0 million, which is greater than \$4.1 million of ongoing savings assumed in the 2020-2021 Adopted Operating Budget.

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City Hall Debt Service Fund (210)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Transfer from the General Fund for City Hall Debt Service)	Office of the City Manager			\$3,779,315

This action increases the revenue estimate for Transfers and Reimbursements by \$3.8 million to reflect a Transfer from the General Fund. Actions to correspondingly decrease the contribution from various special and capital funds are recommended elsewhere in this report. Of the \$3.8 million, \$1.1 million modifies the cost allocation methodology in 2022-2023 to include allocation of debt service costs for several cost centers within the General Fund. The remaining \$2.7 million adjustment corrects for the allocation of costs related to the August 2020 lease-revenue bond issuance that refunded debt related to the construction of City Hall and retired the remaining debt associated with the Los Lagos Golf Course and the Environmental Services Company (ESCO) Master Lease. All debt related to the 2020A lease-revenue bonds is paid in the City Hall Debt Service Fund, which receives a transfer from most of the City's special and capital funds based on their respective proportional cost allocation. A recent analysis conducted by the Finance Department determined the allocation from the General Fund for debt service costs for the portion of the debt associated with the payoff of the Los Lagos Golf Course and ESCO should increase by \$1.0 million for 2022-2023, and by \$1.7 million from the prior two fiscal years. While these adjustments increase the portion of the City Hall debt service allocated to the General Fund, the General Fund savings attributable to retiring debt obligations and refunding still result in total annual ongoing savings to the City of \$7.0 million, which is greater than \$4.1 million of ongoing savings assumed in the 2020-2021 Adopted Operating Budget.

City Hall Debt Service Fund (210)

Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

Community Development Block Grant Fund (441)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CARES Act/Revenue from Federal Government	Housing Department		\$176,356	\$176,356
<p>This action increases the CARES Act appropriation and the corresponding estimate for Revenue from the Federal Government by \$176,346 to recognize additional Community Development Block Grant (CDBG) CARES Act funding from the Department of Housing and Urban Development. This funding will supplement existing CARES Act resources and provide additional capacity for ongoing projects related to operating expenses for shelters.</p>				
Childcare Services	Housing Department		(\$100,000)	
<p>This action eliminates the Childcare Services appropriation to the Housing Department in the Community Development Block Grant (CDBG) Fund. While the 2022-2023 Adopted Budget was developed with the inclusion of an allocation of \$100,000, the Fiscal Year 2022-2023 Annual Action Plan as approved by City Council on August 9, 2022, did not include this allocation because Childcare Services activities are ineligible to be funded by CDBG.</p>				
Community Development Block Grant CV3/Revenue from Federal Government	Housing Department		\$3,898,322	\$3,898,322
<p>This action increases the Community Development Block Grant CV3 appropriation and the corresponding estimate for Revenue from Federal Government by \$3.9 million to recognize additional Community Development Block Grant (CDBG) CARES Act funding from the Department of Housing and Urban Development. This funding will supplement existing CARES Act resources and provide additional capacity for ongoing projects related to operating expenses for shelters.</p>				
Contractual Community Services	Housing Department		(\$1,155,709)	
<p>This action decreases the Contractual Community Services appropriation by \$1.2 million, from \$2.0 million to \$873,000. This action aligns the Contractual Community Services spending allocation with the Fiscal Year 2022-2023 Annual Action Plan as approved by City Council on August 9, 2022, which includes funding for Senior Services (\$302,875), Neighborhood Engagement and Leadership Training (\$190,200), and Services for Homeless and Unhoused Populations (\$380,385).</p>				

Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

Community Development Block Grant Fund (441)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Housing Department		(\$132,508)	
<p>This action decreases the Ending Fund Balance to offset actions recommended in this report.</p>				
Housing Program Development and Monitoring	Housing Department		\$343,102	
<p>This action increases the Housing Program Development and Monitoring appropriation by \$343,102, from \$1.4 million to \$1.8 million. This action provides sufficient funding for the administration of Community Development Block Grant (CDBG) funded operations in the current fiscal year. This action is offset by a decrease to the Ending Fund Balance recommended in this report.</p>				
Legal Aid Fair Housing Program	Housing Department		\$375,115	
<p>This action increases the Legal Aid Fair Housing Program appropriation by \$375,115, from \$100,000 to \$475,115. This action aligns the Legal Aid Fair Housing Program spending allocation with the Fiscal Year 2022-2023 Annual Action Plan as approved by City Council on August 9, 2022. This funding will support legal services for low-income tenants and landlords through the SJ Housing Rights Consortium. This action is offset by a decrease to the Ending Fund Balance recommended in this report.</p>				
Neighborhood Infrastructure Improvements	Housing Department		\$670,000	
<p>This action establishes the Neighborhood Infrastructure Improvements appropriation to the Housing Department in the amount of \$670,000. This action provides support for renovations of amenities at the Fair Swim Center (\$610,000), including the tot lot, as well as initial funding for signage and planning for lighting improvements and related renovations at the Guadalupe-Washington Alleyway (\$60,000). The Guadalupe-Washington Alleyway project was included in City Council-approved Mayor's June Budget Message for Fiscal Year 2022-2023 with an estimated cost of \$100,000. The \$60,000 allocation referenced here is an initial allocation that will be revised, as appropriate, as the project proceeds and the scope is refined in accordance with site conditions. This action is offset by a decrease to the Ending Fund Balance recommended in this report.</p>				

Community Development Block Grant Fund (441)

\$4,074,678

\$4,074,678

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Community Facilities District No. 11 (Adeline-Mary Helen) Fund (374)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Transportation Department		\$41,400	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
Non-Personal/Equipment (Water and Contractual Services)	Transportation Department		(\$41,400)	

This action decreases the Transportation Department's Non-Personal/Equipment appropriation by \$41,400 to reflect anticipated savings in water usage (\$17,000) and contractual services (\$24,400). After reconciling the actual fund balance compared to the estimated fund balance that was used in the development of the 2022-2023 Adopted Budget, a lower fund balance is actually available. As a result, water usage and maintenance for this district will be scaled back this fiscal year to align expenses with available fund balance. Water costs can be reduced because the landscape in this district does not need as much watering and will not impact the appearance. The reduction to contractual services will not have an impact on recurring maintenance and will still allow for substantial repair and renovation work as needed in this district. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Community Facilities District No. 11 (Adeline-Mary Helen) Fund (374)

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Community Facilities District No. 12 (Basking Ridge) Fund (376)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Transportation Department		\$17,000	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
Non-Personal/Equipment (Contractual Services)	Transportation Department		(\$17,000)	

This action decreases the Transportation Department's Non-Personal/Equipment appropriation by \$17,000 to reflect anticipated savings in contractual services. After reconciling the actual fund balance compared to the estimated fund balance that was used in the development of the 2022-2023 Adopted Budget, a lower fund balance is actually available. As a result, maintenance for this district will be scaled back this fiscal year to align expenses with available fund balance. This reduction will require prioritizing repair work, including but not limited to replacement plantings, tree pruning, and irrigation repairs. The reduction in repair work will have minimal impact on the overall appearance of the district as it is presently in good condition. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Community Facilities District No. 12 (Basking Ridge) Fund (376)

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Community Facilities Revenue Fund (422)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Finance Department		(\$330,998)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
Transfer to the General Fund	Finance Department		\$330,998	

This action establishes a Transfer to the General Fund appropriation in the amount of \$330,998. The Community Facilities Revenue Fund had previously received transfers from the General Fund in prior years to ensure fund solvency. This amount reflects the remaining balance in the fund that can be returned to the General Fund. A final reconciliation of this fund to the Annual Comprehensive Financial Report and a transfer of any remaining fund balance will be recommended as part of the 2022-2023 Mid-Year Budget Review.

Community Facilities Revenue Fund (422)

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Convention and Cultural Affairs Fund (536)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Convention Center City Free Use	City Manager - Office of Economic Development and Cultural Affairs		\$50,000	
<p>This action increases the Convention Center City Free Use appropriation by \$50,000, from \$25,000 to \$75,000, to provide additional capacity for the City's special use of convention and cultural facilities managed by Team San José, which may otherwise reduce potential operating revenues derived from the facilities due to scheduling conflicts. Interest in the use of the facilities is increasing as the impacts of the COVID-19 pandemic wane and public health restrictions are relaxed. This action increases the 2022-2023 funding to 2021-2022 levels.</p>				
Ending Fund Balance Adjustment	City Manager - Office of Economic Development and Cultural Affairs		(\$425,351)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
Transfers and Reimbursements (Transfer from the American Rescue Plan Fund)	City Manager - Office of Economic Development and Cultural Affairs			(\$1,500,000)
<p>This action decreases the revenue estimate for Transfers and Reimbursements from the American Rescue Plan Fund by \$1.5 million (from \$4.0 million to \$2.5 million) to reflect stronger than anticipated performance of Transient Occupancy Tax (TOT) revenues in the TOT Fund and the corresponding transfer (\$1.1 million) from the TOT Fund to the Convention and Cultural Affairs Fund, as recommended elsewhere in this report. The revised transfer (\$2.5 million) from the American Rescue Plan Fund to reimburse the Convention and Cultural Affairs Fund for decreased revenues due to the COVID-19 pandemic is equal to the level provided in 2021-2022 (\$2.5 million).</p>				
Transfers and Reimbursements (Transfer from the Transient Occupancy Tax Fund)	City Manager - Office of Economic Development and Cultural Affairs			\$1,124,649
<p>This action increases the revenue estimate for Transfers and Reimbursements from the Transient Occupancy Tax (TOT) Fund by \$1.1 million, from \$8.0 million to \$9.1 million, to reflect the stronger than anticipated 2021-2022 performance of TOT revenues in the TOT Fund. Actual revenues of \$15.8 million exceeded the 2021-2022 budgeted estimate by \$2.3 million, \$1.1 million of which is proportionately allocated 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 Transient Occupancy Tax (TOT) Fund.</p>				
Convention and Cultural Affairs Fund (536)			(\$375,351)	(\$375,351)

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Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
2017 Justice Assistance Grant/Revenue from the Use of Money/Property	Police Department		\$197	\$55
<p>This action increases the 2017 Justice Assistance Grant appropriation to the Police Department by \$197 to reflect interest earned in 2021-2022 (\$142) and recognize and appropriate interest expected to be earned in 2022-2023 (\$55). These funds are used for purchasing law enforcement safety and investigative equipment, and law enforcement overtime for community events, such as National Night Out, crime prevention community education programs, and public service announcements to increase awareness and prevent gun violence. A portion of a grant Analyst's salary and benefits is also paid by this grant. The grant cycle ends on December 31, 2022.</p>				
2019 Justice Assistance Grant	Police Department		(\$1,348)	
<p>This action decreases the 2019 Justice Assistance Grant appropriation to the Police Department by \$1,348 to align the budget to the actual remaining balance of the grant. These funds are used for purchasing law enforcement safety and investigative equipment, and law enforcement overtime for community events, such as National Night Out, crime prevention community education programs, and public service announcements to increase awareness and prevent gun violence. A portion of a grant Analyst's salary and benefits is also paid by this grant. The term of the grant is October 1, 2019 through September 30, 2023.</p>				
Ending Fund Balance Adjustments	Police Department		\$1,206	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				
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Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)			\$55	\$55

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2021-2022 Annual Report**

Gift Trust Fund (139)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Finance Department		(\$76,112)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.				
All Inclusive Playground - Rotary Playgarden	Parks, Recreation and Neighborhood Services Department		\$66,000	
This action establishes the All Inclusive Playground - Rotary Playgarden allocation to the Parks, Recreation, and Neighborhood Services Department in the amount of \$66,000 to provide partial funding for the expansion of the park. Funding will be used to support development of essential physical, social and cognitive skills, encourage independent physical access, as well as provide use of integrative elements for people of all abilities and ages. This action is offset by a corresponding decrease to the Ending Fund Balance.				
Willow Glen Senior Programming	Parks, Recreation and Neighborhood Services Department		\$10,112	
This action establishes the Willow Glen Senior Programming allocation to the Parks, Recreation, and Neighborhood Services Department in the amount of \$10,112 to support special events and activities for seniors at the Willow Glen Community Center. This action is offset by a corresponding decrease to the Ending Fund Balance.				

Gift Trust Fund (139)

**Special Funds Recommended Budget Adjustments Summary
2021-2022 Annual Report**

Homeless Housing, Assistance, and Prevention Fund (454)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Housing Department		\$4,500,000	
This action decreases the Ending Fund Balance to offset actions recommended in this report.				
Revenue from State of California (Homeless Housing Assistance and Prevention Grant)	Housing Department			\$4,500,000
This action increases the estimate for Revenue from State of California by \$4.5 million, from \$23.3 million to \$27.8 million, to recognize previously awarded Homeless Housing Assistance and Prevention (HHAP) Grant funding from the California State Business, Consumer Services and Housing Agency. These funds will be used to fund motel vouchers and the construction and operation of Emergency Shelters and Bridge Housing Communities. This action is offset by an increase to the Ending Fund Balance recommended in this report.				
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Homeless Housing, Assistance, and Prevention Fund (454)			\$4,500,000	\$4,500,000

Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

Housing Trust Fund (440)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Ending Fund Balance Adjustment	Housing Department		(\$50,000)	
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This action decreases the Ending Fund Balance to offset actions recommended in this report.

Housing and Homeless Projects	Housing Department		\$25,000	
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This action increases the Housing and Homeless Projects appropriation by \$25,000, from \$4.0 million to \$4.1 million, to account for added costs to support the Santa Clara County Homeless Census. Every two years, a census of the homeless population in Santa Clara County is conducted. In previous years, the City of San José has conducted this survey on behalf of the County. The upcoming survey, scheduled for January 2023, will be conducted by Santa Clara County, necessitating payment from the City to the County. This action will provide adequate funding for San José's portion of the costs of the survey. This action is offset by a decrease to the Ending Fund Balance recommended in this report.

Non-Personal/Equipment (West Valley Community Services)	Housing Department		\$25,000	
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This action increases the Housing Department's Non-Personal/Equipment appropriation by \$25,000 to provide additional support for the West Valley Community Services (WVCS). The Mayor's June Budget Message for Fiscal Year 2022-2023, as approved by the City Council, directed the allocation of \$50,000 from the Housing Trust Fund to provide WVCS with resources for basic needs of low-income families and individuals in West San José at risk of becoming homeless as part of their Community Access to Resources and Education Program. As the full funding for the identified service is \$75,000, an additional \$25,000 is needed to provide adequate levels of support for program participants.

Housing Trust Fund (440)

**Special Funds Recommended Budget Adjustments Summary
2021-2022 Annual Report**

Ice Centre Revenue Fund (432)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Finance Department		\$3,328	
This action increases the Ending Fund Balance to offset the actions recommended in this report.				
Revenue from the Use of Money/Property (Ice Centre - Additional Rent)	Finance Department			\$3,328
This action increases the estimate for Revenue from the Use of Money/Property by \$3,328. The agreement with Sharks Ice, current operator of the Ice Centre, includes the reimbursement of Oversight and Insurance expenses. During the development of the 2022-2023 Adopted Budget, the reimbursement amount was erroneously under estimated. This action realigns the revenue assumptions with the expenditure budget. A corresponding increase to the Ending Fund Balance is included in this report to offset this action.				
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Ice Centre Revenue Fund (432)			\$3,328	\$3,328

**Special Funds Recommended Budget Adjustments Summary
2021-2022 Annual Report**

Integrated Waste Management Fund (423)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Environmental Services Department		(\$1,452,288)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.				
Organics Local Assistance Grant	Environmental Services Department		\$1,452,288	

This action establishes the Organics Local Assistance Grant allocation to ESD in the amount of \$1.5 million. In April 2022, the City was awarded funding from the California Department of Resources Recycling and Recovery's (CalRecycle) SB1383 Local Assistance Grant Program. The Local Assistance Grant will enable the City to achieve and exceed requirements set out in SB 1383 through a number of approaches approved by CalRecycle. The grant funds will be used to comply with the requirements and provide edible food recovery programs, education and outreach, collection bin labels, enforcement and inspection, gap analyses, and record keeping. The grant funds were provided upfront in 2021-2022, thus ESD must keep and maintain accurate and timely records and report to CalRecycle periodically. A corresponding action to decrease the Ending Fund Balance is recommended elsewhere in this report.

Integrated Waste Management Fund (423)

**Special Funds Recommended Budget Adjustments Summary
2021-2022 Annual Report**

Library Parcel Tax Fund (418)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Library Department		(\$35,839)	
This action decreases the Ending Fund Balance to offset actions recommended in this report.				
Non-Personal/Equipment (Mental Health and Security Training)	Library Department		\$50,000	
This action increases the Non-Personal/Equipment appropriation to the Library Department by \$50,000 to provide mental health and security trainings throughout the Library system. These trainings include crisis prevention, nonviolent intervention, and support for mental health and wellness for Library staff. This action is offset by a decrease to the Ending Fund Balance recommended in this report.				
Transfer to the Library Parcel Tax Capital Fund	Library Department		(\$14,161)	
This action decreases the Transfer to the Library Parcel Tax Capital Fund by \$14,161. After reconciling the actual 2021-2022 fund balance to the estimate used to develop the 2022-2023 Adopted Budget, remaining fund balance was available in the Library Parcel Tax Capital Fund and the entire adopted budgeted transfer from the Library Parcel Tax Fund was no longer necessary and could be decreased. This action is offset by an increase to the Ending Fund Balance recommended in this report.				

Library Parcel Tax Fund (418)

Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

Low And Moderate Income Housing Asset Fund (346)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Affordable Housing Web Portal	Housing Department		\$150,000	
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This action increases the Affordable Housing Web Portal appropriation by \$150,000, from \$406,352 to \$556,352, to support final development and deployment costs for the Affordable Housing Web Portal. The Affordable Housing Web Portal is intended to be a regional web portal that can be used to list, filter, and find affordable housing units throughout participating jurisdictions in the Bay Area. Development has been in progress for a number of years, and this funding will provide for the final development costs that have materialized in 2022-2023. The existing allocation of \$406,352 is earmarked for maintenance and operation of the system in 2022-2023, and is expected to be spent this fiscal year as well. This action is offset by a decrease to the Ending Fund Balance recommended in this report.

Ending Fund Balance Adjustment	Housing Department		(\$150,000)	
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This action decreases the Ending Fund Balance to offset actions recommended in this report.

Housing Loans and Grants (Page Street Studios)	Housing Department		\$1,880,000	
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This action increases the Housing Loans and Grants appropriation by \$1.9 million, from \$56.6 million to \$58.4 million, to provide support for an action in accordance with the Housing Director's Delegation of Authority increasing funding for the Page Street Studios project from \$9.4 million to \$11.3 million. This additional funding provides resources to fill a funding gap as a result of a missed Affordable Housing and Sustainable Communities (AHSC) grant award from the State of California. This action is accompanied by a similar action in the Affordable Housing Impact Fee Fund in the amount of \$2.1 million, for a total impact of \$4.0 million. This action is offset by a decrease to the Housing Project Reserve recommended in this report.

**Special Funds Recommended Budget Adjustments Summary
2021-2022 Annual Report**

Low And Moderate Income Housing Asset Fund (346)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Housing Loans and Grants (Vista Montana)	Housing Department		\$2,000,000	

This action increases the Housing Loans and Grants appropriation by \$2.0 million, from \$56.6 million to \$58.6 million, to provide support for an Exclusive Negotiation Agreement between the City and Charities Housing for the affordable housing development at the City-owned Vista Montana site, located at 71 Vista Montana in San José. This funding will be used for predevelopment costs, including architecture and engineering, property holding costs, legal and other fees, and soft contingency costs. This action is offset by a decrease to the Housing Project Reserve recommended in this report.

Housing Project Reserve	Housing Department		(\$3,880,000)	
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This action decreases the Housing Project Reserve by \$3.9 million, from \$19.1 million to \$15.2 million, to offset actions recommended in this report.

Low And Moderate Income Housing Asset Fund (346)

Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CalHome (Rehabilitation) Program	Housing Department		\$360,580	
<p>This action establishes the CalHome (Rehabilitation) Program appropriation in the amount of \$360,580. This funding will be used to support three existing homeownership programs aimed at low-, very low-, and moderate-income households by providing mortgage and rehabilitation assistance. This action is offset by a decrease to the Ending Fund Balance recommended in this report.</p>				
Ending Fund Balance Adjustment	Housing Department		(\$360,580)	
<p>This action decreases the Ending Fund Balance to offset actions recommended in this report.</p>				
HOPWA GRANTS/Revenue from Federal Government	Housing Department		\$19,717	\$19,717
<p>This action increases the HOPWA GRANTS appropriation and the corresponding estimate for Revenue from Federal Government by \$19,717, from \$29,863 to \$49,580, to recognize additional funding from the Department of Housing and Urban Development. This action aligns the Housing Opportunities for People with AIDS (HOPWA) Grants spending allocation with the Fiscal Year 2022-2023 Annual Action Plan as approved by City Council on August 9, 2022.</p>				
HOPWA PSH/Revenue from Federal Government	Housing Department		\$288,089	\$288,089
<p>This action increases the HOPWA PSH appropriation and the corresponding estimate for Revenue from Federal Government by \$288,089, from \$1.3 million to \$1.6 million, to recognize additional funding from the Department of Housing and Urban Development. This action aligns the Housing Opportunities for People with AIDS (HOPWA) Permanent Supportive Housing (PSH) spending allocation with the Fiscal Year 2022-2023 Annual Action Plan as approved by City Council on August 9, 2022.</p>				
Multi-Source Housing Fund (448)			\$307,806	\$307,806

**Special Funds Recommended Budget Adjustments Summary
2021-2022 Annual Report**

Public Works Development Fee Program Fund (241)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Public Works Department		(\$165,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
Public Works Development Fee Program - Personal Services	Public Works Department		\$165,000	

This action increases the Public Works Development Fee Program – Personal Services appropriation by \$165,000 to reflect a funding shift of a Senior Construction Inspector position from the Small Cell Permitting Fee Program Fund. The funding shift will align the job duties and responsibilities of the position with the accurate funding source. This position will be responsible for technical inspection services to ensure compliance with City and State standards and specifications. In addition, the position will support the work being performed for the Downtown West Development and BART to construct public infrastructure that will be operated and maintained by the City which will include storm and sanitary facilities, streets, curb/gutter/sidewalks, streetlights, and traffic signals.

Public Works Development Fee Program Fund (241)

**Special Funds Recommended Budget Adjustments Summary
2021-2022 Annual Report**

Public Works Small Cell Permitting Fee Program Fund (242)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Public Works Department		\$165,000	
This action increases the Ending Fund Balance to offset the action recommended in this report.				
Public Works Small Cell Permitting - Personal Services	Public Works Department		(\$165,000)	
This action decreases the Public Works Small Cell Permitting – Personal Services appropriation by \$165,000 to reflect the funding shift of a Senior Construction Inspector position to the Public Works Development Fee Program Fund. This position will support an increased workload associated with the Downtown West Development and the BART Phase II construction project.				

Public Works Small Cell Permitting Fee Program Fund (242)

**Special Funds Recommended Budget Adjustments Summary
2021-2022 Annual Report**

San José Clean Energy Operating Fund (501)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Debt Service - Interest - CP	Community Energy Department		\$854,000	
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This action increases the Debt Service - Interest - CP appropriation by \$854,000, from \$2,256,000 to \$3,110,000. The current amount allocated for the San José Clean Energy Fund's Commercial Paper interest payment is now insufficient given the recent rise in interest rates. A corresponding decrease to the Ending Fund Balance is recommended below.

Ending Fund Balance Adjustment	Community Energy Department		(\$854,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

San José Clean Energy Operating Fund (501)

Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

San José-Santa Clara Treatment Plant Operating Fund (513)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Ending Fund Balance Adjustment	Environmental Services Department		(\$1,000,000)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

Non-Personal/Equipment (Chemicals at Regional Wastewater Facility)	Environmental Services Department		\$1,000,000	
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This action increases the Non-Personal/Equipment appropriation in the San José-Santa Clara Treatment Plant Operating Fund by \$1.0 million. This increase is due to price increases for ferric chloride over the last several years and projected increases of upwards of 65% in 2022-2023. It is anticipated that there will be a significant increase in the use of ferric chloride for capital projects involving biosolids treatment. The primary use of ferric chloride is to remove impurities in water and wastewater treatment. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Prior Year Fiscal Agency Payment	Environmental Services Department		\$12,335,826	
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This action establishes the Prior Year Fiscal Agency allocation in the amount of \$12.34 million to increase transparency in tracking contributions and payments for the Tributary Agencies. At the end of each fiscal year, the City conducts a reconciliation of the prior year's expenses against collected revenue and collects each Tributary Agency's actual wastewater discharge amount which is used to calculate final apportioned costs. A payment is due to a Tributary Agency when total expenditures are less than collected revenues. Corresponding actions to increase the estimates for contributions from Tributary Agencies are recommended elsewhere in this report. The recommended actions are net-zero.

Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

San José-Santa Clara Treatment Plant Operating Fund (513)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Revenue from Local Agencies (Contributions - Other Agencies)	Environmental Services Department			\$7,228,896

This action increases the estimate for contributions from Tributary Agencies by \$7.23 million, from \$20.5 million to \$27.7 million, to reflect the full 2022-2023 cost allocation anticipated to be collected by Tributary Agencies for the operations and maintenance of the San José-Santa Clara Regional Wastewater Facility. A corresponding action to establish the Prior Year Fiscal Agency Payment allocation is recommended elsewhere in this report. The past practice was to reflect the net revenue estimate from the Tributary Agencies for their share of the costs less the estimated payment for the prior year's activities. The recommended actions are net-zero.

Revenue from Local Agencies (Contributions - Santa Clara)	Environmental Services Department			\$5,106,930
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This action increases the estimate for contributions from Santa Clara by \$5.1 million, from \$14.5 million to \$19.6 million, to reflect the full 2022-2023 cost allocation anticipated to be collected by Santa Clara for the operations and maintenance of the San San José-Santa Clara Regional Wastewater Facility. A corresponding action to establish the Prior Year Fiscal Agency Payment allocation is recommended elsewhere in this report. The past practice was to reflect the net revenue estimate from the Tributary Agencies for their share of the costs less the estimated payment for prior year's activities. The recommended actions are net-zero.

San José-Santa Clara Treatment Plant Operating Fund (513)			\$12,335,826	\$12,335,826
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Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Cultural Grants (TOT and Special Event Permit Revenue Reconciliation)	City Manager - Office of Economic Development and Cultural Affairs		\$618,623	
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This action increases the Cultural Grants appropriation by \$618,623, from \$4.7 million to \$5.3 million, to reflect the reconciliation of Transient Occupancy Tax (TOT) and special event permit revenue for 2021-2022, as well as remaining savings from the Cultural Grants and Cultural Grants Administration appropriations that were not previously rebudgeted during the development of the 2022-2023 Adopted Operating Budget. Actual 2021-2022 TOT revenues of \$15.8 million in the TOT Fund exceeded the budgeted estimate by \$2.3 million, resulting in an increase of \$560,388 for Cultural Grants in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the TOT Fund. Additional adjustments to increase the Transfer to the Convention and Cultural Affairs Fund and to increase the San José Convention and Visitors Bureau appropriation are also recommended in this report.

Ending Fund Balance Adjustment	City Manager - Office of Economic Development and Cultural Affairs		(\$2,305,596)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

San José Convention and Visitors Bureau (TOT Revenue Reconciliation)	City Manager - Office of Economic Development and Cultural Affairs		\$562,324	
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This action increases the San José Convention and Visitors Bureau appropriation by \$562,324, from \$4.2 million to \$4.8 million, to reflect the reconciliation of Transient Occupancy Tax (TOT) revenue for 2021-2022. Actual 2021-2022 TOT revenues of \$15.8 million in the TOT Fund exceeded the budgeted estimate by \$2.3 million, resulting in this increase of \$562,324 for 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 increase the Transfer to the Convention and Cultural Affairs Fund and to increase the Cultural Grants appropriation are also recommended in this report.

Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the Convention and Cultural Affairs Fund (TOT Revenue Reconciliation)	City Manager - Office of Economic Development and Cultural Affairs		\$1,124,649	

This action increases the Transfer to the Convention and Cultural Affairs Fund by \$1.1 million, from \$8.0 million to \$9.1 million, to reflect the reconciliation of Transient Occupancy Tax (TOT) revenue for 2021-2022. Actual 2021-2022 TOT revenues of \$15.8 million in the TOT Fund exceeded the budgeted estimate by \$2.3 million, resulting in an increase of \$1.1 million for 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 increase the San José Convention and Visitors Bureau appropriation and Cultural Grants appropriation are also recommended in this report.

Transient Occupancy Tax Fund (461)

Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Positions</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 \$104,717 to reflect the final formula grant allocations for 2022-2023, which were released following the development of the 2022-2023 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.	City Manager - Office of Economic Development and Cultural Affairs		\$104,717	\$104,717
Adult Workers/Revenue from Federal Government This action increases the Adult Workers appropriation and corresponding estimate for Revenue from the Federal Government by \$704,596 to reflect the final formula grant allocations for 2022-2023, which were released following the development of the 2022-2023 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.	City Manager - Office of Economic Development and Cultural Affairs		\$704,596	\$704,596
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 \$128,756 to reflect the final formula grant allocations for 2022-2023, which were released following the development of the 2022-2023 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.	City Manager - Office of Economic Development and Cultural Affairs		(\$128,756)	(\$128,756)

Special Funds Recommended Budget Adjustments Summary 2021-2022 Annual Report

Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
HVAC Technician & Green Technology Program/Other Revenue	City Manager - Office of Economic Development and Cultural Affairs		\$100,000	\$100,000

This action establishes the HVAC Technician & Green Technology Program appropriation and increases the estimate for Other Revenue by \$100,000 to recognize community benefit grant funding from Pattern Energy. This funding will support training opportunities through the San Jose City College's Occupational Safety and Health Administration course and the HVAC Technician & Green Technology (HVGT) Program, which provides a basic understanding of green technology concepts, terminology, systems, and the most recent green mechanical technology. In addition to understanding the 2013 California Title 24 energy standards for residential/nonresidential HVAC applications, students will be prepared to pass the Environmental Protection Agency Section 608 Certification test as well as obtain ESCO's Green Awareness certification. work2future will coordinate these training opportunities which position participants to secure employment with employers who will be working on newly constructed buildings, building additions and alterations.

SJ Works (Bank of America)/ Other Revenue	City Manager - Office of Economic Development and Cultural Affairs		\$29,900	\$29,900
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This action increases the SJ Works (Bank of America) appropriation and revenue estimate for Other Revenue by \$29,900 to reflect additional grant funding received from Bank of America after the development of the 2022-2023 Adopted Operating Budget. This project is designed to support the San Jose Works Program, particularly the administration of a financial management workshop for youth participants.

Youth Workers/Revenue from Federal Government	City Manager - Office of Economic Development and Cultural Affairs		\$209,664	\$209,664
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This action decreases the Youth Workers appropriation and corresponding estimate for Revenue from the Federal Government by \$209,664 to reflect the final formula grant allocations for 2022-2023, which were released following the development of the 2022-2023 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.

Workforce Development Fund (290)			\$1,020,121	\$1,020,121
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